



Retaining Your Top Talent — A Must in a Down Economy

For many business owners, these are extraordinary times. They are focused more intently on day to day operations, always with an eye on the budget. In times of economic challenge it is especially easy to forget about existing employees. The belief is that they won't be leaving for another employer any time soon, or hired away by the competition. But this thinking may be short-sighted. In some industries, competitors see downturns as prime opportunities to poach top talent. Even if that isn't the case in your industry, what will happen with your employees once the economy picks up?

A study by the Corporate Leadership Council found that once the economy strengthens, businesses could find that as many as 25 percent of their top performers planning to look for another job. Perhaps that is why, in a recent "pulse" survey commissioned by Towers Perrin, among more than 450 companies from a range of industries and sizes, many companies responded that they had a "commitment to retain key talent, a significant shift from past recessions."

What would be the impact on your business if 25 percent of your top performers left next year? What would it cost you to replace them? In an article in the *International Business Times*, VIST Insurance responded to the replacement cost question with this answer: "If a small company loses three long-time employees, each making \$50,000 in cash compensation, it will cost the company a minimum of \$75,000 to prepare the new hires to be effective and productive... it will take the new employees an estimated six months to be up to speed and as productive as the prior employees."

So what can you do to develop and retain your key employees? Salary is nice but, when asked, employees say that another key determinant is to know that they are appreciated. Start with something basic - recognize and acknowledge their contributions. That feedback could be as simple as a thank you for something they have worked on, or a public acknowledgement of their contributions. If a staff member is

with you at a client's office, for example, be sure to give them the recognition they deserve. While some may think it a little corny, when I'm at a client's office and see the "Employee of the Month" board, I always check it out. Whatever the form, recognize and acknowledge the personal achievement of each staff member on a regular basis.

Here are a few other tips:

- Provide regular feedback on your employee's performance. Think of it as a developmental tool, instead of a once a year surprise. When you discuss your expectations about their performance, don't forget to ask for their input.
- Share information with staff about what's going on in the company. It's one way of communicating that they are a valued member of your team and again eliminates any unpleasant surprise. Communication is always important, but perhaps more so in times of uncertainty.
- Find opportunities to help key staff acquire new skills and then provide the opportunity for them to use those new skills.

Finally, why not put in place a personal development plan for employees? Working together, what are the steps that are needed to increase their value to your company? Then give them the support they need, be it a mentor, a coach, an internal partner. While the dollar cost to replace key employees is high, so too is the time and effort that will be expended. Ultimately, will your company still have turnover? Perhaps, but if you have communicated that your employees are an integral part of your company's success, that you really value them, it's likely you will diminish the odds. ■

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