



February 2017 Newsletter:

Does Treating Your Employees Right Equal Profits?

Although we're only a month into the New Year, business has witnessed some profound turn of events that have led many companies to consider options on what they can do to conserve resources and cut costs. In some cases, corporate entities have released a number of their employees in an effort to salvage any available profitability for the company. Events such as these point to an unavoidable fact; competition in business is fierce. In order to remain in the game companies must be willing to be progressive in their business practices so they may maintain their lead amongst their competitors.

However, this begs the question, how many businesses remain competitive in an ever-increasing tight market? Though many options are available, perhaps one of the best answers is to treat their employees' right. Employees are the foundation of any business and if they are absent, so are the profits. Granted, in order to be successful companies need to ensure that they are employing the best available talent before they can keep ahead of their respective competitors.

As evidenced by recent layoffs reported in the news, many companies prefer to release members of their company to protect the bottom-line. However, according to Edward E. Lawler III in his article, "Why Treating People Right Pays Off", had companies taken proactive measures to "treat their people right" not only would the employees have benefited, but the company as well. How?

Lawler contends that after studying several successful companies, including Microsoft, Southwest, and General Electric, they all shared a commonality, keeping their workforce happy and satisfied. Through his study, Lawler identified seven principles that each company practiced, which in turn, as he claims, has allowed them to remain competitive in the market and witness profit growth when their competitors did not.

The Principles:

1. Attraction and Retention: Companies need to identify what type of workplace they want to be so they may attract and retain the appropriate individuals.
2. Hiring Practices: Companies should only hire individuals who fit with the values and goals of the organization.
3. Training and Development: Companies need to offer opportunities for employees to develop and grow.
4. Work Design: Work needs to be engaging, meaningful and provide employees with autonomy.
5. Mission, Strategies, and Goals: Companies must follow a specific mission and ensure that their goals are aligned with it so employees may follow and support it.
6. Reward Systems: Rewards should be used reinforce the company's strategy and values.
7. Leadership: Companies need to retain leaders who are committed to the mission, values and employees.



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Lawler's principles in no way guarantee a company will succeed in overcoming their fierce competition; however they do act as another resource for companies to pull from when looking for opportunities to increase employee satisfaction and grow profits.

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