Building Employee Loyalty

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By: Bonnie Woodson, Ed.D. / Cuesta College
Today we will be talking about how we build loyalty in our employees—starting with getting the right employees who are the right “fit” for our business.

- Defining the “best fit” for our organizations
- Finding the “right person” – team focus
- The “Relationship Factor”
- Strategies for building employee loyalty
Some interesting facts...

- The definition of “employee loyalty” has changed significantly over the past several years. The average employee only stays on a job 4-5 years (2014) before moving to another employer.
- $11 billion are lost each year to turnover in American businesses.
- In 2014, 20-50% of companies lost employees to other companies.
- Only 39% of employees today are “engaged” with current employers.
- 57% of employees under the age of 28 are job hopping—some staying in one place for 6 months to one year.
- After 10 years with one employer, an employee will show more stability and commitment.
- Companies are spending 16-20% annually to replace employees who make under $40,000 per year. This percentage increases to 60-200% for higher level employees or top performers.

Sources:
Bloomberg BNA (2014); Center for American Progress (2012); Society of Human Resource Management (2012)
According to, Patty Green, an Oregon winemaker, “in the wine business, working is a lifestyle, not a job. . . .”

. . . “Putting your business together is so important. It starts with the employees and the relationships you build with them. The business can’t run without the employees.”
Choosing a family for your lifestyle is not normally what we are find in the real world. But, if your work is your “lifestyle”, how could you recruit the “best” for your winery business family?

Who do you want in your “family”?

- Skills?
- Qualities?
- Personalities?
- Values?
So what is the strategy for getting the right employee?

Selecting the right person – this is where the “rubber meets the road”

⇒ Choosing the right person for the “assignment” – not the job!

- Rate for a good “match” to company values, work environment, and team
- Appearance and demeanor/personality
- Select for “FLEXIBILITY” – who has the potential and attitude to grow with us?
Does employee background really matter?

Choosing the right one!

⇒ Matching qualifications with who you are looking for in a great employee -- Would this person fit into my "family"?

⇒ Watch out for "grandeur" in resumes and applications

⇒ Use a scoring system—a simple measurement for the "paper part"—weighting criteria for the most important to least important qualifications

⇒ Two thirds of employers today conduct background checks on potential employees. Checking your applicant’s moral code, integrity, and criminal status through official background checks is important (Facebook, Google, references, credit reporting agencies, online services – National Association of Professional Background Screeners )
Today’s focus on loyalty is not “forever”—but only for the time the employee is with you.

Wharton management professor Adam Cobb sees another factor in a clearly an evolving loyalty relationship.

“When you are talking about loyalty in the workplace, you have to think about it as a reciprocal exchange,” says Cobb. “My loyalty to the firm is contingent on my firm’s loyalty to me. But there is one party in that exchange which has tremendously more power, and that is the firm.”
How could you build employee loyalty in your wine business?
Investing in the employee’s future so you can hold on to that employee

- Today’s worker is looking for flexibility
- Today’s worker is looking for good work relationships
- Today’s worker is looking for work/life balance
- Today’s worker is looking for pay and benefits
- Today’s worker is looking for growth opportunities
- Today’s worker is looking for empowerment opportunities
Can take many forms . . .

- Work schedules
- Work assignments
- Personal time
- Open and honest communications about what works for each person while achieving the goals of the workplace and maintaining quality of operations
Employee loyalty starts with reciprocal relationships at work. . .

- Trust and fairness
- Respect and dignity
- The “silver bullet” today is managers who are “good examples” and show they care about the employees
- Knowing the employer is “passionate” about the employee
- Getting staff passionate about the team--“How can I help?”
- Optimism about who we are and where we are going
The Quality of Work / Life Balance . . .

Workers need to know the employer cares about the “whole person”

- Honest communications about expectations – “a two-way street”
- Management practices that encourage employees while building teamwork
- Family friendly policies
- Engage families in the achievements of family members
- Healthy living – free from stress, morale issues, and unfair work practices
Most workers today are looking for something “additional” in their work contracts. For small businesses, this can be challenging. However, employee loyalty can come from many types of benefits that don’t have to “break the bank” for the employers.

