



February 2008

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TOP TEN WAYS TO RETAIN YOUR GREAT EMPLOYEES

Why Retention?

Key employee retention is critical to the long term health and success of your business. Managers readily agree that retaining your best employees ensures customer satisfaction, product sales, satisfied co-workers and reporting staff, effective succession planning and deeply imbedded organisational knowledge and learning. If managers can cite these facts so well, why do they behave in ways that so frequently encourage great employees to quit their jobs?

Employee retention matters. Failing to retain a key employee is costly. Various estimates suggest that losing a middle manager costs an organisation up to 100 percent of his salary. The loss of a senior executive is even more costly.

Employee retention is critically important for a second societal reason, too. Over the next few years while Baby Boomers (age 40 to 58) retire, the upcoming Generation X (ages 25-34) population numbers 44 million people, compared to 76 million Baby Boomers available for work. Simply stated, there are fewer people available to work.

Employee retention is one of the primary measures of the health of your organisation. If you are losing critical staff members, you can safely bet that other people in their departments are looking as well. Exit interviews with departing employees provide valuable information you can use to retain remaining staff. Heed their results. You'll never have a more significant source of data about the health of your organisation.

I've provided these top ten ways to retain a great employee.

- Management thinkers agree that a satisfied employee knows clearly what is expected from him every day at work.

Changing expectations keep people on edge and create unhealthy stress. They rob the employee of internal security and make the employee feel unsuccessful. I'm not advocating unchanging jobs, just the need for a specific framework within which people clearly know what is expected of them.

- The quality of the supervision an employee receives is critical to employee retention. People leave managers and supervisors more often than they leave companies or jobs. It is not enough that the supervisor is well-liked or a nice person, starting with clear expectations of the employee, the supervisor has a critical role to play in retention. Anything the supervisor does to make an employee feel undervalued will contribute to turnover. Frequent employee complaints centre on these areas.

--lack of clarity about expectations,

--lack of clarity about earning potential,

--lack of feedback about performance,

--failure to hold scheduled meetings, and

--failure to provide a framework within which the employee perceives he can succeed.

- The ability of the employee to speak his or her mind freely within the organisation is another key factor in employee retention. Does your organisation solicit ideas and provide an environment in which people are comfortable providing feedback? If so, employees offer ideas, feel free to criticize and commit to continuous improvement. If not, they bite their tongues or find themselves constantly "in trouble" - until they leave.

- Talent and skill utilization is another environmental factor your key employees seek in your workplace. A motivated employee wants to contribute to work areas outside of his specific job description. How many people could contribute far more than they currently do? You just need to know their skills, talent and experience, and take the time to tap into it.

- The perception of fairness and equitable treatment is important in employee retention. In one company, a new sales rep was given the most potentially successful, commission-producing accounts. Current staff viewed these decisions as taking food off their tables. You can bet a number of them are looking for their next opportunity.

- When an employee is failing at work, I ask the W. Edwards Deming question, "What about the work system is causing the person to fail?" Most frequently, if the employee knows what they are supposed to do, I find the answer is time, tools, training, temperament or talent. The easiest to solve, and the ones most affecting employee retention, are tools, time and training. **The employee must have the tools, time and training necessary to do their job well - or they will move to an employer who provides them.**

- **Your best employees, those employees you want to retain, seek frequent opportunities to learn and grow in their careers, knowledge and skill.** Without the opportunity to try new opportunities, sit on challenging committees, attend seminars and read and discuss books, they feel they will stagnate. A career-oriented, valued employee must experience growth opportunities within your organisation.

- A common place complaint or lament I hear during an exit interview is that **the employee never felt senior managers knew he existed.** By senior managers I refer to the president of a small company or a department or division head in a larger company. Take time to meet with new employees to learn about their talents, abilities and skills. Meet with each employee periodically. You'll have more useful information and keep your fingers on the pulse of your organization. It's a critical tool to help employees feel welcomed, acknowledged and loyal.

- **No matter the circumstances, never, never, ever threaten an employee's job or income.** Even if you know layoffs loom if you fail to meet production or sales goals, it is a mistake to foreshadow this information with employees. It makes them nervous; no matter how you phrase the information; no matter how you explain the information, even if you're absolutely correct, your best staff members will update their resumes. I'm not advocating keeping solid information away from people, however, think before you say anything that makes people feel they need to search for another job.

- I place this final tip on every retention list I develop because it is so key and critical to retention success. **Your staff members must feel rewarded, recognized and appreciated.** Frequently saying thank you goes a long way. Monetary rewards, bonuses and gifts make the thank you even more appreciated. Understandable raises, tied to accomplishments and achievement, help retain staff. Commissions and bonuses that are easily calculated on a daily basis, and easily understood, raise motivation and help retain staff. Annually, I receive emails from staff members that provide information about raises nationally. You can bet that work is about the money and almost every individual wants more.

Take a look at your organisation. Are you doing your best to retain your top talent? Employ these ten factors in your

organisation to retain your desired employees and attract the best talent, too.

