

# EMPLOYEE RETENTION: THE SECRET IS IN THE SAUCE

Do you offer your employees the right ingredients to make them happy?

BY MICHAEL MAGGIOTTO, JR.

I love to cook. Years ago, I even owned my own pizzeria in Louisville. After serving thousands of satisfied and loyal customers, there are many lessons I received from my love of cooking. Whether at the restaurant or home, ask anyone and they will say I made the best from burgers and chicken to pizza, pasta and sauce.

So, what does cooking have to do with growers and the horticulture industry? Well, a lot actually. Grab a slice of pizza and let's jump in.

## ONE SINGLE ANSWER?

A recent poll of CEOs by The Conference Board reflects that obtaining and retaining talent are their top internal concerns. Much has been said and written about strategies for obtaining talent, but without appropriate internal efforts to retain current talent, there is a limit in this historically low unemployment and candidate-driven market as to how much help recruitment can be.

Everyone seems to be looking for one single answer, that secret ingredient that can solve their most pressing internal concern. The fact is, there isn't one.

This is where cooking comes in. For example, if you make a sauce with tomatoes only, it's just, well, blah. Unless you really love tomatoes. What makes the sauce is the combination of ingredients. Not just the crushed tomatoes, but the tomato paste for texture, the sugar to cut the acid, the pepper and oregano for bite and earthiness, the salt to open the taste buds, and — if you lean more Sicilian than northern Italian in your taste — the basil for the right touch of sweetness. You see, there is not one single ingredient that determines the greatness of the sauce, it is the combination.

Employee retention is the same thing. Unfortunately, most business leaders look for a single element to retain talent and it is almost always the one component that is sure to bankrupt them in the end — compensation.

The rise of extremely generous retention bonuses and counteroffers that were

unthinkable less than a few years ago point to a “tomato-only sauce.” As much as we may be motivated by money, for years studies on employee engagement and retention around the globe identify many other elements other than compensation as critical to retention.

## THE RIGHT COMBINATION

According to the Society for Human Resource Management (SHRM) in their Toolkit article, “Managing for Employee Retention,” there are six targeted areas where effective practices can be especially powerful at helping organizations achieve retention goals:

1. Recruitment
2. Socialization
3. Training and Development
4. Compensation and Rewards
5. Supervision
6. Employee Engagement

It is the combination of all of these, not just recruitment or compensation alone, that serves to retain employees. Much has also been written about recruitment and the struggle to find talent in this candidate-driven market.

Focusing only on compensation will most likely drive us all out of business by driving up the price of talent, so it is important to review one area we can impact that may not necessarily have to cost much at all, yet improve competitiveness in the market — Total Rewards other than compensation.

The first place most business minds go to is health benefits (medical, dental and vision), but there are so many more benefits and rewards that go into the mix. Start by looking at what your current plans do and do not offer. Listen to your employees and what they are asking for.

Many businesses offer wonderful services that their employees just don't want or are



not using. Use internal benefit surveys to get feedback from your employees. Make sure your talent acquisition team is identifying the benefits that candidates are seeking and are not finding at their current employers, or even what they lament about leaving at their current employer.

Tap into external benefit surveys to identify what the market, industry and geography offer and compare it to your company. There may be some interesting ways to reduce costs while improving these core benefits.

Just one caution — don't rely on your benefit broker or even your insurance provider alone for such survey information. Yes, they are a great resource of information, but they are hardly impartial. There is a vested interest in getting your company to spend more money with them, not reduce your spend. That is why it is important to get third party, unbiased and independent information. Only then will you be able to make the best decisions for your business.

Outside of the three core healthcare benefits, there are many wellness program components and perks that you can offer that are relatively inexpensive. These could include: health club memberships, onsite health screenings and coaching, and health plan incentives, which can reduce overall healthcare costs for the company.

