Insights Into Employee Motivation, Commitment and Retention

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Executive Summary

Employee commitment, productivity and retention issues are emerging as the most critical workforce management challenges of the immediate future, driven by employee loyalty concerns, corporate restructuring efforts and tight competition for key talent. For many firms, "surprise" employee departures can have a significant effect on the execution of business plans and may eventually cause a parallel decline in productivity. This phenomenon is especially true in light of current economic uncertainty and following corporate downsizings **when the impact of losing critical employees increases exponentially** (Caplan and Teese, 1997; Ambrose, 1996; Noer, 1993).

Research shows that the working population can be divided into several categories: people who are engaged (loyal and productive), those who are not engaged (just putting in time), and those who are actively disengaged (unhappy and spreading their discontent). Thus, as noted by Marcus Buckingham, SVP Gallup and author of "First Break All the Rules", even in the "best of times", (i.e. the late 1990's), **only 26 per cent of the working population is fully engaged in their work. The rest of the population is either "not engaged" (55 per cent) or "actively disengaged" (26 per cent.** (Buckingham and Coffman, 1999).

Productivity and retention rates generally fall further as employees become distracted, confused and preoccupied with potential outcomes immediately following an **organizational transition** such as a major restructuring, corporate downsizing, merger, acquisition, or even rapid growth spurt (Cartwright and Cooper, 1999; Bridges, 1991).
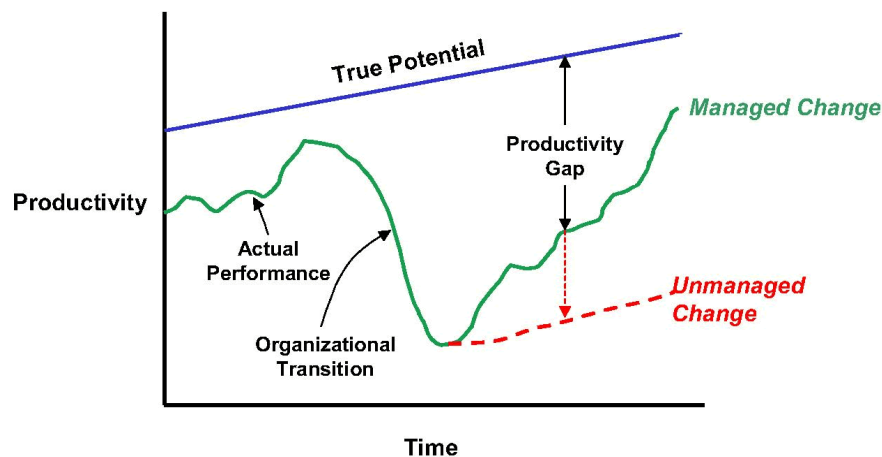
Recent studies have shown that the manager, whether a front-line supervisor, a project leader, team 'captain', or senior manager, actually has more power than anyone else to reduce unwanted turnover. Why? Because the factors that drive employee satisfaction and commitment are largely within the direct manager's control (Buckingham and Coffman, 1999; Kaye and Jordan-Evans, 1999). These include providing recognition

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and feedback, the opportunity to learn and grow, fair compensation reflecting an employee's contributions and value to the organization, a good work environment, and above all, recognition and respect for the uniqueness of each person's competencies, needs, desires and style.

In turbulent times, the role of the manager becomes more important than ever because managers play a vital and distinct role, different from anyone else in the organization. That role is as a catalyst—someone who can "reach inside each employee and release his or her unique talents and convert them into performance" (Buckingham and Coffman, 1999).

To effectively motivate and retain employees, a manager needs to deal with each person one at a time—asking questions of, listening to, and working together one-on-one. A "good manager" therefore, is one who will help talented people find satisfaction in their work, and *"satisfaction" is key to an employee's decision to stay or leave an organization*. (Buckingham and Coffman, 1999; Kreisman, 2002; Kaye and Jordan-Evans, 1999).

It must be recognized, however, that over the last 10-15 years, most organizations have de-layered and eliminated many middle management positions. Today's managers often have large numbers of direct reports in addition to individual responsibilities of their own (Buckingham and Coffman, 1999). Very few have the time to effectively make the emotional tie with their subordinates that is really effective.

Through use of various training tools and processes, specifically, the Insights Discovery System, the process of communication and understanding between manager and employee can be accelerated.

The intent of this research paper is to illuminate numerous employee-retention related issues that are of particular significance to organizations today. It further seeks to demonstrate how the **Insights Discovery System** can be utilized as a powerful force to engage, or re-engage employees in a manner that fosters greater job satisfaction and commitment…thus ***improving business results.***

Included is a discussion of how Insights can:
- Enhance the effectiveness, commitment and retention of an incumbent workforce though increased understanding of human behavior
- Motivate and retain employees whose basic monetary and material needs may have been satisfied, but who are seeking to find their internal "drives"
- Improve human resource planning and development in organizations
- Identify motivational and managerial issues related to interpersonal style
- Reduce the impact of turbulence and organizational transition on employee commitment and productivity

Why Employee Retention and Motivation Is Important

Turbulence In the Work Environment

In slightly more than a decade (1988-2000), the eminent issue for companies was one of attracting and retaining people with the skills necessary to do the work. The situation became even more complex during 2001 as an economic downturn forced thousands companies to cut back or downsize their employee populations. In the past year alone, more than a million US jobs have been eradicated leaving a scenario of lost trust, eroded loyalties, financial demise, growing employee cynicism and diminished productivity. Employee stress levels have escalated as morale and creativity plummet, while simultaneously, the cost of absenteeism and medical related expenditures have risen. Further, companies are now indicating that product quality is beginning to suffer; customer satisfaction is dropping and many organizations are beginning to experience a significant increase in turnover of key talent--especially amongst those individuals considered most 'crucial' to the downsized organization (Ambrose, 1996; Caplan and Teese,1997; Reichheld, 2001; Deal and Kennedy, 1999).

