



Encouraging Retention

If the number one problem for companies is finding good staff, the next difficulty is keeping them. Mercer's latest *Remuneration Survey*, released in July, states that the annual voluntary staff turnover for executives in manufacturing is just over 14 per cent; and in some areas where the demand is highest, such as in pharmaceutical sales, an employer can expect to lose over one-fifth of its staff in a year. "You need to make sure that you have a strong bench strength, because you should expect a high turnover," says Jill Malila, Mercer's Director of Client Management.

There is more to staff retention than regularly increasing a employees salary. Another Mercer survey claims that although salary and benefits are the biggest motivator for someone to switch job, the number one reason that they decide to stay on at a company is if it offers good opportunities for advancing up the career ladder. "High-potential employees are interested in their growth in the company, improving the breadth of their reach and fulfilling their potential," says Malila.

It is essential to make sure that employees are aware of the possibilities of advancement. "If they can see their future development in the company, they can evaluate the opportunity costs to stay in the job," says Staff Service's Jiang. Employees that can see a path of progression in their current company are more likely to stay



Team-building exercises, such as this organised by the firm HRO, can help bring staff and management onto equal footing.

than those who cannot. One way of doing this is by offering a structured training programme.

There are a variety of other methods that can be used to keep an employee in the company. One trick is to trap them in the company with incentives that can be realised after a certain number of years service. The most common way of doing this is rewarding long service by increasing benefits after three years. Some companies have schemes where a lump sum will be given to the employee after a few years, or a contribution will be made towards the purchase of a car or a house. Another benefit that lures Chinese nationals is the opportunity for foreign travel – a couple of trips abroad every year can contribute to retention.

Apart from the gimmicks, the simplest way to make employees want to stay is to have a pleasant working environment. China is a country where the role of a strong leader is still very important, says Malila, and quickly filling a management vacancy with a poor manager can have a serious impact on staff retention. "If you make a wrong hire, then it can do much more damage than waiting for the right person – from the perspective of employee morale and improving the corporate culture and organisation," she says.

Management School

A considered staff retention strategy will not neglect training. This could take the form of teaching hard skills which broadens the tasks that an employee can take on. The effects of good training at the management



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level can trickle down through an entire organisation.

Gabor Nagy, Managing Director of training firm HRO, thinks that when someone talks about improving the leadership skills of a manager, they are really talking about the soft skills of management – delegation, improving staff motivation, developing people and a company vision – in contrast to the hard skills of analysis and problem solving. Leadership requires EQ, management requires IQ.

“Behind every management problem there is a human factor,” says Nagy. “The interactions between people can make a process work a lot better, and sometimes it can practically kill it.” The aim of team building exercises is, through a range of activities, to bring staff closer together and therefore iron out any existing personal issues. Activities that put management staff on the same footing as everyone

else, helps managers to put themselves in the shoes of their subordinates. Nagy believes that many management problems in China are caused by managers being ignorant of their staff. In the ideal situation, the employer should know more about what employees

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need to develop than the employees themselves. In fact, what is more often the case is that the boss knows little about his or her staff’s personal background or history.

This kind of training is all well and good for someone who has already taken a high-level management position, but what about the employee at the mid-level who wants to

take a step up? “In general, some people at the mid-management level find it difficult to get a promotion because they don’t have the scope of experience. Often they might not work on a new project that they cannot see the immediate value of. But the candidate with a wider range of project experience will find it easier to get promoted,” says Hays’ Director, East and North China, Christina Yan. To climb the ladder, the onus is on the aspirant to pull themselves up.

With staff turnover at such a high level, employers have to play the job market too. Otherwise they might find their office only half full. “Focus on the real talents that you have, not everyone, because you can’t keep them all. Treat them fairly: give them training, and promote them so they don’t off and work for a competitor!” says Paul van de Kerkhof, Managing Director of Randstad China. □

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