

Take the money and stay

How to keep your best employees satisfied **Interviewed by Marcia Passos Duffy**

After the holidays — i.e., after bonus time — there is sometimes a nagging fear among business owners and managers that their top employees will take the money and run. With talent increasingly at a premium — and jobs plentiful for many executives — the fear of losing top workers is not entirely unwarranted.

“It’s a tight market and good employees are hard to find,” says Rob Wilson, president of the Employco Group, a Westmont, Ill.-based firm that handles human resource outsourcing for 400 small and medium-sized Midwest companies. “To avoid unnecessarily losing top talent, employers need to be proactive and create a strategy to retain — and motivate — top employees.”

Smart Business spoke with Wilson on the four categories that every business owner must address in order to retain his or her top employees.

What are the key ways employers can help keep employees happy and on the job?

There are four main categories that need to be addressed to retain — and motivate — employees:

1. Competitive compensation
2. Competitive employee benefits
3. Family-focus benefits and other perks
4. Career planning

In each of these areas, the employer needs to have up-to-date information about two things: the competition and the employee.

How can an employer make sure that the salary is competitive?

The first step is to make sure the employee has a concise job description. You also need to look at the competitiveness of the bonuses and raises. Are you on par with your competition — or under? If you are under the average compensation for a particular job description, what other advantages do you have over your competition?

If the salary is close or equal for your



Rob Wilson
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employees and those of competing companies, what usually tips the scales — in terms of an employee staying or leaving — resides in the three other areas.

Your second category, employee benefits, is usually a hot button for many employees. What if an employer can't afford to fully fund these benefits?

Start-up or small companies that are trying to attract talent from larger companies need to realize they have to offer a competitive salary and some kind of health benefit package — this is a basic requirement. Smaller companies usually cannot compete in this category with large companies, but there are many creative options available today that won't break the bank. There are health insurance cafeteria plans that work by using an employee's pretax dollars to pay for his or her portion of insurance premiums.

Outside of the typical health insurance, a business can also provide discounted dental or eye care plans, home, auto and even pet insurance. These kinds of options are what will set your business apart from the competition — even if the employer doesn't pay for the premiums.

There are other employee benefits that

companies can offer, such as 401(k) plans and 529 college savings plans, which, surprisingly, are not offered by many small businesses. Again, there are creative ways to fund this — including matching or non-matching, or even profit-sharing. You can also offer discounted theme park tickets, car rentals or health club memberships.

Your third and fourth categories are family-focus benefits and career planning. Could you explain creative options for these areas?

Family-focus benefits include flextime, job sharing, child care benefits and telecommuting, to name a few. Workers have different needs in this area, so it is important that employers reach out and ask employees what would work best for their particular circumstance. For example, a single parent may want to come into work earlier and leave earlier to pick up a child from school. Others may want to have a telecommuting option when a child is home sick.

Employee recognition also falls under this category and can include company celebrations for anniversaries or the completion of a major project. Celebrate accomplishment large and small.

In career planning, you need to have a one-on-one conversation with employees because, like family-focus benefits, one size does not fit all. These conversations can occur during performance appraisals, which ideally happen more than once a year. This is the time to ask the employee about his or her career aspirations and to set benchmarks to help that employee reach those goals. Create opportunities for employees to learn and grow and link the goals of the organization with the goals of each individual in it.

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