Susan M Heathfield
About.com - Human resources

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REWARD, RECOGNITION, AWARD AND THANK YOU IDEAS

1. Motivational Posters for Recognition

Most people want to know that their work made a difference. After all, why contribute all of that energy and effort without seeing impact and change? Here's one poster that tells the individual that his work and contribution did make a difference - and, it is appreciated.

2. Engraved Articles for Excellence and Teamwork

Want to provide rewards for all the members of a team? Consider pens and lapel pins that celebrate such positive contributions as excellence, teamwork, and "doing whatever it takes to get the job done well." This selection of desk clocks may also fit the bill; affordable and easy to engrave as well, these are great for rewards, recognition, awards, and showing appreciation.

3. Thank You Gifts to Please Individual Tastes

Ideas for business recognition and gifts include crystal picture frames, watches, clocks, best wishes bowls and more. Here's a memorable picture frame, for example. Say "thank you" in a truly memorable fashion with a gift selected for the individual.

4. Gift Baskets for Rewards

Who doesn't like chocolate, cookies, cheese, or gourmet snacks? These baskets are perfect for providing rewards and recognition for an employee, co-worker, or boss. Baskets are a good choice because they can be customized to reflect the tastes of the receiver. And, when the contents are gone, the basket (or other container), engraved or with a card, provides a lasting memory.

5. More Gift Basket and Container Ideas

If you're getting the impression that I think a filled basket is an outstanding idea for employee rewards, appreciation, and

recognition, you're right. They're so easy to customize to the tastes of the individual employee or the group. Buy one to celebrate the success of a work team. Honour people on their company anniversary. Check out their versatility in these charming books.

6. Chocolate Pleases Almost Everyone

I don't know too many people who aren't fans of chocolate. Indeed, it's most frequently cited as the food people can't get enough of, so, giving chocolate sends a warm "thank you" message. You can often find gift boxes wrapped in "thank you" paper or ribbons, so the gift is festive and on target for rewards and recognition.

7. If You Don't Do Chocolate, How About Dessert?

Not everyone loves chocolate, but everyone loves dessert of some kind. Whether you send cookies, cake, or candy, desserts are a sure staff pleaser for rewards and recognition. Of course, you can order pizza or subs from a local store, and I encourage such recognition, but there is something special about desserts winging their way to your group from afar.

8. Thank You Cards for Recognition

A handwritten thank you note or card is always appropriate and often cherished. Keep a supply on hand. If they're handy and available, you're much more likely to take the time to fill one out. Remember, give praise and thanks that is as specific as possible as soon as possible after the event occurs for the most effective rewards, recognition, and feedback.

9. Organization Logo Merchandise

People like merchandise that carries the company logo and mission. Several hundred companies offer everything from t-shirts, jackets, dress shirts, and hats to mugs, pens, computer mouse pads, plaques, bookends, certificates of appreciation and more. Your only limit in this category of recognition is your imagination. Some organizations sponsor contests to design the logo for the merchandise.

10. Gift Certificates

Ask your employees at what local stores they shop. These are the stores from which they would most like to receive gift certificates. Keep gift certificates handy for convenient rewards and recognition. Some cities or regions ally merchants in programs that offer "one-dollar" gift certificates that people can spend in lieu of cash at any store that participates in the program.

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SARA INTERNSHIPS 2008

The internship will start on April 1 and will run for a period of six months. During this period the interns will obtain exposure to the various aspects of remuneration by visiting various organisations to obtain practical exposure as well as by attending relevant courses and seminars, including the Global Remuneration Professional Course. On successful completion of the internship, the interns will each be placed in at a sponsoring organisation. We have already secured ABSA, Standard Bank and Impala Platinum as sponsors.

[Please click here for more information](#)

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BURSARY NEWS

The SARA Bursary will once again be made available to SARA members for 2009. Members are to submit their applications by June 2008.

The selection criteria for the SARA Bursary are as follows:

The applicant needs to have an honours/PDM for Masters or a Masters for a Doctorate

The student should preferably be specialising in HR and/or Reward

SARA promotes the Reward profession and is sponsoring research that will grow the knowledge base, create instruments and practices that are scientifically founded

The research topic should be relevant to the reward environment and add to the knowledge and methodologies

The candidate should be committed to continuing to invest in remuneration as a profession

For any more information e-mail Gillian, at the SARA Secretariat, at gillian@vdw.co.za

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WORK-LIFE MANAGEMENT COURSES

Work-life Management Course: Get the best out of life and work! Find out how by attending the Work-life Effectiveness courses, developed in partnership with SARA.

The first course, Introduction to work-life Effectiveness, runs from July 21 - 23, while course two, Flexible Workplace is from July 24 - 26 at House of Pharaohs at 1 Gaunt street, Bryanston, Johannesburg.

The course will be presented by Celina Pagani-Tousignant, who is the president and founder of Normisur International, an international management consulting firm that specialises in corporate social responsibility, workforce development and executive coaching.

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EVENTS PROGRAMME 2008

Annual Tax Update Breakfast: Johannesburg Country Club in Woodmead will be the venue for the Annual Tax Update Breakfast on 5 March.

