Money Can't Buy Happiness – Nor Happy Tech Professionals

Employee retention is a hot issue in the IT world. In fact, according to recent surveys:

- 32% of IT workers planned to leave their jobs in 2006.
- Only 34% of employees are truly loyal (The Walker Loyalty Report, 2006).
- Losing a middle manager can cost an organization up to 100% of his or her salary.

Money isn't everything, but it is important in holding on to key staff members. Case in point: 59% percent of employees say they would stay at their job for a more competitive compensation package (Randstad North America Report).

To ensure that your salary and benefits are truly competitive, you should be doing regular reviews. Ask yourself, are you really paying the going rate for an in-demand IT person? Can your benefits meet or even exceed industry standards? If you'd like to see the average salary range for various IT positions in your area, then go to the 2007 IT Salary Guide at http://itmanagement.earthweb.com/article.php/3638176 or visit www.salary.com.

Beyond Money

That being said, money is not necessarily the best way to keep top performers. The key to retention is to create a positive work environment that no one wants to leave.

The CIO of Scholarship America, Martin Moderi said, "Successful CIOs understand that staff retention is about recognizing and satisfying employee needs, and that it's one part of a continuous process of maintaining a high-performance culture. It's not something that you turn on or off in response to job market conditions."

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Take a Tactical Approach

So how do you develop an office culture that retains workers? As a manager, it's your job to create an environment that nurtures employees who most value a work-life balance as well as employees who most value career development.

Here are several tactics you can use to appeal to each group:

Work-Life Balance Retention Tactics

- Offer flexible or shorter work schedules.
- Combine vacation time and sick time so staff can do what they want with their paid time off.
- Offer job sharing and telecommuting.
- Eliminate "face-time" at the office. In other words, incorporate a policy that states as long as the work is done and done well, it doesn't matter where it gets done.
- Reward good work with paid days off instead of monetary bonuses.
- Encourage employees to use their vacation time – especially for those "workaholics".
- Offer to hold pay for daycare.
- Schedule team-building events outside the office.
- Hold an after work happy hour – invite spouses or significant others.

Career Advancement Retention Tactics

- Give staff an idea of when promotions, bonuses, and pay increases will occur.
- Show young talent where they are headed in your organization.
- Detail the job hierarchy.
- Discuss a five-year plan with new hires.
- Develop leaders through training

Google Gets IT

Fortune Magazine recently named Google the #1 place to work in America in 2007. At companies like Google, turnover rates are low to non-existent. So what's their secret?

Google has done a tremendous job creating a culture that goes beyond monetary rewards and incentives. Sure the staff members certainly make a good salary, but one example of Google's more unconventional perks is allowing staff to work 10% or more of their time on fun, independent projects. In fact, this is where some of Google's most creative ideas – like gmail and orkut – came from.

Google has more perks than most companies are able to afford, such as laundry and massage services, daycare, gourmet meals, and more. But the good news is that you don't have to be a multi-million dollar company to implement some of the extras Google uses to retain their staff. You just need to be creative and proactive about managing your culture.

programs. Dawn Dillon, a CIO at Salem Five, a mutual bank based in Salem, Mass., with $2.3 million assets under management, said her situation is a perfect example. "I have a very lean staff and I pay huge dollars to keep them trained because I can't afford to have them be a mile wide and an inch deep," she said. "They have to be a mile wide and a mile deep. These people are hugely valuable."

- Provide opportunities for advancement. Employees will often wonder, "Where am I going?" Keep them in the loop by discussing the future of the organization and their future in the organization.

Talk to Your Team

Getting feedback from your employees is essential. If you find out what is important to them, you can then implement changes to appeal to their needs and wants. How do you do this? Conduct employee satisfaction surveys, take the time to sit down and chat with employees from time to time, and, if an employee does decide to leave, conduct an exit interview.

It's true that you will never be able to retain 100% of your employees. But if you create a great place to work, you can reduce the factors that encourage employees to leave and enhance the aspects of your company that keep staff members happy.

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