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DEVELOPING LOYALTY

A guide to managing and retaining your teams

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RETAINING YOUR BEST

The concept of a job for life no longer applies to the vast majority of workers, who are happy to move to new roles whenever they feel their needs are not being met. Retention is therefore a major challenge facing employers today.

Aligning your benefits with the needs of each individual is one way to combat any potential exodus, but another is to engage your teams and take an active role in their development. Largely speaking, the more invested a worker feels you are in their skills and future, the more likely they are to stay with you and help grow your business. It's also important to cultivate an environment of challenge and praise to help motivate your staff and compel them to continue growing with the business.

Follow these best practices to improve your staff retention rates and get the best performance from your teams:

Challenge employees

Employees need to feel they are improving their skills and being challenged. Help them to do so by creating a tailored career progression plan:

- Determine your employees' strengths and weaknesses and find what both of you need them to improve upon
- Set short and long term goals to keep your staff working at their optimum level
- Ensure goals are in line with your business objectives so ensure your employees feel they are contributing to the company overall

Create healthy competition

Extreme competition can promote favouritism and be demotivating. It's important to monitor your teams and keep competition healthy and motivating:

- Encourage employees who aren't doing as well
- Do not single out staff when they are not performing as this can create more problems than it solves
- Create team challenges as well as individual targets

Deliver negative feedback well

Everyone reacts differently to criticism or negative feedback, adapt your style to each employee's threshold for criticism:

- Do not focus only on negative aspects
- Be explicit, it should be clear to the employee what they need to work on
- Avoid a 'praise sandwich', where praise is given before and after the reprimand as people often do not listen to the middle

Share information

Employees will not work to their fullest potential if they are unclear of the desired outcome, so make sure your internal communications involve employees in key project briefings and share accomplishments.

- Explain the reasoning behind the work
- Conduct meetings where information is shared freely
- Send regular updates on past, current and future projects

Create variety

Monotony of routine can lead to reduced productivity, try to add variety to your employees' work:

- Create committees for new projects or tasks, thereby creating new opportunities
- Offer educational sessions where staff present on a topic of value to the team and business
- Conduct brainstorming sessions enabling staff to think out-of-the-box

Praise when merited

Praise is ineffective when delayed or without purpose. Value accomplishments of employees appropriately and single out employees for their achievements in team settings. If you praise the whole group only, high performers are at risk of being demotivated

- Praise employees for going above and beyond, but not for doing required everyday assignments
- Do not rely solely on reviews to offer praise
- Do not play favourites

Set clear expectations

Unrealistic goals are demotivating, implement standards and goals that are achievable:

- Find a balance between goals that are attainable but are also not too easy either - goals need to be an accomplishment to motivate staff
- Communicate expected standards effectively and listen to employee feedback

These are all key to motivating your team as a whole, but to know where each of these techniques is most effective, you need to have frequent reviews with each member of your team to encourage ambition and understand any grievances before they surface in the workplace.

HOW TO GIVE PERFORMANCE REVIEWS

In today's competitive market for top talent, performance reviews are essential to retention.

With the correct preparation and a positive mind set, you can use the review to:

- Revive lacking motivation
- Kick-start stalling projects
- Reward productive employees with more responsibility
- Deal with problems head-on
- Set objectives for the future
- Assess training needs
- Learn more about the group dynamics of your team

Contrary to popular opinion, many employees actually look forward to their performance review. The performance review is a chance for staff to gain recognition and reward (pay reviews should be separate), look ahead and set objectives that will help their career, as well as identify support they need and resolve grievances.

Preparation

Preparation is essential. Gain insight into the outlook of your employee and ensure time is used efficiently. Have the employee complete a pre-review form and compare answers with previous review notes and assess:

- Were objectives set and if so met?
- Were there previous issues; have they been addressed?
- Were there wants by the employee; have they been realised?

The review

Do not reschedule. Ensure the employee knows this is important to you and the organisation. Conduct the meeting first thing to avoid delays from competing demands and allow an hour for the review.

