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RETAINING KEY EMPLOYEES WILL TAKE CREATIVE MANAGEMENT THINKING

The acute shortage of competent employees is making a lot of owners nervous about their future. Owners think they might be held out for “ransom” style demands. Consider, however, that when the communication “gates” are opened fully between Management and Employees, a complete visualized understanding of each persons role, and how using each others talent, not only secures the businesses success, but their own personal financial stability as well, which in turn creates an interwoven mutual respect throughout the shop. The maturity level of the shop has been raised. It is when management does not communicate, educate, or involve the employees in daily decisions affecting the processes, direction, or outcome of the business, and potentially the employee’s personal income, negative perceptions can begin to settle in, as the employee does not “feel” like they are part of the enterprise.

That being said, we are entering an era where pressure to provide **strategic compensation packages** are starting to become very important in ensuring the best people are retained. Wages can be taken only so far considering the costs of government legislated employer burdens, which, this year, is a minimum of 17.5% of gross wages earned, so benefit packages are starting to play a larger role in rewarding/compensating key business personnel for their talent, contribution, and stability.

Customize benefits to the individual employee. Set a specific dollar limit for the employee and then have a discussion as to how the employee would like to see the money spent on his or her behalf as a “benefit package”. This gives the employee a say in what is important to them, and ensures that valuable business dollars are being spent effectively. Some ideas of benefit packages include family medical, dental, long-term disability and life insurance packages which are relatively common today, however, consider some “out of the box” thinking as well, such as, tool allowance assistance, registered education savings plan for the employees children, educational tutors, if required, for their children, percentage of daycare costs, percentage of the employees personal car insurance, percentage of a leased vehicle, fitness club membership to promote health and well-being, a home computer, high speed internet access fees at home, financial, tax, and/or estate planning counseling, to name a few.

Discuss the tax reporting treatment with your accountant first so you are aware of all the facts that would pertain to your particular business situation. Remember, the bottom line is to deliver “value benefits” to the employee through displaying, and expressing, your respect and appreciation for their contribution to the businesses success, and the stability that they bring to the shop. “Effective” benefit packages can assist in retaining the best employees for your company at a controlled cost.

With the current way of thinking about the lack of choice out there by most owners/managers, the better shops consider the following statement as fact: “We are continually faced by great opportunities brilliantly disguised as insoluble problems”. Your best/key employees are the opportunities to secure the businesses future success, so consider always embracing their well being, which in turn will retain their focus, energy, and loyalty, for the balance of their career.

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