In a sense, the manager's function is that of a "catalyst" and as with all catalysts, the manager's function is to speed up the reaction between two substances, thus creating the desired end product (Buckingham and Coffman, 1999). Specifically the manger creates performance in each employee by speeding up the reaction between the employee's talents and the company's goals, and between the employee's talents and the customer's needs. When hundreds of managers play this role well, the company becomes strong, one employee at a time. In today's slimmed-down business world, most managers shoulder other responsibilities: they are expected to be subject matter experts, individual superstars and leaders in their own right. These are important roles which managers execute with varying styles and degrees of success, but when it comes to the manager aspect of their responsibilities, "great managers" excel at the catalyst role.

What we're faced with today, is an extremely dynamic and volatile work environment marked by continued turbulence in the economy. Managers face a difficult challenge of motivating and retaining employees in an environment of increased uncertainties (Mitchell, 2002). Essentially, no organization, profession or community has been unaffected by the continuing series of layoffs, dot com failures and restructurings. At the same time, jobs are being created at unprecedented rates: 700,000 new businesses are being established annually and there are worker shortages in some professions— particularly the medical and services industries (Corporate Leadership Council, 2000). So how can managers and organizations make sense of all this chaos?

Research shows that In the future, successful organizations will be those which adapt their organizational behavior to the realities of the current work environment where longevity and success depend upon innovation, creativity and flexibility. Further, the dynamics of the work environment will have to reflect a diverse population comprised of individuals whose motivations, beliefs and value structures differ vastly from the past and from one another.

At the Root of the Long Term Problem--Demographics

Both the nature of work and the workforce are changing rapidly as reinforced by the decline in the volume and character of new entrants into the workforce. For instance, throughout most of the world (United States, Europe and Asia) the number of 16-24 year olds is declining. In l995, there were 1.3 million fewer l8 year olds (in the U.S.) than in l980--just as the service industries needed them the most. Last year more than 80 per cent of the new entrants to the workforce were minorities, women or immigrants. Other demographic trends show that there is an increasing gap between the highly educated and those with very little education; and more than 25 per cent of the U.S. population is older than 50 years—with those over 65 outnumbering teenagers (Hallett, l987; Naisbitt and Aburedene, 1990; Michaels, Handfield-Jones and Axelrod, 2001; Kaye and Jordan-Evans, 1999).

The characteristics needed in today's environment are those that embody the entrepreneur: drive innovation, energy and a special commitment to seeing something through to its maturity. Abilities to work cooperatively with other people and organizations are also needed (Buckingham and Coffman, 1999).
What is important for employers about these statistics is that they *must now maximize the contributions and value of all employees—regardless of age, ethnicity, gender or style.*

A report published recently by the Corporate Leadership Council, an independent research organization funded by industry and education institutions alike, indicates that shortages of sufficiently skilled employees at many levels of the labor market are being driven by **long-term secular trends** in the economy rather than by short-term, temporary "business cycle" factors (Corporate Leadership Council, 1999).

The direct implication of this is that as attracting scarce talent becomes more competitive, corporate investments are likely to shift from increasingly expensive recruiting programs, to lesser expensive retention initiatives in an effort to hold onto truly scarce and valuable talent. Even corporations traditionally sheltered from labor instability will, at a minimum, be forced to adopt a defensive retention posture in order to protect their most valued talent from departing.

Bottom line, employee retention may be the "break-point issue" which finally forces organizations to invest in a rigorous study of the contemporary workforce, with the intent of **gaining "insight" into the motivators of employee loyalty, commitment and productivity.**

Retention As A Strategic Business Issue

In today's turbulent workplace, a stable workforce becomes a significant competitive advantage. If an organization has unstable workforce conditions, it's forced to invest thousands of dollars in recruiting, orienting, training, overtime and supervision. Those dollars come right off the 'bottom line' (Reichheld, 2001; Dibble, 1999; Herman, 1999).

Without continuity, organizations don't have ongoing close relationships with customers; customer loyalty is fragile; managers are stressed; conflict is more likely; efficiency is hampered. Such challenges make it difficult for an organization to compete in the marketplace.

Arguably, the most **valuable (and volatile) asset is a stable workforce of competent, dedicated employees.** Longevity gives a company a powerful advantage; depth of knowledge gives organization strength. The loss of a competent employee is increasingly difficult to replace with someone of comparable competence—even with an effective succession planning process. With a volatile labor market and competition for good people, organizations are forced to hire persons with less competence. If this scenario repeats itself enough, the **aggregate competence and capacity of the organization's workforce will gradually diminish**—along with the ability to meet customer expectations (Ambrose, 1996). Dissatisfied customers leave, and take the organization's cash flow and profits with them.

