

10 Ways to Keep Your Staff

*Money isn't
the only way
to create
loyal, long-term
employees.*

By Andrea
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Every year, the owners of Amadeus Day Spa in Pasadena, California, hold a symposium to familiarize their 110 employees with the company's 5- and 10-year plans. The staff updates the spa's overall mission statement, then departments break out into smaller meetings to present their own goals and standards. CEO Joseph Wong calls the annual gatherings an "open book review" of the company's performance, whereby he details the budget, profit margins and advertising costs to give his employees a better understanding of the spa's financial underpinnings.



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Establishing open lines of communication and involving employees in the decision-making process are just two of the ways day spas are working to retain employees for the long term. Unfortunately, it's all too common for a spa to lose a star esthetician or massage therapist without a hint of warning, not learning of her discontent until it's too late. Some owners blame employees when the problem could have been rectified by proactive management. Here are 10 ways to turn employees into long-term loyalists.

1. SET IT STRAIGHT IN THE INTERVIEW.

Employee retention starts with the interview process, but it takes experience to



Let potential employees know in the interview what will be expected of them.

develop the intuition needed to distinguish the loyal employee from the one who's just putting on a good show for the interview. After all, most applicants are sure to dazzle you with a beaming smile and radiant personality at the first meeting. However, by asking the right questions and being frank with applicants, you can penetrate that smokescreen and separate the long-termers from the job jumpers.

An inadequate interviewing process can set the stage for unhappy employees and employers. Kit McCormick, owner of Spa/Salon Staffing Services, Mesa, Arizona, knows of some establishments that don't even bother to interview. "I've sent people to potential employers who ask only

three questions: *Do you have a license? What do you think of the place? When are you available?* Later, they can't understand why they don't have employee loyalty."

Employees need to know what to expect and what is expected of them from day one. If a potential employee will be working on commission, for example, let her know right away how long it may take her to build a clientele. Linda-Anne Kahn, owner of Beauty Klinik Aromatherapy Day Spa & Wellness Center in San Diego, California, informs all potential employees up front that they'll occasionally be required to attend classes after hours and on weekends. Kahn examines candidates' reactions very carefully. "In an interview, I almost want to see into their souls," she says. "They have to be very enthusiastic and love what they do. Over time, you can see behind an employee who's not open, caring or nurturing."

McCormick recommends preparing a set interview format, asking all applicants the same questions in the same order. "Listen more during the interview process, and ask as many open-ended questions as possible," she suggests. "Ask, 'How would you evaluate a good employee?' The answer should reflect the candidate's strengths."

Also, get job candidates to relay experiences with questions such as, *What makes you so good at your job?* and *Can you relate an incident that illustrates how well you work under pressure?* "Learn as much about that story as you can to visualize what happened in that spa," McCormick suggests.

If you're still not sure about a candidate, don't hesitate to ask her back for a second interview or even a "tryout"

interview, in which the applicant is paid to work under supervision for a day.

2. HOLD EMPLOYEES ACCOUNTABLE.



Implement a personal rewards system to let employees know they're appreciated.

While some spa managers and owners may hesitate to criticize employees for fear of driving them away, those fears actually have more chance of being realized if employers say nothing at all.

"Silence tells an employee that whatever she's doing is fine," says Cindy Angelly, owner of Spa & Salon Systems, Houston, Texas. "An employee can easily repeat negative behavior

without even realizing she's doing anything wrong. Then when the employer finally says something on the third occurrence, the employee thinks, "Well, why didn't she say anything before?"

Holding employees accountable starts at the hiring process and continues throughout their tenure. "Make people more responsible for their jobs, and your turnover rate will go down," says Angelly. "When you do everything for



them, it's like charity. They really don't want that. The best spa owners open the books and say, 'This is what we need you to do.' Make employees responsible for their productivity and be consistent. It's an ongoing conversation that should never, ever die."

3. PRACTICE POSITIVE REINFORCEMENT.

While it's important to remind employees of how they can improve their performance, it's equally important to "catch people doing things right," says McCormick. Praise workers in front of other staff members and implement a personal reward system. For example, you might ask an esthetician with top retailing numbers to share with the staff what procedures she follows to close a sale. "This gives your employees ownership of what they do," McCormick says.

4. COMMUNICATE AND ACCEPT CRITICISM.

In many spas, the owner spends much more time working with her clients than with employees. Then, when one of those employees leaves, that owner scratches her head and wonders why. Regularly scheduled one-on-one and group meetings help prevent such incidences, giving employers an opportunity to voice concerns about employee performance and giving staff a forum in which to express helpful ideas.

