



## Recognizing the importance of retention during recession

*Employers should remain flexible to accommodate workers' lifestyles*

By Beth Fitzgerald

11/2/2009

As they've struggled to survive the recession, employers have whittled their work force down to a core group of key employees — and are counting on these top performers to rebuild the company once the economy recovers.

There are many things companies can do to retain their best workers, who have endured declining wages and benefits, coupled with heavier workloads. "Employers need to be more accommodating to their employees' lifestyles, and try to reduce their stress," said **Don Mallo**, vice president of human resources at **Extensis**, a professional employer association in Woodbridge. Flexible schedules and allowing workers to telecommute from home a couple of days a week are some "non-economic accommodations" that can help keep employees on board.



*Don Mallo, vice president of human resources at Extensis, says by making small accommodations for employees and their lifestyles, employers will reduce work-related stress and keep more workers on board*

Another retention device is to offer employees more choice among health plans, Mallo said. Most small businesses are seeing double-digit health insurance premium increases, and typically pass those increases on to their workers. But offering a choice of less generous coverage, with lower premiums, can actually help employees.

Ensuring access to health care "is becoming incredibly important to retain talent," said **John Sarno**, president of the Employers Association of New Jersey. "It's a way to help ensure that your top talent is healthy enough to withstand the pressures over the long haul."

Key employees have been doing more with less for the past two years, Sarno said, and employers can meet them halfway. "It's about caring for people so they don't burn out. A lot of these people are 30-somethings, they have families and they are working very hard."

Employers may regret not making changes now. "A year from now, there will be a tremendous number of employees leaving their companies and making job moves," said **Harvey C. Bass**, chief executive of **Stascom Technologies**, in Sparta. Employees will change jobs "because 95 percent of all companies have taken away stuff — benefits, 401(k) contributions, raises."

Hiring has yet to recover, so employers are not yet competing for workers by bidding up wages and benefits. Said Mallo, "A bad economy is a retention tool: most people don't look for a new job in bad times."

The prevailing attitude in the workplace right now, Bass said, "Is that you're lucky if you have a job. Someone who is unemployed would be glad to work 10 hours a day and have a half-hour for lunch."

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