



Tips for Employee Retention and Reward Programs (Without Giving the Company Away)

Never underestimate the value of retaining and rewarding valuable employees. Unfortunately, today's business reality is that loyalty in the workplace is low and employees expect to (and will) change jobs far more often during their careers than was the case a generation ago. Some business owners feel compelled to offer stock options and equity in their company to attract and retain top talent. For most small businesses, however, employee stock options and equity grants are not practical or advisable for a variety of reasons. Thus the question—what can a business owner do to express appreciation and keep employees engaged and motivated? The answer is quite simple—be creative. A company's employee retention and recognition policies and practices should reflect the owner's personality and business objectives. These programs do not have to be complicated, but they should be memorialized in writing, communicated clearly, and applied consistently. Here are a few examples:

1. **Promote Charity and Community Service.** This can take a variety of forms, but the big picture is that by tapping into employee philanthropy, a company not only provides important recognition and rewards to its employees, but it establishes a favorable presence in the community as a responsible corporate citizen. Give employees paid time off to volunteer for a local charity, develop a company matching program to benefit local charities chosen by employees, or develop a "vacation bank" through which employees can donate vacation days for distribution to other employees facing personal or family emergencies and have already exhausted their own paid leave.
2. **Celebrate Excellent Attendance.** Develop an "Iron Man" or "Iron Woman" award, featuring a cash bonus or gift card for every six months of perfect attendance.
3. **Field Trips.** Group outings are great ways to both reward employees, build team loyalty, and in some cases, to involve families as well. There are many fun and exciting places to visit and activities to enjoy in the Richmond area, with other great destinations just a few hours away.
4. **Cash is King.** Economic rewards are always well received. Set aside a fund specifically for senior management to allocate throughout the year to reward employees for specific acts of excellence and superior customer service. Whether it is a \$100 cash bonus, a family season pass to Busch Gardens, or a half-day spa treatment at a local salon, this type of recognition does not have to be expensive to have a positive impact on your team.
5. **The Gift of Yourself.** As a company owner, you are uniquely positioned to have a positive impact in the workplace. Personalized recognition from you can make a powerful difference to an employee. This can take many forms: (i) handwritten note of thanks for a job well done, (ii) one-on-one lunch meeting with an employee or working group to celebrate a recent transaction or to brainstorm ideas for future growth,

(iii) publicly recognizing an employee for a particular accomplishment, or (iv) personal call to an employee's spouse, parent, or significant other praising the employee and recognizing the value of the employee's support network.

This short list represents a very small fraction of things a business owner can do to reward employees and promote a higher level of employee loyalty and retention. For more ideas, check out Bob Nelson's book, *1001 Ways to Reward Employees*, published by Workman Publishing. Use your imagination, plan carefully, put it in writing, and have fun.

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