Important stakeholder groups (customers, creditors, investors, employees) watch workforce stability and capacity carefully. Workforce strength, capacity, and dependability influence the confidence of all these constituents.
Customers are increasingly concerned about the quality and service levels they get from suppliers. They want to have confidence that their suppliers can perform—especially in situations that call for specialized knowledge, fast response, or appreciation of the customers' history with the company. **Customer relationships are stronger when an organization's workforce is stable and customers can depend on the company's people—the continuity of their product knowledge, industry experience and proven performance**.

Creditors continually observe the stability and performance of their clients. Any hint of potential problems (as witnessed by workforce turnover, etc), creditors will likely monitor the situation much more closely. This oversight means that the creditor might consume a lot of an organization's time to stay on top of their risk…**and that's time and cost an organization needs to run the business more proactively.**

Investors are understandably very concerned about a company's capacity to perform in ways that will positively influence the value of their stock. When they detect an unstable situation, they start asking questions (Mitchell, 2002). **High turnover raises red flags that warn investors to be extra cautious.**

Unhappy people can seriously affect employee morale. Whether they leave or not, **disaffected workers can damage the attitudes of other workers** (Caplan and Teese, 1997). Negative feelings impact the quantity and quality of work, absenteeism and tardiness, cooperation with supervisors, and a company's ability to attract desired applicants. Instability of the workforce, often caused by ineffective managers, can cause far-reaching problems. When dedicated workers have difficulty getting their jobs done, they quite naturally look for other employment opportunities where they can achieve the satisfaction they seek from work.

The combination of an expanding economy, and a drop in the birth rate a generation ago, have caused a **serious labor shortage** throughout the world (Michaels, Handfield-Johns and Axelrod, 2001). There is a finite supply of people coming into the workforce through traditional channels. **No more are immediately available.**

To meet staffing requirements, astute employers are deliberate about seeking to hire the caliber of people they need. **Employee retention levels depend, in part on the people who are hired, why they are hired, and how they are managed**. (Dibble, 1999, Herman, 1999; Kaye and Jordan-Evans, 1999). Bringing in the right people for the right jobs is essential.

Calculating the Cost of Attrition

Measuring the cost of employee turnover can be a real challenge…and a real eye opener. What costs should actually be included? Hard costs? Soft costs? Indirect costs? Should an organization measure only uncontrolled (voluntary) turnover, or should replacement costs for people that have been terminated or laid off, also be accounted for?

Regardless of what components are included in the calculations, it is clear that most business leaders have seriously underestimated the cost of turnover. The Saratoga Institute, a leading research firm in the human resource arena, reports: "Losing an employee, even a lower level one, often costs the equivalent of from six months to one year's pay. Highly skilled technicians, professionals, and managers typically cost as much as twice that to replace." Another study, conducted by the Corporate Advisory Board, suggests that the **cost might easily reach 2.4 times a person's salary…if not greater.**

Below is a list of costs related to employee turnover. (Cascio,1991; Fitz-enz, 2000; Kaye and Jordan-Evans,1999; Herman, 1999). While not complete, it will provide some "insight" into various components often included in the calculation.

- Loss of productivity-work put on hold until replacement is on board
- Cost of overtime or temporary help to get the work done during selection and training of replacement
- Lost efficiency, including the interaction and institutional knowledge
- Accrued vacation
- Lowered morale of co-workers
- Recruiting costs (advertising, time to place ads, development of promotional materials, management of web sites)
- Search firm fees (often equivalent to 30 per cent of new hire's first year salary
- Screening of applicants (time to review resumes)
- Interviewing time (how many people interview each applicant)
- Hiring costs like testing, background checks, drug screens
- Relocation expenditures, temporary housing
- Sign-on bonuses
- Time spent in orientation

- Training, assimilation into work team
- Lower productivity during learning period—for both the new individual and those providing the training
- Loss of other employees
- Lost customers
- Lost contracts or business

There is no question that uncontrolled and unexpected employee turnover can damage a company deeply. If enough of the right people leave, the loss can cripple and even kill a company (Dibble, 1999; Caplan and Teese, 1997; Ambrose, 1996). The difficulty of hiring an equal replacement, combined with the time the critical position remains open, can make recovery practically impossible.

Why Employees Become Disengaged and Leave

When managers or supervisors are asked why good people leave, most respond by saying "its about money". Or, they simply dismiss the departure matter-of-factly by stating that the employee "received a better offer". As noted by Beverly Kaye, author of the book "Love 'Em or Leave 'Em", managers often blame organizational policies or pay scales for the loss of talent. (Kaye and Jordan-Evans, 1999)

Contrary to expectations, research indicates that money is **not even in the top five reasons** employees give when asked why they are leaving an organization. The way an organization distributes money indicates what management really wants however. It sends a message to employees whether the company truly pays for performance; incentive plans indicate service or sales to customers; and an organization that pays and supports employee development will generously pay for academic and training courses. Salary and benefits tend to attract people to organizations, but are not usually the reasons employees leave (Herman, 1999). Listed below is what pay really means to employees (Dibble, 1999):

