



ON CREATING POSITIVE COMPANY CULTURE

A GUIDE TO INCREASING EMPLOYEE RETENTION



We're all familiar with the saying "good help is hard to find." But there's an underrated parallel to that — retaining good help once you've found it. According to the US Bureau of Labor Statistics, three million employees left their job of their own volition every month since June 2017. New hires aren't staying either. A study from 2014 indicated that one third of new hires quit their job after only six months. In a job market with high turnover rates, it is increasingly difficult to hold onto exemplary employees, which is why we've created this guide.

Here, we're breaking down the top five industry tips for increasing employee retention. And it's not just about giving your employees a raise. If you continue to face two-week notices, turnover and training costs, this guide is for you. Read on now to save time and money tomorrow.



1. CREATE A POSITIVE & UNIQUE COMPANY

In a strong economy, employees have more bargaining power, making the term *company culture* one of the most important words in corporate board rooms to date. If Glassdoor, LinkedIn, and Indeed don't say your company is a great place to work, you may be risking losing your employees to one that is.

So, what exactly does it mean, and is it really necessary for your company? A culture is the values and practices shared by members of a certain group. Therefore, company culture is the shared values and practices of the company's employees. And yes — it is really necessary for your company. "Casual Friday", "work-from-home Wednesday", office yoga, happy hours, the dartboard in the breakroom, all of these non-traditional work activities and events can be categorized into company culture and result in greater employee satisfaction and retention.

Quite literally, company culture can make or break your company. Companies with an adaptive culture that is aligned to their business goals and evolving needs of employees routinely outperform their competitors. *Some studies report the difference at 200% or more.*

And it seems like most companies have some serious work to do. According to a 2015 Gallup study, *only 31.5% of U.S. workers were engaged in their jobs in 2014.* That's less than one third of employees! Gallup defines engaged employees as those who are involved in, enthusiastic about, and committed to their work and workplace. So, essentially, of the 80,837 adults interviewed, less than one third felt that they were enthusiastic about and committed to their work. Sounds like less of a recipe for retention and more like one for high turnover.



Even more startling, 51% of those interviewed were “not engaged” and 17.5% were “actively disengaged.” If 17.5% of your workforce was actively disengaged, (and perhaps they are...) consider the hours of unproductivity happening in your office. More sources are finding similar results — the Glassdoor database found that, when asked whether they would recommend their place of work to a friend, [the average employee rated their company as a C+, \(3.1 out of 5\)](#).

So, how can you increase employee engagement? According to Josh Bersin, founder of Bersin by Deloitte, a company that analyzes corporate HR, talent management and leadership, there are five core elements that increase employee engagement:

1. Meaningful work
2. Hands-on management
3. Positive work environment
4. Growth opportunity
5. Trust in leadership

We’re not saying you need to pull out all the bells and whistles like Google with their unique perks such as free onsite physicians and nurses, legal advice, gourmet meals, laundry services, transportation, gym, and, well, [basically everything else](#), but, we do suggest you discuss the current company culture within your office and open the channels for employees to share what they think would make the office a great(er) place to work. Things like offering incentives, bonuses, team building events, or even something small like lunch brought in the first Friday of every month could raise company morale and increase employee retention. “As the saying goes, ‘culture eats strategy for lunch.’ And free lunch is now part of the culture,” said Bersin.

For 10 examples of [companies with incredible company cultures](#), click here.



2. OFFER FLEXIBLE WORK SCHEDULES

A **flexible work schedule** gives your employees the opportunity to work outside of the traditional 9 to 5, 40-hour work week. It can be a great benefit to both employee and employer as it allows your staff to maintain important things in their life such as taking care of kids, going back to school, or pursuing hobbies and passions. Offering flexible work schedules creates happier, healthier, and more productive employees. As such, you as the employer are able to attract and retain **top-notch professionals** resulting in dramatically reduced turnover and training costs.

