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Your all-inclusive guide to employee management

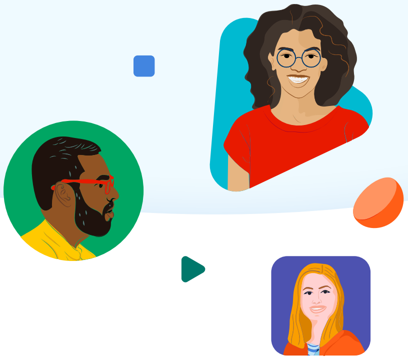
Once you hire your first employee, you need to know how to manage those employees. Often people think it's simply intuitive – do whatever feels right at the moment. However, that is a method doomed for failure.

Knowing the ins and outs of employee management will help you be a better manager and, as a result, increase the performance and productivity of your employees.

What is employee management?

Employee management is a broad term that covers all aspects of employing people. Ultimately, it is the process by which a company directs and develops its employees. It includes everything from the onboarding process to the offboarding process.

There are legal and cultural components to employee management. Every company should have a clearly defined plan and target areas that need improvement.



The benefits of employee management

When a business has clear goals and plans for its employees and a defined management style, you can see the benefits. To have a good process, you'll need to address each one of these aspects of the employee lifecycle.

1. Employee onboarding

The onboarding process begins when a candidate applies. Every step along that path prepares the future employee for success or failure at the company. Having a clear recruitment process builds trust in the company bureaucracy, which will play a role later in employee management.

When a new employee starts, paperwork is only a tiny part of the onboarding process. A good onboarding program integrates the new employees into the company and the company culture.

By the end of the onboarding process, employees should have their paperwork done, know where the bathrooms are, and know how their role fits into the larger company perspective.

2. Employee development and progression

While some employees may wish to stay in the same position for twenty years; most want to develop and progress. And even if an employee wants to stay in the same position, the technology, company goals, and general economic environment mean that every employee needs development and progression.

Each employee needs a development plan that indicates a path forward.

This should include:

- Possible career paths
- Skills needed
- Plans for developing lacking skills
- Stretch projects
- Cross training opportunities

While not every business will be capable of taking someone from entry-level to CEO, most companies do have the potential for growth for some, if not all, of their employees.

Managers need to provide regular feedback and support candidates through internal movements. Make sure your policies don't artificially keep people in their current jobs by giving power to current managers to block movement.

Also, remember to keep salary increases at the market rate as employees move up the internal ladder. If you don't, they will leave for greener pastures.

3. Employee engagement

Employee engagement is a fancy way of saying how involved and happy your employees are at work. Gallup found that five factors lead to high employee engagement levels:

Measure

If you aren't measuring something, you cannot be sure whether it is improving or failing. To have good employee engagement, you need to know your current status and in which direction you are traveling.

Have growth-oriented conversations

If your employees don't know there is a plan, they will assume there isn't one. If you don't speak with them, you won't know if they are engaged and what it will take to make and keep them engaged.

Provide clear, ongoing conversations

Do your employees know how their roles benefit the company? Do they know where the company stands? Are you keeping things secret just because it's always been done that way?

While there are some legal reasons to keep some decisions to a small group, your employees should largely be aware of everything going on. Communication is critical to engagement.

Focus on well-being

Gallup identifies five areas of well-being: "career, social, financial, physical and community." If your employees don't have the ability to remain well in all these areas, they risk disengagement at work while struggling with the other areas.

Your business cannot be responsible for all aspects of an employee's life, but you can provide support in these areas.

Have strength-based conversations

Your employees may not be working in their current areas of strength. They may have hidden skills that you don't know about. Having these conversations can not only increase employee engagement but can also help your business as well.

Employee engagement doesn't need to be fancy, and it's not about pizza parties and team-building programs. It's about communication and meeting employee needs. This leads to the next aspect of employee management.

4. Talent retention

Turnover is insanely expensive. Gallup estimates that turnover costs vary from one-third of the employee's salary to twice the employee's salary. When you balk at giving a five-percent raise to a high performer, consider that, at minimum, you'll pay 33% more just to get someone new in the door and trained – that doesn't take into account the new salary you have to offer to attract new talent.

Retaining employees can be a difficult task. Overall, the average job tenure was 4.1 years in 2022 and varied by profession and industry, with government employees having the longest average tenure (6.8 years) and service industries having the lowest tenure (2.8 years). Your retention plans should reflect the industry and positions.

Employee engagement correlates highly with retention, so listening to your employees' needs can help you develop retention plans.

5. Internal conflict resolution and reduction

People do not like to work where they don't feel comfortable. This means that good employee management requires you to reduce internal conflicts. This does not mean everyone has to agree on everything–it means that you need to remove the emotionally charged disagreements that lead to real conflict.

