



# THE Employee Lifecycle ROADMAP

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# THE Employee Lifecycle ROADMAP

As a small business owner, it's easy to think about your employment practices mainly in terms of the beginning. Most employers put a lot of emphasis on recruiting and hiring, and for good reason—it's important to find and hire the best talent!

However, the ongoing relationship between an employee and an employer is just as important. It's critical to pay close attention to every stage of the process so you can retain those employees you worked so hard to find. In the same way, it's important to maintain a good reputation if and when you need to part ways with an employee.

So how do you do it? In this guide, you'll learn how to successfully navigate all phases of your employees' tenure, from hiring, to retirement, to everything in between.

## Stage 1

# FINDING THE RIGHT PERSON

Hiring the right employee the first time is the most difficult task you'll face—it can also be the most expensive if you realize you've made a mistake. Here are some things to consider during the hiring process:

### Ask The Right Interview Questions

A phone or face-to-face interview is your opportunity to get to know a prospective candidate better and determine if they are a fit for your open position and your organization. While it's important to ask about their past job performance or their skills and expertise, those questions won't always reveal the person behind the resume.

Many hiring managers ask the same old questions. Candidates know what to expect and can tailor their responses to what they know prospective employers want to hear. Why not try something a little different? Ask these five unusual interview questions to help you get to know your candidates.

#### 1. If you didn't have to work for a living, what would you be doing right now?

This is a great conversation starter that will reveal a lot about the candidate's personality, interests, and goals.

#### 2. Who was the most difficult or annoying person you had to deal with at your last job? How did you handle working with that person?

Answers to this question will show you how the candidate might interact with difficult people at your own company. Do they seem to hold a grudge, or can you rely on them to be diplomatic and level-headed in tough situations?

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### 3. Where do you see yourself in five years?

If the candidate plans to rise to a senior position or a different career track, this could give you clues as to whether the current job opening is the right fit for them.

### 4. What did you like least about your previous job or company?

Beware of a candidate who harbors resentment or is quick to lay blame for past grievances at previous jobs. It's likely they will react the same way to criticism or stressful situations at your company.

### 5. What are the top three criteria you have in mind during your job search?

Does the candidate value a shorter commute, a better work-life balance, less travel, or higher pay? By learning what's important to them, you can steer the interview in a more productive direction.

By asking potential employees different questions, you might be surprised what you'll find out. You might uncover something great, or conversely, something troubling—at any rate, asking good questions can lead to an excellent hire or help keep you from making a hiring mistake.

## Avoid Common Hiring Problems

According to a [Dice article](#), “The Harvard Business Review points out that as much as 80% of employee turnover is due to bad hiring decisions.” Below are several hiring mistakes you surely want to avoid during your next hiring process:

### 1. Hiring Too Fast

When you are short-staffed, there is pressure to find a replacement. Sometimes that pressure can affect the way you hire. Don't settle for the first person that meets the skill set. It is

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important to interview several applicants with the proper skill set. According to [Business Insider](#), *“Typically, you need at least six weeks to attract and vet enough high-quality candidates.”*

### 2. Hiring Based On Resume Alone

An employee is more than just their resume. Resumes are great to indicate basic qualification and experience. However, the person must fit your company’s vision. You will learn this by asking appropriate interview questions. It is important to see how an applicant reacts to different scenarios.

### 3. Rushing Reference Checks

Checking references is crucial to get a sense of the applicant’s work methods. Don’t just check with one previous supervisor. Ask for actual co-workers and several managers. Plan your reference checks with more than basic questions. It is good to make a list of questions that apply to your environment.

### 4. Hiring Solo

It is important to have a team in place for the hiring process. Gain knowledge of the job description with the hiring manager and have multiple people sit in for the interview. It is good to have different perspectives to avoid bias.

Remember: Hiring the right candidate takes time, and hiring the wrong employee can cost your business. Selecting the wrong person not only costs your company a significant amount of money, but it may also impact morale and productivity in a negative way. During your next hiring process, develop a clear plan, and take your time to ensure you’ve found the right candidate!

## Stage 2

# ONBOARDING & TRAINING YOUR NEW EMPLOYEE

Hooray! You've found the next member of your team—time to let them shine, right? Wrong! The next step you should take is to make sure they're trained in their job and your company's culture.

