

Employee loyalty matters



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ONE are those days when an employee joins an organisation and retires from there. A study conducted by the US based renowned research organisation Gallup reveals that, the millennial generation—born between 1980 to 1996—has a higher reputation for job hopping. The study shows that this particular generation is three times more likely to change jobs than the others.

Around 91 percent of the millennials do not expect to stay with their current employers for more than three years. Almost half of them strongly agree that they plan to be working at their company one year from now. That's a significant number.

For the organisations the message is very clear -- 50 percent of these young talents do not see any future with their present employers. Although the study was conducted in the US, experts are in consensus that the situation is more or less similar elsewhere as well.

It was also evident that, 60 percent of millennials are open to a different job opportunity -- 15 percentage points higher than the percentage of non-millennial workers who say the same.

Millennials are also the most willing to act on better opportunities: 36 percent report that they will look for a job with a different organisation in the next 12 months if the job

market improves, compared with 21 percent of non-millennials who say the same.

One might ask, why this generation changes job so frequently? There are, of course, several reasons. However, one point is highly noticeable, they are the least engaged employees in the workplace.

Data suggest that, only 29 percent of the millennials are engaged at work which means only one out of every three are emotionally attached to his or her job and to the company.

The most worrying part is 16 percent of millennials are actively disengaged which implies that these employees are more likely to do damage to their respective organisations.

Question would naturally be asked that how does this huge employee turnover impact an organisation? Believe it or not, according to the study, it costs the US economy \$30.5 billion annually. If we extrapolate the number from a global perspective this would easily be crossing \$50 billion.

This cost includes recruitment cost for the vacant positions and training and development cost for the new employees. That's a staggering number, right? Another critical aspect of the disengaged workforce is, lack of energy and passion for the jobs.

These employees simply show up to put in their hours. No wonder, successful organisations are now seriously thinking to make sure that the talents remain with them.

To face this challenge, we need to understand the employee loyalty concept holistically. A loyal employee is the one who works for the success of the organisation. Loyalty has certain elements like devotion, faithfulness, bonds, cares and responsibility.

Loyalty is a two-way traffic meaning both the employee and the organisation are party to nurture loyalty. If an organisation wants its employees to be loyal, obviously it has to create an environment where the employees feel respected and get the opportunities to unleash their potential.

Study suggests, even the millennial

now focus on how organisations get benefits out of employee loyalty: Loyal employees are the most engaged employees and they naturally show up every day with full of energy and with a sense of purpose. It was revealed in a study that; highly engaged teams generate 21 percent more profitability. Productivity goes up as

remain with them. Anne M Mulcahy, the former CEO of Xerox, once commented, satisfied employees mean satisfied customers, which leads to profitability.

In case of high employee turnover disruptions naturally happen in day to day operations and as a result, customers get dissatisfied and there is a high possibility of opportunities

important points to be focused on:

Competitive compensation and benefits: The number one reason why the employees change their jobs is fair compensation. A competitive salary and benefits make employees more likely to stay in their jobs long term.

Career development: Research findings suggest, employees who progress in their career timely are 20 percent more likely to stay with their organisations. To ensure employee acquires required skills to move along in their career growth organisation must focus on training and development.

Engagement: Employee engagement initiatives result in positive impact on job satisfaction. When the employees feel they are an integral and essential part of the organisation they certainly feel honoured and resultantly they become more loyal.

Appreciation: A culture of appreciation in any organisation makes a healthy and happy working environment. According to a recent study, 22 percent of workers who do not feel recognised despite doing good tend to switch job.

No wonder employees are the best assets for any organisation and loyal employees are becoming scarce now-a-days.

Doug Conant, a well-known business leader, appropriately said, "to win in the market place, you must first win the workplace". Organisations have to put in their best efforts to make their employees loyal.

Famous management guru Stephen Covey has the mantra, "always treat your employees exactly as you want them to treat your best customers".

The writer is the chairman and managing director of BASF Bangladesh. Views expressed here are personal.