Psychologist and business strategist Liane Davey posits that there is a difference between healthy conflict and destructive conflict. Passionate idea discussion is a type of healthy conflict, while jockeying for position, gossiping, and undermining people are all examples of destructive conflict. Your job is to reduce the latter, but not the former. How do you do this?

Set and maintain boundaries

When people know where those boundaries are, they are less likely to push against them, reducing some types of conflicts. For instance, if your boundary is no f-bombs at work and you maintain that for everyone, you don't have to sort out if it was a neutral f-bomb (for instance, swearing at a printer) or a conflict one (swearing at a person). The boundary is clear.

Don’t give in to your biological desire to be nice

Davey says humans are wired to get along, but this can go too far for leaders managing employees. Yes, nice is good, but sometimes we have to override the “conflict avoidant” urge to ultimately reduce conflict. Instead of weakly laughing at a sexist joke, a manager must deal with it immediately.

Don’t let bullies run roughshod over the department because confronting them is uncomfortable. As the manager, it is your job to promptly take care of bad behavior.

Set an example

Bullies get away with bullying because leaders allow it. Sexual harassers get away with sexual harassment because the leaders allow it. If the manager encourages destructive conflict, employees will engage in destructive conflict.

Make it okay to discuss ideas

This, again, must come from the top. If the manager doesn’t listen to other people’s ideas, the employees will not either.

Be transparent

When people know why X and Y happened, it reduces conflict and backbiting.
If you cannot explain a decision, it’s possible it’s wrong.

6. Clear organizational goals

Without organizational goals, you cannot effectively manage employees. Until this point, employee management has focused on the people side of things, but without organizational goals, it doesn’t matter how warm and welcoming an environment you’ve created. Managers need to inform employees what the company goals are and how their part fits into the organization. Break down goals into workable targets with rewards (which can be simple praise) at each step.

While there should be a discussion (good conflict) before the leadership sets the goals, once the CEO signs off on the goals, managers need to promote those goals, even if they disagree. (Excluding, of course, morally or legally wrong things.) It is critical that everyone work toward the same goals.

7. Succession planning

Who will take over the marketing function if the Chief Marketing Officer leaves? Who will run payroll if the payroll manager gets sick and needs to take six weeks of protected FMLA leave?

Succession planning isn't just about the big positions but every task that needs to be done. When you think about succession planning, remember that the average tenure is only four years. People will leave, or they will be promoted, and you need to work on your pipeline.

You should correlate your succession planning with your career planning for your employees. You create an internal pipeline that saves time and money and preserves institutional knowledge.

8. Clear objectives and expectations

Do your employees know exactly what you expect? When the job description said "flexible schedules," did you clearly define that? Sometimes expectations can be as simple as explaining whether people generally eat at their desks or go out to lunch.

For achieving business goals, how often should people meet to discuss progress? Should employees provide progress reports? Do employees present their own work to the senior team, or do department heads compile it and present it? What measurable goals do you assign to each person?

There are many ways to set expectations and goals, but one helpful acronym is SMART.

Goals should be:

Specific

For example a goal of "increase sales" sounds great, a specific goal would be "increase sales by 5%".

Measurable

If you can't count it, the goal isn't measurable. So, "be nicer to customers" isn't a measurable goal. "Decrease customer complaints by 5%" is.

Achievable

Is this goal realistic? Increasing revenue from $150K to $150,000,000 is probably not achievable. Make sure you can actually meet the goal.

Relevant

There are lots of great things but is this relevant to your job and your company? Giving everyone in the company a sales goal probably isn't relevant for everyone.

Time-bound

If there's no deadline, there is no goal. Make sure you put time parameters around the goals. Often it's best to break the goals down into manageable time periods. It's better to say you'll accomplish X in one month than 100 times that in five years.

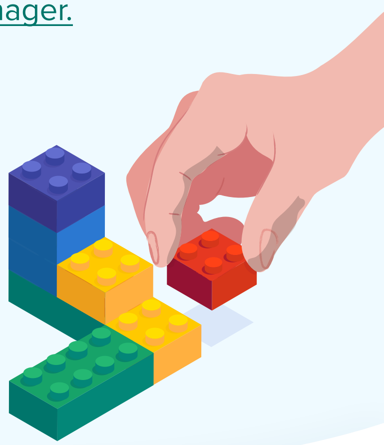
With those things in mind, you can set goals for your company, department, and employees. If you want your employees to succeed which in turn will help your business succeed – focusing on employee management can make a direct impact.

Make sure you create a clear plan for managing your employees and train your management team in order to maintain a uniform experience throughout the organization.

Factors that impact employee management

The biggest factor in employee management is, of course, the managers themselves. If you don't have trained managers carrying out the best practices, your employee management won't be good.

In fact, 82% of people say they would consider leaving a job because of a bad manager. This is why you want to look toward best practices.



Employee management best practices

What are employee management best practices? While the details can vary depending on industry and business needs, these four principles summarize employee management best practices for every business.

