

Employee retention

“We lost some customers when Cooper transferred to a competitor”.

Factors that could encourage employees to seek employment elsewhere include an unpleasant working atmosphere, an unsatisfactory salary, job insecurity and poor working conditions.

A change of employment, even by one person, can be a serious blow to a business's entire operations if that person has some special expertise or experience. This expertise can include using specialist machinery, developing products, managing information systems (such as orders, production control, invoicing and customer registers) and sales and marketing.

When an employee moves to a competitor, it's not just their skills and expertise that they take with them – they can take confidential information too.

Tips

- Discussing the conditions at work and collectively looking for solutions improves the working atmosphere and job satisfaction.
- Communicating with employees about the business's situation, future prospects and plans, and listening to employees' views, can improve feelings of security. A salary increase by itself is not always the right solution!
- Continuity or contingency planning could help you recover faster from difficulties caused by a key employee's departure.

Useful links

Health and Safety Executive – Emergency planning
www.hse.gov.uk/pubns/afag802.pdf

Chartered Institute of Personnel and Development – Succession planning and Employee retention
www.cipd.co.uk/subjects/hrpract/general/successplan.htm?lsSrchRes=1
www.cipd.co.uk/subjects/recruitmen/retention/default.htm?lsSrchRes=1

Recruitment

“Disputes emerged at the workplace when the new foreman was unable to perform as a superior”.

Poor choices when recruiting new personnel or rearranging tasks can cause a lot of harm, such as increasing friction between staff, making the work atmosphere worse and having a negative effect on production.

If employees are doing the 'wrong job', their expertise is wasted and their motivation suffers. And if they're overqualified for the work they're doing, they could find employment elsewhere. A qualified and well-trained person is not always able to act as a good supervisor.

In a family business, personal relationships are important – they can be both a threat and a resource.

Tips

- It's worth examining everyone's special skills and personal wishes, and aiming to use these in the best way possible. When recruiting new personnel, you need to clarify the kind of expertise you need and what skill would provide extra benefits. At times, it may be worth using an external consultant to help find the right person.
- In certain cases, it's worth asking new employees to take a medical examination before they sign their employment contract. For example, it would be disastrous to find out after a month that a new employee is allergic to a substance that you use in your production process.

Useful link

Chartered Institute of Personnel and Development – Recruitment and talent management
www.cipd.co.uk/subjects/recruitmen/general