Developing a detailed and thorough orientation process will create a successful onboarding experience for new employees.

The extent of your orientation program will ultimately depend on the size of your company. It can be as simple as an informational folder, a presentation, or even a video. Whatever format you choose, the basic elements you should cover are listed below.

- **Company History.** New employees should know the history of your company. The more your employees know about your business, the easier it is for them to develop loyalty and speak positively about the company to others. Word-of-mouth advertising from employees is very important and validates the success of your company.
- **Employees, Managers, & Their Roles.** Whether your business is small or large, always confirm that the new employee knows who they directly report to. They should also receive detailed information on the roles and responsibilities of other employees and managers so they know who to direct questions and/or concerns to.
- **Company Policies.** Never assume that new employees will learn as they go or that someone else will teach them. The more information you can give them up front, the more confident they will feel. Even if it was briefly discussed in an interview, detail out company policies on dress code, attendance, breaks, lunches, and vacations. If you have processes in place for recording or requesting time off, inform the employee on their very first day. Any other policies should also be covered at this

time in your orientation program. This includes, but is not limited to, use of company vehicles, company computers for personal use, social media, etc.

- **Compensation & Benefits.** This is the time to review the agreed-upon wage or salary with your new employee. If they are paid hourly, explain any policy for overtime pay. If you're preparing an orientation folder, insert required forms for them to complete. This would include emergency contact information, W-4, I-9, and health insurance forms plus any others that are required. If your company has a rewards and recognition program for employees, this is a great time to discuss that with them as well. Finally, inform them who they should talk to about any paycheck issues or specific insurance plan questions.
- **Safety Procedures.** Your company should have procedures in place for emergencies, and you should discuss this with your new employee on their first day. Nearest fire exits and the designated meeting place for employees is important. Also be certain to discuss evacuation plans and preparedness procedures you have in place.

The best orientation programs take time, detail, and revisions in the development phase in order to be thorough and effective. After a few weeks, ask your new employee how they are adjusting and if any other information would have been helpful during their orientation process. Asking them early in their employment offers a fresh perspective to consider for your orientation revisions.

### What Not To Do

#### 1. Lying about the employee's responsibilities in the interview and application process.

Unless you're interested in earning a bad reputation for your company, tell them the truth about what they'll be doing in the position you're hiring for. That means working preemptively to make sure you're hiring the right candidate for the right position.



To do that, make sure your hiring process includes the following:

- A complete and detailed job description.
- An ideal candidate profile.
- Targeted recruiting sources for the position.
- Appropriate and measurable interview questions.
- A system to compare candidates based on job requirements.

Our article [How to Avoid Common HR Mistakes](#) talks more about the necessities of making sure you're creating the right job description so you—and your new hires—can avoid frustration.

### **2. Dropping an employee into their new job with no one to help them understand what they're supposed to do.**

This [infographic from LinkedIn](#) speaks to the importance of designating a person to help orient your new hire. According to the infographic, new hires say they want that person to be their manager—not someone from another department or an HR manager. Is that something your organization makes a rule?

### **3. Not having paperwork ready for them to fill out when they arrive.**

Want to make things a lot easier on an already-nervous and possibly overwhelmed employee? Have all of the paperwork they need ready and waiting for them—or, if you can, send them paperwork in advance. Sometimes completing paperwork takes a while, so easing a new employee into it instead of overwhelming them with hours of paperwork on their first day will help them complete it more efficiently. You can also benefit, too; when the paperwork is done ahead of time, you won't have to scramble to make sure their benefits, direct deposit, and other accounts are set up, and they can get to work faster.

#### **4. Not explaining the “rules of engagement.”**

We love this explanation from Entrepreneur on the importance of sharing the rules of engagement at your company:

*Whether this is the new hire’s first job or he or she has worked in the industry a long time, you must spend time explaining the rules of engagement, otherwise known as the corporate and team etiquette that ensures success. Don’t assume that your listener knows or will work it out individually. This may eventually happen, but there’s usually a cost. Better to articulate “how business gets done” from the outset. Topics may include the cadence of meetings, the etiquette of dialing into a meeting, decision-making, and difficult topics or issues, etc. ([10 Tips for Successfully Onboarding Your New Hire](#))*

Without any help from an “insider,” it’s hard for a new hire to know who does what. Ultimately, this explanation helps an employee understand their role and the company culture faster.