What Pay Means to Employees
- **Value – perceived worth to an organization**
- **Equity – perceived worth compared to other individuals**
- **Finances – ability to maintain certain standard of living**
- **Jealousy – difficulties that arise if someone is not recognized according to perceived worth**
- **Favoritism – perception that one person may be singled out to receive more/less**
- **Anomaly – pay for reliability (attendance)**
- **Precedent – recognition of similar actions in the future**
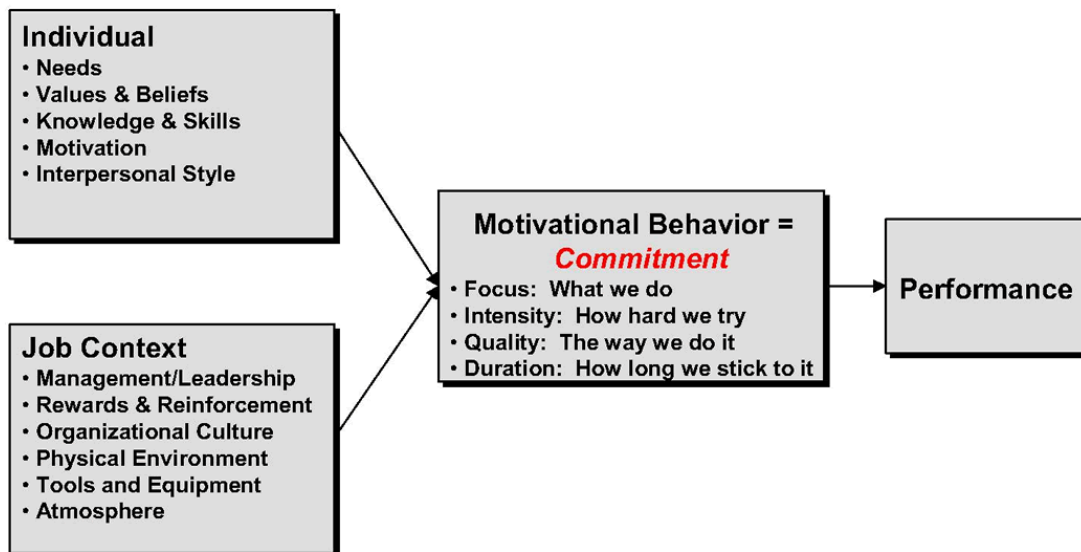- **Appropriateness – entitled to more than salary (bonus, profit sharing) for extra effort?**

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Viewed from *employees' perspective*, a "healthy" organization is one in which people are generally satisfied with the quality of their work life. On most days they feel good about going to work. They feel empowered to help shape decisions that affect them, they have the resources and skills to satisfy customer needs and they are generally confident in the abilities of the leadership team (Thomas, 2000; O'Malley, 2000).

From the *organization's perspective*, the organization is "healthy" if it is viable as measured by its profitability, competitive market position, and customer satisfaction. A healthy organization also responds well to the need for change; it is adaptive and thereby ensures its future—meaning that following a major upheaval or transition, the healthy organization rebounds and employees remain committed (O'Malley, 2000).

Companies that are able to create commitment realize that commitment ultimately is personal. This is the hard part of commitment that has profound implications for corporate conduct—it requires being flexible and making exceptions, it requires being consistent in what a manager does even though there may be short term costs attached; and it requires making choices about what employees are prepared to do. Commitment requires the patient and concerted effort of the whole organization.

To build commitment, managers must communicate with employees; assess their capacity to engage in various initiatives; give honest feedback; develop their strengths; identify their 'blind-spots'; make decisions; and most of all, value each person's unique style and capabilities (Buckingham and Coffman, 1999).

In order for the relationship between manager and employee to be emotionally rewarding, it has to based on the things that individuals want and need; has to evolve and grow; and must enable the employee to feel effective in the execution of his or her duties (Buckingham and Coffman, 1999).

Bottom line, it is the role of the manager, that most influences an employee's decision to stay or depart from an organization.

People will leave if they don't like their manager—even when they are well paid, receive recognition and have a chance to learn and grow. In fact, ***disliking or not respecting the "boss" is the primary reason for talent loss.*** Reasons for employee departures cited in major research studies, are, in descending order (Buckingham and Coffman, 1999; Kaye and Jordan-Evans 1999; Kreisman, 2002; Herman, 1999):

1. Employee/manager relationship
2. Inability to use core skills
3. Not able to impact the organization's goals, mission
4. Frequent reorganizations; lack of control over career
5. Inability to "grow and develop"
6. Employee/organization values misalignment
7. Lack of resources to do the job
8. Unclear expectations
9. Lack of flexibility; no 'whole life balance'
10. Salary/benefits

It is very important to know that the above factors are often NOT the ones mentioned in attrition studies published by individual organizations. Additionally, this information does not match the data (reasons for departing) frequently obtained during an employee's exit interview. The rationale behind this discrepancy is that exit interviews are often conducted by the departing employee's manager or Human Resource Manager. Typically, employees are hesitant to tell these 'company representatives' the truth about their decision to leave for fear of 'burning bridges' or "getting a bad reference" (Dibble, 1999; Kreisman, 2002).

A recent research study conducted at a large multinational technical firm showed that a significant number of employees (96 per cent of those interviewed) admitted they did not provide the "real" reason for departure (Kreisman, 2002). For these individuals, acknowledging that their manager was the primary reason they left seemed "too risky". Instead, they chose to give reasons (for resigning) such as:

• Better opportunity
• Industry change
• Better working conditions
• Lack of development

As noted by Marcus Buckingham and Curt Coffman in their recent book, "First Break All the Rules", a talented employee ***"may join a company because of its charismatic leaders, it generous benefits, and its world class training programs, but how long that employee stays and how productive he is while there is determined by his relationship with his immediate supervisor"*** (Buckingham and Coffman, 1999).