1. Regular communication and feedback

Your employees need to know what is going on, what plans are underway, and what struggles the business faces. Without this knowledge, they can't make the best decisions in their sphere of responsibility.

Managers must provide clear feedback–negative and positive–to ensure that employees know what they need to do. Managers must provide this feedback in clear and effective ways. It should mirror the SMART goals. If feedback isn't measurable or timely, it isn't clear feedback.

Telling an employee, "That was a horrible presentation," doesn't help them make a better presentation next time. Telling an employee, "that was a great presentation," is nice, but it doesn't highlight the things that work.

Make sure your feedback is, at a minimum, specific and timely. "Your slides had so many typos. Please make sure you have someone else proofread before you present next time," gives a specific thing someone can fix.

2. Acknowledge top performers

Top performers often work independently, and managers are relieved not to have to deal with them and focus on the lower-performing employees. This can result in top performers feeling unappreciated or unsure of their abilities.

Top performers need feedback and acknowledgment that they perform at a high level. And it is critical that you create career plans for top performers. Unless they say they don't want to move up the ladder, you should assume they do. And while it may be difficult to lose a top performer from your department, it's worse when they leave the company altogether.

Focusing on the top performers, giving them growth opportunities, and rewarding their high performance are all critical management jobs.

3. Use the best management tools available

There are employee management tools everywhere. Of course, employee management software helps you keep track of everyone's progress and helps you identify areas of concern. But you also need solid training programs for managers and employees alike.

Why is training an important part of this? First of all, training is part of employee development. But second, and more importantly, employees leave managers, not companies. You're neglecting your most important tool if your managers don't receive proper training.

4. Identify opportunities for development and progression

While each individual is ultimately responsible for their own career progression, they don't necessarily know what they need to do to advance. Additionally, they may not know what is available at your company. Good employee managers help develop employees.

Developing employees includes giving stretch assignments and providing cross-training opportunities. A best practice is to use a skills-gap analysis to determine what skills your employee needs and what skills the business will need in the future and then match the two of those together. Sometimes this can include formal education or training outside the business.

Your employees want to succeed. Helping them to achieve their goals benefits your business and your individual employees.

Remember, it's almost always cheaper to bring your employees' salaries up to market rate than to replace them.

By focusing on employee development you decrease your turnover and increase your performance. It's time and money well spent.

How do you manage the day-to-day of good employee management?

It's easy enough to say you want things to be better, but you have to do something about it, and if you want your goals to be SMART, you'll need to be able to measure improvement.

Ensuring good management is difficult for any business, but especially as your company grows beyond the original start-up crew. You'll need to place more trust in managers you don't necessarily interact with every day. And you'll need to make sure your managers follow procedures.

One thing that can help is employee management software. This can help automate mundane tasks, remind people to follow up, and give a central location for plans and progress.

Implementing employee management software

There are numerous employee management software systems available. When you look for one in your business, here are things you want to consider.

1. Does it integrate with your current systems?

Of course, you can have software that does it all, but you can also pick and choose different software for different tasks. Software that can track employee performance goals and the time clock can make for easier reporting.

2. Is it easy to use?

Some software systems are intuitive; others are difficult.

3. Does it allow employees to access their information, or is access limited to HR?

If you're using employee management software to build career plans and track progress, you'll want your employees to be involved, and allowing them to see and update their own records takes work off your plate.

4. Does the software have a solid reporting function with reports that make sense?

If you have to customize reports or download data into Excel and build your own reports, it's not as valuable as having solid reporting characteristics.

5. Can it handle multi-state options?

Employment law is largely state-based. If all your employees are in one state, this isn't an issue, but with today's mobile workforce and an increasing number of people working from home, you may end up being multistate before you know it. What capabilities does your software have?

6. Can it keep up with the employee organizational structure?

Will it display reporting relationships and allow for easy maintenance of these structures? Can you quickly update the org chart when someone leaves, when a new hire enters, when there's restructuring, or when there's cross-company migration? Some softwares even have a drag-and-drop tool that allows you to do all of that.

7. Will it handle your leave management, including multi-state and multi-country rules?

Legally protected leaves of absence vary from state to state and from country to country. Staying on top of this is crucial when maintaining compliance.

8. What is their customer service record?

You will need help from time to time because we're not all so tech-savvy. Is the company known to be responsive and helpful? Can they work with you in a pinch?

Of course, there are company-specific questions you'll have to ask to make sure your software works for you, but these should be a good start.

Sound employee management is key to retention

If you're looking to improve your employee management, going through these steps can help get you on the right path towards happier employees and a stronger culture.

Remember that 82% stat above? Four out of five employees will leave their jobs because of bad management. Because management practices are so important to employees, improving your employee management methods can make a huge difference.

Your KPIs as an employer likely include employee retention, engagement and turnover. You'll see a difference there when you have a solid employee management strategy and a software to strengthen that strategy.

Learn more about how **Workable** can help you in your **employee management strategy.**

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