

EMPLOYEE ENGAGEMENT & RETENTION

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SHRM Employee Engagement

Embodies broader concept than employee satisfaction, commitment, and morale

Involves employee behaviors that positively influence individual- and business-level performance

Characterized by a desire to stay with the organization in the future and willingness to "go the extra mile"

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SHRM Facets of Employee Engagement

Trait: Personal characteristics (curiosity)

State: Workplace conditions or Practices (variety)

Behavioral: Effort invested (high-performance)

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SIRM Employee Engagement Benefits

Gallup analysis of data from 347 organizations showed a correlation between employee engagement and business results.

- Customer loyalty/engagement
- Profitability
- Productivity
- Turnover
- Safety incidents
- Shrinkage (thefts)
- Absenteeism
- Quality (defects)
- Well-being
- Organizational citizenship

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SIRM Employee Engagement Benefits

The Relationship Between Engagement at Work and Organizational Outcomes
2020 Q11 Meta-Analysis 10th Edition

Median percent differences between top-quartile and bottom-quartile units were:

- 10% in customer loyalty/engagement
- 23% in profitability
- 18% in productivity (sales)
- 14% in productivity (production records and evaluations)
- 21% in turnover for high-turnover organizations (those with more than 40% annualized turnover)
- 51% in turnover for low-turnover organizations (those with 40% or lower annualized turnover)
- 63% in safety incidents (accidents)
- 78% in absenteeism
- 28% in shrinkage (theft)
- 58% in patient safety incidents (mortality and falls)
- 32% in quality (defects)
- 70% in wellbeing (thriving employees)
- 22% in organizational citizenship (participation)

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SIRM Gallup Q12 Survey

The Q12 statements are:

Q00. (Overall Satisfaction) On a 5-point scale, where 5 means extremely satisfied and 1 means extremely dissatisfied, how satisfied are you with (your company) as a place to work?

Q01. I know what is expected of me at work.

Q02. I have the materials and equipment I need to do my work right.

Q03. At work, I have the opportunity to do what I do best every day.

Q04. In the last seven days, I have received recognition or praise for doing good work.

Q05. My supervisor, or someone at work, seems to care about me as a person.

Q06. There is someone at work who encourages my development.

Q07. At work, my opinions seem to count.

Q08. The mission or purpose of my company makes me feel my job is important.

Q09. My associates or fellow employees are committed to doing quality work.

Q10. I have a best friend at work.

Q11. In the last six months, someone at work has talked to me about my progress.

Q12. This last year, I have had opportunities at work to learn and grow.

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SIRM Engagement Drivers

- Engaging leadership**
 - Senior leadership
 - Manager
- The work**
 - Empowerment/autonomy
 - Work tasks
 - Work/life balance
 - Job satisfaction
- Agility**
 - Collaboration
 - Customer focus
 - Decision making
 - Diversity, equity, inclusion
 - Enabling infrastructure
- Talent focus**
 - Brand
 - Career development
 - Performance management
 - Rewards, recognition
 - Talent, staffing
- The basics**
 - Job
 - Safety
 - Risk
 - Survey follow-up

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SIRM Employee Engagement and Well-Being*

* Based on Towers Watson data


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SIRM Types of Organizational Cultures

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SIRM **Role of Culture in Engagement** 

- What organizational culture have we created?
- Is this culture helping us achieve our strategic goals?
- How can our culture be expressed in a way that increases employee engagement?

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SIRM **Management and Employee Engagement** 

HR needs to support manager behavior that:

- Reflects concern for employees' professional and personal well-being.
- Expresses gratitude for contributions.
- Amplifies employees' accomplishments.
- Values communication and emphasizes positive feedback.

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SIRM **Management Competencies to Enhance Employee Engagement** 

| | | |
|---|--|--|
| <p>Supporting employee growth</p> <ul style="list-style-type: none"> ▪ Autonomy and empowerment ▪ Development ▪ Feedback, praise, recognition | <p>Interpersonal style and integrity</p> <ul style="list-style-type: none"> ▪ Individual interest ▪ Availability ▪ Personal manner ▪ Ethics | <p>Monitoring direction</p> <ul style="list-style-type: none"> ▪ Reviewing and guiding ▪ Clarifying expectations ▪ Managing time and resources ▪ Following processes and procedures |
|---|--|--|

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SIRM Challenges to Engagement

- Global competition
- Economic conditions
- Continuous innovation
- New technology

Difficulty maintaining work/life boundaries

- Mobile workplaces
- 24/7 contact

External stressors + **Internal stressors** → **Decreased employee engagement**

HR needs to make the business case for investing in employee engagement.

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SIRM Engagement Strategies

- Commit long-term.
- Measure consistently.
- Connect engagement to business results.
- Seek employee input.
- Gain leadership support.

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SIRM Business Case

Engagement


- Committed employees
 - Desire to stay → Retention
 - Increased customer focus → Customer loyalty
- Focused employees
 - Fewer mistakes → Lowered cost of goods
 - Increased productivity → Efficiency
 - Decreased absenteeism → Fewer safety incidents

Retention, Customer loyalty, Lowered cost of goods, Fewer safety incidents, Efficiency → Increased profitability

Connect engagement with drivers of organization's strategic goals.

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SIRM Retention 

The ability to keep talented employees in the organization

- Involves strategic actions to keep high performers motivated and focused
- Helps attract and retain key employees
- Reduces turnover and related costs

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SIRM Retention Drivers 


Why are high performers more likely to stay?

