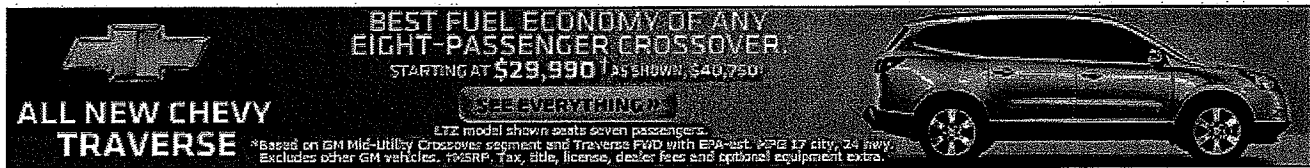# About.com. Human Resources

Top Ten Ways to Retain Your Great Employees

Why Retention? Four Tips for Employee Retention
By Susan M. Heathfield, About.com

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Key employee retention is critical to the long term health and success of your business. Managers readily agree that retaining your best employees ensures customer satisfaction, product sales, satisfied coworkers and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning. If managers can cite these facts so well, why do they behave in ways that so frequently encourage great employees to quit their jobs?

Employee retention matters. Organizational issues such as training time and investment; lost knowledge; mourning, insecure coworkers and a costly candidate search aside, failing to retain a key employee is costly. Various estimates suggest that losing a middle manager costs an organization up to 100 percent of his salary. The loss of a senior executive is even more costly. I have seen estimates of double the annual salary and more.

Employee retention is critically important for a second societal reason, too. Over the next few years while Baby Boomers (age 40 to 58) retire, the upcoming Generation X population numbers 44 million people (ages 25-34), compared to 76 million Baby Boomers available for work. Simply stated: there are a lot fewer people available to work.

Employee retention is one of the primary measures of the health of your organization. If you are losing critical staff members, you can safely bet that other people in their departments are looking as well. Exit interviews with departing employees provide valuable information you can use to retain remaining staff. Heed their results. You'll never have a more significant source of data about the health of your organization.

I've provided retention tips in earlier articles, but will add ten more retention tips to your arsenal with these top ten ways to retain a great employee.

- Management thinkers from Ferdinand Fournies (_Why Employees Don't Do What They're Supposed to Do and What to Do About It_) to Marcus Buckingham and Curt Coffman (_First Break All the Rules_ agree that **a satisfied employee knows clearly what is expected from him every day at work.** Changing expectations keep people on edge and create unhealthy stress. They rob the employee of internal security and make the employee feel unsuccessful. I'm not advocating unchanging jobs just the need for a specific framework within which people clearly know what is expected from them.

- **The quality of the supervision an employee receives is critical to employee retention.** People leave managers and supervisors more often than they leave companies or jobs. It is not enough that the supervisor is well-liked or a nice person, starting with clear expectations of the employee, the supervisor has a critical role to play in retention. Anything the supervisor does to make an employee feel unvalued will contribute to turnover. Frequent employee complaints center on these areas.

  --lack of clarity about expectations,
  --lack of clarity about earning potential,

--lack of feedback about performance,
--failure to hold scheduled meetings, and
--failure to provide a framework within which the employee perceives he can succeed.

- **The ability of the employee to speak his or her mind freely within the organization is another key factor in employee retention.** Does your organization solicit ideas and provide an environment in which people are comfortable providing feedback? If so, employees offer ideas, feel free to criticize and commit to continuous improvement. If not, they bite their tongues or find themselves constantly "in trouble" - until they leave.

- **Talent and skill utilization is another environmental factor your key employees seek in your workplace.** A motivated employee wants to contribute to work areas outside of his specific job description. How many people could contribute far more than they currently do? You just need to know their skills, talent and experience, and take the time to tap into it. As an example, in a small company, a manager pursued a new marketing plan and logo with the help of external consultants. An internal sales rep, with seven years of ad agency and logo development experience, repeatedly offered to help. His offer was ignored and he cited this as one reason why he quit his job. In fact, the recognition that the company didn't want to take advantage of his knowledge and capabilities helped precipitate his job search.