#### **5. Not having a “welcome wagon.”**

No matter what kind of environment you work in—a “normal” office, remotely, or a mix of both—don’t neglect having an official welcome for your newest employee. Get your whole team on board to make the new employee feel welcome. And after the initial greetings, make sure more [seasoned employees are offering their wisdom to your new hire](#) through one-on-one meetings.

#### **6. Not offering a chance to review how things are going in the first weeks and months.**

Finally, it’s crucial to provide ample opportunities to check in with your new hire in the first weeks and months after they begin working. We recommend a two-week, one-month, six-week, two-month, and 90-day review. It seems like a lot, but keep in mind that this is a crucial opportunity to make sure things are going well (and fix them if they’re not).

By taking care of your new hire in the onboarding process, you can help eliminate the expense, hassle, and headache of a revolving door of employees.



## Stage 3

# TRAINING, EMPLOYEE SATISFACTION, & HANDLING COMPLAINTS

## Training

Employees don't like feeling stagnant. Knowing there's opportunity for growth through training and development boosts employee morale and productivity and allows employees to sharpen or add to their skill sets.

You can offer training in a variety of formats, including outside seminars, computerized training, and mentoring programs. Before you plan your next employee training session, consider the following tips:

- **Create behavioral objectives.** Training sessions often focus on filling employees' heads with an abundance of information, but neglect to tell employees exactly what they're supposed to do with their newfound knowledge. Behavioral objectives—which are given at the start of any effective training session—clearly tell the employees what they should be able to do by the end of the program. This is different from telling them what they should *know*. Employees must understand what they need to do differently once back in the workplace.
- **Give it time.** Ineffective training sessions focus on cramming as much information as possible into a short time period. Effective training programs focus on the quality of the training rather than the quantity of information delivered. Any time employees are learning a new skill or program, there's hesitation and even resistance. Give employees the time to practice their new skills, ask questions, and voice their concerns. Offer plenty of encouragement while they adjust to their new normal.
- **Take it back to the workplace.** Once back in the workplace, it's common for newly trained employees to experience an initial decrease in productivity as they adjust to their new skills. The most effective training programs don't leave employees

high and dry in this situation. Instead, they have coaching available to provide support during the adjustment period. This is often accomplished by training an internal employee to act as a coach to newly trained employees.

- **Conduct a post-training evaluation.** In order to determine whether or not your training program was effective, a post-course evaluation is necessary. This should take place a minimum of three months after the training session, giving employees time to adjust and implement their new skills. The evaluation should measure how effectively employees are using their new skills. Consider having a professional come in to observe employees or having managers complete surveys about their employees' application of the skills.

## Employee Satisfaction

Employee satisfaction is essential to the success of any business. Knowing whether or not your employees are happy and committed to their jobs is vital. Good managers know that happy and satisfied employees are more productive and loyal and are less likely to look for other job opportunities. Therefore, keeping turnover low and ensuring employees are satisfied with their careers should be a priority for every employer.

So, how do you know if your employees are happy in the workplace? Here are some easy-to-implement tips for measuring the satisfaction of your employees:

### Provide a suggestion box.

Honesty is the key to measuring employee satisfaction successfully. Often, employees feel more comfortable being honest if they're allowed to do so anonymously. This is where a suggestion box is helpful. Employees can leave thoughts and suggestions with no name attached. Consider placing an actual box in a high-traffic area, or provide a virtual forum where employees can both leave suggestions and respond to their colleagues' ideas. If you choose this method of measuring satisfaction, it's essential to have a dedicated HR or managerial staff member who regularly responds to employee queries and suggestions.

### **Form employee committees.**

Employee committees, or small groups who represent various parts of the company, are often an effective way to gauge employee satisfaction. These committees should meet regularly to discuss any suggestions or concerns. Then, the committees should routinely present any pressing issues to the management team.

### **Survey your employees.**

Properly developed surveys and questionnaires provide valuable insight to management teams, but it's essential to collect the right information. Make sure to ask probing questions that will uncover the root of dissatisfaction among employees. The purpose of the survey or questionnaire is to identify any areas that need improvement. Here are five tips:

- Keep the survey anonymous to encourage honest responses.
- Analyze the results and identify areas to improve.
- Go public and share the results with the survey participants.
- Demonstrate that you “heard” their feedback by making the necessary changes or improvements as indicated in the survey results.
- Repeat the process—the survey should not be a one-time event but perhaps an annual practice.

