Of One Mind (*Entrepreneur Magazine* – July 31, 2003)

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You want to recruit and keep valuable employees – that's a given. Often, the key to doing that is making sure what you promise matches what employees *think* you promised.

In "Promises Made, Promises Broken: Employee Attraction and Retention in Small Businesses" (*Journal of Small Business Management, October 2001*), Jill Kickul found that poor attitude, lack of commitment to the firm and likelihood of leaving the company are often based on employee perceptions that employers have not fulfilled their promises.

Kickul studied 23 owner-promises-including everything from salary and health care to workload and opportunities for advancement-and distilled them down to five underlying factors, in order of most important to least important: autonomy and personal growth, rewards/opportunities, job security/responsibilities, benefits and facilitating work.

Salary rewards, bonuses and perks were not as important to employees as autonomy and personal growth; job security and responsibility were more important than benefits. But small-business owners often implicitly or explicitly communicate conflicting terms when making "psychological contracts" with employees. To avoid this, denote strict limits on what you promise employees and how and when it will be delivered. Put what you agree to in writing to prevent problems when it comes time to evaluate whether you've delivered on the contract.

Kickul concludes that entrepreneurs need to manage with an open-book policy. If your company hits a downturn and promises cannot be met, employees are less likely to react badly since they have a better understanding of the firm's situation.