REUTERS/FILE

Around 91 percent of the millennials do not expect to stay with their current employers for more than three years.

generation does not necessarily want to switch job just for the sake of switching, rather they do it as their present employers often fail to provide them compelling reasons to stay.

There have been number of studies conducted across different parts of the world clearly outlining the importance of employee loyalty. Let's

absenteeism from work reduces by 41 percent.

It was also found that customer loyalty has positive correlation with employee loyalty. Loyal employees consider organisation's success as their personal success; therefore, they always go extra miles to make sure customers are satisfied and

might get lost.

As the loyal employees always go extra miles, naturally the organisations often come up with innovating ways of managing things.

Organisations which are known for employee loyalty attract more talents. So, what should be done to maximise employee loyalty? Here are few

BOJ's Kuroda says ready to ease if 2pc inflation comes under threat

REUTERS, Tokyo

BANK of Japan Governor Haruhiko Kuroda said on Thursday that the central bank would ease policy further without hesitation if the momentum towards its 2 percent inflation goal came under threat, a sign of his readiness to top up its already massive monetary stimulus.

Speaking at an annual meeting of Japan's largest business lobby, Keidanren, however, Kuroda also offered somewhat brighter view on the global economic outlook,

bolstering the market view that the BOJ would not rush to alter its current policy for now.

"While continuing to carefully examine various risks, the BOJ will not hesitate to take additional easing measures if there is a greater possibility that the momentum towards achieving the price stability target will be lost," he said.

Kuroda made the remark a week after the central bank kept its target for short-term rates at -0.1 percent and that for 10-year bond yields around 0 percent, and it stuck to its assessment that the trend in Japan's

economy was for continued moderate growth.

Stability in financial markets and some signs that strains on global economy were reducing have bolstered the view that the central bank will avoid easing or tightening policy for the time being.

"Uncertainties over the global economy, including developments in US-China trade negotiations, have eased somewhat," Kuroda said.

Still, "the BOJ considers that downside risks regarding the outlook for the global economy remain significant."

Record online sales give US holiday shopping season a boost

REUTERS

US shoppers spent more online during this year's holiday shopping season, a report by Mastercard Inc showed on Wednesday, with e-commerce sales hitting a record high.

The holiday shopping season is a crucial period for retailers and can account for up to 40 percent of annual sales. But this year, Thanksgiving, which traditionally starts the US holiday shopping period, was on Nov. 28, nearly a week later than last year's Nov. 22, leaving retailers with

six fewer days to drive sales between Thanksgiving and Christmas.

E-commerce sales this year made up 14.6 percent of total retail and rose 18.8 percent from the 2018 period, according to Mastercard's data tracking retail sales from Nov. 1 through Christmas Eve.

Overall holiday retail sales, excluding autos, rose 3.4 percent.

"E-commerce sales hit a record high this year with more people doing their holiday shopping online," said Steve Sadove, senior adviser for Mastercard.

"Due to a later than usual

Thanksgiving holiday, we saw retailers offering omnichannel sales earlier in the season, meeting consumers' demand for the best deals across all channels and devices," Sadove said.

Retailers have invested heavily to provide same-day delivery, lockers for store pick-up and improve their online presence as they battle against retail giant Amazon.com Inc for market share. US President Donald Trump, whose support in the polls has been buoyed by strong economic data despite his impeachment by the House of Representatives, heralded the news in a tweet in all capital letters.

The big shortcoming: a grumpy 2020 for global growth

AFP, Paris

US political clouds coupled with wider climate and digital transformations point to a tricky 2020 for the world economy, although experts say a lurch back to crisis is improbable.

The Organisation for Economic Co-operation and Development said last month that activity had been hobbled by weaker trade and investment in the past two years, as US President Donald Trump pursued

march of technology.

Industrialists and investors are having to correct their climate strategies even as Trump sits firm in his policy of denial. Oil giant Saudi Aramco recently had to trim back the volume of its gigantic share offering.