Have an agenda and review it at the start of the meeting. Explain the importance of the review and that the purpose is to focus on the employee. Try to follow a logical order, ideally along the lines of your pre-review form. The discussion should centre on the following:

- A review of objectives set at the previous appraisal
- What objectives were met and is the employee deserving of special praise?
- What wasn't met and why?
- How do they view themselves as part of the team?
- Do they enjoy their job?
- How do they assess their own skill areas?
- Do they have a clear idea of their role and the department's role?
- Where do they see themselves developing over the coming six months/year?
- How are they going to achieve these aims?
- Are there specific targets which can be realistically met?
- How will performance be measured?
- What training needs are required to fulfil these objectives?
- What other issues would they like to raise?



Handling confrontation

You may be required to communicate that the employee is failing in a particular aspect of the job. This could be as simple as timekeeping or personal appearance, or more sensitive, such as competence at specific tasks or ability to get on with colleagues. Be prepared to handle the conversation sympathetically:

- How can your comments be best phrased?
- Can you at the same time highlight positive points?
- Are you being constructive in your criticism?
- Have suggestions as to how these points can be resolved?

The opportunity to 'raise other issues' can result into personal gripes about other members of staff, complaints about office ergonomics, accusations of unfair treatment and grievances about workload or resources. Think on your feet and get to the root of the issue:

- Ask your employee to provide specific examples not generalisations
- Read between the lines; determine the root of the issue
- Provide a challenge. Have the employee develop a plan to resolve the problem themselves before you provide suggestions

Providing a career map

Help your staff build a career map. This can help clarify your employee's targets for career progression, and identify specific areas that require training.

Before the review, have your employee complete the following exercise to review in the meeting:

- Identify existing skills and future potential
- Identify long-term goals
- Write out 20 questions needed to answer/complete to achieve the outlined goals
- Lay out an action plan to achieving these goals
- Determine smaller objectives that help make the long-term goals more attainable
- Identify the first steps to achieving the above

Post-review action

It's essential to make the action points actually happen and to be seen to be making them happen. If you've committed to exploring further training or arranging meetings with other departments, then find out or get these sessions set up as soon as you can. The quickest way to lose valuable staff is to let decisions made at reviews fall by the wayside.

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HOW TO GIVE PAY REVIEWS

Salary is always at the top of the list when it comes to employee concerns. Open communication between you and your staff is vital to ensure that your employees are happy, inspired to work hard and loyal to the organisation.

Preparation

There are a variety of ways a pay review could arise. It could be an employee's request, or a regularly scheduled process in your organisation. When the opportunity to conduct a pay review comes up, it is important to be prepared. A well-executed pay review can have a dramatic impact on the success of your team.

Before the review takes place, keep an open mind and prepare yourself for a structured, honest discussion. Set a date and ask your employee to come prepared with specific examples as to why they deserve a salary increase. It is important that you establish what will be covered. Create a clear agenda and send the outline to your employee so that there is a mutual understanding of expectations for the review.

In order to prepare for the review:

- Research the market value of the job by speaking to your Hays consultant, your HR department, or by checking the Hays Salary Checker on hays.co.uk/salary-checker
- Analyse your employee's progress by referring back to past performance appraisals and pay reviews
- Don't rely on performance from the immediate past – check that they have been consistently performing since the last review or starting in their role
- Ask yourself the following questions to analyse their progress: Have they achieved or completed the initial goals or objectives laid out in their role? What were the results?
- Have they added value, increased productivity or saved the company money in some way by applying useful skills?
- Are they professional in appearance and manner?
- How quickly do they respond to special requests and/or urgent tasks?
- Have they taken on extra responsibility?
- Have they put in extra hours?