Let your staff know you're available should they need to talk to you—but keep in mind that an open-door policy is only effective when the supervisor remains open to employee criticism and suggestions. "Employees need to feel they can go to an owner and say, 'These are areas of concern,'" says McCormick.

Keeping the Front Centered

If you have trouble keeping front desk personnel, the problem is most likely one of two things: unsatisfactory working conditions or a lack of opportunity to grow in responsibility or salary. Front desk personnel grow weary from the constant client phone calls and processing procedures. You can help cut the monotony by giving them duties that get them out from behind the desk,

the-scenes staff who does nothing but schedule and confirm appointments, try rotating them to the front office. Not only will they feel more connected to the buzz of the spa, but the quality of service will also improve.

Look for ways to upgrade the front desk job with product sales incentives and other management duties. Above all listen to your front desk staff. They

You can also hang on to good employees by offering “golden handcuff” incentives.



Listening to staff members is one of the most important things you can do to keep them happy.



At one spa, an esthetician realized that the current procedure for handling tips was causing confusion over who made what at the end of the day. When the employee brought in a box of envelopes to organize a tip allocation system, the owner told her she thought it was “a stupid idea and too much work for the receptionist.” Needless to say, that esthetician didn’t stay long.

In another instance, an esthetician suggested that the receptionists walk guests to the treatment rooms. The receptionists thought this was a great idea except for when the salon was busy, and asked if the shampoo assistant could escort guests during those times. While these employees had banded together to find a workable plan, the owner still nixed the idea, insisting that the shampoo assistant couldn’t leave her area. “If you don’t listen to your employees, they’ll leave,” McCormick warns.

5. COMPENSATE FAIRLY.

Although compensation isn’t the main reason employees change jobs, it certainly plays a large role in a staff member’s overall job satisfaction. One way to sweeten the pot for a particularly good employee in high demand is by offering a signing bonus, suggests Jeff Reichenthal, owner of Synergy Consulting in Boston. The spa might pay a \$1,000 signing bonus by offering \$250 up front, another \$250 at the end of six months, \$250 after nine months and the balance at the end of one year. “Most people make their decision to

leave on an emotional basis. This gives them reason to pause,” he says.

You can also hang on to good employees by offering what Reichenthal calls “golden handcuff” incentives, such as profit sharing and stock options. At the Paule Attar Salon and Spa in Bellevue, Washington, where the average turnover rate is three to four years, employees receive a 401(K) plan funded entirely by the spa. The spa deducts \$1 from every service and places it in a pool, which usually yields between \$3,500 and \$4,500 a month. The employee is rewarded a percentage of that pool based on her contribution toward the spa’s monthly revenue earnings. For instance, if the spa makes \$200,000 in one month and an employee contributes \$20,000, or 10% of that total, she receives 10% of the \$4,500 pool, or \$450. If she brings in \$10,000, or 5% of \$200,000, she receives 5% of the \$4,500 pool, or \$225.

Spa owners need to remind employees to look at the total employment picture and not just commission rates. At Amadeus, where the average employee stays five years, owners constantly inform staff of all the factors that go into building business. That way, if another spa tries to lure an Amadeus employee with a 60% commission rate, that staff member knows to ask key questions, such as, *How many receptionists do you have? What are your service prices? What kind of advertising budget do you have and what benefits do you offer?*

Even if you can’t afford to compensate your staff to the degree you or they would like, you can still show you care with small rewards such as gift certificates to movies and restaurants and discounts on services and products.

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Magic Lantern

Recognizing exceptional employee effort can be done in small ways—such as gift certificates for spa services.



6. PROVIDE BENEFITS.
A spa owner who offers benefits such as medical, life and disability insurance, vacation, sick days and personal days off, demonstrates a willingness to help meet the practical needs of employees. Such benefits not only make it more financially feasible for employees to stay, they also encourage them by providing rewards for longevity. A paid one-week vacation after a year of employment is a typical example.

If providing full insurance coverage for your staff is too expensive, consider a Section 125 cafeteria-style plan. “This type of plan allows even small businesses to provide staff with a nice benefits package without spending large sums of money,” says Margo Blue, owner of The Spa at Margo Blue in Charleston, South Carolina. Using this plan, Blue contributes a manageable 25% toward her employees’ premiums and is able to offer them discounts on medical, dental, life and disability insurance.

7. STIMULATE YOUR STAFF.
Spa owners who frequently introduce new services and regularly expand staff education usually see reduced turnover. Menu changes tend to pique interest among employees and clients alike. “Try to involve your staff in the brainstorming process,” suggests Kahn, who travels throughout the world to attend educational seminars and makes a habit of sharing her newly-acquired knowledge about services and treatments with staff.