### **Solicit direct feedback on satisfaction.**

Wondering if your employees are happy? Ask them! Asking employees directly will allow you to collect the personalized wants and needs of each employee. Soliciting this input can take place in a number of forums:

- Add the employee satisfaction subject to the employee performance review. If there is an employee input page, be sure to add a question about their happiness at work.
- Make an effort to include employee satisfaction in one-on-one meetings—ask employees what could make them happier at work. This will likely develop into a

discussion about how happy they actually are and what could make things just a little bit better.

- Based on the feedback you collect, you can assign a satisfaction measurement to each employee.

### **Host one-on-one meetings.**

All employees should have regularly scheduled individual meetings with their managers. During these meetings, managers should encourage their employees to discuss work-life balance and any particular issues that are currently causing them stress in the workplace. Additionally, managers should ask employees about specific goals they have and brainstorm together ways to achieve them. Besides regularly scheduled meetings with their direct manager, employees should also have the opportunity to meet with members of the senior management team on occasion. This provides employees with opportunities to discuss concerns that they might not feel comfortable discussing with their direct supervisors.

### **Stay in communication with your employees.**

Communication is the cornerstone for any successful relationship and certainly a vital aspect to the employee-employer relationship. The more your employees know what is happening in your business, the more connected they will feel.

- Foster an open-door policy and welcome direct feedback from all levels.
- Provide timely and accurate updates on company news—disseminate company updates via electronic means, like emails, newsletters, bulletins, videos, and podcasts.
- Hold face-to-face meetings, including “all hands,” department or team, and one-on-one meetings. Encourage open dialogue in these meetings.

As you can see, there are formal and informal methods of collecting data on employee satisfaction. There is no right or wrong approach—choose a method and measure the happiness of your employees.

## Handling Complaints

Every workplace will experience occasional issues, disagreements, or disputes. Unfortunately, not all of them are resolved quickly or easily. In some cases, an employee may choose to file a complaint with the management or HR department. No matter the magnitude of the complaint, each one should be taken seriously and handled promptly. Ignoring complaints from employees or handling them poorly could result in major issues, especially for small and mid-sized businesses. These tips can help you learn how to handle employee complaints and avoid trouble:

### 1. Listen and ask questions.

It is important to show your employee that you are engaged in his or her concerns. Allow the employee to vent, and avoid interrupting. Acknowledge what the employee told you, and gather all the details by asking appropriate questions. Here are a few examples:

- What happened, and how did it make you feel?
- When and where did the incident take place?
- Who else was involved?
- Were there any witnesses?
- What was your response?

One way to make listening part of your company's process is through an open-door policy. An effective open-door policy can prevent these issues and simple complaints from becoming lawsuits by allowing employees to freely report any concern to their management team in a private and confidential manner. It can be a cost-effective option for companies who struggle with how to manage employee complaints.

Some managers hesitate to use open-door policies because they think that, while the method is useful in addressing complaints, it could very well result in a flood of employee meetings. But this doesn't have to be the case! Companies that strive to create partner-centered relationships with their employees can reap great benefits.

- **Limit outside involvement.** By resolving issues internally, you can prevent outside media, gossip, and misquoted details, which can damage your organization's reputation (and quickly, especially in the age of social media!). Protecting your business reputation within your organization and in the eyes of your community is imperative, and by dealing with your issues quickly and fairly, you'll gain your employees' respect.
- **Earn employee gratitude and respect.** People work harder when they enjoy what they are doing and feel engaged. Stress and unresolved issues at work can cause employees to feel unappreciated, which can lead to poor performance, attendance issues, and even workplace conflict. Make sure your employees know they should go to your management team and report concerns first. By doing this, you'll establish a system where most—if not all—issues are reported to the organization first, and employees trust that “the system works,” even if the concern is not resolved to their benefit.
- **Limit litigation.** Employee litigation is expensive and stressful for employers and employees. According to the [United States Department of Labor](#), “ex-employees who bring suit tend to come from the ranks of managers and professionals rather than from lower-level workers.” Using an open-door policy as an alternative dispute solution can prove to be a less cost-efficient method to resolving employee issues.

