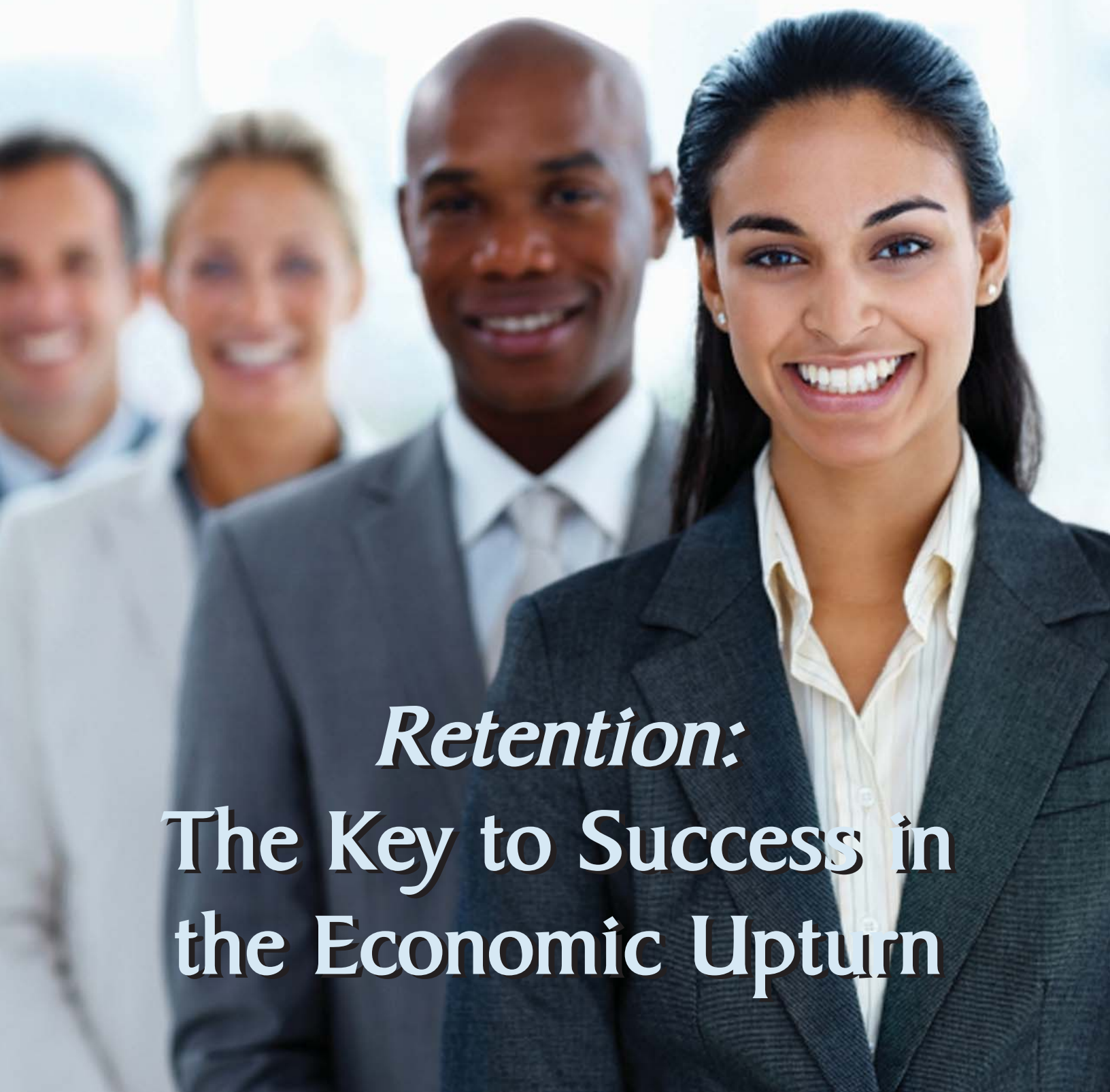




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Professional and Human Capital Services for Insurance, Healthcare and Financial Services



*Retention:*  
**The Key to Success in  
the Economic Upturn**

# Retention: The Key to Success in the Economic Upturn

By Sandy Schaefer, Assistant Vice President, The Jacobson Group

**Where does employee retention fall on your list of workplace priorities?** It should be one of your top management initiatives - especially in challenging economic times.

