

The secret of employee retention



As any manager who has scrambled to fill an open position can attest, employee turnover can be highly disruptive.

Hiring, onboarding and training take time. Plus, worker value appreciates with experience at the company, so replacing someone isn't as simple as plugging in a new face.

Retention issues challenge businesses large and small in all industries and cost the U.S. economy billions each year. As employers try to figure out job hoppers, they may want to turn to an often untapped group for insight—people who remain with a company throughout their career.

Opportunities to grow

Ask any “job stayer” or “lifer,” as they often get called, about reasons for not switching and you'll likely hear stories about ample chances for development without going elsewhere.

“The major factor of why I stayed so long is that as a large company with many locations and divisions, I was able to change jobs, grow, and learn new skills all throughout my career,” says Stan Kimer, who worked for IBM from age 24 until taking early retirement 31 years later. “I did stints in technical sales support, finance, product planning, marketing development, HR, and sales operations. Even during those few times where I had an awful boss and a position I hated, I knew that before long I could move to something different. And IBM always emphasized the importance of having an individual development plan to focus on both short-term and longer-term skills development.”

Smaller companies and start-ups can provide diverse experiences too. Giving workers the chance to wear many hats or become versed in cutting-edge skills that help the business thrive prevents stagnation and creates a sense of evolving in one's career.

Hard work gets recognized

Employees like to know that management notices their efforts. Whether through promotions, raises, or even

simple words or tokens of thanks, making people feel valued keeps them around.

Consider the case of Nicholas Moller, who started his career with USB Memory Direct at age 18 by sorting keywords, updating the website, and uploading photos. “If that would have been the extent of the work, I would have continued on with my education and left this place a long time ago,” he says. Rather, Moller quickly earned the owner’s trust by producing work that exceeded expectations. Combining hard work with “a desire to take on more responsibilities and tackle problems few people even knew existed,” Moller moved up in the company. Thirteen years after being hired, he serves as vice president.

Respect for the company

Workers with lengthy tenures tend to report admiration for how their employer does business. These feelings oftentimes result from shared values and witnessing treatment of staff and customers.

Wayne Strickland, a 38-year employee of Hallmark Cards, notes the impact of working closely with the grandsons of the company’s founder. “They are genuine, hard-working, honest, family-oriented men that I greatly respect. They have the highest business ethics and make long-term decisions many times instead of the most popular or even profitable decisions. There was never a time when the company did not stand behind any mistakes or issues with any of their products. And the company treats all employees with respect. Hallmark is one of the most inclusive companies I know and has been for a very long time.”

Having a voice

Finally, employers looking to improve retention may want to examine whether or not their workers feel “heard.” Employees encouraged to participate in creating a better company develop stronger ties that often lead them to stick around.

Steve Ricard, who started with the pet care franchise Camp Bow Wow in 2001 and is currently vice president of technology, credits such an atmosphere with keeping him engaged. “The start-up culture of the brand continues to preserve. From the lowest levels to the highest, everyone has a voice. The entire company is vested in its success, and as a result, there is a constant flow of new ideas and ways to innovate.”

Adds Moller about the importance of listening, “You will end up hearing all sorts of suggestions—some good, some bad, and some horrible. Even if you do not find a golden goose in your flock, you are doing something for those employees that no amount of money can do—you are encouraging them to buy in and care about your business. That’s the difference between a person that walks by a fire and one who runs to grab a fire extinguisher, so to speak.”