

## **People Matters Keeping Your Best Employees**

You're on your way to building the best workplace team you've ever experienced. Your latest hire brings the skills you needed, but more importantly she is a 'good fit' and has a personality that meshes well with yours and those of the rest of the team. She came looking for a job because she was a friend of a friend who used to work for you. Wow, how easy was that!

Unfortunately, the reality is that most business owners don't have this experience. Attracting and retaining employees is becoming more and more challenging in today's marketplace as demographics change. Baby Boomers, who up until now have been the largest age group in the labour market, are entering retirement. The generation following the 'Boomers' is substantially smaller and will not be able to replace all of the Boomers leaving the workforce.

Seeing the trends and hearing stories from other small business owners might have you worried that your good fortune won't last and your most coveted employees will leave you to move on to greener pastures. This could mean incurring huge costs to hire someone new. Statistics show that every new hire costs a business at least 1/3 of that person's yearly wages. For example, if you hire an administrative assistant for \$30,000 a year, you will probably spend \$10,000 on recruitment and training costs to get that person to a point where they are fully comfortable in their role.

Angie Barnard, owner of the Painted Turtle Guesthouse in Nanaimo understands that it is not just the financial toll of losing an employee that business owners should worry about. "Because we're a small team, when you lose one person the other team members need to fill in and do that job. That means a minimum of a month turnover where someone is doing two jobs. The staff morale is one of the hardest things to manage when they're picking up the slack while we train a new employee," acknowledges Barnard.

One place to start in your retention strategy is to think about the compensation package you have to offer. While job satisfaction is more complex than just money, fair compensation continues to be an important factor for employees of all ages. Barb Fetherstonhaugh, owner of Pete's Tent and Awning in Victoria, knows this well.

'Financial compensation is part of it, but on top of that we also offer flexibility and try to help our employees work towards their life goals. Being able to offer time flexibility is key: time off for family, sick time and extended vacation time," says Fetherstonhaugh. "I also really believe that people have their own life goals, so we try to support them while they work towards them. Continuing education and offering to let them take courses to upgrade their skills is really very important."

Training and development will definitely cost you money, but the long-term impact on your business can be significant - in a good way. More and more employees are looking for a place to work that values the contribution they make and will provide learning and growth opportunities.

The investment you make in training and developing your employees doesn't have to be overwhelming. Some small companies have a yearly "education allowance" of a fixed amount, say \$500, from which each employee can choose what they would like to do. This could be in the form of a one or two day seminar, a college night course or simply purchasing books for self-study. There should be parameters attached to an education allowance of course, such as ensuring the training is pertinent to your company and your employees' roles. Many companies will only pay once the employee has provided documentation of their successful completion of the course or seminar. Whichever way you choose to implement training and development in your company, the benefits will far outweigh the costs in the long-term.

Angie Barnard's employees are mostly joining her company for entry level positions into the hospitality and tourism industry. "We often can't pay our staff what we believe to be their full value, so we try to value-add to their remuneration package by giving them experience," says Barnard. "We do regular staff reviews and if they're interested in taking a course we'll look at that on a case-by-case basis. For instance we sent our office manager to a three day HR course in Victoria. And we've sent reception staff to tourism industry conferences."

Before you spend your hard earned money make sure you understand the motivations of your employees and be certain that what you have in mind will help you achieve your goal of getting commitment to your company. You should focus on things that engage your employees. If they are engaged they will be more productive, share their innovative ideas freely, inspire others and provide excellent customer service. What you choose to do may or may not cost you much money.

In sum, build loyalty. Be clear about what you expect from your employees and make sure they have the resources they need to accomplish it. Get to know them as individuals and show that you care. Provide feedback, recognition and acknowledgement on a continual basis. You will have a better understanding of the opportunities and career development that they are looking for. Focus your attention on your best employees who will be able to inspire others to do great work.

*Women's Enterprise Centre is the go-to place for BC women business owners for business loans, skills training, business advisory services, resources, publications and referrals. Call us at 1.800.643.7014 or email [info@womensenterprise.ca](mailto:info@womensenterprise.ca) from anywhere in BC.*