## 2. Find out what the employee would like to happen.

Get an idea of what resolution the employee wants. This allows the employee to express his or her expectations and feel heard. In addition, it gives you an idea of what a satisfactory outcome looks like to the employee.



### **3. Set a time frame for resolution.**

Give your employee an estimate of how long it will take to resolve the complaint. Sometimes resolving the issue is simple and can be handled quickly. However, some complaints require investigation to verify the facts. These common tools can help you get to the root of the problem:

- Time sheet records and schedules.
- Company policies.
- Interviews with witnesses and others who are involved.
- Research of similar past complaints and their outcomes.

### **4. Follow up with the employee.**

Always have regular follow-up with the parties involved. Check that the resolution is still in place. In addition, confirm the employee is following any steps he or she agreed to. Employee complaints are serious, and they should all be resolved in a timely manner.

## Stage 4

# OFFBOARDING & TERMINATION

## Managing The End Of The Employment Relationship

Companies often spend lots of time and money on the beginning of the employment relationship, and this investment makes sense. You want to recruit the best talent and make sure they have the tools and training needed to become successful. In a perfect world, all of these new hires would work out great, and you would not need to worry about the other end of the spectrum—the end of the employment relationship.

Unfortunately, not all employees will stay. People move. Recruiters go after top talent. Sometimes it's just not a good fit for one reason or another. While the beginning of the employment relationship is certainly very important, the end of the relationship is critical.

If it's not handled well, it could hurt your company even more than a bad hire. Social media can be your friend or your enemy. An ex-employee could inflict a lot of pain if they aren't treated well on the way out. Your business could also be hurt by the cost of unemployment claims, or worse, a dreaded lawsuit. Any of these could cost you valuable time and money, and they could even put you out of business in some cases. These tips can help your company avoid these potential issues and make the end of the employment relationship better for everyone involved:

**1. Be polite.** There is no reason to make things harder on your departing employee—or yourself. If they are leaving for another opportunity, wish them well, and thank them for their service. If they are being terminated, focus on the good things they did (not the negative). Why? Because if the departing employee is unhappy with how they were treated on the way out, they are far more likely to post negative reviews on social media or, worse, file a lawsuit.

**2. Communicate.** If you get to the point where an employee is being terminated, it should not be a surprise to them. Their performance should have been reviewed with them, and they should have been given an opportunity to improve. (If this opportunity was not given, perhaps you should delay termination and give them another chance.) Also, make sure you clearly communicate their available unemployment and COBRA benefits.

**3. Document.** This may seem obvious, but make sure you have everything leading up to the termination in writing. If appropriate, have the departing employee sign documentation about the reason for the termination, or provide a resignation letter. This documentation could prove critical if you need to fight an unemployment claim or a lawsuit.

Documentation of employee performance should begin on the first day of their employment and never stop. It's extremely important to protect your business from legal action, so human resources should always be contacted before terminating an employee. They will know best if you have the proper documentation and cause for termination. If you have done everything you can to ensure your employee is successful, but termination is inevitable, your documentation will decrease the exposure to risk.

Automating your employee offboarding process is a proven way to eliminate mistakes and manage compliance. Creating a termination checklist will ensure you covered all of the necessary details during the process. Use these questions as a starting point:

1. Is the employee entitled to appeal their dismissal? What are the steps and who do they contact? What time frame do they have to start the process?
2. When will they receive their last paycheck? Will they receive a paper check or direct deposit? Will their last check include any unused vacation pay or will that be separate?
3. When can they remove their personal items? If the situation for termination requires immediate dismissal, perhaps setting up an appointment after hours is best.

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4. Did I collect all ID cards, equipment, uniforms, or other property that belongs to the organization from the terminated employee?
5. Has the employee received the necessary information on unemployment and COBRA benefits? Are they fully aware of their benefits upon separation?
6. Did I conduct a proper exit interview for this employee? Did I document the reasons for their termination? Are there any noticeable trends related to this position?

Following a checklist tailored to your organization will ensure you terminate your employees properly while reducing the risk of potential lawsuits.

**4. Help.** Nothing will improve the situation for your departing employee and your own business more than helping a departing employee land on his or her feet. Here's how you can help:

- Put the employee in contact with recruiters.
- Help the employee with his or her resume.
- Assist the employee in finding some jobs to apply for.

