

How to Beat the Odds: Employee Retention – Keep Them Longer

EMPLOYEE RETENTION LEADS TO LOWER COSTS AND INCREASED ROI

Employee Engagement Must Be a Priority



SMART BRIEFS

Brief research outlines from the staff at Smart ERP Solutions®

ENGAGE YOUR
EMPLOYEES
RETAIN THEM LONGER

Your Organization's Most Valuable Asset. Keep Your Employees Longer

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Bersin by Deloitte

The Surprising ROI of Retention

Data from the last 15 years shows if the unemployment rate continues to stay low, the national voluntary turnover rate will likely stay high. Many companies will continue to struggle to fill job vacancies—in fact, at the end of June 2016, there were more than 5.6 million unfilled jobs in the United States. Worse, these shortages are most pronounced for skilled roles that have high barriers to entry and are crucial to a company's success.

The direct (hard dollar) costs of replacing an employee who leaves voluntarily consist of the costs to source and recruit a new employee, typically referred to as “cost per hire,” plus the cost of his or her first-year training and orientation.

Voluntary turnover is costing many organizations millions of dollars. According to Bersin by Deloitte research, across the United States, the average cost per hire is \$3,976, with cost per hire varying by organization size, ranging from \$3,139 per new hire within larger companies to \$5,380 per new hire within smaller companies.

Bersin by Deloitte, Deloitte Consulting LLP

Calculating the True Cost of Voluntary Turnover: The Surprising ROI of Retention



What do you consider your organization's most valuable asset?



If you are like most leaders, your employees will come on top every time. It makes sense—employees are often the first point of contact for customers, they set the pace for productivity and your workforce has a direct impact on the overall quality of your goods or services.

Despite the value placed on workers, many employers are still missing the mark when it comes to employee engagement. Unfortunately, this disconnect can lead to high employee turnover rates. SHRM (Society for Human Resource Management) suggests that the average cost-per-hire is more than \$4,000, but these costs could easily run tens of thousands of dollars for high-level and specialty positions. It's easy to see how losing just a few valuable employees could wreak havoc on your company's overall budget.

The good news is that you can beat the odds and improve your employee retention rates. The trick is to focus on employee engagement. Here are some tips for creating a great employee experience that keeps your employees longer and boosts retention rates across the board.

Onboarding Starts Before Day One

According to a recent study, a new hire is likely to make the decision to remain with the company on a long-term basis during the first six months on the job. This statistic

makes it more important than ever before for employers to make a good first impression. Since six months is a relatively short period of time, employers should make the most of every opportunity they have to make new hires feel valued and appreciated as soon as possible.

Employers no longer have to wait for a new hire's first day on the job to start the onboarding process. Digital HR technology enables employers to reach out the new hires upon acceptance of the offer. This is the ideal time to start the engagement process. Effective pre-boarding will not just prepare a new hire for the job, but it will make them feel like a valuable part of the team even before he or she walks through the door. This is also the ideal time to introduce them to your organization, culture, products and/or services and other employees and managers they may be working with.

Employee Engagement Must Be a Priority

Studies show that employees who feel engaged in the workplace are less likely to leave for another job, even for a job that pays more. This staggering fact means that if employers want to beat the odds and keep their employees around, they must not just talk about engagement, but they must make it a priority. Employers should look for ways to integrate employee engagement into the overall company culture starting with the very first day a new hire interacts with the organization.



As an employer, it is important to look for ways to boost workplace engagement. Ideas like fun activities that promote team building, a structured employee recognition program, effective communication techniques that help to bridge the gap between workers and management, performance bonuses and other financial incentives are all great solutions for boosting employee engagement.

Focus on Employee Development

A recent Gallup poll shows that millennials rank training and development as the most important thing when looking for a job. This makes sense. Employers who put a vested interest into developing their current employees will be rewarded with employees that want to stay with the company. A great way to make sure that talented employees don't miss growth opportunities within the company is to extend the onboarding process well beyond just the first few days or weeks. In fact, onboarding can last for years, when implemented correctly.