• It’s not about the highest salary – it’s about a competitive salary because this generally makes employees feel valued

• Look for ways in which the employees can structure their work day

• Building teams whose primary goals support the operations of the winery while fostering strong relationships

• Benefits that “fit” the employee’s needs and goals – multi-generational
Workers today are asking—is the employer willing to go the “extra mile” for my growth?

*Loyalty* can be found in tying the employee’s dreams and goals to the job

1. Understanding each employee’s desires and dreams
2. Committing resources to helping the employee “get better” in what he/she does
3. Maximizing what the employee’s can do to reach one’s own potential
4. Employees today looking for someone who encourages their development...someone in his/her life that...can make a difference.
Strategies for growth opportunities

✓ Job rotation / Job sharing

1. People are better employees when they understand the entire “process”
2. Productivity increases when employees understand how their actions affect others
3. Temporary rotations are “inspiring” and “motivational” – the “ah ha” moment
4. People who work in teams or pairs and share work schedules can be more productive and accountable.
ONBOARDING = an ongoing process of orientation and socialization of newer employees

- Provide new employees with all necessary HR, payroll, and benefit forms
- Conveys your organizational values and brand
- Explains the culture of the organization
- Aligns organizational expectations with performance objectives
- Provides the tools necessary to successfully become productive in a new position
- Can span 1-2 years with intense communications, feedback on performance, and measurement of productivity which can be keys to loyalty and retention of employees.
- Employees can begin to see how they “fit” into the organization
Onboarding...  

Best practices

✓ Four best practices for onboarding programs

1. Engage managers and solicit their insights
2. Make it mobile through mobile devices to streamline administrative tasks
3. Tap into technology—digitize signatures and important documents to free up time for the assimilation activities and network building
4. Solicit feedback and continue to refresh the strategies during the onboarding process
When providing development opportunities to employees, target those who *bring value to the organization* and who help *move the company in a positive direction*

- Focus training efforts in those areas selected by employees and not those that are just “company assigned”
- Ensure that the organization values and supports development efforts – not just for the purpose of “supporting” jobs, but to keep the employee actively interested and engaged
- Develop a mindset of knowledge growth = the employee not only knows his/her job—but also the assignments of others
- Make an effort to challenge the status quo with employees and heighten expectations
- Lunch and learn programs
Research shows that delegation is not only an important component of employee development—it helps to increase job satisfaction as well.

Strategies to increase delegation success . . .

1. **Look at your own workload**—how much time do you spend on repetitive tasks that are part of larger processes. What lower level tasks could you easily “pass on” to free up your time to “lead”?

2. **Look for people who you feel are skilled and ready to take on more responsibility.** These are people who show a desire to learn more along the way—those who say “Can I help?”

3. **Take the time necessary to train and coach others.** Delegation is only as effective as the time you take to provide instruction and answer questions.

4. **Clearly explain your expectations** and desired outcomes.

5. **Learn to trust** in the abilities of others. Eliminate the feeling that you are the only person who can do it!

6. **Share your knowledge and strategies**—be open to other recommendations or approaches. Your way may not be the “only way.”

7. **Follow up without micro-managing.**
The P.A.T. Delegation Formula

• **P = Purpose.** Clearly define the purpose or reason for the assignment.

• **A = Action.** Specifically break up the assignment into steps or tasks. Assign those tasks to those who you trust to complete them properly. Make sure employees have the skills and resources to complete the tasks.

• **T = Timeframe.** Provide a clearly defined timeframe, including deadlines, for the assignment. Follow-up on a timely basis to ensure the timeframe is being met.

Today we talked about ways in which we can build employee loyalty . . .

- Through identifying and getting the kind of workers we want in our “family”
- Through building a “loyalty” relationship with our employees
- Through investment into an employee’s development using various workplace interventions

Are there any QUESTIONS??????????