



Small Business Builder: Send a Message to Employees

Money Talks But Doesn't Tell the Whole Story

By Mary Campbell

April 25

Turnover is still a problem for large and small businesses alike.

And if you've had to lay off some under-performers recently, it's even more important to retain the employees who contribute the most.

But for workers, it's still a relatively good time to be looking for a job — the latest unemployment data showing a jobless rate of 4.3 percent, just a few ticks higher than recent record lows. Keep in mind that from 1990 to 1997 unemployment stayed above 5 percent — spiking to almost 8 percent in 1992.

In the past, small businesses have competed with high-dollar, benefit-laden employment packages offered by big companies. Now they're also competing with the independence of workers themselves — people who, according to numerous studies, view themselves as "free agents" and perceive even two years as "a long time" to work for an employer.

The Price of Talent

Salary is first on the list of inducements to join a company and stay there, according to recent surveys. That's followed by intangibles (such as enjoyment, recognition, flexibility, increasing responsibility, and opportunities to "make a contribution" and to advance), as well as tangibles (such as training and insurance and retirement benefits).

But before you break the bank to give your business manager a raise, consider that for the past several years most surveys placed salary third or lower among ways to attract and keep employees. Employers have tried hard to meet worker demand for family-friendliness, flexibility, fun, a voice in policy-making, and other such advantages. Now many employees take such working conditions for granted and again covet higher earnings.

The 1999 book *Love 'Em or Lose 'Em* by Beverly Kaye and Sharon Jordan-Evans, offers A-to-Z instructions for "Getting Good People to Stay." Just reading the chapter names is instructive: "Information: Share It," "Jerk: Don't Be One," "Kicks: Get Some," "Link: Create Connections," and "Mentor: Be One."

□A□ Is for Ask

The first step, says Kaye, is to "ask people why they stay" with your company. "Asking is better than guessing," she adds, because employees "feel included and hear your commitment."

Kaye — an organizational, management, and career-development consultant who is founder and president of Career Systems International — anticipates that "talent is going to be tight for another decade" and offers advice for small companies that want to keep their productive employees:

Make sure the "people who count" know they're wanted. "Take a helicopter view of your message," says Kaye. If you tell employees you prize their talent □ "You matter, we need you" □ and then curtail talent-builders such as training, it sends a mixed message that casts doubt on your sincerity.

Keep them informed. Kaye and Jordan-Evans have found that employees want to know the truth about the company and about their own performance. Morale suffers when management conceals, withholds, or distorts.

Reward them. Paying your people fairly is just the start. Rewards should match employees' needs and wants, according to Kaye, who refers to "praise" as "the universal reward."

"Maybe a 'to-do' in these times," Kaye observes, "is for every manager to have a 'keep-'em' talk with every employee & and to listen past 'it's about money' to what's really important."

An editor since the age of 6, when she returned a love letter with corrections marked in red, Mary Campbell founded Zero Gravity in 1984 to provide writing, editing and marketing services. Small Business Builder is published on Wednesdays.

Copyright © 2007 ABC News Internet Ventures