McCormick believes training is one of the best ways to nurture employee relations. “Training develops a bond, and anything a spa can do to strengthen that bond is helpful,” she says.

8. HONOR QUALITY TIME.
With so many spa employees juggling responsibilities at work with family needs and outside interests, more spas are flexing work hours to accommodate their staffs’ busy schedules. McCormick has seen quite a few spas implementing “work-share” systems, in which employees cover needed hours cooperatively according to their scheduling needs. For instance, two estheticians might work an afternoon shift while the third one works in the evening. Or, one massage therapist might work Mondays, Wednesdays and Fridays while the other works Tuesdays and Thursdays. If an employee needs to reduce her hours, McCormick says, it’s important that spa owners and managers help her find a way to do that.

To reduce burnout, spa owners need to ensure their staffs aren’t working too many hours and that they have enough quality time to spend with family and friends. “I will never say no when there’s an occasional family problem or an educational need,” says Kahn. “I care about my staff and what’s going on in their lives. Employees need to know they work for a person and not just a salary.”

9. CREATE A COMFORTABLE WORKPLACE.
An esthetician may be happy with her company’s policies and love her co-workers and clients, but if her back is sore from the chair issued to her and her facial room is too small, chances are she won’t stick around for long.



Your employees' work environment has to be comfortable as well as functional. This means that esthetician tables should lower and raise to levels that accommodate all body sizes, and operator chairs should have comfortable back supports.

A comfortable environment goes beyond tables and chairs, however. The wise spa owner will consider all possible ways to make his employees' jobs as pleasant as possible. For example, in the

hair area at the Paule Attar Salon and Spa, the 20 stylists are equipped with full-spectrum lighting and noiseless blow dryers that allow them to talk with clients at normal voice levels.

If your nail techs suffer from carpal tunnel syndrome, require them to take frequent 10-minute breaks and compensate them for that time. "Maybe ask your massage therapist to give the nail tech a 10-minute rubdown on her wrists as a way to help the staff work together," suggests McCormick. "Or if you see someone is fatigued, tell her to take a breather. Don't wait for her to come to you and say, 'I need a break.'"

If your front-desk staff is overwhelmed with waiting clients and stylists looking over their shoulders, decongest the area by installing separate check-in and check-out stations.

Employees also need a comfortable place to rest during breaks. When Kahn expanded her facility into a larger wellness/spa center, she made sure she allowed a larger staff room for her 35 employees, and the Paule Attar Salon and Spa offers its employees a full kitchen.

High Turn-over Professionals

Which day spa professionals are hardest to keep long term? According to consultants and spa owners, the highest turnover is among massage therapists and nail technicians.

Linda-Anne Kahn, owner of Beauty Klinik Aromatherapy Day Spa & Wellness Center, San Diego, California, had been able to retain massage therapists for as long as seven years, but recently Kahn has experienced a high turnover rate among these professionals, who relocated to other cities. Why? Kahn believes that while she likes to hire spiritual types of people for her massage department, this exact quality usually goes hand in hand with a desire to explore new opportunities—and consequently, "hit the road" more often. Heinz Mikulka, co-owner of the Paule Attar Salon and Spa in Bellevue, Washington, has also seen his share of major turnover with massage therapists.

Indeed, nail techs and massage therapists in particular often resist a full-time schedule and prefer to work on-call—an

Salon Systems, Houston, Texas. "You can't build a business that way."

Jeff Reichenthal, owner of Synergy Consulting in Boston, recommends basing compensation for these employees on the hours they work, perhaps paying them a higher commission rate if they commit to more hours. Says Angelly, "If they're getting 50% on a \$60 massage, that's not a bad living, but they have to be consistent to build a clientele." You might also want to limit a massage therapist's workload to no more than seven massages a day to avoid burnout.

Mikulka says his spa has found great success by hiring older technicians; he currently employs a massage therapist and a nail tech both in their 50s as well as an esthetician in her 60s. While some may balk at the higher insurance rates demanded for older employees, he believes this is "a small price to pay" for the quality of work received.

Mikulka feels the mature operator is more grounded in her goals. "She's

10. BE A LEADER.

In the end, the best advice industry experts can give with regard to retaining employees is to serve as a role model. Demonstrate the same high level of enthusiasm and client care that you expect from your employees and always encourage teamwork.

"If we set standards of excellence and lead by example, our people will behave the same way," concludes Kahn. ♣

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