

ENGAGED ESSENTIAL TO COMPETITIVE EDGE

No matter what the business, profession or industry, few employers would disagree that hiring and retaining top talent is key to achieving and maintaining a competitive edge. For a variety of reasons, keeping employees has become increasingly challenging, not to mention costly. The American Management Association estimates the direct cost of losing a key employee is between one year's and 18 months' salary. A company with 100,000 employees at an average salary of \$40,000 and a turnover rate of 10 percent per year, for example, would incur turnover costs of \$400 million annually.

Insuring employee engagement, i.e., the employee's energy, effort, pride, passion and commitment to the job and the company, is a highly effective way to decrease turnover. Unfortunately, fewer than one in three employees (29 percent) are fully engaged in their work, and 19 percent actually are disengaged. About 85 percent of engaged employees plan to stay with their respective employers through 2008, according to (Society of Human Resource Management (Blessing and White, North American Survey)). But 15 percent of them said they are planning to leave (or even postpone their careers to spend time with family).

Kathy S. can cite several reasons for leaving her job at a government agency. "The advancement opportunities were not as promised, there was no clear track for getting ahead, and I felt discounted," she remembers.

Kathy felt that management had total disregard the value she brought to her department. She was stressed from overwork, constant change, and inter-departmental politics. She felt that senior leaders showed little respect for middle management. Kathy recently left for another government position with a title she deserves and a salary to match.

Her complaints align with the results of a recent survey (USATODAY and SHRM), citing the following as the most frequently used reasons for leaving a job: The position or the workplace was not as expected; the job and the employee were mismatched; the employee received too little coaching and feedback; too few advancement opportunities existed; the employee felt devalued and suffered stress from overwork; and finally, the employee lost trust in the organization's senior leaders.

In another case, the news came as an unpleasant surprise when a manager at a high-tech company learned that Kevin, one of his top performers, was leaving to take a job with a competitor. The employee had long wanted to move into a higher-level position, but his company didn't provide the career development opportunities or training that would enable Kevin to move up. Small wonder that he jumped at the chance when offered a similar job with clear advancement

opportunities. Why was his manager blindsided by Kevin's departure? Because he had never even discussed Kevin's career aspirations with him.

Kevin's and Kathy's experiences illustrate why employees become disengaged and ultimately leave. Engaged employees, on the other hand, perform 20 percent better than non-engaged employees and are 43 percent more productive, according to (Blessing and White). Employers with the highest percentage of engaged employees, on average, increase operating margins 3.6 percent and net profit margins by 2.06 percent. As the business climate changes and organizations face difficult economic times, employee engagement offers an opportunity to increase productivity and profitability while satisfying employee needs.

The most successful organizations take it very seriously, creating a culture that fosters employee engagement. Some of the most common factors influencing job satisfaction are: opportunities for employees to use their talents; career development paths along with job training; flexibility coupled with work-life balance; succession planning; fair treatment; and leadership that values, promotes, develops, rewards, coaches, trusts and cares about people.

In essence, employee engagement is a direct reflection of how employees feel about their relationships with their bosses. With their managers' help, employees need to establish a connection between what they need to be successful in their jobs and what they need to carve out a satisfying future in the organization.

Here's how to help employees connect:

- Provide challenging, meaningful work with opportunities for career advancement.
 - Assign stretch goals for development opportunities
 - Provide job rotation for top talent
 - Assign special projects
- Communicate a clear vision. Employees need to understand the organization's goals, why they are important, and how they can best be attained.
- Communicate performance expectations and provide feedback.
- Recognize employees for jobs well done
- Promote a culture of trust where people want to take ownership of problems and solve them.
- Encourage people to work in teams to create an environment that fosters collaboration.
- Set high ethical and performance standards and follow them yourself. Senior management sets the example for all employees.

The bottom line – employee engagement is all about creating a positive work environment that encourages success for all employees.

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About the Author:

Nancy L. Zentis, Ph.D. is the CEO of HRTalentPRO, an OD consulting firm specializing in Talent Management. She consults with organizations to custom design Talent Management Programs to meet their specific needs. She has implemented Succession Planning, 360 Feedback Assessment, Competency Development, Mentoring, Performance Coaching, and Tracking High Potential Growth in many leading organizations. HRTalentpro recently launched its flexible, affordable on-line database program to help clients manage, administer, and track talent. Nancy is a frequent contributor to ASTD's OD Journal. She can be reached at nancy.zentis@hrtalentpro.com