

How to Build Employee Loyalty

Employee Loyalty Starts with How You Assimilate New Staff Members

What is the average length of service of your employees? Do you know why employees choose to leave? Do they leave early in their tenure with your company or after a number of years? If turnover is high, you need to know the answers to these questions and be willing to examine the reasons, where ever they lead.

We've all heard statistics about how much it costs to hire and train a new employee. The costs include getting the word out that you have an opening, maybe a fee to a recruiting company, pre-employment testing, staff time to screen resumes and conduct interviews, new employee on-boarding activities, training and the expense of lost productivity while the new employee learns the job. And then there is the loss of company process and historical knowledge that leaves with exiting staff. Clearly, staff turnover is expensive, to the say the least.

Building a culture of loyal, long-service employees is an integral part of building a successful company. When employees feel valued, are encouraged to use their strengths and feel motivated, longevity is much more likely. Strategies for enhancing employee loyalty can be divided into two categories: new employees and longer-service employees.

New Employees

A new study, <u>Breaking Them in or Eliciting Their</u> <u>Best? Reframing Socialization Around</u> <u>Newcomers' Authentic Self-expression</u>, published in the Administrative Science Quarterly, March 2013, reveals that new employees of a call center were 60% more likely to stay beyond six months if they were onboarded using a process that focused on their individual strengths and identity rather than a method called "socialization" which focuses on conformity to the organization's identity.

While on-boarding using the socialization method does help ensure that all employees understand the company's values and direction, along with desired behaviors, it frequently results in employees being required to behave in ways that are uncomfortable (or inauthentic) to them. Recent research about and understanding of <u>authenticity and its correlation to success</u> is making it ever more clear that inauthenticity is very difficult to sustain.

Longer-Service Employees

There is also extensive research showing that for most employees, the person's immediate boss is the face of the company and integral to how they feel about their job. Lack of alignment with a boss (at any level) is a very common reason for departure. This should be examined as a twoway street.

A "bad" boss can cost a company a lot of employees. Understanding the meaning of "bad" can enable the bad boss to change habits and become a good boss. Awareness and development can turn a negative situation around in a lot of cases, saving the boss and avoiding future employee resignations.





The Optimal Approach

While socialization on its own is clearly lacking, I believe that a hybrid solution is best. It is important to orient new staff members to your company's history, values, vision, mission and goals, as well as to the duties of their position. Letting people know what you are trying to accomplish and where you are going is the best way to create a situation where they can contribute. That said, using only the socialization method does not take advantage of the strengths, special skills and interests of each staff member and the greater contribution they could make. People who are engaged in their jobs in this way and want to perform the tasks at hand contribute considerably more. The results often exceed the company's expectations.

Valuing each person's skills and understanding what keeps them engaged, while being sure they know their jobs and what is expected of them will result in happier, more engaged employees who contribute because they want to. This combination approach absolutely boosts companies' bottom lines.

For more information about <u>employee retention</u> and <u>leveraging employee strengths</u>, contact Janet Treer at 717-653-6118 or <u>janet@thetreergroup.com</u>.

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