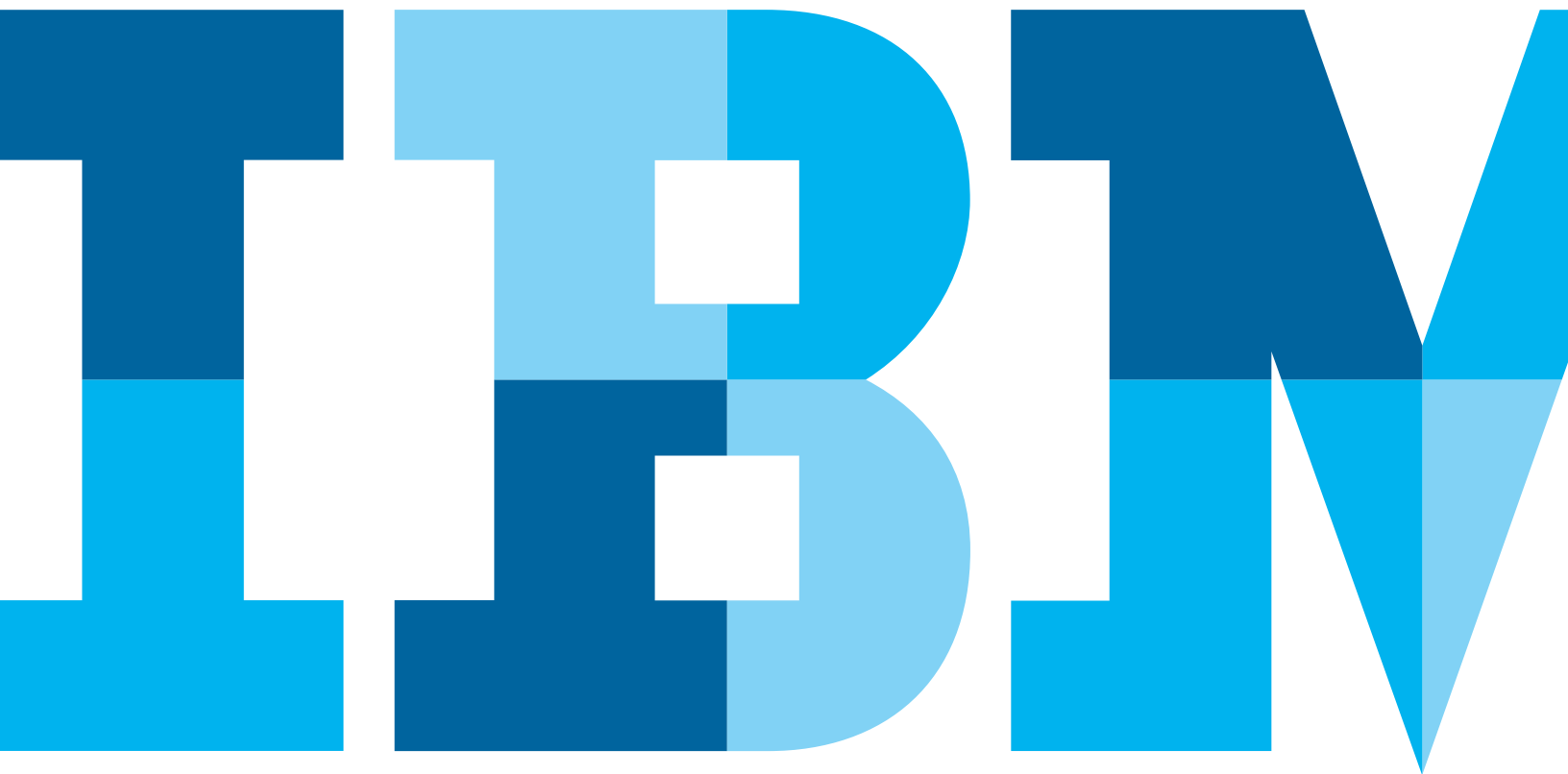


Incorporating employee engagement into the business strategy of employee retention

Why it is a top priority for organizations?



Employee retention continues to remain a top priority at many organizations and one that companies increasingly view as a driver of business strategy. Business-critical knowledge can walk out the door when an employee leaves the company. While employee retention figures have long been used by companies as a measure of their performance in developing an effective organization, this view of employee retention is not only outdated, but these figures may not be detailed enough to truly determine the organization's effectiveness.

The concept of employee retention is more complex than simply evaluating employee turnover from one year to the next. These figures of employee retention can be somewhat misleading – it is not necessarily the number of employees an organization loses, it is the number of top-performing employees that leave the company that should be of concern. For example, management is one of the key reasons employees decide to stay or leave an organization. If there is high turnover among the management ranks, employees may also feel unstable in this ever-changing environment. Yet, on the other hand, it may not be the best business strategy to retain a manager that is disliked by employees.

The business strategy of employee retention actually lies with employee engagement; retention is an outcome of engagement. What most organizations fail to realize is that employee engagement is one of the biggest retention factors they have control over. Engaged employees not only stay longer with the organization, they tend to be more productive, more conscientious, make fewer errors, and take better care of customers. The business strategy of employee retention must incorporate methods that achieve a high level of employee engagement among the organization's top performers, not necessarily the entire workforce.

The importance of retaining top performers

Many organizations ponder the questions, "What should the goal be for retention?" and "What is an appropriate level for employee turnover?" Yet, in asking these questions, many organizations do not realize that there are no set answers. If, for example, an organization loses five percent of its top performers each year, the results from this turnover could be potentially devastating to the company. On the other hand, if the company is losing 20 percent of its least productive employees, this could actually be very beneficial for the organization and an opportunity to increase the strength of its workforce each year.