Will your employees jump ship at the first opportunity? If you've been operating under the impression that employees are lucky to simply have a job in the current economy, it's time to adjust your mindset and focus on retention. According to the 2009 Salary.com Employee Job Satisfaction and Retention Survey, 80 percent of employers do not believe their employees will begin a job search in the next few months; yet, 60 percent of employees plan to intensify their job search in the same time period. Another recent survey found that more than 80 percent of employees plan to leave or are considering leaving their employers in 2010.

As the economy turns and business begins to pick up, you will take on more projects and support heavier workloads. What will you do if your top employees leave your organization for a company that is also seeing an uptick in business? The time you should spend capitalizing on business opportunities will be sacrificed as you search for



new employees.

It is your responsibility as a manager to keep employees productive and passionate about their work. It's been estimated that the cost of replacing an employee is around one-third to three times his/her annual salary. As you position your team for an economic turnaround, you need employees in place who are dedicated to their roles and to your organization.

**Have you heard the phrase “employees don’t quit their jobs, they quit their managers?”**

*According to a study administered by Florida State University...*

- 39 percent of supervisors fail to keep promises.
- 27 percent of supervisors make negative comments about them to other employees or managers.
- 23 percent of supervisors blame others to cover up mistakes or to minimize embarrassment.

## What affects employees' decisions to make a job change?

There are a variety of case-by-case reasons employees may leave an employer. However, the most common reasons are inadequate compensation, insufficient development opportunities, poor managers and lack of recognition. Conversely, there are several reasons employees choose to stay in their positions: job security, enjoyable co-workers, desirable hours, good relationships with managers and desirable benefits.

## What can you do to increase employee retention?

Even in the challenging economy, it is possible to create a positive and encouraging work environment.

*Communicate with your employees.* What do they want from you as a manager? Do they seek frequent feedback or does a semi-annual performance review suffice? Work to incorporate your employees' preferred management styles into your own management technique. Meet with your employees on an individual basis, at least once per month, to check in and see how things are going.

*Share the "big picture."* Let employees know how their roles impact the company. How do their specific job functions tie into the bigger picture? Share the company's overall objectives with your team and be diligent in highlighting how their positions feed into the overall goal. This may include a weekly or monthly company-wide status update email.

*Offer career development programs.* Although budgets are tight, it is possible to find low-cost ways to continue to develop employees. Start a company-wide mentoring or job shadowing program or consider providing more responsibility to top employees – even if you are not currently in a position to give them a monetary raise. Many employees get bored with monotony and will leave a position if they feel they are not being challenged.

*Encourage employee camaraderie.* Co-worker relationships are a key element in employee retention. While it is important that work time isn't sacrificed due to office chatting, promote

activities such as team lunches, potlucks and social events. Establish a morale committee to head community-building activities such as a corporate book club or an after-work sports league. Additionally, initiate healthy competition

between teams or team members to enhance productivity, while boosting employee morale. A few ideas are to reward highest call volumes and sales or to create brackets for sports championships.

*Show appreciation.* Recognize when employees go above and beyond. This may include gift cards or formal announcements to the company. Observe employee anniversaries with cards hand-signed by management.

*Identify your top talent.* Invest most of your time and energy into retaining your top performers. Recognize high achievers and let them know they are valued. These are the individuals that are vital to your organization's future success. Provide them with additional responsibilities and projects that will keep them engaged in their work and will position them for opportunities down the road.

*Don't be a micromanager.* Listen to your employees' ideas and opinions. Refrain from the urge to bark orders in an attempt to get tasks done as quickly as possible.

*Consider an employee engagement/satisfaction survey.* Are your employees happy in their work, or are they just putting on a good show? Conduct an anonymous employee survey and seek candid opinions on how you can improve the office environment or tweak your management style. Once you've identified the areas that need the most improvement, establish cross-organizational committees tasked with identifying the root of the issues and creating solutions.

The ability to retain employees is a vital part of any manager's success. Make it a priority for your organization and benefit from a more productive and loyal workforce. ▲

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## About The Jacobson Group

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Since 1971, The Jacobson Group has provided insurance, healthcare and financial service organizations with the professional and human capital solutions necessary to achieve results. Our extensive portfolio of talent solutions includes executive search, professional recruiting, interim staffing, consulting and outsourcing. Headquartered in Chicago, The Jacobson Group maintains offices nationwide.

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