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Nine Recruiting and Selection Tips to Ensure Successful Hiring

Four Recruiting and Hiring Tips
From David Meyer, Ph.D., for About.com

(Continued from Page 1)

These four tips will help you in recruiting and hiring a candidate who will become a successful, contributing superior employee. Review the first five of the nine tips.

A Bad Hire Is Worse Than You Think

According to the *Harvard Business Review*, 80 percent of turnover is caused by bad hiring decisions. These are costly mistakes. The U.S. Department of Labor calculates that it costs one-third of a new hire's annual salary to replace him. These figures include money spent on recruitment, selection and training plus costs due to decreased productivity as other employees fill in to take up the slack.

But these numbers don't reflect the intangible damages an exiting employee can have such as lost customers and low employee morale across the rest of the organization. And, turnover costs climb even higher as you move up the organization: mid- and upper–level managers can cost over twice their annual salary to replace.

Interviewing Doesn't Work

Traditional interviews don't help you select top talent. In fact, a large study conducted by John and Rhonda Hunter at the University of Michigan on the predictors of job performance found that a typical job interview increased the likelihood of choosing the best candidate by less than 2 percent.

Worse, the traditional job interview is a highly subjective process. Interviewers often have a range of biases that dramatically affect their perceptions of individual job candidates. Despite the best of intentions, interviewers and supervisors have an unconscious tendency to favor people who are similar to themselves.

An interview-only hiring process can create teams that get along reasonably well - but lack the blend of skills needed to excel in business together.

The Galliard Group of Boise, Idaho, works with family-owned and closely held companies to build cost-effective hiring practices. Managing Partner Lisë Stewart points out that there is a real danger in simply collecting resumes and interviewing a few top candidates. "Desktop publishing and resume writers can make almost anyone look good on paper."

Stewart continues, "Do a web search on 'job interviewing' and you'll find thousands of websites full of advice on how to 'ace' the interview. We've seen well-rehearsed candidates give great interviews. Unfortunately, those great interviews do not predict success in the job; they predict success in doing job interviews."

The Most Neglected Aspect of Hiring

A job analysis is the most neglected aspect of hiring. Performed correctly, a job analysis provides a list of the personal

attributes required to work effectively in the role. This list of attributes is identified first by breaking down a person's job into logical parts.

Next, each job task is analyzed according to the knowledge, skills, abilities and attitudes required to perform the job correctly. Once a business knows what the position requires, the hiring process is faster and more effective because job candidates are evaluated on a common set of criteria. When you know exactly what talents are required—you know what to look for and what to test for.

"Most Human Resource departments know that a good job analysis is needed to get the best person but it's surprising how many just aren't doing it at a basic level," says Stewart. "Turnover is reduced when the person fits the job. It's just common sense: people love their jobs when the position matches their personality, attitudes, and skills." Stewart says that an effective job analysis is critical in achieving this 'fit.'

Matching People to Jobs

Once a business understands what the job demands, there are several tools that help identify the right people for the job. Candidate screening, personality and skill assessments, performance-based interviews and behavioral based interviews all help identify top candidates.

"No single technique on its own can predict on-the-job performance so companies need to use a blend of tools that reflect their needs." says Stewart. "The research on hiring is clear on one point: using multiple selection methods gives you the best employees."

Stewart notes that a multi-faceted approach can both streamline the process and ensure much better, fit—increasing employee retention and productivity. She adds, "Hiring people does not need to cost a lot or take a long time. Once a business has a sensible hiring process in place, finding top talent is much easier."