The quicker the employee gets back to work, the less the impact it will have on your unemployment rate, and the better chance you will create goodwill. This goodwill could turn into positive reviews on social media, or better yet, the employee might be in a position to help your business in the future.

**5. Leave the door open.** People change, and business needs change. Your departing employee could be the right fit for a different role in your business down the road. A returning employee can bring valuable perspective and training from another organization and usually doesn't need as much time to get ramped up. If employees don't come back themselves, they might know someone who can fill a critical role for your business.

The end of the employment relationship typically isn't as positive as the beginning, but there are simple steps you can take to make it easier for everyone involved.

### COBRA

If you're a small business owner, chances are you'll have to deal with the termination of an employee at one point or another. Depending on the size of your business (and other factors), one important thing you'll need to understand is whether or not you need to offer COBRA benefits to the terminated employee.

#### What is COBRA?

The Consolidated Omnibus Budget Reconciliation Act (COBRA) gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances ([U.S. Department of Labor](#)).

#### Do you need to offer COBRA to your recently terminated employees?

In short, you probably should. According to the Department of Labor, you must offer COBRA if you are:

- A private-sector employer of 20 or more employees that maintains a group health plan.
- A state or local government.

The law does not apply to plans sponsored by the federal government or by churches and certain church-related organizations. Depending on your state, health insurers of employers with less than 20 employees may have a similar law called mini-COBRA.

#### In what circumstances are you required to provide COBRA benefits?

According to the Department of Labor, the following are qualifying events for covered employees if they cause the covered employee to lose coverage:

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- Termination of the employee's employment for any reason other than gross misconduct.
- Reduction in the number of hours of employment.

The following are qualifying events for the spouse and dependent child of a covered employee if they cause the spouse or dependent child to lose coverage:

- Termination of the covered employee's employment for any reason other than gross misconduct.
- Reduction in the hours worked by the covered employee.
- Covered employee becomes entitled to Medicare.
- Divorce or legal separation of the spouse from the covered employee.
- Death of the covered employee.

In addition to the above, the following is a qualifying event for a dependent child of a covered employee if it causes the child to lose coverage:

- Loss of dependent child status under the plan rules. Under the Patient Protection and Affordable Care Act, plans that offer coverage to children on their parents' plan must make the coverage available until the adult child reaches the age of 26.

This topic can be confusing and complicated. Take time to dig deeper—there are many great resources available to you that can help you gain a better understanding. Here are a few:

- The [Department of Labor website](#).
- The Department of Labor publication [An Employee's Guide To Health Benefits Under COBRA](#).
- Our article [Coordinating COBRA Benefits with the Affordable Care Act](#).

## Exit Interviews

When an employee resigns, exit interviews are (hopefully) conducted by human resources staff to gather honest feedback about opportunities for organizational improvement. If you aren't conducting these exit interviews today, you should start right away—[this article explains why!](#)

Ideally, HR staff can also use the information obtained during an exit interview to retain valuable employees and prevent future turnover. However, exit interviews are only useful if conducted effectively. Here are five tips to consider when conducting exit interviews with your resigning employees:

### 1. Focus on valued employees.

Let's face it: When troublesome employees resign, management breathes a collective sigh of relief. An exit interview should still be conducted and valuable information could be gained, but you need to keep in mind that this employee might have created some of their own issues. On the other hand, when a valued employee resigns, it's important to gather as much feedback as possible in an attempt to retain other valued employees.

### 2. Assure confidentiality.

Employees might hesitate to provide honest feedback for fear of burning bridges. Without frank and honest feedback, exit interviews are essentially useless. Therefore, it's important to assure employees that the information they share is confidential. (Make sure it is kept confidential!)

### 3. Avoid ganging up on the employee.

Even if well-intentioned, having multiple managers sit in on an exit interview often leads to an employee feeling attacked. If they're put on the defensive from the start of the interview, it's doubtful that the employee will feel comfortable enough to give honest feedback. Make sure to conduct exit interviews in a private, one-on-one setting.

#### **4. Keep it simple.**

Don't make exit interviews time-consuming for the departing employee. Keep the interview brief and focus on specific areas of interest. Some questions to consider include:

- How well do you feel your work was recognized and appreciated?
- How would you describe the morale of your co-workers?
- What could be done to make this company a more desirable place to work?

