

# Three innovative ways to reduce staff turnover

By [Amy-Jane Louw](#)

12 Apr 2012

The cost of running a business in South Africa today is skyrocketing, and it's the small businesses that are really feeling the pinch. One of the primary reasons for this setback is that small businesses suffer personnel losses more heavily. Hiring and training new staff is a costly enterprise, with owners stating that the single largest expense is the time it takes to get a new employee up to speed and productive in a new position.



Underpinning management's ability to retain staff is an understanding of why people leave an organisation. However, it is equally important to identify those factors that attract skilled people to organisations and keep them there. Today a manager's role is not just about overseeing a department and keeping an eye on the bottom line, it is increasingly about building relationships with staff and creating an environment in which people can realise their potential and behave in ways that contribute to organisational success.

Many companies experience setbacks with staff because their managers are unaware of or ignore the impact of their behaviour on others. In fact, managers are often the cause of the problems they observe and about which they complain. It is the responsibility of the manager to focus on ensuring that their behaviour encourages the workforce to express their competence and be productive, rather than hindering the productivity of the business.

In addition to the quality of management, other factors that cause staff turnover include salaries, working conditions, opportunities for promotion and peer group relations. Individual factors like age, educational qualifications, family responsibility and personality also play a crucial role in the way employees view the attractiveness of current and alternative job opportunities.

## What can small business owners do to retain employees?

As employers know, what appeals to one employee might not appeal to another, but open communication can go a long way into tapping into the needs of the individual. Here are three ways to keep your employees engaged, satisfied and performing optimally.

### *1. Create an inclusive, developmental, performance-orientated culture*

Employees need to feel that they are providing a valuable contribution to their company. Managers should look for ways to encourage open dialogue and ideas. By creating a participative decision-making process, employees are given the opportunity to prove themselves and be challenged in their working environment, which ultimately improves job satisfaction. Performance rewards are also a consideration. Clear performance-reward systems should be confirmed by actual rewards, as this encourages the belief that hard work and good performance will be rewarded.

### *2. Display effective and supportive leadership*

Employee dissatisfaction is often rooted in unrealistic demands and expectations. When a manager expects their team members to remain passive, dependent and subordinate, they stifle initiative and growth, which frequently results in frustration, conflict and failure. Managers therefore need to find a common ground between the needs of the individual employee and the needs of the company. The best managers know they can trust their employees to do their jobs well and can coach them effectively where they need to be coached.

### *3. Offer competitive salaries and unique benefits*

While providing benefits like Medical Aid and Retirement Fund benefits can go a long way to retaining top employees, getting creative with benefits can really help. Some of the highly ranked benefits beyond medical aid and retirement fund are flexi-time and free parking. These types of benefits go beyond monetary value - they improve employees' quality of life. Although unique benefits may not suit everyone, an open discussion about what individual employees need is a good starting point. Once that has been discussed, do the research and find out if it is doable and within budget.

Your management style contributes greatly to how employees perceive their role in the organisation and whether there is room for progression - both personally and professionally. Although you may not be able to hold on to all your valued employees for the duration of their careers, you can create compelling reasons for them to stay, thereby reducing the perpetual search for new talent.

For more information on the part-time online University of Cape Town Effective People Management course, contact Anique on 021 447 7565 or [anique@getsmarter.co.za](mailto:anique@getsmarter.co.za). Alternatively, visit [www.getsmarter.co.za](http://www.getsmarter.co.za).

## ABOUT THE AUTHOR

Amy-Jane Louw is a member of the marketing department of GetSmarter, a high-touch online education company. GetSmarter works together with University of Cape Town to present short courses in small business, internet marketing and much more.

For more, visit: <https://www.bizcommunity.com>