For example, employers can integrate training modules into their current onboarding system. Tracking employee trainings can help identify high performers, motivate employees to strive for growth within the company and make employees feel valued and appreciated. If employees feel like there is room for them to grow and develop with the organization, they will be less likely to leave the company.



Digital HR Technology

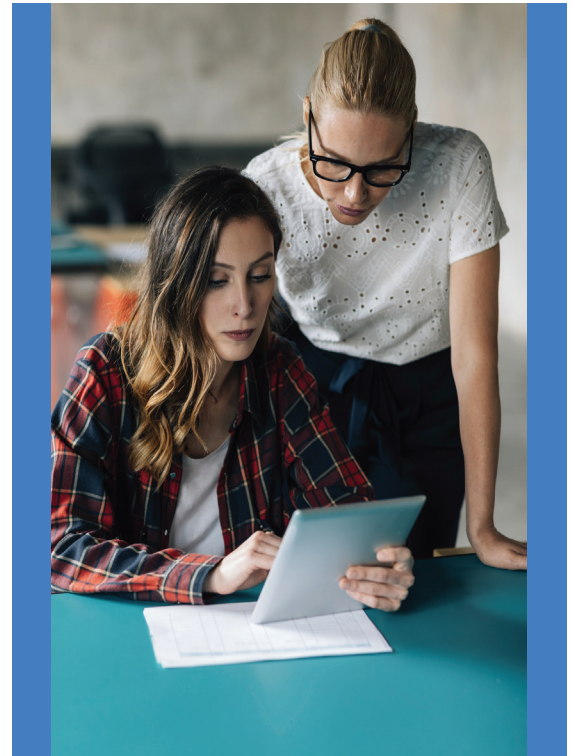
Many employers erroneously believe that putting an emphasis on employee engagement is too costly and time-consuming. Thanks to digital HR technology this is no longer the case. Digital HR solutions give employers and their HR department the power to develop an efficient pre-boarding process, track employee training and performance, create transparent and structure employee rewards and recognition programs and so much more.

By storing all vital HR data in one convenient location, not just HR team members, but managers and supervisors as well will have easy access to relevant data needed to promote real-time and meaningful engagement. Most importantly, the use of digital technology allows employers to reduce both time and costs while greatly improving employee engagement.

The war for talent is heating up. Don't risk losing your best employees for lack of engagement opportunities. Digital technology can provide the resources you need to engage with employees from the minute the offer is accepted until years after their first day on the job. If your company wants to lower recruiting costs by retaining more current employees, utilizing digital technology as a means of boosting employee engagement is a must. Now is the time to be open to



innovation and new technologies that will allow you to take your workforce into the future. In the long run, efficient HR software solutions can simplify the hiring process, improve customer services, lower voluntary turnover rates and increase the company's overall bottom line.



Employee Retention Through Multidirectional Exchanges

A systemic relationship with talent comprises the systems and processes that enable **multidirectional interactions and exchanges** of information, ideas, resources, and needs **between employees** and the organization, as well as the ways in which the organization **analyzes that information and responds appropriately** at scale.

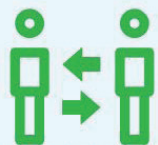


An effective relationship requires that **organizations be active participants** in enabling listening, sharing, and the exchange of ideas, needs, and resources with and between employees.

Organizations that create a systemic relationship with talent are likely to be more effective across a variety of business and talent outcomes.



Assessing candidates
27x more effective



Coaching & developing talent
15x more effective



Managing performance problems
15x more effective



Identifying & developing leaders
7x more effective



Anticipating change & responding appropriately
3x more effective



Improving processes to maximize efficiency
2x more effective



Innovating
3x more effective

A systemic relationship with talent is also critical for organizations seeking to reach higher levels of talent management maturity.



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