

## LEARN HOW TO HELP



# MOTIVATE AND RETAIN EMPLOYEES

A company's people are one of its most valuable resources. This is even truer for small businesses whose employees often play a large role in shaping the company brand and culture, and driving its success. And while keeping employees happy and engaged is always important, it can be crucial during times of low unemployment. When the job market is thriving and workers have the advantage, it can be harder to keep them loyal, and from seeking other opportunities. Here are some strategies that can help you keep your team motivated, and help you retain your talent.

## The high costs of turnover

It's often easier to invest in retaining your current employees than to deal with the costs of high employee turnover. That's because turnover can negatively impact many areas of your business—from productivity, to company culture, to the quality of customer service. The costs of turnover include:

**Out-of-pocket costs.** Studies say, on average, the cost of losing an employee is about 33% of their annual salary.<sup>1</sup> This includes things like hiring-related expenses, lost productivity, training expenses, and more.

**Lost time and focus.** Dedicating resources to recruitment can take time and focus away from your regular day-to-day business activities. Besides the time needed to search for new employees, it also takes time to train new people once they're hired.

**Lower productivity and work quality.** It can take weeks or months for a new hire to reach the level of productivity of a current employee. Having responsibility to train new people can slow down your current employees, too. What's more, a lack of on-the-job experience could lead to mistakes. These can all add up to lost revenue for your business.

**Lower morale.** When employees leave, it can change the social dynamic of your business. Employees remaining at your business may question why people are going elsewhere. If the co-worker who left was a friend, it could make work feel like less fun. These things can damage employee morale, lower productivity, and cause even more people to leave the company.

**Overworked employees.** While open jobs remain unfilled, current employees often pick up the slack. This can lead to employee burnout, frustration, and resentment.



On average, a higher retention rate can **maximize a company's profits up to four times**<sup>2</sup>



Highly engaged employees are **75% less likely** to look for another job<sup>3</sup>



The cost of losing an employee is about **33%** of their annual salary<sup>1</sup>



It takes about **two years** for a new employee to reach the same level of productivity as the previous worker<sup>4</sup>

1 <https://legaljobs.io/blog/employee-retention-statistics/>

2 <https://legaljobs.io/blog/employee-retention-statistics/>

3 <https://legaljobs.io/blog/employee-retention-statistics/>

4 <https://goremotely.net/blog/employee-turnover-statistics/>

## Measuring employee satisfaction

To limit turnover, think proactively. Instead of assuming everything is fine, check in with you team regularly to see how they're feeling. The sooner you can identify any issues, the sooner you can get things back on track and help prevent employee turnover before it happens. Below are some ways to measure employee job satisfaction:

**Conduct employee surveys.** Sometimes it's difficult for employees to express themselves to their boss or manager. That's why anonymous surveys can be helpful. There are lots of free or low cost online tools available to help you create and manage your survey. Some include SurveyMonkey, Google Forms, HubSpot, and ProProfs Survey Maker. Keep your surveys brief to encourage higher participation, and include both open-ended and multiple-choice questions to vary the types of responses you receive.

**Schedule one-on-one conversations.** Regular one-on-one meetings are a great way to check in and

let your team express how they're feeling. Instead of waiting for annual reviews, consider meeting once a month or more. This could help you get ahead of problems before they grow.

**Install a suggestion box.** While your employees may have a lot to say, they may not feel comfortable doing it. A suggestion box can give them another way of voicing their concerns anonymously and honestly. It's also a great way to collect feedback when it's felt—instead of waiting for a scheduled meeting or an official company survey.

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# 31%

reduction in turnover for companies implementing employee recognition programs<sup>1</sup>

# 65%

of employees say being treated with respect is a very important contributor to their job satisfaction<sup>2</sup>

# 38%

of employees leave their employment as a result of inadequate salary and benefits<sup>3</sup>

# 75%

of the causes of employee turnover are preventable<sup>4</sup>

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## Recognizing the warning signs

In addition to check-ins, it's important to pay attention on a day-to-day level. You can often recognize the signs of employee dissatisfaction if you look for them. These include behavior changes such as a normally cheerful employee who starts acting unusually quiet.

Other signs could be a lack of engagement, excessive absenteeism or lateness, a poor attitude, and/or declining productivity. The key is to tune into these kinds of clues and take action before it's too late. There's a good chance they're signaling job dissatisfaction that needs to be addressed.

