

The Power of Simplicity

How Can You Retain Top Talent? Make it a KPI

Employee retention can be one of the biggest challenges facing small and mid-sized professional service companies. [A report by Mental Health America and The Faas Foundation](#) recently found that 71 percent of workers are actively seeking new opportunities.

In an industry where as much as 90% of costs are people related, the price of employee turnover is often painfully high: experts estimate that it can cost one-and-a-half to more than twice a staffer's salary to find and train a replacement.

But that's just the beginning.

There are other potential "costs" in the form of reduced productivity, overworked remaining staff, impact on employee morale and lost organizational knowledge.

To help counter the threat of losing talented employees, professional services companies often focus their retention programs on improving hiring strategies, streamlining the [onboarding process](#), offering competitive compensation, and fostering a positive work environment.

READ MORE: [4 Key Reasons You Should Offer Benefits to Employees](#)

Managers may be a critical, sometimes overlooked part of your company's employee retention strategy.

Some companies actually make the retention of top talent a key performance indicator (KPI), giving managers the incentive they need to focus on retaining talent.

Establishing talent retention as a company-wide business objective, rather than just an HR metric, allows a people-centric organization to approach a retention strategy in a more systematic way. That means, for example, that the evaluation of managers based on their ability to hold onto valued employees can play a critical role in your retention strategy.

In addition to making retention a KPI, companies are increasingly creating retention strategies to demonstrate that they care about their employees. Following these best practices will get you on the road to success:

Practice strategic recruitment, exploring ways to adapt recruiting and hiring strategies around your long-term retention goals. Help candidates see how they can grow with your company throughout their career.

- Develop a sense of cultural fit. The right type of employee will self-identify with your culture. The clearer you are about it — early in the process — the more likely you are to attract candidates that fit with your business style.
- Foster strong relationships during onboarding. Ensure that managers and teammates play a role in the interviewing and candidate selection process. Allocate time for new hires to begin forming a solid relationship with their manager.
- Survey employees — and put their feedback into action. How satisfied are employees in their roles? Are staffers given regular opportunities to provide feedback?
- Create a transparent culture of communication that attracts employees as well as clients.
- Master the art of the stay-interview with valued employees. The key benefit of conducting a stay interview is learning why an employee may be thinking of leaving *before* the decision is made.

For small to medium-sized firms in the professional services industry, there is no simple solution to the talent shortage. But our spotlight, “Finders Keepers: How Up-to-Date HR Tech Helps Win the War for Talent,” shows how the right technology is critical to your success in finding — and keeping — top talent.

[Read the report.](#)

Increase employee retention with a mix of traditional and creative benefits

Another method of retaining top performers is by offering competitive benefits. Doing so, though, can be challenging. According to the [2018 Paychex Pulse of HR Survey](#), it was among the top five biggest HR challenges, with 33 percent of HR professionals listing it as a challenge.

When looking [specifically at the professional services industry](#), our research reveals that knowledge-based companies are more likely to have engaged — and have the need to have engaged — employees. They also outpace other companies in offering a wide range of non-traditional benefits, such as:

- Flexible scheduling
- Telecommuting — at almost three times the number of companies compared to businesses in other industries
- Childcare
- Student loan repayment
- Financial counseling/advice
- Gym services — at twice the rate of businesses in other industries

Then there are low-cost benefits to consider.

The value of low-cost benefits, like casual dress days, and free snacks, are often listed as high as bonuses, health care, dental insurance, 401(k) plans in order of importance.

Values matter

When looking for work, many job seekers don't just look at the job and benefits — they look at the larger organization.

According to [a survey](#), 59 percent of millennials deliberately seek out employers whose corporate social responsibility reflects their own values.

Some ways that companies give back include:

- Celebrating the end of the quarter with a canned food drive for a local food pantry.
- Giving employees pro bono opportunities -- such as paid volunteer time -- to help a nonprofit.
- Using charity events, like 5k runs, as [team-building exercises](#). Coworkers can train together, and have fun, while giving back to great causes.

For a professional services firm, retention is as important to workforce talent as recruiting. And *long-term* employee retention is almost as critical as productivity. The companies that retain top talent enjoy one of the strongest competitive advantages a company can have in today's marketplace.