Flexible schedules can mean a lot of different things, so it's important to outline what it means at your company. Most commonly, flex schedules allow employees to vary their arrival and/or departure times. Among other things, it can also mean that your staff will have the freedom to work out of the office on certain (or all) days of the week, or having the option to adjust their office hours to a 4/10 schedule (work four 10 hour days with one day off).

Having a flexible work schedule not only increases productivity, but also shows potential employees that your company respects the work-life balance, which will ultimately result in attracting strong new candidates who won't settle for working at a company with antiquated policies. Having the luxury of **a nontraditional work schedule increases morale and reduces stress**. Studies show that employees who have a say in their work schedule have improved quality of sleep, higher energy levels, and reduced psychological distress and emotional exhaustion.

According to a 2015 study on Trends in Workforce Flexibility, **80% of companies offer flexible work arrangements**. Why? Because the numbers, time and time again, prove that flex schedules result in a mutually beneficial outcome. In the aforementioned study, workplace flexibility is believed to have a positive effect on engagement, motivation and satisfaction. More than half of the participants anticipate that their workforce would say there is a positive or extremely positive effect on employee engagement (60%), motivation (57%) and satisfaction (68%).



3. OFFER POWERFUL FEEDBACK (CONSTRUCTIVE AND PRAISE)

CONSTRUCTIVE CRITICISM & FEEDBACK

Don't let your employees wonder if they're on the right track — providing them with feedback is a powerful way to motivate and keep your team engaged. Of course, feedback can be a double-edged sword. If offered effectively, your feedback can encourage, uplift, and motivate the recipient to do better. However, if delivered poorly, negative feedback can result in lingering animosity, resentment, loss of respect and motivation, as well as permanent damage to your relationship with the recipient.

Here are six steps to delivering constructive criticism and motivating your team with feedback:

1. **Make it Timely** - As time passes, certain situations might become blurred, and people are more likely to interpret them differently. As such, the right time to give feedback is as soon as possible.
2. **Prepare Before the Meeting** - Before you chat with your employee, make sure you're in the right state of mind. If your strongest sentiment at the time is judgment and anger, it's not the right time to provide feedback. Humans are emotional beings; your negative energy will radiate outward and be felt by the recipient. Ultimately, the feedback won't be received properly or positively, creating an overwhelmingly negative outcome.
3. **Ask the Recipient for Their Feedback** - The best and most powerful insight will actually come from the recipient. Allow them to share their feelings and the opportunity to process the situation before you offer your viewpoint.



4. **Stick to the Facts** - Be careful with the he said, she said nonsense that might be floating around the office. Discuss only what happened, not what you think happened. For example, you could say that the employee missed a deadline on a certain project, but don't assume it's because he/she isn't interested in their job. Instead, just explain the impact of the project not being completed in time and give your recipient a chance to explain why the deadline was missed.
5. **Actively Listen** - How well your feedback is received is without a doubt in direct correlation to how the recipient felt he or she was heard. After you've shared your feedback, allow them to collect their thoughts and respond without being interrupted.
6. **Always End on a Positive Note** - If possible, also start on a positive note. That will shift the balance in the room, lowering any defensiveness and negativity that may arise. Ending on a positive note will help to mitigate any lingering tension before your staff leaves the meeting.

IN PRAISE OF PRAISING

In today's war for talent, managers and leaders are looking for strategies to attract and retain exemplary performers. But in their search for new ideas, policies, and approaches, they tend to overlook one of the easiest strategies to execute: **employee recognition and praise**. Boosting morale within your company doesn't always require you to give your employees a bonus or raise. Simply sharing words of praise on a job well done can also contribute to a positive workplace culture and help your staff feel valued.

A Gallup report noted that **praise releases dopamine in the brain**, creating feelings of pride and, in turn, encouraging employees to produce more praiseworthy work. Senior editor for Gallup Business Journal, Jennifer Robinson, reported that fewer than one in three American workers "can strongly agree that they've received any praise from a supervisor in the last seven days." And David Grazian, a director of corporate taxation, said "When people don't get enough recognition, they ask themselves 'What am I doing this for? Nobody cares.'" We can shift the narrative in our workplaces starting with those of us in charge.