When selecting these, it is important to listen to your employees. As a business leader, you do not have to be the sole brainchild of these programs. Let your people tell you what they want and then weigh the cost/benefit of implementing these programs. HR professionals seeking to make recommendations really need to build out return on investment models to help company leadership buy into the spending and see the organizational benefits.

By focusing on the benefits and perks recommended by your people, you may gain another amazing outcome from your employees — gratitude. After all, most employees want to feel valued, like they are heard and their contributions matter. When you listen and implement employee ideas, you show them their value and that you do indeed listen. This alone will go a long way to increasing employee retention.

### WHERE TO START?

Each company is different but a good place to start is with the base Employee Benefits Prevalence report from SHRM, a free resource that covers all U.S. industries. Because it is free and covers all U.S. industries, you may not initially see the value for your specific situation.

The value in this report is in opening your eyes to what is available, what is being used and how often by looking at the percentage of surveyed companies offering, not offering, and planning to offer in the

coming year for any particular benefit, wellness element or perk. SHRM also has fee-based reports that are more targeted and customizable, and there are vendors who can also provide more relevant information. We recommend reviewing these reports every one to three years to stay on top of market changes.

The combination of these benefits can often be far less expensive than simply paying more money for each employee. Some can stem from relationships with other businesses in your geography. Some can be a cost upfront that is offset by retention improvements and decrease in recruitment needs, the performance improvement by your workforce and other efficiencies that stem from a knowledgeable, well-trained, healthy and fully engaged workforce. The ROI calculation by your HR department should reveal these overall savings, and often they are substantial.

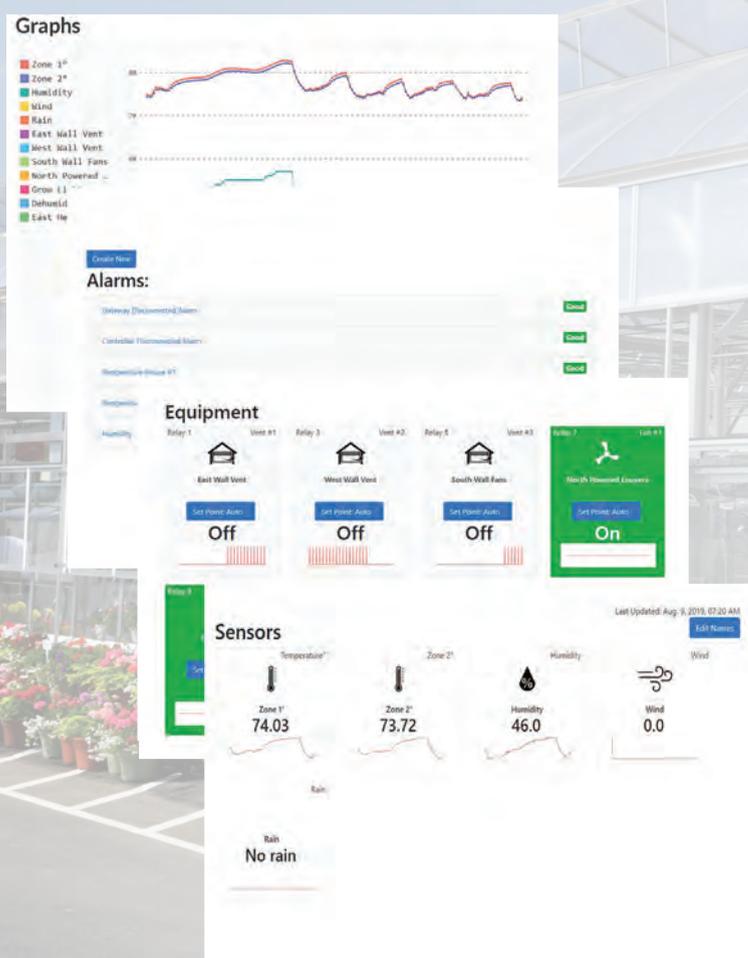
So, when people ask you how you are able to grow and retain people so well, just look them in the eye with a smile and say, "The secret is in the sauce." ■

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