

Silicon Valley's Employee Retention Challenges

Silicon Valley was unsuccessful for a long period of time for four reasons. First they had adopted a free agency policy that created little commitment between the company and employees and created an attitude of watching out for yourself. Second, the use of outside contractors for almost every aspect of the company helped to create a sense that the employees were not good enough to fulfill the requirements. Third, long work hours were expected and if the employees did not constantly work they were viewed as not doing their job. Last, signing bonuses were used and once the term was up the employees would collect the bonus and then move on to another company that had one.

Companies can learn from Silicon Valley and understand that as with "Customer Loyalty Programs", building an "Employee Loyalty Program" is an absolute must. Fulfilling short-term needs will help companies who want to "Build" and "Sell" quickly, however, may not benefit companies who want to "stay" for long-term.

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