

Are You Securing Your Talent for an Economic Rebound?

According to the Bureau of Economic Research, the recession ended in June of 2009. I'm sure that many don't believe it, especially individuals still trying to find work. History has shown that job creation will always lag behind the recession. When the recession ends, jobs come later.

It has been over a year since the recession ended and job growth has been sluggish at best. But there are some trends that may indicate employers are starting to see light at the end of the tunnel, and there are signs of growing confidence in the economy. According to Word at Work, 51% of companies planned to unfreeze salaries in January of 2010, by March of 2010 that figure jumped to 70%. One-third of companies chose not to give raises in 2009, but only 16% failed to do so in 2010. Lastly, salary increase projections, while modest, are trending in a positive direction for 2011. It seems that employers are starting to loosen the purse strings.

These positive trends are good news for the employed and perhaps can be seen as precursors to more significant growth in the job market, which is good news for the unemployed. For employers, this could be the start of a transition from an "employers' market" to an "employees' market". This will create demand for more workers with the best talent as well as increase job mobility. Those talented employees, who were afraid to change jobs a year ago, may not be so hesitant to leave their current jobs and seek greener grass in the near future. Forward thinking companies recognize this and are taking steps to be sure they don't lose talent to the pending increase in labor demand.

Now is the time to take steps to make sure your company does not lose talent when we enter a full economic recovery. So what do you do? First, it is important to know what causes good people to leave their jobs. According to www.more-for-small-business.com there are five common reasons why employees leave:

1. Employees feel there is no link between what they are paid and their performance.
2. They do not feel recognized or appreciated.
3. They don't respect their manager or leader.
4. They don't understand how their work fits into the company's objectives.
5. They feel threatened, or overwhelmed, by the constant change in the organization.

So, what can you do to retain employees?

1. Institute a more aggressive incentive program that rewards both individuals and corporate performance. If structured correctly, these incentive plans can be a very good retention tool for high performers, and create minimal financial risks because they only pay out if the organization does well.
2. Implement a merit pay system where top performers receive a more aggressive raise than marginal ones, and where poor performers receive little to no increase.
3. Reevaluate your pay structure to ensure you are paying a competitive salary. This is especially important when evaluating the pay of your top performers against the market.
4. Provide a flexible work environment that supports work life balance. Allow for employees to organize their work around doctor's appointments, school functions, or a child's sporting event.
5. Look for opportunities to provide more interesting and challenging work to your top performers. This can be in the form of a new role, doing a special project or serving on a project team. This demands that managers become keenly aware of what motivates the people they manage. This is part of being a great boss.
6. Be a great boss. A great boss listens, is fair, treats everyone with respect and takes time to develop his or her employees.
7. Provide training. High performers want to grow and learn. Investing in their learning demonstrates the organization's commitment to excellence, and to them.
8. Communicate. Communication is always critical and a company that keeps its employees informed will generate greater loyalty. Communicate the company's mission, standards, and goals and never stop communicating progress.

As we move into a more economically viable stage, the organizations that are aggressive about taking steps to retain their best people, will be the companies that are best positioned to capitalize on the vast opportunities the resurgent economy will present.

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