Martin Hopkins, chairman of EPI-USE Analytics (Pty) Ltd, will discuss tax implications of share schemes, while Jerry Botha will present an overview of the 2008 budget.

[Please click here for more information](#)

E-reward workshop day: E-reward's workshop day 'Winnable Solutions for Reward Success' takes place on 4 June 2008 in London.

Being a successful reward manager is tough and trying to co-ordinate your policies with business goals is probably the most difficult skill for any reward manager to master. E-reward's new workshop will show you the right and the wrong way to

achieve success in strategic reward.

[Please click here for more information](#)

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Expatriate Management Group News

EMG EVENTS

EMG in association with SARA presents "A new paradigm in the management of people issues in an international venture"

Join us in this interactive session and come and learn more about what HR needs to know and do in terms of people issues relating to international ventures. Find out how you in HR can add real value to your business!

Presented by: Kevan Hawley, Managing Director of Expatriate Preparation and Dr Marius van Aswegen and Mike and Lynn Biesheuvel, Senior group manager at Sasol (Mike and Lynn are expatriates who have returned from Germany to successful careers in South Africa and they will be sharing their views on how HR can add value to the business).

SARA EMG Breakfast will take place at 07:00 on 7 March at the Johannesburg Country Club, in Woodmead.

[Please click here for more information](#)

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OPTIONS FOR 'LOCALISING' AN EXPATRIATE

'Localisation' changes an expatriate's status in whole or in part to host-location employment terms and conditions, including compensation and benefits. It eliminates the tie back to the home-country structure and makes the expatriate a 'local', usually after a defined period. This adjustment can be potentially problematic for some assignees, since they will no longer enjoy the expatriate allowances and incentives, they may perceive the reduction in income as a loss of status.

How companies handle the employee depends on the reason for 'localisation' and who initiated the change.

From the organisational perspective, what might motivate the employer to consider localising an employee?

The company has implemented a pure 'time trigger' policy (e.g., after five years, expatriates are localised). The employee's skills and talents are necessary on a long-term basis in the host location. Possibly, the assignment length has exceeded the policy parameters, but the employee is still needed at the host location. Management wants to reduce or contain costs either for this particular assignment or for the the overall expatriate population.

If the employee returns home, there would not be a position with the company - forcing the employee to go elsewhere. If the company can use the individual's talent in the host location, it is to the company advantage to convince the employee to stay abroad.

The company wants to address an inequity situation between locals and expatriates working in the same operation.

For the employee, 'localisation' is more acceptable if, for example:

The children want to remain in a particular host-location school.

The spouse is employed either in a local organisation or has the ability to work from home .

The family has more in their host location than back home.

The family has more ties to their host location than back home.

They have purchased property in the host location.

If the employer wants to retain the individual, but the expatriate is unwilling to accept local terms and conditions, the company has several options.

Participants in ORC's 2007 Survey of International 'Localisation' Policies and Practices reported the following possibilities:

Repatriate the employee: 47% did so for non-key personnel, and 38% for key assignees

Offer another assignment: 14% for non-key personnel, and 26% for key staff

Enhance the local package so that it becomes a 'local plus', which results in case -by-case determinations:

10% for non-key personnel, and 18 % for key employees

Enforce the company decision regardless of the expatriate's wishes: 9% for non-key personnel, and 3% for key staff

Terminate the employee's contract: 12% for non-key employees, and 6% for key-staff.

What works best depends on the individual's skills and knowledge, combined with the company requirements. When it comes to an employee's pay and benefits package, particularly for these key staff members, common negotiable issues revolve around developing an acceptable local salary in a low-salary country, continuation of tuition assistance for dependents, health care benefits, retirements plans, and the individual's psychological resistance to status loss. In many cases, 'localisation' policies, which deal with a minority of the expatriate population in most cases, reflect the truth that "one size fits all".

Article by: Samantha Blackhurst Polovina

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EMPLOYMENT OPPORTUNITIES

We trust that you have been receiving your regular SARA Jobs bulletin, and that you are benefiting from this service. Please remember to send us your opportunities, which are also posted on the SARA website at [Professional Development](#).

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WEBSITE POSTINGS

New Jobs added to Employment Section:

<http://www.sara.co.za/professionaldevelopment/employment/>

Library, latest newsletters added

<http://www.sara.co.za/library/ebulletin/>

Corporate Member List updated

<http://www.sara.co.za/saraandmembership/membership/membershipbase>

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EDITOR'S NOTE

Dear Readers,

Welcome to the February edition of the *SARA Bulletin*!

Time seems to be going by at a rate of knots. Just recently we celebrated the festive season and already we are heading for March. As I sit and ponder how quickly time goes by, I realise that life is short and we should enjoy every minute of it. Live your life with expectation, motivation, appreciation, dedication and aspiration.

As this bulletin carries the objective of keeping its readers up-to-date with the latest industry developments, I welcome and encourage you to send me your thoughts, editorial contributions and comments. I would also like to thank you for the information and support already kindly received.

I look forward to working with you in putting together another successful edition in March!

Please note that the views expressed in this newsletter are not necessarily those of the South African Reward Association.

Dion Abrahams

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