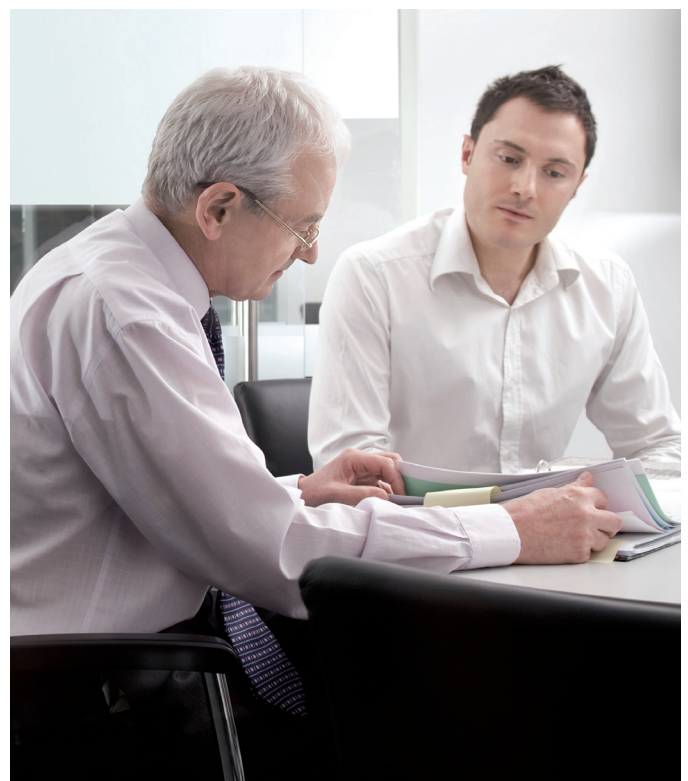
The review

Keep the review meeting constructive and positive - it can be daunting for your employee. Follow the structure of the agenda you both agreed upon, ensuring you cover the following areas:

- Clarify your employee's current salary and the salary they would like to earn
- Ask your employee why he or she deserves the raise with specific examples to validate the justification
- Ask how he or she has exceeded his or her original job description or objectives
- Cover the areas you researched before the review regarding going market salaries
- Discuss their progress compared to the objectives laid out for them
- Discuss any areas in which they have exceeded expectations or have fallen short

Next steps

Give a commitment as to when you should have an answer, if possible, and arrange a follow-up meeting. You may want time to consider the claim further, or to speak to colleagues or your consultant about the final decision.



The decision

After the review, go through the points raised and consider whether the employee's request is justified. Think carefully about your decision. People can become disheartened if they receive a salary they feel is below their worth, and can cease to be motivated. What are your priorities? Think about the medium and long-term consequences of your decision.

Awarding a raise

Granting a pay raise rewards your employee for a job well done and reinforces their positive behaviour. Salary increases drive employee productivity and company loyalty, as your employee will realise they are valued by both you and the organisation.

While awarding your employee the raise, use the following tactics to ensure their motivation levels stay high:

- Set higher future targets and more challenging objectives for the next review.
- Provide fresh projects or responsibilities.
- Bring forward a performance appraisal to show your continued interest after the pay review

Declining a raise

Instead of seeing declining the raise as negative, look at it as an opportunity to improve productivity.

Use your decision to motivate your employee. Have a constructive, realistic conversation that encourages him or her to improve performance, hit set targets and receive the raise the next time around. When explaining to your employee why you cannot accept their request, use the following strategies:

- Take your employee through how you came to your decision and give them specific examples.
- Set new targets for your employee to hit in order to receive the raise and set a date for a re-evaluation.
- Explain diplomatically how he or she can improve and how you can help this improvement.
- Reaffirm his or her worth to the company.
- Throughout this period, provide support and offer advice in order to keep your employee on the right track.

There is a possibility that your employee could walk away feeling dejected, ultimately causing them to leave the organisation. If your employee does decide to up and leave based on your decision, you are given the opportunity to onboard a replacement that works more effectively. Clearly, if your employee does react this way, he or she is not enjoying their current role and it is time to find someone that will be a better fit.

Maintain your decision

Remember why you made your decision in the first place. If you change your mind and award the raise after all, in order to placate your employee, will the reasons you originally turned down the request remain? Chances are, yes. Stick to your decision. Trust your judgment.

That's why it's imperative you consider the implications before delivering your decision. It may be your employee had no idea he or she was not performing to your standards. A little bit of direction might turn things round, and turn a negative situation into a positive one.

A pay raise is not just in recognition of past achievement, it's an investment in the future and in staff retention. It makes your employees feel valued, appreciated and enthusiastic to develop their careers within your company. This in turn motivates them to perform better.

Making sure your teams are continually developing is important, and can mean the difference between a satisfied, loyal employee base, and a dissatisfied team with a high turnover of staff. Always keep in mind that your relationship with your employee is two-way, and the more attention you pay them, the better they are likely to work for you.

For more information about retaining, reviewing or expanding your teams, get in touch with your local Hays consultant at hays.de/locations