Figure 6: Why People Join Versus Leave Organizations

Why employees said they were *attracted to the Organization*
- **Type of work (job content)**
- **Career opportunities**
- **Skills development**
- **Company reputation**
- **Potential for significant financial reward**

Why employees said they *left the Organization*
- ***Poor management/leadership***
- **Inability to use core skills (type of work not stimulating/challenging)**
- **Feeling unappreciated; not valued**
- **Lack of development; no career opportunities**
- **Frequent reorganizations**

According to Buckingham, institutional investors have "always been the ultimate numbers guys, representing the cold voice of massed stockholders, demanding efficiency and profitability." Traditionally they focused on hard results, like return on assets and economic value. Most of them didn't concern themselves with "soft" issues like "culture". At least that's the way it used to be. Two recent research projects undertaken by the Gallup Organization have shown that investors are starting to realize that whether software designer or delivery truck driver, accountant or hotel housekeeper, the ***most valuable aspects of jobs are now the most essentially human tasks— sensing, judging, creating and relationship building***. This means that when good people leave a company, they take their value with them...more often than not, straight to the competition (Buckingham and Coffman, 1999; Caplan and Teese, 1997).

Buckingham and Coffman believe that the most important difference between a great manager and one of lesser quality is that great managers look inward. "They look inside the company, into each individual, into the differences in style, goals, needs and motivation of each person." ***The ability to look inward is the right way to release each person's unique talents and performance.***

Buckingham and Coffman further explain that each person has a "filter", formed by genetic inheritance and experiences over time that creates a characteristic and individualistic way of responding to the world. Our filter apparently tells us which stimuli to notice and which to ignore—it creates our innate motivations—are we competitive, altruistic, or ego driven? It defines how we think—are we disciplined, practical or strategic? It forges our prevailing attitudes—are we optimistic or cynical, calm or anxious, empathetic or cold? Our filter creates in all of us, our distinct patterns of thought, feeling and behavior (Buckingham and Coffman, l999).

This "filter" can account for the fact that the same stimulus produces vastly different reactions in one individual vs. the person next to him/her. Scientists argue about what causes a person's brain to function in one way vs. another resulting in various behavior

patterns. Some contend that genetic inheritance predisposes the person to respond in a certain way; others claim that the way an individual is raised has a significant effect on our behaviors, but few disagree on the outcome. By the time a child reaches his/her early teens, each individual will have a **unique way of responding to the world.** These two Gallup surveys included over a million employees from a broad range of companies, industries and countries.

Great managers, according to Buckingham and Coffman, recognize that each person is motivated differently, that each person has his/her own way of thinking and his/her own style of relating to others. "They don't bemoan these differences and try to grind them down…instead, they capitalize on them. **They try to help each person become more and more of who he/she already is**" (Buckingham and Coffman, 1999).

The Phenomena of Intrinsic Motivation

What motivates people to do their best work in any endeavor they undertake? Management theory and practice has traditionally focused on extrinsic motivators—pay, benefits, status, bonuses, pension plans, expense accounts, etc. While these are powerful motivators, by themselves they are no longer enough—intrinsic rewards are essential to employees in today's environment (Thomas, 2000).

When organizations wanted only compliance from workers, they bought it with money and other tangible benefits. Extrinsic rewards don't come from the work itself; instead they are allocated by managers to ensure that the work is done properly and on a timely basis (Thomas, 2000). Nowadays motivational issues are more complex because of the wealth and opportunity so many employees have enjoyed. Thus, work in the current decade has the potential for much richer, "intrinsic" rewards. Intrinsic rewards come to employees directly from the work they do—like the pride of technical accomplishment, service to a customer, or making a difference in the world.

In today's competitive labor market, intrinsic motivation is crucial. Over the long haul, **people need intrinsic rewards to keep going and to perform at their peak** (Thomas, 2000).

Organizations can no longer offer guaranteed employment and a pension in return for worker loyalty and compliance. **And employees with dull or unfulfilling jobs are less willing to remain with a company for the mere possibility of an eventual pension.** Workers have been forced to take more responsibility for their own careers, going where the work is rewarding and where they can develop skills that will guarantee their employability—in whatever organization (Hall and Associates, 1996). This mobility and "free agency status" has created greater competition for skilled employees amongst organizations. Talented workers have more choices than ever before, and are likely to leave if not satisfied with their employer or job content.

As employees have become more likely to leave unrewarding jobs, the impact of loosing individuals has become greater. With global competition and a scarcity of talent, few organizations can afford the cost of recruiting and training replacements (Thomas,

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2000). ***Managing for intrinsic rewards, then has become the crucial next step in keeping employees.***

Organizations have had generations to develop their extrinsic reward systems. In the future, the biggest gains will come from systematically improving an organization's intrinsic reward process—making the work itself so fulfilling and energizing that ***employees won't want to leave.***

Work is made up of tasks and tasks are comprised of activities (behaviors) that an employee performs. However, tasks are comprised of more than just activities—they are actually sets of activities directed toward a purpose (Cox, 1996; Thomas, 2000). ***Rediscovering the role of purpose in work is key to understanding the new work and the motivation of today's employees.***

There is much evidence that today's employees, especially knowledge workers, tend to expect their work to be at least somewhat meaningful and rewarding. They are more educated than workers of preceding eras, have a higher standard of living, and see more opportunities for meaning in their work (Thomas, 2000). ***Organizations now find themselves competing to attract and retain workers on the basis of the meaningfulness of their jobs***.

