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Title: **Retaining Employees in Challenging Times**

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These are tough and uncertain times, even for the most well-established businesses. Because of that, most owners and managers are looking for ways to cut spending and streamline operations.

As you consider ways to reduce expenses, you know there's one thing your business can't run without: *your employees*. Maybe you're considering staff cuts or changing work schedules to reduce costs. Those and other measures may be necessary to survive. But every company has key employees it can't risk losing—especially in times of stress and challenge.

Smart business leaders took steps long ago to identify and coach key employees. It's even more important during periods of economic decline to make sure critical team members know how much they mean to you and your business. Resist the temptation to think, “She *knows* I appreciate her contributions, so I can focus on looking for new revenue.” Or, “With our problems in production and operations, this is no time for pats on the back.” Remember, even though the market may be lousy, and most employees won't leave *now*, how you treat them will affect their employment choices for months and years to come.

As a business owner who's weathered multiple business cycles, and as the leader of a firm that works with people in all stages of job searches, let me tell you why you need to pay special attention to your people—*especially* in tough economic times.

First, it's easy to be generous when there's a lot to share. But your staff will remember how you treat them when times are tight. Loyalty is built over time, and weathering adversity can be the glue that holds a team together. Knowing that—and making sure your employees know they're key to your success—will set you above your competition now and in the future.

Second, a reputation is a remarkably fragile thing. You can build great relationships with clients, customers and suppliers, but an employee who's been overlooked or disregarded can hurt you more than you can imagine. You need to show respect and value to your employees in every interaction—especially when everyone's feeling stressed.

Third, when the cycle swings in the opposite direction—and it will—your top employees will be offered opportunities to take jobs elsewhere. You want them to say “Not a chance” to anyone who calls them with a competing offer!

So, you're a small business owner/manager facing a year with diminishing revenue and increasing expenses. You're wondering how you're going to survive—and now you're being asked to work harder to retain employees. In this environment? That's right. The good news is, while salary is important to employees, study after study shows salary is not the thing that keeps employees motivated or energized. Employees consistently report that how they're treated and how valued they feel is critical to their long-term job satisfaction.

Here are some inexpensive and easy ways to show your employees they're respected and valued. Best of all, you implement any of these ideas at little or no additional expense:

One on one. You're the boss—whether you own the company or you're a middle manager in a big firm:

- Send an email citing a recent and specific accomplishment, and thank the employee for his or her work.
- Take each team member to lunch—just you and the employee. This doesn't have to be expensive—grab a sandwich at the deli and head for a park bench. Talk about life, kids, sports...and be sure to include how much you appreciate his or her contributions to your company.
- Ask for ideas about how to solve a problem, reduce expenses, or capitalize on an opportunity. When you consult with your key employees, they understand—whether you say it or not—that you value them and their opinions.
- Write a real note. This may seem odd, but a hand-written note, sent to the employee's home, reiterating how much you appreciate him or her, can mean a great deal. And you get a bonus for this: Invariably, the whole family gets to see your note, which increases their appreciation for both you and their family member.
- Invite the employee to accompany you to a meeting, event, or conference, and ask for feedback afterward. Pay attention—you may gain new insight.

Group occasions. Staff meetings and formal and informal group occasions are great ways to demonstrate value.

- Not every week, but on an occasional basis, single out someone whose work is critical, whose service is exemplary or whose handling of a tough situation is noteworthy, and talk about it. (If you do this too regularly, it will lose its impact.)
- Review the numbers together. Maybe the overall trend is bad, but there has to be someone who's beating the trend or whose efforts stand out. Point it out.
- Celebrate success. Even when times are bad, there are good results being delivered and, as the boss, you need to help everyone focus on the good stuff and who's helping to make it happen.
- Initiate team lunches where everyone can brown-bag it—maybe you can provide a treat or drinks—and specifically designate that time for appreciating each other. It's hokey, perhaps, but it can raise everyone's sense of value to the company and increase teamwork at the same time.
- Host a dinner or hold a pot-luck and invite employees and their partners and/or spouses. Just let everyone enjoy each other's company.

Public opportunities. You have written materials, industry meetings and other ways to highlight top people. Don't worry that by publicly identifying great people you make it easier for others to recruit them. The truth is that great employees who know they are valued are much less likely to seek new opportunities.

- Website: Have an area where you can identify an employee of the month or ask an employee to write something that can be featured.
- If an employee is especially accomplished, let him or her share tips or secrets to success—whether at a meeting or in a newsletter.

- Look for opportunities to have your team members share their expertise—professional journals or local newspapers are good bets.
- Put your employees front and center—whether it’s an industry event, a speaking opportunity, a demonstration or a client-oriented interaction. Coach those who need help, and celebrate their accomplishments.

All of this is simple and inexpensive. Successful managers know it’s all about relationships when it comes to employee retention. Regardless of where your company is currently positioned, strengthening those relationships and retaining your key employees may be the difference between you and the competitor who doesn’t survive. Keep in mind, too, that when you show others how valued your team is, you actually increase the value of the overall organization.

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