In other words, it is not just about retention anymore – it is about retaining the very best people at each level within the organization. The key to effective retention of top performers is to determine the factors that currently do and will, keep them engaged.

The starting point

An organization must first determine who the top performers and high potentials are within their workforce. Of the many ways this can be accomplished, some include involving management at each level to create a list of those employees who are performing at levels that exceed expectations and those who exhibit the potential to become top performers, or utilizing the results from employee performance reviews to separate those who scored the highest from those who scored the lowest.

This method of gaining a clear understanding of who the top performers are within an organization is called employee segmentation. Once an organization has segmented its workforce, it can then start to measure retention among its

highest potential and highest rated, or most productive, employees. By viewing each segment separately, organizations are creating a more appropriate benchmark to measure employee retention, i.e., is the organization retaining or losing a high percentage of its best people?

Employee engagement at each level

In addition, employee segmentation is an important method to utilize when evaluating employee engagement at each level. For instance, the factors that engage the most productive employees in an organization may not be the same as the factors that engage the least productive employees. Those employees who receive the highest rankings on their performance reviews may tend to express higher levels of job satisfaction when they are presented with challenging opportunities that enable them to grow and learn. Those that receive the lowest rankings might be more focused on issues surrounding work/life balance and job security.

While some factors, such as good communication, are important among employees, the attempt to focus on the full spectrum of factors that engage the entire workforce may cause an organization to omit some of the factors that can be the most important to the company's most productive people. In other words, by honing in on the factors that engage an organization's top performers, the company is likely to benefit from the increased longevity of these employees at the organization.

Employee satisfaction does not equal engagement

While organizations may be aware "through the grapevine" that employees are unsatisfied, it is the reasons for the dissatisfaction that elude them. While employee satisfaction is important, it is not the end game – it is only one piece of employee engagement. Satisfaction is imperative in that, for those individuals who are top performers, satisfaction may be

derived from their achievement orientation, their ambition, or their sense of responsibility. On the other hand, the attempt to satisfy an under-performer who will only be content with a lightened workload may not be a worthy cause. Again, the focus is on confirming that those individuals who have been identified as top performers and high potentials are engaged in the organization.

As stated, employee engagement incorporates employee satisfaction, but also includes the essential elements of pride, commitment and loyalty in the organization. Engaged employees are not concerned with meeting the minimum requirements to complete a task; they are focused on what they can do to better the company. Essentially, they take ownership in the company despite whether or not they actually own a share of stock.

The role of employee engagement surveys

It is here that employee engagement surveys come into play to help determine the factors that make and keep the workforce engaged. With engagement surveys, the issues that are driving morale up or down can be pinpointed because the surveys provide an equal opportunity for the entire population of the organization to have a voice. For example, an organization may have created an entire program around work/life balance. Yet, after receiving the results of the company's employee engagement survey, discover that this program is only representative of the needs of a small segment of the organization, when, in fact, the top-performers are actually seeking more opportunities and challenges in their daily work.

Regardless of organization size or number of locations, an employee engagement survey provider can assist the organization with project management from start to finish. The provider's team of experts works alongside the organization to design the survey and provide administration, whether it is via the web or paper-based. For many

organizations, it is important to have a third-party administrator to provide a solid sense that individual results will be kept confidential. Survey providers can also tabulate the results to offer dynamic reporting and analysis in addition to action-planning assistance.

The employee engagement survey process

Before the employee engagement survey process begins, the organization needs to make sure it has the buy-in of management at each level. This can mean providing management with demonstrations that show the survey will be objective, legitimate, measurable, and statistically valid. A lack of enthusiasm at any level can hurt the process as well as the effective use of the survey results. An organization can also determine who the influencers are in their company and get these people excited about driving the survey process. They can help spread the word before and during survey administration, as well as assist in making sure that each employee has the opportunity to participate in follow-up meetings to hear results and also in the action planning process.

Once survey administration is complete, an experienced employee engagement survey provider is able to analyze the survey results to provide the top areas that are driving engagement in the organization's workforce. Although they vary industry to industry and organization to organization, and may even change year to year, there are six elements that are the most common drivers of employee engagement: involvement and belonging, recognition, growth and development opportunities, optimism about the vision and future of the organization, leadership trust, and open, two-way communication. There are also a number of other important areas, such as issues around diversity, policies and procedures, safety and compensation, and benefits, which should be examined as they can be drivers of engagement in some instances.

Taking action with results

Once the factors that are driving engagement in the organization have been determined, the company can then narrow down the list to focus on two or three areas. It is important for the organization to begin with a concentration on the factors that will make the most difference to the employees and put energy around improving these areas.

The employee engagement survey process also must conclude with an appropriate follow-up procedure. An employee engagement survey is not a worthy endeavor for the organization if only the top management is allowed to view the results. The results should be shared throughout the organization accompanied with expectations of how the information should be leveraged to create and enact development plans.

Once results are shared with managers, it is important that managers, in turn, share the results with each of their employees and allow them the opportunity to participate in the follow-up process, asking questions and suggesting solutions. An employee engagement survey provider can also help these managers to get behind the results and develop action-oriented plans that are specific, measurable, accountable, and time-bound.

Linking the results

As previously mentioned, employee engagement is linked to retention and the results from an employee engagement survey can actually show an organization the specific components of engagement that are having the most influence on retention. For example, many employees are not as likely to leave a company as they are to leave a manager, and in other instances, leadership issues could highly influence employee engagement as well as retention.

Employee engagement survey providers are also able to help an organization link survey results back to customer satisfaction. For example, an organization can determine how satisfied its customers are going to be six months from now by tracking the engagement level of its employees right now. In other words, it is likely that a current event in an organization that causes morale or engagement to go up or down, will affect the way customers feel about the organization within a six month time period.

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