

## SHOWING THAT YOU CARE IS KEY TO A SUCCESSFUL EMPLOYEE RETENTION STRATEGY

Research undertaken by an American-based employee relationship consultancy says the number one reason why people leave their jobs is due to a perceived lack of empathy from their bosses, says PAG.

The need for structured corporate retention policies has become even more important in today's trading environment: characterised on the one end by global economic jitters, the banking crisis and rising inflation and interest rates; and on the other by a crippling shortage of skills.

In its annual survey on the best companies to work for in South Africa, Deloitte's points out that although more than 80% of companies have some kind of employee retention strategy, only 22% have a structured formal plan. This is despite the fact that more than half the companies surveyed say employee retention is one of their top five business priorities. In addition, 66% of these companies say that a lack of talent hampers their ability to execute their overall business plan.

However, given the high turnover rates experienced by companies it is evident that these retention strategies are failing. This is partly due to the fact that most retention strategies are focused at the upper end of the company's pecking order and not at the employees themselves.

The higher up the executive ladder, the more the emphasis will be on offering salary and benefits competitive with the external market at large. The less elevated an employee, the more likely he or she is to be offered a package that meets equity requirements within the company.

According to the survey undertaken by Deloitte's, barely one-third of companies offer shares or share options to employees. Of those that do, 91% make them available to senior management. Only 55% offer them to middle management, 45% to professionals, 9% to specialists and a mere 4% to support staff.

There's a similar sliding scale when it comes to performance incentive schemes. All surveyed companies with incentives offer them to executives and senior management. Only 50% offer them to shop floor workers.

PAG suggests that executives are out of touch with the concerns of their employees. They think employees are treated like them. In fact, when the US consultancy did its research it asked the executives to complete the questionnaire as they thought their staff would. Their answers were overstated by more than 30 percentage points.

However, findings in the US research indicated that it doesn't take a lot to keep a happy workforce. In addition, to working for a company that cares for its employees, the staff want to be encouraged to develop long-term careers, and for the company to have policies that show concern for them and their families.

The next most important thing for employees, according to the research, is fairness at work. Pay is only part of it: employees want fair treatment and policies. Communication comes third: people want to know what's happening within the company.

Next is accomplishment. Tell employees how they are performing and reward them when they do well. The reward doesn't have to be financial. A public pat on the back and "well done" is often just as good. People want their efforts to be recognised.