

How to Keep Turnover Low and Employees Motivated in the Midst of Economic Turmoil

by Mike Foster

As a business owner or manager, your job is to get things done through your employees. To do this, you need to be able to motivate your team. However, in today's age of downsizing, reduced employee loyalty, and the absence of job security, many business owners are finding that employee motivation is a concept that's easier said than done.

The "old school" approach believed that money and social events were the best ways to motivate employees. Today, we know differently. In a 20-year study on employee motivation, involving 31,000 men and 13,000 women, the three motivational factors both genders rated highest were 1) advancement, 2) type of work, and 3) a company to be proud of. Factors such as pay, benefits, and working conditions were given a low rating by both groups, although this does not mean that companies can reward employees poorly or unfairly. It simply means that managers need to adjust their perspective when it comes to keeping motivated employees on the payroll.

The fact is that an unmotivated employee impacts your company more than you may realize. In addition to the obvious costs of reduced productivity and turnover, you must also consider the effects your employees have on your customers. If your customers sense that your employees do not enjoy their jobs or are not motivated to "go the extra mile," they will stop doing business with you and seek out the assistance of your competitors. Additionally, if your customers are getting assigned to new sales or service personnel every year, their trust in the company will begin to diminish. Some of your "loyal" customers may even follow a particular employee to his or her new company if a strong bond has been developed. Even though not every employee on your payroll may be responsible for bringing in new business, their actions play a direct role in customer retention.

In order to foster an environment that motivates and stimulates employees, managers and business owners need to incorporate some new motivation-building practices into their corporate culture. Below are the top ways to motivate your existing staff and encourage them to keep their skills within your organization.

Listen to employees and respect their opinions One of the biggest complaints from employees is that their managers don't listen to them or take their ideas seriously. Most employees have a genuine interest in the company's well being. They want to contribute to the company's success and offer suggestions for helping the organization reach the next level. Unfortunately, when these employees relay their ideas to their management team, many times they are either ignored or put down. This often leads to the employees choosing to feel resentful and to no longer care about the company's success.

Listen to your employees and respect their opinions by giving them your undivided attention. Also, be sure to explain that although you are interested in their ideas, you are not necessarily going to put all their ideas into practice. Listen to their contribution in a respectful manner and let the employee know

that you're grateful for his or her continued interest and input. If the employee's idea is not useful at this time, you have a choice to make. You can either explain or not explain your point of view.

One approach is to point out the reasons the idea has merit, along with what areas need to be reworked. Once the employee thinks about his or her idea in greater detail and fine-tunes it, it may indeed prove to be a useful one. Or, you do have the option of skipping the explanation. Tell the employee that while you appreciate the idea, for a number of reasons, it won't be implemented at this time. At least you took the time to listen to the idea. You will often be amazed at the quality of ideas and increase in productivity when you give your employees respect and recognition for their dedication and their willingness to contribute.

Base rewards on performance Managers and business owners typically overplay the importance money has on an employee's motivation. While money is important to your team members' lifestyle, it's not their only factor for taking or keeping job. In fact, Roper Starch Worldwide for Randstand North America recently cited that workers who are offered a new job use several factors to decide whether to take it or to stay where they currently are. The top three factors were 1) they like the people they work with, 2) the commute is easy, and 3) the work is challenging. Again, money did not make the list.

For those managers who want to monetarily reward their employees, consider basing the reward on performance rather than seniority or the number of hours someone looks busy. For example, if you have a sales person who consistently brings in new business without having to put in overtime, it's safe to assume the sales person is using his or her time effectively and making the most of each contact. Why not reward this employee based on the results he or she is able to achieve? Likewise, if someone on your administrative staff suggests a sound idea that can decrease costs or increase profits, then implement the idea, give the employee the appropriate recognition, and offer a monetary bonus based on how much this new idea will affect company profits. When you give bonuses based on performance rather than the number of hours someone sits behind a desk, you begin to see real results to your bottom line.

Be a resource for your employees

Many times, employees don't feel that they can go to their manager for assistance and support. They complain that their management team is "unapproachable" and that they wish they could talk to their managers to solve problems. They view their managers as too busy gathering and reviewing reports or too preoccupied with managerial tasks that don't foster an environment of teamwork or motivation. As a result, the employees feel unimportant to the company's objectives.

To alleviate this problem and keep your employees happy, start by telling them that you're willing to be an asset or to provide other assets that can help them accomplish their tasks or work through problems. After you tell them, demonstrate your commitment to this policy through your actions. This can mean being available for one-on-one meetings with employees, providing them with the necessary computer tools or programs to get the job done, or offering to assist with some tasks of a particular project that may be too complex for the

employees. The more your employees feel that they can turn to you for support and guidance, the more willing they'll be stay with your company.

Show your employees what's next Too many times, managers keep their employees focused on the project at hand and don't tell their employees about the opportunities in the future. They mistakenly think that employees don't need to know where the company is going, and they believe that employees should only focus on the present. This kind of short-term thinking limits your employees' creativity and is a major cause of job dissatisfaction. In reality, your employees desperately want to know what is coming as far as their workload and job security. If they can't sense more projects down the line, they understandably become scared and think they'll be out of job once the current project comes to an end. However, when you keep your employees abreast of upcoming projects, you give them something to look forward to. Even if they dislike the current task or project they're assigned to, knowing that something better is coming in the near future motivates them to quickly complete the current project while encouraging them to stay with the company.

As today's business market continues to fluctuate, business owners and managers need the most competent employees to stay competitive. The only way to keep these employees is to motivate them for success. When you listen to your employees, reward them, become a resource for them, and keep them informed, you take the first steps to true employee motivation. By taking the time to provide these little extras for them, they'll reciprocate by remaining valuable members of your team.

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