

## DYD Episode 59 Show Notes

### How Can We Decrease our Turnover?

If you'd like me to share customized strategies for your drama situation go to my website  
<http://podcast.defeatthedrama.com/defeat-your-drama>.  
You can type or record your message. Use your real name or an alias for anonymity. Note that recorded or written messages may be used on the podcast.

**Defeat  
YOUR  
Drama!**

**Mark Writes:** I am the President of a family business with 45 employees. I took over for my dad when he retired 5 years ago. I think we have a great company but for some reason our turnover is really high. We can't seem to keep employees longer than about 7 months. We are constantly hiring new employees and it's so draining. We pay our employees every week rather than making them wait 2 weeks. I don't understand why they keep leaving.

As always, In the Defeat Your Drama segments, I will provide solutions based on the information provided. I will obviously not have full details so will provide customized strategies based on what you share. Always consider your own specific circumstances before taking any action. These are suggestions not guarantees.

Mark, so sorry for the frustration you are experiencing. High turn over creates a lot of additional challenges in your business and is also very expensive.

You probably are already aware but let's spell out some of the added expense and challenge to help you and others build the motivation to change what you must to decrease turnover. The Society of Human Resource Management recently shared that the estimated cost of hiring an employee is over \$3,000. For a manager or executive the cost of turnover is much higher. Here are some of the costs

- Time you must invest to screen resumes and interview: either you do it or pay someone else.
- Lost productivity: from the person you lose but also from the flow of work between employees. You also lose the time of any trainers.
- Lost the investment you've made in training the person: This investment varies depending on their salary and the length of the learning curve. You also must add in the wage of anyone who spent time training them.

So, there are a lot of advantages to keeping a solid team over time. Let's provide you with some customized strategies to help you decrease your turnover. The good news is there are absolutely steps in your control as owner of the company to help you fix this issue. Are you willing to do what's necessary?

## #1 Compensate Well

The goal is to have a team on fire for your mission and not just there for a paycheck. However, you do need to make sure that your team is compensated well. When I talk about compensation I am not just talking about pay. Many factors make up the currency your employees receive. The blend of all variables must equal fair pay that entices people to stay.

Here are other ways you can provide compensation beyond an hourly rate or salary:

- Benefits – health, dental, car allowance, tuition reimbursement, paid time off for vacation and holidays, gym membership, onsite dry cleaning pick up and delivery, on site day care, uniforms
- Flexible Schedules: work around school schedules, family obligations
- Work from Home Options: employees save time and money on fewer commutes to the office, less money on work clothes
- Fulfilling Work
- A Great Team
- Opportunity for Advancement
- Learning Opportunities
- Great Work Environment: nice surroundings, comfort, fun, pool tables, nice outdoor space

So, if you have a great culture, a wonderful mission that sparks passion in your employees and a flexible work schedule that allows them to create a nice work life balance the monetary pay is less important.

If, however, the work is grueling, the environment toxic, you will need to provide a higher monetary wage to compensate.

Think about garbage collectors. While most boys covet this job when they are 4 or 5, as adults, few aspire to be garbage collectors. It's hard work, messy and you are out in the elements. The job itself has little reward. So, how are people enticed to serve as garbage men? They are paid a high wage.

So, take a look at your compensation. Are you paying your employees fairly within the company? Word gets out. If wages are significantly different between employees this will create frustration and may cause employees to quit.

Are you paying equitably when you compare to similar businesses?

Are you compensating with a great work environment? If the work environment is not good or the work not fulfilling are you providing a bit more in pay to compensate?

Take a look at your pay plan and see whether you need to invest more in employee wages. It might seem like a big expense but think about the cost of high turnover.

If you don't want to pay more what else can you provide for your employees that they would find valuable?

## **#2 Provide an Opportunity to Be Successful**

I believe that humans have an innate desire to feel like they are doing a good job. Assure that your employees have the opportunity to be successful. Key ingredients to help make that happen are:

- Hire people with skills and personalities aligned with your business
- Provide the resources they need to do their jobs well. Make sure they are trained properly and assure that they have the materials, equipment and time to function well.
- Communicate clear expectations. Make sure your employees know what the definition of success is and let them know where they stand. Are they meeting your expectations or falling short? If they are falling short create a path to success.

## **#3 Show Appreciation**

It did not escape my notice that in the short email you sent me you shared the one of the key benefits of working for you is that employees are paid once a week. I hear business owners share this sentiment at times, "Why do I have to thank them. They get a paycheck." And, I can say that when a leader shares the sentiment, without fail I find a team that does not feel appreciated.

I believe that one of the innate human desires is to feel appreciated. You do not want to make appreciation a limited resource. Make appreciation abundant. If you thank employees sparingly a show of gratitude for one employee will leave the others feeling, "what about me?"

They will not feel a sense of loyalty the company. They will feel like a number and will think nothing of leaving.

Instead, make appreciating abundant. Thank them often. Authentically, but often.

#### #4 Culture Aligned with Your Business Objectives and Conducive to Teamwork

Leaders create the culture. That means you, Mark along with any other leaders in your employ. What experiences are you creating for your team daily? Are you a micromanager or a procrastinator? Do you get angry in yell at your team, creating a culture of fear?

#### #5 Allow them to Participate Fully in Your Mission

Make sure your employees know the business mission and help them feel like a part of making your mission happen. And your mission can't just be about making money. What outcomes do you help create for the people you serve or sell your products too? Share the vision and mission from the heart

Listen to Episode #5, Engage Your Team to learn more tips for getting your team fired up around your mission <http://goo.gl/rTNrHR>

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