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Now More Than Ever: The Value of Long-Term Employees

EMPLOYEES HAVEN'T BEEN making many lateral moves in recent years. Now that there are signs of optimism in the economy, businesses should be wondering if some of their key people are considering making a move to another company. Often we overlook the value that long-term employees add to the organization; in some cases we take them for granted. But employees who have stuck with you through thick and thin can add efficiency, help you avoid problems and bring in new customers. Now is a crucial time to be thinking about how to retain your key, long-term employees.

Diversified Plastics is an injection molding company that has retained 8 of its 12 founding employees- and the company was founded 34 years ago. As they've grown to over 50 employees, the percentage of their workforce with 10+ years at the company has gone up as well. They're a close-knit group with a very low turnover rate, particularly in the leadership roles.

"As a custom injection molder, we manufacture parts for our customers," explains Diversified's CFO Roger Vang. "From what we've learned over the years, we can make a lot of recommendations that save our customers money or simplify a process. Particularly in terms of the most complex pieces we make, for medical devices and water filtration, keeping our most experienced employees has helped us to be very efficient and attract more business through word of mouth."

Compensation isn't the only way, or even the best

way, to keep long-term employees happy or productive. Vang notes, "We're not the highest paying company out there, but it says a lot when you like where you're working- you do a better job. It's our culture to treat everyone with respect. Our president makes an effort to say hello to each of our employees every day and ask them how things are going."

Now is a good time to assess the value of your long-term employees. How would losing a key person impact the company in the following areas:

- Operational efficiency
- Workload and training needed for other employees
- Expertise that clients have come to expect

"You have to demonstrate that you care about your employees and value their input," says Vang. "Take the time to listen to their suggestions and act on the good ones. They'll see that you're responding."

If you are not sure how your key, long-term employees are feeling, or if you don't have a good handle on how your employees perceive your corporate culture, consider surveying your employees or engaging them in some way that provides you feedback about what's on their minds. Another option is to bring in an outside consultant who specializes in assessing work groups and recommending improvements. It's a wise investment to pay close attention to your key employees because you can bet that your competition is.