The International Monetary Fund was a little more optimistic in its latest World Economic Outlook, forecasting 2020 growth of 3.4 percent but warning nevertheless of a "synchronised slowdown and uncertain recovery".

has the potential to reshape the world of work as artificial intelligence exploits that data.

The online arena has emerged as another front for Trump's trade wars, after he threatened tariffs on France over its digital tax imposed on the likes of Amazon, Facebook and Google. Europe is threatening a collective response.

Ludovic Subran, chief economist of German insurance giant Allianz, sees a global "purgatory of growth" coming up.

Any systemic shock next year "will probably not be born in finance, but will be exogenous, for example a big regulatory shock on personal data, or in relation to the climate", he said.

If Trump survives the impeachment process and wins a second term, he could "double the bet against China" at the risk of military confrontation, Subran added.

Trump and his potential challengers on the Democratic left are united in their hostility to the free-trade and liberalisation agendas that, they argue, hollowed out industrial America over the past decades.

The mistrust is felt well beyond the United States.

"We're not worried about how to overcome a cyclical crisis, we know what to do," said Ingo Kuebler, the staff representative at Mahle, a German automotive supplier that has already been forced to downsize as car buyers turn away from diesel engines.

"The big issue is transformation, digitalisation, electric mobility," he told AFP, fretting that an influx of cheap Chinese car batteries means "we are dreading the loss of many jobs".

Since the financial crisis a decade ago, central bank policies have led to negative interest rates spreading in some countries, squeezing bank profitability and inflating private debt.



AFP

People shop in the Bergdorf Goodman store on the 5th Avenue in New York City on December 20.

a trade war with China.

The OECD expects global growth to dip in the coming year to 2.9 percent, its lowest level since the world recession of 2009.

Trump appears to have struck a truce with China for now, under a "phase one" pact announced this month, but pre-existing tariffs remain in place and it will take time to demobilise their effects.

More broadly, the OECD contrasted proactive actions taken by central banks with the policy foot-dragging by governments in the face of climate change and the

At a time of populism and protests around the world, politics will remain an economic wild card next year.

Trump heads into the November presidential election under an impeachment cloud, and Britain's Brexit divorce from the European Union will likely be sealed next month, following Prime Minister Boris Johnson's election triumph.

The rise of technological giants sitting on mountains of data is meanwhile challenging the distribution of wealth between governments and big business, and

NEXT STEP

Making a DIFFERENCE

Bangladesh is rapidly moving towards middle income status by 2021. Our businesses definitely offer immense opportunities for the growing economy and this diversity needs a stage for the stories untold. See Bangladesh make its mark on the global map as Making a Difference brings you our proudest success stories from across the country.

4 tips for online communication

Our work environments are changing fast. Most of our business communications now take place online and much of these communications are now moving to our inboxes rather than e-mails. Many professionals are even moving to working virtually or digitally full-time. In these challenging times, here are four tips for the professionals who want to maintain their etiquette in the virtual world.

Properly introduce yourself
If you're approaching a stranger for business purposes, start by introducing yourself properly. It's not a good idea to kick off a conversation with "Hi, Apu/Hi, Bhaiya". Start off with a hello and go on to introduce yourself and then state the reason why you're approaching them.

Do not step over personal boundaries
It's not a good idea in the first place to approach someone in Facebook or WhatsApp for business reasons. In case you still do, make sure to maintain the boundary between professionalism and friendship. Yes, you can become friends with a person you know from work, but if you're starting your first conversation for a business reason, do not mix it up; it's considered inappropriate.

Make sure you're using good grammar
You do not have to be Shashi Tharoor. But at least, ensure that your sentences are constructed properly. Double check punctuations and be careful to avoid basic grammatical errors. If you're emailing someone, write your emails in the standard structure. If your writings are structured at the very least, chances are that you'd make a decent first impression.

Maintain a professional work email ID
It's understandable if your email ID is killerpunkz@yahoo.com. But, think twice before sending an email to someone for work or business from this ID. This screams that you are not professional enough. Maintain a proper online etiquette with a separate work email if you need to. Keep it simple.

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