#### **5. Gather and assess information.**

The primary purpose of conducting an exit interview is to identify opportunities for improvement within the company. Look for patterns in feedback from departing employees and then consider what action can be taken to avoid future losses of valuable employees.



## Stage 5

# RETIREMENT

## Preparing For An Aging Workforce

The demographics of the workforce are changing as the population ages. [According to one Pew Research Center article](#), the Bureau of Labor and Statistics projects that by 2022, 31.9% of those ages 65 to 74 will still be working. Not only are improvements in health care and preventive medicine increasing the population of citizens over age 55, but more than 40% of these individuals continue to work—a larger percentage than ever before.

The shifting demographics present employers with a number of concerns, and it is beneficial to identify the value of retaining older workers and learn how to accommodate them.

### Retaining Older Workers

As large portions of the workforce approach retirement age and leave, companies may undergo a “brain drain”—a loss of expertise. Some of the most talented and experienced members of a team, such as the senior-level managers, fill roles that are hard to replace. Moreover, members of younger generations tend to have much higher turnover rates than workers ages 46 to 64. Retaining older members is important for passing on critical information about the methods of a company and giving ample time for long-term replacements to be mentored.

### Harvest Knowledge

While employees will continue working longer, you can't count on them being at the office forever. Their retirement may be delayed, but once they are gone, a lot of knowledge will leave with them. Consider shifting older workers into mentor or even training roles.

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Encourage interaction between younger and older workers. You'll be killing two birds with one stone, as younger employees are often looking for mentoring and training.

### Engaging Older Workers

The workforce population above age 55 is also more likely to qualify for a disability or be at higher risk for developing one. Analyzing the safety of job tasks, implementing ergonomic designs to reduce risk of injury, and utilizing technology that may reduce labor-intensive aspects of a job are all ways in which a job can become more accessible to seniors.

Senior employees are more likely to remain at a job that offers advanced training, appreciates their contributions, prohibits discrimination, and offers strong health benefits. Improving the flexibility of a job, whether by allowing reduced hours, a flexible schedule, phased retirement, or remote access, can also help retain experienced older employees.

The population of workers age 55 and above is not only at an all-time high, but many of these individuals offer valuable contributions to the workplace. By recognizing the value of retaining older workers and accommodating their needs, employers can benefit from an engaged and productive aging workforce.

### Planning For Retirement

In today's job market, employers are constantly looking for ways to drive employee engagement and satisfaction. One of the biggest worries for employees is whether or not they are prepared for retirement. As a business owner, you have a great opportunity to help ease your employees' minds and become an employer of choice by helping your employees prepare for retirement. Here are five ways you can help:

#### 1. Assess

The first step in evaluating your company's retirement preparedness is to assess your current situation. Offer your employees confidential evaluations through a third party. Make sure your employees understand that no one in your company will know the results.

### 2. Educate

The more your employees know about retirement planning, the better. Retirement planning education should cover much more than what your company-sponsored retirement plan offers. You can offer training on things like budgeting, personal finance, and home ownership—all of which will go a long way in helping employees prepare for retirement.

### 3. Contribute

If your company can afford to, make sure you offer [401\(k\) matching or profit sharing](#) for your employees. This will encourage them to participate, and it will show them you care about them and their retirement.

### 4. Automate

Consider auto-enrolling your employees in your company's retirement plan. Once employees become accustomed to automatic contribution, they will likely continue it. Conversely, if an employee does not opt to contribute to your retirement plan initially, he or she will have a tough time catching up.

### 5. Offer Alternatives

A company-sponsored retirement plan is a great benefit, but you can do more. Consider bringing in partners from local banks or financial institutions to help employees set up Roth IRAs, college savings accounts, or any other savings plans employees are eligible for.

By investing some time and money into helping your employees prepare for retirement, you'll drive engagement and satisfaction, which will ultimately help you become more successful as a business.

## IN CONCLUSION

By paying attention to each stage of the employee lifecycle, you can retain employees you worked so hard to find. Successfully navigating all phases of your employees' tenure—from hiring, to retirement, to everything in between— isn't always easy, but there are excellent resources available to you.

Our best advice? Take time to consider how a Professional Employment Organization (PEO) might benefit your company. We'd love to spend 15 minutes with you to help evaluate where your business is and where it's going.

**Let's talk.**