Turnover is Not a 'Binary' Event

An employee doesn't simply wake up one morning and decide he or she is going to resign that day. Nor is it usually one "binary" event that causes an individual to leave an organization. True enough, turnover is a yes/no decision, but the event itself is most often the culmination of a series of experiences that prompt people to disengage. Research indicates that turnover is actually an evolutionary process by which employees gradually discover (some more quickly than others) what the organization is like and what kind of relationship they are in—with their manager, peers, etc.—and they make a choice accordingly to stay or leave (Dibble, 1999; Kreisman, 2002). The decision is a result of numerous experiences, the final one of which may be the "last straw" or the one that "pushes employees over the edge." ***Causes for resignation are actually the accumulation of experiences with separation triggered by one or more precipitating events.***

In general, companies tend to think of the consequences of commitment in binary terms: people stay or leave; show up for work or don't; are diligent employees or underperformers; have the necessary skills or not. This sometimes leads to a logical fallacy that the causes of attrition (often inaccurate data) are simple and discrete. In reality, ***commitment is the result of complex conditions stimulated by a variety of corporate actions…and those actions often are first experienced by employees during the recruiting process***.

Retention begins long before an employee's first day on the job. It starts when a company representative defines the position to be filled, continues during the interview and hiring stages and is reinforced via new employee orientation. In essence, job descriptions, recruitment, selection and employee orientation are the foundations of

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retention (Dibble, 1999). Equally important to employees are: career development opportunities, the work environment (including an organization's policies and procedures); performance management; work/life balance; and the management team itself. Each of these factors will impact an organization's ability to attract and retain talented employees.

The Insights Discovery Systems can be used systematically and strategically to improve each of these critical processes as noted further in the next major section of this paper. It should be reiterated however, that the primary influencer of a person's decision to stay or depart from an organization, is the direct relationship between the manager and employee. (Buckingham and Coffman, 1999; Kaye and Jordan-Evans, 1999; Kreisman, 2002; Herman, 1999).

How Insights Can Help Attract, Motivate and Retain Valuable Employees

Manager/Employee Relationship and Insights

When managers or supervisors are asked how they keep good people, many respond, "With money." Research suggests that 89 percent of managers still believe it's largely about money (Kaye and Jordan-Evans, l999; Kreisman, 2002; Herman, 1999). As noted previously, the manager matters most because the factors that drive employee satisfaction and commitment are largely within the direct manager's control (Buckingham and Coffman, 1999). Once again, these include providing recognition and feedback, opportunity to learn and grow, fair compensation which reflects an employee's contribution and value to the organization, a "healthy" work environment, and above all, ***recognition and respect for the uniqueness of each person's competencies, needs, desires and style.***

Insights can help bridge the gap between manager and employee. It can be used a tool for enhancing communication which then helps managers to better understand the motivational drives and interests of each person. Insights can further be utilized as a vehicle for providing feedback about performance and style. Coupled with a 360 Degree Feedback Report, Insights becomes a powerful mechanism to reinforce other's views of an individual's behavior and/or style indicating areas of strength or developmental opportunities (Collins, 2000).

In essence, Insights can bring about a closer relationship between employee and manager which enables both parties to better adapt, connect and understand one another.

When understanding does not exist, often the manager perceives that the employee lacks the skill to do the job (Kreisman, 2002). The truth is that the employee may be highly competent but his or her style is very different from that of the manager. The "Value to a Team" section of an Insights report provides crucial information to a manager who tends to evaluate all employees against one set of standards. Insights can help managers recognize the value and uniqueness

of each person's contributions, then reward them accordingly.

In these turbulent times when change occurs constantly and re-organizations are the "norm", Insights can accelerate the process of understanding between manager and employee, resulting in increased job satisfaction and commitment to the organization as a whole. Without Insights, this awareness may take months, years or may never develop at all.

As noted previously, retention begins long before an employee's first day on the job. At the very outset, a manager's actions create a lasting impression (perception) on behalf of the employee. It starts when a manager defines the position to be filled and continues throughout the employee's entire career with the organization (Dibble, 1999). Below are some ways in which Insights can further minimize turnover:

Job Descriptions and Insights

The first step in building a foundation for retention is to have a clear picture of the work needed to be done and the skills required to do it. To support retention, job descriptions should:

- Define what an organization is looking for so that people with the right skills and abilities will be selected.
- Identify the required competencies, style, capabilities, and type of individual needed for the job.

Selection (Interviewing) and Insights

During the interviewing phase, potential employees should be treated as prospective customers. Potential employees have the power and knowledge of their abilities and confidence in their value in the marketplace (Dibble, l999). The worst mistake a company can make is to misrepresent its culture, reward system, advancement/development possibilities and/or business strategy (Kreisman, 2002).

Treat all candidates fairly and with respect for their individual skills and unique attributes. Use the Insights Discovery System to educate all incumbent managers on the value of understanding and recognizing differences amongst types. This will help minimize the "halo" effect often associated with managers who favor (give job offers to) people most similar to themselves.

Encourage hiring managers and HR personnel to adequately and accurately describe the company's immediate needs. Explain what skills, style and competencies are needed and why. An Insights Team Wheel can depict gaps in the group or organization's competency areas. A manager who realizes a gap exists may seek to fill an open position with a person whose skills complement those of rest of the group.