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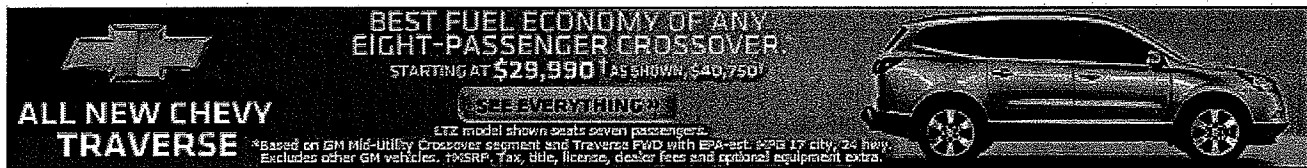- Top 10 Toughest Questions - Answered

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Performance Management Process Checklist
Step-by-step to a Performance Management System
By Susan M. Heathfield, About.com

See More About: performance management   employee development   performance feedback   360 degree feedback   performance development planning meeting (pdp)

Performance appraisals, performance reviews, appraisal forms, whatever you want to call them, let's call them gone. As a stand-alone, annual assault, a performance appraisal is universally disliked and avoided. After all, how many people in your organization want to hear that they were less than perfect last year? How many managers want to face the arguments and diminished morale that can result from the performance appraisal process?

How many supervisors feel their time is well-spent professionally to document and provide proof to support their feedback - all year long? Plus, the most important outputs for the performance appraisal, from each person's job, may not be defined or measurable in your current work system. Make the appraisal system one step harder to manage and tie the employee's salary increase to their numeric rating.

If the true goal of the performance appraisal is employee development and organizational improvement, consider moving to a performance management system. Place the focus on what you really want to create in your organization - performance management and development. As part of that system, you will want to use this checklist to guide your participation in the Performance Management and Development Process. You can also use this checklist to help you in a more traditional performance appraisal process.

In a recent Human Resources Forum poll, 16 percent of the people responding have no performance appraisal system at all. Supervisory opinions, provided once a year, are the only appraisal process for 56 percent of respondents. Another 16 percent described their appraisals as based solely on supervisor opinions, but administered more than once a year.

If you follow this checklist, I am convinced you will offer a performance management and development system that will significantly improve the appraisal process you currently manage. Staff will feel better about participating and the performance management system may even positively affect - performance.

Preparation and Planning for Performance Management

Much work is invested, on the front end, to improve a traditional employee appraisal process. In fact, managers can feel as if the new process is too time consuming. Once the foundation of developmental goals is in place, however, time to administer the system decreases. Each of these steps is taken with the participation and cooperation of the employee, for best results.

Performance Management and Development in the General Work System

- Define the purpose of the job, job duties, and responsibilities.
- Define performance goals with measurable outcomes.
- Define the priority of each job responsibility and goal.
- Define performance standards for key components of the job.

- Hold interim discussions and provide feedback about employee performance, preferably daily, summarized and discussed, at least, quarterly. (Provide positive and constructive feedback.)
- Maintain a record of performance through critical incident reports. (Jot notes about contributions or problems throughout the quarter, in an employee file.)
- Provide the opportunity for broader feedback. Use a 360 degree performance feedback system that incorporates feedback from the employee's peers, customers, and people who may report to him.
- Develop and administer a coaching and improvement plan if the employee is not meeting expectations.

Immediate Preparation for the Performance Development Meeting

- Schedule the Performance Development Planning (PDP) meeting and define pre-work with the staff member to develop the performance development plan (PDP).
- The staff member reviews personal performance, documents "self-assessment" comments and gathers needed documentation, including 360 degree feedback results, when available.
- The supervisor prepares for the PDP meeting by collecting data including work records, reports, and input from others familiar with the staff person's work.
- Both examine how the employee is performing against all criteria, and think about areas for potential development.
- Develop a plan for the PDP meeting which includes answers to all questions on the performance development tool with examples, documentation and so on.

The PDP Checklist continues on the next page.

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Job interviews are always stressful - even for job seekers who have gone on countless interviews. The best way to reduce the stress is to be prepared. Take the time to review the "standard" interview questions you will most likely be asked. Also review sample answers to these typical interview questions.

Then take the time to research the company. That way you'll be ready with knowledgeable answers for the job interview questions that specifically relate to the company you are interviewing with.