4. OFFER A ROAD MAP FOR GROWTH & PROFESSIONAL DEVELOPMENT

Going into a new job knowing that you have the ability to learn new skill sets and develop your professional career is a major benefit for employees. Your staff wants to know that the business is investing in them and helping them better themselves. When you invest in your employees, your team will know that you care about their career development and they'll start to harbor a sense of loyalty toward the company. Similarly, having career development programs can be an attractive perk to potential job seekers.

Keeping the door to career advancement open is a best practice for any company. Annual or regular performance evaluation meetings should be the norm. While employees may be hesitant to bring up the topic of career development with their managers, these conversations are healthy and should always be encouraged. Make sure your managers are properly trained to handle these conversations in positive ways so that the employees feel vested and valued.

Offering career training programs within your company helps set the scene for future retention goals. Organizing successful career development trainings and programs will increase employee engagement, accountability, and will encourage your staff to take charge of their own career path. In addition, career development trainings can help employees become valuable resources for other members of the team. When skills are advanced and strengthened, your employees are better equipped to become mentors to others. These staff interactions lead to higher engagement as well as a stronger overall company culture.

Providing your staff with a road map for success is a great way to grow internal leaders, and thus, retain and cultivate top talent. Promoting from within shows your entire staff that there is room for growth within the company. It also gives employees the incentive to invest their time into programs building on their own skill sets, which will inevitably benefit your company. Additionally, seeing fellow co-workers promoted from within is a testament to the quality of your internal training programs, career development options, and level of mentorship within the company.



5. OFFER COMPETITIVE SALARIES

We'd be remiss if we left this off the list, as it is crucial to employee retention. Everyone wants to be paid fairly for the job they do. Not just for practical reasons, but also to keep your staff in good spirits and motivated, offering competitive salaries is incredibly important. Pay can be based on a number of factors, but in order to increase retention you need to offer your employees wages that are fair for the amount of work they're doing and competitive in the industry at hand.

An easy way to burn out an employee is to overwork and underpay them. This leads to a multitude of problems including sentiments of being taken advantage of, lack of sleep, demotivation, and eventually an adverse affect on an employee's health. Compacted, all of those elements will ultimately lead to a destructive lifestyle and will eventually take a toll the quality of their work.

If you know a specific position comes with very high stress and a larger-than-normal workload, consider increasing the salary for that specific role to see if you can attract better, more qualified talent and professionals that are motivated to work harder.

The fact of the matter is — if you don't pay your employees well, another company will. If your company can't afford to increase salaries at this time, consider a temporary solution like offering bonus incentives toward quarterly or annual goals. Bonuses go a long way toward showing your employee appreciation without locking the company into higher salaries.

While bonuses may suffice for some time, eventually your employees will ask for a raise. At first glance you may think a pay increase is not in the cards, but consider this — **it costs six to nine months' salary on average to replace a salaried employee.** Other studies predict the cost is even more; with some estimates pointing toward two times their annual salary. No matter how you slice it, it saves to hold onto valuable employees, even if it costs a little more up front.



Finding and retaining employees takes work. But after putting so much time and effort into finding, interviewing, hiring, and training new staff, it can be devastating to company morale and the bottom line if they leave because they feel as if their pay is unfair or not on with the industry standard.

Regardless of the position, your staff wants to know their compensation is comparable with what others who perform similar work are earning. Paying low wages means top people will leave and low performers will take their jobs. When that happens the entire company suffers. It's like the old adage goes — you have to spend money to make money.

Hiring great employees is just the beginning toward creating a strong workforce. Next, you have to keep them. Especially in a market where employees have a stronger bargaining power, organizations and leaders are looking for ways to retain their top performers while increasing employee productivity and the bottom line. From offering new perks to designing flexible schedules, efforts to optimize the workplace and culture are as strong as ever.

Using the above industry best practices and tips for employee retention will not only boost morale within the office, it will unquestionably add to your bottom line.

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YOUR NEXT TOP PERFORMER**

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