Have the hiring manager take the time to identify (ask) what **motivates** each person in order to gain knowledge of the candidate's self awareness.

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Motivational drives are 'key' to understanding others in a work environment. If a manager knows what motivates (is of importance to each employee) the manager can adjust perks (in this case an offer of employment package) to the specific desires of the candidate.

Explain the company's process of using the Insights Discovery System for selection purposes--*if validated for the particular job opening.*

Provide an adequate and accurate description of the company's culture so that candidates may determine if their values match those of the organization (Cameron and Quinn, 1999; Trice and Beyer, 1993; Schein, 1977). **During the hiring process, encourage managers to talk about the current climate (culture) of their respective organizations.** This can be done via the use of Insights which graphically identifies the predominate style of a group or department. The hiring manager can then compare/contrast the present with a desired future "cultural state". This will enable a prospective employee to determine if his/her values fit with the current organization.

Discuss the company's strategic plan, structure and initiatives so that candidates may identify how their skills may impact business outcomes. If a manager is trained to use the "language of Insights" he/she will understand that a prospective employee is not only interested in knowing how his/her skills fit the organization today, but also in the future. Encourage the hiring manager to discuss developmental opportunities for newly hired individuals within the respective organization. Ensure that the manager mentions he/she is aware that people have different learning styles and acknowledge that a variety of types of training are available.

"Sell" the company. Discuss the organization's strengths, future, position in the industry, etc. *To achieve a higher acceptance rate amongst prospective new employees, train managers in the Insights Selling Process and provide each hiring manager with his/her Insights Selling Style Report. Remember that job applicants should be treated as potential customers.*

Provide the hiring manager with a list of prepared interview questions which will result in a complete picture of the candidates' past experience, including what the person did, the circumstances surround the action and what happened as a result. Incorporate questions from the Insights Interview Guide to identify potential strengths/weaknesses of each candidate. This can be done even if the candidate has not taken the basic Insights evaluator via awareness of color energy differences.

Seek to find the best match of position with the candidate's career and personal interests. **Do not oversell the organization; do not try to create a**

match if there is not a natural fit between the organization and prospective employee. Know your own style, and understand that not everyone is motivated, or committed to the same type of job function or organization. Respect individual differences!

New Employee Orientation and Insights

A company has a short period of time before newly selected persons start their responsibilities with the organization. During that time, individuals will continue to develop an impression of the company and what the job will be like. This is a very vulnerable time for some people who may be re-thinking their decision to accept/reject a company's offer (Kreisman, 2002).

Orientation should actually begin the moment the agreement is reached between individual and employer, and will continue through the first month or so of employment. During this crucial period, the hiring manager plays a significant role in the retention process (Dibble, l999). Throughout the orientation phase, the organization wants new individuals to be sure that they have made a good decision in agreeing to work for the company.

Consider new employees' perspectives. Often the best suggestions for organizational change come from "objective" sources (i.e. people new in the organization). Encourage dialogue that values a new person's opinions and understand that his/her style may be different, and sometimes better, than yours.

Develop key messages and delivery methods which include organization charts, information about key leaders, expectations and objectives, etc. To help a new employee navigate through the organization's informal and formal power structures, share insight about the style of incumbent managers, important stakeholders, peers and subordinates. Insights provides a framework for these types of discussions.

Discuss the company's mentoring program (if there is one), along with developmental processes, the organization's opportunities for involvement with volunteer and community programs, recreation facilities, and on-site services. ***A savvy manager understands that there is more to life than work.Further, it is important that a new employee has someone he/she can feel comfortable with who can offer confidential "organizational survival" suggestions, as well as information about company or community sponsored recreational events, and services.*** In assigning a mentor, it might be wise to match the new employee with someone of similar style to ensure understanding and appreciation of feelings.

Plan and conduct ongoing orientation sessions with organization leaders regarding key topics; offer building tours etc. Recognize that people have different learning styles—some learn by reading; others by experiencing. Adjust a new employee orientation program so that it appeals and benefits all types of individuals.

Career Development

The 21st century employment relationship has redefined development and career opportunity. "Development' is now considered as gaining new skills and taking advantage of many different methods of learning that benefit employees and organization alike (Simonsen, 1997). Employees benefit by experiencing greater satisfaction about their ability to achieve results on the job and by taking responsibility for their career; the organization benefits by having employees with more skills who are more productive.

Employees say that the availability of skill development opportunities and career movement are "key attractors" to organizations. If an organization does not recognize the individual's need and desire to grow, then "development" becomes a primary reason for resignation (Kreisman, 2002; Dibble, 1999).

Insights can serve as a communication vehicle for discussions about an employee's current and future interests. ***Further, Insights helps managers and employees to better identify what values (needs) are most important to each individual and how these values impact the person's attitude towards work.***

Typically, values can be clustered into the following categories (Dalton and Thompson, 1986; Schein, 1978; Kreisman, 2002; Ambrose, 1997)***:***

1. ***Use of key skills/talent***
2. ***Autonomy and independence***
3. ***Security and stability***
4. ***Challenge***
5. ***Affiliation***
6. ***Service and dedication***

Results from the Insights Discovery System Basic and Management reports, can be used to discuss factors are of most importance (motivating) to each individual in a group. Conversely, a manager can also identify those factors that are likely to be de-motivating. For instance, a person motivated by a high degree of autonomy is likely to resign if he/she is micromanaged; an individual motivated by challenge is more apt to terminate if he/she is assigned to an old project using old technology; and so forth.