Interview Questions: Work History

- Name of company, position title and description, dates of employment. - Best Answers
- What were your expectations for the job and to what extent were they met? - Best Answers
- What were your starting and final levels of compensation? - Best Answers
- What were your responsibilities? - Best Answers
- What major challenges and problems did you face? How did you handle them? - Best Answers
- What did you like or dislike about your previous job? - Best Answers
- Which was most / least rewarding? - Best Answers
- What was the biggest accomplishment / failure in this position? - Best Answers
- Questions about your supervisors and co-workers. - Best Answers
- What was it like working for your supervisor? - Best Answers
- What do you expect from a supervisor? - Best Answers
- Who was your best boss and who was the worst? - Best Answers
- Why are you leaving your job? - Best Answers
- What have you been doing since your last job? - Best Answers
- Why were you fired? - Best Answers

Job Interview Questions About You

- What is your greatest weakness? - Best Answers
- What is your greatest strength? - Best Answers
- Describe a typical work week. - Best Answers
- Do you take work home with you? - Best Answers
- How many hours do you normally work? - Best Answers
- How would you describe the pace at which you work? - Best Answers
- How do you handle stress and pressure? - Best Answers
- What motivates you? - Best Answers
- What are your salary expectations? - Best Answers
- What do you find are the most difficult decisions to make? - Best Answers
- Tell me about yourself. - Best Answers

- What has been the greatest disappointment in your life? - Best Answers
- What are you passionate about? - Best Answers
- What are your pet peeves? - Best Answers
- What do people most often criticize about you? - Best Answers
- When was the last time you were angry? What happened? - Best Answers
- If you could relive the last 10 years of your life, what would you do differently? - Best Answers
- If the people who know you were asked why you should be hired, what would they say? Best Answers
- Do you prefer to work independently or on a team? - Best Answers
- Give some examples of teamwork. - Best Answers
- What type of work environment do you prefer? - Best Answers
- How do you evaluate success? - Best Answers
- If you know your boss is 100% wrong about something how would you handle it? - Best Answers
- Describe a difficult work situation / project and how you overcame it. - Best Answers
- Describe a time when your workload was heavy and how you handled it. - Best Answers
- More job interview questions about your abilities. - Best Answers
- More job interview questions about you. - Best Answers

Job Interview Questions About the New Job and the Company

- What interests you about this job? - Best Answers
- Why do you want this job? - Best Answers
- What applicable attributes / experience do you have? - Best Answers
- Are you overqualified for this job? - Best Answers
- What can you do for this company? - Best Answers
- Why should we hire you? - Best Answers
- Why are you the best person for the job? - Best Answers
- What do you know about this company? - Best Answers
- Why do you want to work here? - Best Answers
- What challenges are you looking for in a position? - Best Answers
- What can you contribute to this company? - Best Answers
- Are you willing to travel? - Best Answers
- Is there anything I haven't told you about the job or company that you would like to know? - Best Answers

Interview Questions: The Future

- What are you looking for in your next job? What is important to you? - Best Answers
- What are your goals for the next five years / ten years? - Best Answers
- How do you plan to achieve those goals? - Best Answers
- What are your salary requirements - both short-term and long-term? - Best Answers
- Questions about your career goals. - Best Answers
- What will you do if you don't get this position? - Best Answers

Tough Interview Questions
These are some of the more difficult interview questions that you may be asked on a job interview.

Customer Service / Retail Interview Questions
These are questions you may be asked on an interview for a retail or customer service position.

Interview Questions to Ask
The last job interview question you may be asked is "What can I answer for you?" Have an interview question or two of your own ready to ask. You aren't simply trying to get this job - you are also interviewing the employer to assess whether this company and the position are a good fit for you.

Behavior Based Interview Questions
In addition to being ready to answer these standard questions, prepare for behavior based interview questions. This is

based on the premise that a candidate's past performance is the best predictor of future performance. You will you need to be prepared to provide _detailed responses_ including specific examples of your work experiences. The best way to prepare is to think of examples where you have successfully used the skills you've acquired.

Compile Responses to Interview Questions
Take the time to compile a list of responses to both types of interview questions and to itemize your skills, values, and interests as well as your strengths and weaknesses. Emphasize what you can do to benefit the company rather than just what you are interested in.

References
Expect to have your _references_ checked prior to getting an offer. Plan ahead and compile a list of references and some letters of recommendations now, so you're prepared when the employer requests them.

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