

Employee Retention Requires More than Good Benefits



By Leigh Branham

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Over the years, we have read many articles about companies have launched perk-and-benefit-based talent acquisition and retention strategies featuring practices such as: hiring concierges to run personal errands, subsidizing child care, providing on-site dry cleaning, adopting casual dress policies, offering massages and giving out free take-home meals. Such perquisites can certainly demonstrate that your employer wants to make your life at work more livable.

Yet the media focus on designing new perks and benefits may have an unintended and unfortunate consequence—it may send a message to front-line managers that the solutions to employee turnover lie outside the everyday fundamentals of good people management.

For years research has shown the factors that create the highest degree of worker commitment and satisfaction are job challenge, recognition, a culture of trust, and a healthy relationship with one's manager. Exit interviews repeatedly surface some variation on the theme "my boss was a jerk" among the top three reasons people leave their companies. One recent study showed that 50 percent of work-life satisfaction is determined by the relationship a worker has with his or her immediate supervisor.

Yet many managers continue to think differently—one study found that most managers believe that employee retention is mainly about paying employees more. As one restaurant manager exasperatedly commented to me about his turnover problems, "All you can do is throw money at it!" This prevailing belief has helped fuel spiraling wage wars and unprecedented signing bonuses that may work in the short run, but can also destroy all semblance of internal equity.

"Employers of choice" know that providing good pay and worker-friendly benefits is only one leg of the four-legged foundation for employee engagement and retention. The other three—selecting the right person in the first place, getting new hires off to a great start, and coaching and rewarding to sustain commitment—are the manager's responsibility, with assistance from human resources and senior management.

