

FROM THE FOUNDER'S HUB

Strengthen Your Startup Culture: Encouraging Employee Retention



Tech startups can be hectic. More than likely, there's no way around it if you hope to achieve fast growth and reach your funding goals. Deadlines will creep up, minds will change, and strategies will need to be adjusted. You might even make major changes to your product.

But a hectic environment doesn't have to mean high turnover. In fact, with the right culture in place, you can encourage employees to stick around--even when things get tough.

Here are a few tips to help reduce turnover and keep your team happy and productive:

1. Communicate openly and often

One of the biggest pain points employees cite when they leave a startup has to do with communication.

For one thing, at a tech startup, you don't always have the information you need to feel secure in your future. And frankly, working at startups always involves some uncertainty and risk. But that doesn't mean you should closely guard information like funding issues and unexpected hiccups in the hopes that people won't panic and leave at the next great offer. Rather, they may leave because they feel you are keeping this valuable knowledge from them, expecting the worst.

It's also easy to let the busyness of business keep you from letting everyone in on company news. But put yourself in a new employee's shoes. No matter the department--product development, sales, marketing, support--they need to feel like they're part of the company, not just a cog in the machine.

So make it a point to keep everyone in the loop on what's going on in the business, whether it's good news or bad.

And open communication should extend to feedback, both positive and constructive. If you only give criticism and never praise someone for a job well done, they'll start to feel devalued and under-appreciated. On the other hand, if you only heap on the compliments and avoid honest conversations about areas they need to work on, they'll become complacent and their growth will stall. So aim for a healthy balance of both types of feedback to show that you care about their development--and that you want them.

2. Offer opportunities for career growth

For many employees, feeling like they're stuck in a dead-end job is one of the biggest reasons they start looking for new opportunities. So it's important to show your team members that there's room for them to grow within your company.

One way to do this is by investing in their professional development. This could mean sending them to conferences or workshops related to their role, or offering internal training and mentorship programs. It shows that you're committed to helping them develop their skills and further their careers--which is something they'll appreciate and be more likely to stick around for.

No room to promote right now? Let them know what you envision for their career path in the future, and document the path to get there. Having clear goals and trajectories goes along way in assuring an employee of the opportunities ahead.

3. Encourage a healthy work-life balance

In today's 24/7 world, it's more important than ever to encourage a healthy work-life balance. That means being understanding when someone needs to take a mental health day, or leave early for a doctor's appointment. It might mean flexible hours, or the ability to work from home when needed.

It also means having clear boundaries between work and life. When people feel like they're constantly on call, it takes a toll on their personal relationships and wellbeing. So make sure you're not expecting employees to be available after hours unless it's absolutely necessary.

One way to ensure this doesn't happen is to document it within your employee handbook. Let employees know that working overtime is the exception, not the rule, and that they should speak up when work becomes too much to handle. Feeling supported during times of burnout is a sure way to let employees know they are valued (for more than their work).

4. Offer competitive compensation and benefits

This one is pretty straightforward: people will be more likely to stay with your company if they feel like they're being fairly compensated. That doesn't necessarily mean you have to match (or exceed) the salaries of larger corporations, but you should at least be in the ballpark.

You can also sweeten the pot with other benefits, like extra vacation days, flexible work hours, or remote working options. Almost as important as offering these perks is modeling proper use. If no one else in the company is taking PTO or if people are encouraged to work on vacation, they will not feel like extra PTO is much of a benefit.

In this competitive hiring landscape, anything that makes your company more attractive than others will help with employee retention. This may include things like stipends for professional development, paid time off for volunteering, or even just a well-stocked kitchen.

But beyond the tangible benefits you can offer, it's important to focus on building a strong culture. This includes things like having a clear mission and values that everyone can buy into, providing opportunities for career growth, and fostering a sense of community.

When employees feel like they are part of something larger than themselves and that their work is meaningful, they are much more likely to stick around.

What are some other ways you can reduce turnover and encourage employee retention at your startup?

[Let us know, or contact us to learn more about how you can ramp up your startup culture to build towards an exceptional exit.](#)



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