

19.5: Employee Success and Retention

Learning Objectives

- Discuss the factors that contribute to new employee success and retention



When you're an HR professional at a start-up company, does employee retention, engagement and success really look any different than it does for any other small or large business?

Because many start-up companies are tech related, turnover is higher. That's because turnover in the tech world is generally higher than average, at more than 13% annually. Large tech companies aren't very good role models: Apple keeps their employees for an average of just two years, and Google for just over one.^[1] When it costs upward of 125% of that employee's salary to hire and train a replacement, it makes sense to do what you can to ensure success and retention.

That and, let's face it, startups aren't exactly stable. Often, they can't afford to pay what a larger corporation pays for the same skills, and their business model is in flux. This lack of stability can be exciting but, as time wears on, it can be worrisome and nerve-racking.

Your solid hiring practices have laid the foundation for employee success and retention. You're already interviewing to ensure a good cultural fit, you've confirmed that the candidate has solid past experience and a start-up mindset. You've established fair hiring processes to ensure that all candidates are treated the same as they take their steps toward becoming employees of the company. So you're well on your way to new employee success and retention!

What else can you do? In the midst of today's talent shortage, when employees are consistently seeing want ads and being wooed by competitors, here are some extra steps to take:

- **Establish a solid onboarding practice.** New employees are anxious to understand how they will become a part of the larger vision of the company. Onboarding is your first chance to engage them around the company's mission and how they fit into it. But don't let it stop there! Make sure that employees continue to understand how their contributions figure into the company's success via regular feedback sessions.
- **Establish employee policies and procedures.** As we discussed earlier, standard employee policies and procedures help employees understand exactly what is expected of them and ensure that all employees are treated equitably. Avoid a toxic work environment by making sure that expectations are clear and fair.
- **Provide training, for employees AND their managers.** At the same time you're encouraging your employees to grow, encourage your managers to be inspiring leaders by providing them with the training necessary to keep their teams engaged.
- **Recognize and reward.** Recognizing employees for a job well done is just the start of a good recognition program. Surprising employees with an unexpected lunch to celebrate a success, or giving away free concert or sporting event tickets are a great way to share company achievements.
- **Promote company bonding.** Google is famous for its on-campus bowling alleys and ping pong tables, but things like that can promote a great work atmosphere. If meetings and brainstorming takes place over a ping-pong table instead of a conference room table, does it matter as long as the work gets done? Put together a softball team or institute a Friday bring-your-dog-to-work day each week.

- **Offer flexibility.** Just as some start-up employees may not be local, even the local ones might like the opportunity to work from home once a week, or even have a flexible schedule so they can attend their children's school events.
- **Strive to help employees with work-life balance.** Start-up employees are, like small business employees, asked to wear many hats. Often, that means working a lot of hours. Employees can often be overwhelmed in a start-up culture when things are moving in so many different directions.
- **Do thorough exit interviews to troubleshoot.** When employees do leave, make it a point to sit down with them and ask pointed questions to determine why they're exiting the company. This can point to issues that need to be corrected.

While a lot of these tactics may sound familiar (certainly larger corporations use many of them), start-ups have unique employee retention situations, and that requires some forethought on the part of the HR professional. Just like the recruiting process, think hard about how you feed the company culture and stay on top of the market to make sure you keep your employees engaged and in their seats.

? PRACTICE QUESTION

<https://assessments.lumenlearning.co...essments/18258>

Sources

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Boitnott, John. "Startup Life Can Be Tough. Here's How to Stop Employee Turnover From Making It Worse." Inc.com. Inc., August 23, 2018.

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