1 <https://www.workstars.com/recognition-and-engagement-blog/2019/09/25/the-impact-of-recognition-on-job-loyalty-and-employee-turnover/>

2 <https://blog.bonus.ly/how-to-boost-employee-morale-and-experience-its-many-benefits>

3 <https://mnwi.usi.com/Resources/Resource-Library/Resource-Library-Article/ArtMID/666/ArticleID/782/Cost-of-employee-turnover>

4 <https://www.hrdiver.com/news/study-turnover-costs-employers-15000-per-worker/449142/>

## 5 ways to help motivate and retain employees

Your employees are vital to the success of your small business. Which is why embracing an employee-centric culture can pay off in so many ways. When you genuinely care about keeping your team motivated and engaged, it can raise their performance and work quality. Retaining employees can also save you time and money. Here are five tips for how to do it:

### 1 Offer competitive wages (and benefits)

While a job is much more than a paycheck for most people, employees still want to feel that they're valued and being fairly compensated. And benefits are part of that, too—things like health insurance, retirement accounts, and even gym memberships. Benefits can also be a good way to make up for a less competitive salary. If you're not sure how your wages compare to what your competitors offer, online resources like Indeed, Glassdoor, LinkedIn, and Salary.com can be good places to do some research.

### 2 Invest in their happiness

When you show you care about your employees, they tend to be happier and more loyal. One way is to invest in your employees' professional success. Not only do training, mentorships, and other learning opportunities make them better employees, but they also help make them feel more valued and loyal to the company. Things that help improve their overall quality of life can also mean a lot, too. These include flexible work schedules and even work-from-home options.

### 3 Show recognition regularly

Another way to show you value your team is by recognizing their good work. You could reward employees with bonuses, gift cards, or extra vacation days. Be creative, especially if you're on a tight budget. Providing employees with regular feedback and encouragement can go a long way toward improving job satisfaction. When an employee feels like they're an important part of the company's success, it often pushes them to do their job better.

### 4 Create a better work environment

A great work environment is one of the most important elements of employee satisfaction. This can be achieved in a variety of ways:

- Foster a culture of open communication. When employees feel free to voice their concerns, it can lead to more trust, honesty, respect, and overall work satisfaction.
- Make the workplace more fun. Think of ways you can help people enjoy work more. Consider things like parties, free food, contests, etc.
- Dedicate time to team building. Create opportunities for employees to get to know each other and develop good relationships. Invest in some team building outings, events, or other activities that help build personal connections. When people like the people they work with, they're less likely to leave.

### 5 Empower employees with a sense of purpose

When employees feel like they have a stake in the company's success, they may be happier, more loyal, and more motivated to work hard. This is especially relevant for small businesses. So let your team know that what they're doing is valuable and that their job matters. Give them more control and responsibility, and try to put their talents and skills to better use. The more they can use their abilities and have an impact, the more engaged they will be in their work, and ultimately, the more they'll enjoy their job.

## For further reading

For more information and tips, check out these helpful articles.

[Motivating employees](#)

[Reducing turnover](#)

[The cost of turnover](#)

[7 signs your employees are unhappy](#)

[Employee retention strategies for retail](#)

[How much does employee turnover really cost?](#)

[How can you measure happiness at work?](#)

[How to boost employee satisfaction](#)

[Recognition as the key to employee satisfaction](#)

[How to minimize employee turnover in retail](#)

[Effective employee retention strategies](#)

## Additional resources:

### **US Bureau of Labor Statistics:**

Government agency that measures the labor market and productivity in the U.S. economy.

[www.bls.gov](http://www.bls.gov)

### **U.S. Small Business Administration:**

Government small business resource with information on a wide range of small business topics.

[www.sba.gov](http://www.sba.gov)

### **Society for Human Resources Management (SHRM):**

National organization providing information and resources for improving today's workplaces.

[www.shrm.org](http://www.shrm.org)

### **Universum:**

Employer branding company offering ideas and insights that help employers improve their ability to attract, recruit, and retain employees.

<https://universumglobal.com/>

Synchrony has over 80 years of retail heritage. Synchrony Connect is a value-added program that lets Synchrony partners tap into our expertise in areas beyond credit. It offers knowledge and tools that can help you grow, lead and operate your business.

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For more information or to connect with an expert, contact us at [synchronyconnect@synchrony.com](mailto:synchronyconnect@synchrony.com).

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