

How to Create a Company Where People Stay

Source: TLNT, By: Vivian Maza

Employee retention is an ongoing challenge for many organizations. Across industries, there are talent shortages at almost every job level, and employers face an increasingly competitive job market. Though candidates and current employees have many career options, there are steps you can take to create a workplace where people want to stay, grow, and thrive.

But before we discuss the how, it's important to understand the why.

A positive, productive culture isn't just great for people — it's also great for business. For one, turnover is expensive: 78% of business leaders say retention and employee engagement is a top concern, and the cost of replacing employees ranges from 30% to 200% of annual incomes. Whether you're a company with five employees or 500, turnover can have a significant impact on your bottom line.

When it comes to building great cultures, companies with a business focus on HR seem to have success. At Ultimate Software, we're proud of our own 94% employee-retention rate, and to be continuously recognized for having one of the best workplaces in the nation. We've learned a lot about putting people first through Ultimate's 25-plus years of building HR solutions.

But you don't have to be in the people business to be a people company. Here are some ways to ensure you're keeping employees at the forefront of all you do.

Build a culture of trust, empowerment

Successful cultures are sustained on trust. Building that trust takes buy-in and dedication at every level of the organization: from executives to managers to HR to customer service representatives to entry-level employees. Remember that you hired your talented people because they are great at what they do — so trust them to do a great job. Trust makes a difference. It empowers your people, and employees who feel empowered often display stronger job performance, higher satisfaction, and increased commitment to the organization.

Often, that empowerment comes from quality relationships among employees, and research shows good working relationships are key. In fact, according to a recent nationwide study, employee-manager relationships are the number-one driver of employee satisfaction at work today. Looking at your current culture, do managers have what they need to lead effectively? Are they routinely checking in with employees to ensure they feel empowered to seek growth opportunities? Managers, in turn, should also feel empowered to ask for help if they feel they don't have the skills to help employees grow. There's no one-size-fits-all approach to success, so talk to your people about the tools they need to continue developing their skills and reach their long-term career goals.

Use AI to predict risk

Technologies such as artificial intelligence (AI) and machine-learning platforms that offer predictive analytics capabilities and sentiment analysis can also help reduce turnover. In one case, a top employee at the Anderson Center for Autism was about to hand in her resignation. However, with the help of technology, the HR department predicted this move and developed a personalized retention plan that ultimately made her change her mind. Using predictive analytics, Anderson Center has been able to identify at-risk employees, as well as forecast employees' likelihood of remaining at the organization for the next 12 months, and act immediately on that insightful information.

Not only has Anderson Center saved substantial time and money with these advanced solutions, but it's also now able to better identify, develop, and retain great talent in a highly regulated organization with few resources to spare — all while maintaining the strong employee base that's critical to advancing the center's mission of providing the highest-quality programs for children and adults with autism.

Preserve the “little things”

It's easy for companies to lose sight of their cultures as they grow and bring new people onboard. While startups and smaller organizations can feel like tight-knit families, that's not always true for organizations with thousands of employees. However, protecting your employee-centric culture should remain a high priority, regardless of your company's size.

Throughout the growth phase, focus on preserving “the little things,” the special touches — from birthday celebrations to baby showers to community service outings — that form meaningful bonds and show employees you're invested in their complete well-being.

Breakroom gatherings and team lunches shouldn't disappear as you scale. Consider what made your organization unique during the early stages, and what you can continue to hold onto, or bring back, to preserve that close-knit culture.

Think benefits

According to Gallup, millennials are the least engaged generation in the workplace, with six in 10 open to new job opportunities. Millennials also make up the largest generation in the U.S. workforce today. If organizations want employees to stay until retirement, they must show they've made a long-term investment in their people. Company outings and catered meals are nice perks in the short term, but offering such benefits as unlimited paid time off or a competitive 401(k) company match can be life-changing for employees, while promoting a healthy work-life balance.

Consider ways you can restructure benefits to accommodate employees of all ages, and continue tailoring benefits based on changes in the workplace and evolving expectations. For example, younger millennials may not be thinking about maternity leave today, but a generous, well-rounded benefits package illustrates you're focused on keeping that employee happy 10, 15, and 20 years from now. Not all benefits will fit into every company's budget, but it's worth taking a closer look at your current offerings, and listening to your people to see which benefits matter the most to them.

Creating a workplace where people want to spend their careers takes companywide commitment and a long-term investment. But the results will be well worth the time and effort. Even in a candidate's market, you'll see reduced turnover, increased productivity, and happier employees. When you focus on culture, your people and your business thrive.