When an organization has a policy of promoting from within, its good people will set their sights more deliberately on opportunities for professional growth in the context of the organization vs. looking elsewhere. (Dibble, 1997; Kreisman, 2002). To maintain the interest of the incumbent employees, an organization should demonstrate that current employees will have at least an equal chance in the competition against outsiders for new positions. When comparing outside applicants to internal candidates, an organization should value the internal candidate's deeper understanding of the organization; the personalities in various key positions; and what would be expected in the new position. Whenever an outsider is chosen over an internal candidate, the hiring manager should examine why the incumbent was not prepared for the opening.

Performance Management, Feedback and Insights

Giving feedback is difficult for some managers. Many feel uncomfortable delivering feedback especially when there is a perceived deficiency. Additionally, some managers are not comfortable providing feedback when an employee does something well. Human beings want attention and recognition; they are hungry for any kind of acknowledgment of their value or even their existence within the organization.

Research shows that 85 percent of all difficulties in organizations stem from interpersonal relations—not the competencies of individuals (Association for Psychological Type, 2001). Research further indicates that approximately 45 percent of all "executive derailments" occur because the manager has failed to develop and maintain a network of relationships both inside and outside the organization (Denver Post, 2001; Dalton and Thompson, 1987).

Team Linkage and Insights

Strong relationships at work are key to retaining an organization's people. Most individuals want and need colleagues to think, work and create with. In fact, some research shows that co-worker support and acknowledgement is key to retaining their technical talent. The study found that some engineers depend on the workplace as a primary source of social relationships (O'Malley, 2000; Thomas, 2000; Trice and Beyer, 1993). The same is true for many other key employees who place a high value on affiliation.

Retention is Not for Everyone

It would be a mistake to believe that organizations should attempt to retain each and every employee—especially in light of today's economic turmoil. The challenges that confront managers are therefore not only how to minimize the possibility of loosing good employees, but also how to identify the employees an organization **needs and wants to keep.**

The preceding sections of this paper focused on minimizing unwanted turnover. This section will briefly outline a methodology for identifying those employees who have "talent" and are "contributors" to the organization. They are the employees who make a difference to:

- Customers
- Other employees
- Managers and Executive Management
- Shareholders, Boards of Directors and other constituents

These key players exhibit:

- Breadth as well as depth of technical/functional knowledge
- Customer service
- Creativity
- Continuous learning

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- Flexibility
- Self-direction
- Commitment to the organization's success

Losing one or more of these individuals could have a significant impact on the organization goals and ability to maintain its stature in the marketplace.

These valuable employees are often not concentrated at the top of the organization. Instead, they are spread throughout, at the frontline, in the back room, and in leadership positions. They are customer service representatives, programmers, accountants, nurses, clerks and program coordinators (Dibble, 1997; Thomas, 2000).

The employees an organization wants and needs to keep differ from others with the same job titles. They are known best by their skills. An organization may not know the actual number of employees it wants to retain, but a working assumption is that the employee population follows a normal distribution: (Dibble, 1997)

- Three percent (3%) are crucial to the organization's success and everything should be done to keep them.
- Thirteen percent (13%) are very important and the organization should do a lot to keep them.
- Sixty-eight percent (68%) of the population should be considered valuable and the organization should do what it can to accommodate them.
- Thirteen percent (13%) of an organization's population probably need to improve their skills and performance, or leave.
- Three percent (3%) of an organization's population at any one time should probably be in a process leading to their termination of employment.

Using this data, retention-related strategies should be **_targeted at 97 per cent of the employee population._**

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Biography of Barbara J. Kreisman

Barbara Kreisman is a Principal of the Insights-Denver Learning Center and accredited Insights Faculty Member. Additionally she is co-founder and Principal of Intergistic Solutions Consulting Firm which has offices in Denver, CO and Austin, TX. Barbara consults primarily in the areas of individual, team and organizational effectiveness and has over 25 years of direct experience in Organizational Development and Human Resource-related specialties.

She has been employed by several Fortune 100 companies including Dell Computer Corporation, Monsanto and Motorola and has consulted with clients representing High Tech, Health Care, Construction and Process Manufacturing industries.

Barbara has conducted exhaustive research in the area of Organizational Behavior, and is a Ph.D. Candidate at the University of Texas. Her degree is interdisciplinary, with coursework drawn from UT's Departments of Management, Marketing, Organizational Communication, Human Resource Development and Psychology. Her dissertation is on the subject of *"Identifying the Drivers of Employee Dissatisfaction and Turnover"*.

She holds two Masters Degrees--one in Human Resource Development from the University of Texas and the other in Career Counseling from Arizona State University. Barbara is qualified to use numerous diagnostic tools including: The Insights Discovery System, Myers Briggs Type Indicator, Birkman Assessment Methodology, Strong Campbell Occupational Inventory, FIRO B and Thomas Kilmann Conflict Mode. She is a certified Team Facilitator, Employee Retention Trainer, Four-Stage Career Model Facilitator and Workforce Diversity Trainer.

Barbara is a member of the Society of Human Resource Management, ASTD and the Association of Psychological Type. She is a certified practitioner of Virtual CEO.

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