

BUSINESS MONDAY

THE CEREAL BOWL

Lesson 11: Treat employees right

BY JIM WYSS

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Cereal Bowl Vice President Michael Glassman has one simple rule when it comes to his employees.

"I would never ask them to do something I wouldn't do," he says.

On any given day, Glassman can be found scrubbing toilets, wiping down tables and taking out the garbage out. As it turns out, that may be good for business.

According to a study by Cornell University's School of Industrial and Labor Relations, creating a "family-like" atmosphere is one of three things businesses can do to boost profits and revenue and reduce employee turnover. The other two? Look for employees who fit the company's culture, rather than hire solely based on skills; and trust workers to manage themselves.

Small businesses that followed all three strategies saw 22 percent more revenue growth, 23 percent more profit growth and 67 percent less employee turnover than companies without such criteria, the study found.

Creating a family-like environment can be as simple as talking regularly with employees, encouraging after-hour gatherings, or having in-house parties to recognize milestones, said the study's author Christopher Collins.

"Talking to [workers] like they are humans rather than paid individuals can have a huge impact on the way employees react," he said. "The reason people stay [at a job] is that they feel some sense of loyalty. If it's just about the money [when someone] offers them 25 cents more an hour, they are out of there."

Michael Acosta is the president of Megatran, a Doral-based utility company that often does power line repair for Florida Power & Light in the wake of storms.

One key to success is to look for employees who fit the company's culture.

While the company offers competitive wages and good benefits to its 100 employees, Acosta said it's often the unexpected incentives that count the most.

During Hurricanes Katrina and Wilma last year, Acosta said many of his workers logged long hours repairing power lines even as their own homes sat in the dark.

During a company picnic that December, Megatran surprised every worker with a generator.

It was a perk they are still thanking him for. But if he had simply given out cash rewards, it would long be forgotten, he said.

"Any type of reward or bonus that is purely financial has a very short-term effect," Acosta said.

Gift certificates to restaurants and retail outlets that Megatran sometimes passes out to employees who have excelled also have impact.

"It doesn't cost a lot but it means a lot," Acosta said.

At The Cereal Bowl, Glassman said, the casual and friendly relationship he has with his staff is already paying off on the other side of the counter.

During employee training, he encourages staff to get to know regular clients and spend time talking to customers as long as it doesn't interfere with business.

The other morning Glassman said he watched an employee automatically start working on a customer's favorite cereal mix just as the person walked through the door. "That was golden to me," said Glassman. "That's how you get someone to come back day after day. That's how you build a regular clientele."