- They believe they are doing meaningful work.
- They are recognized for going above and beyond.
- The organization provides tools/ resources needed to succeed in job.
- Performance management systems are fair, consistent, and transparent.
- The organization offers appealing incentives and perks.



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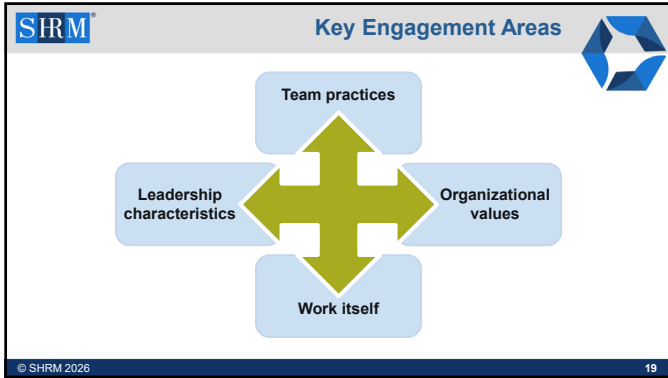
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SIRM Improving Employee Retention 

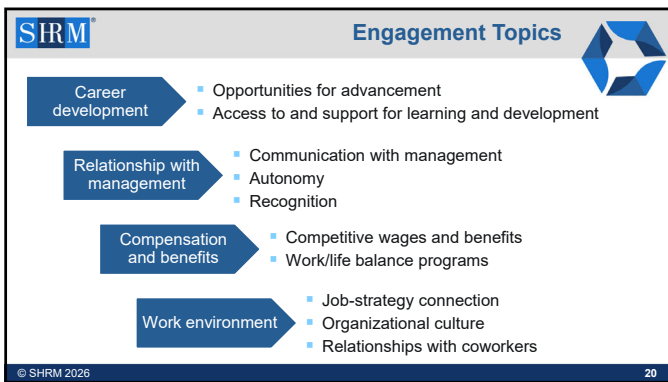
- ✓ Treat retention of key employees as a strategic part of talent management.
- ✓ Know what motivates each segment of the workforce.
- ✓ Conduct ongoing research to monitor motivation and workforce trends.
- ✓ Develop a deep understanding of the reasons employees want to stay or leave.
- ✓ Link the ability to retain and develop high-value talent to managers' performance evaluations; reward appropriately.
- ✓ Keep employees informed about the organization.
- ✓ Monitor retention and turnover rates.
- ✓ Work to align systems, departments, processes, and procedures to improve retention.

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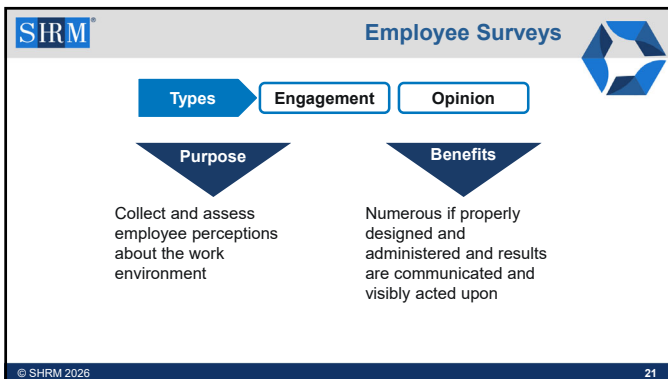
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SIRM Survey Development Principles

- Prepare employees; communicate the purpose.
- Survey significant areas.
- Guarantee confidentiality and anonymity.
- Provide timely and actionable feedback on the results.

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SIRM Determining Actions from Survey Results

1. Identify drivers of engagement with each survey.

2. Identify which engagement drivers can be realistically addressed.

3. Make action plans realistic, measurable.

4. Track and communicate efforts and results.

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SIRM Online Surveys

| | |
|--|--|
| <p>Advantages</p> <ul style="list-style-type: none">Higher response ratesImproved responses to open-ended questionsQuicker resultsImmediate status of survey progressNo interviewer biasEase and flexibility of aggregation and analysis | <p>Disadvantages</p> <ul style="list-style-type: none">Requires computer accessRequires e-mail contactsNeed for pilot testingSpace limitations that discourage extended open-ended answersVirus-checking softwareNeed to secure data |
|--|--|

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SIRM Managing Effective Survey Programs




- Conduct only when leadership is committed.
- Partner with consulting firm.
- Set the stage.
- Invite consultant to deliver results.
- Establish committee for results and recommendations.
- Establish subcommittees to review local results.
- Have subcommittees adopt common action plan.
- Keep it simple and execute flawlessly.
- Plan follow-up feedback mechanism.
- Do not survey again until analysis and response are planned.
- Invest more in post-survey results.

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SIRM Stay Interviews

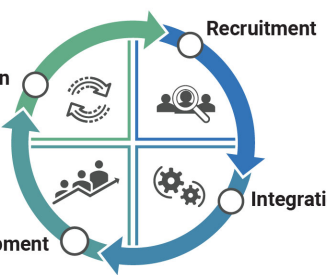


- Employees discuss why they like or do not like their current job.
- Help assess the degree of employee satisfaction and engagement.
- Presents opportunity to build trust with employees.
- Results debriefing can help analyze organizational patterns, share insights, and evaluate potential changes.

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SIRM Employee Life Cycle (ELC) Phases



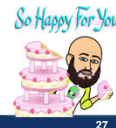

Recruitment

Integration

Development

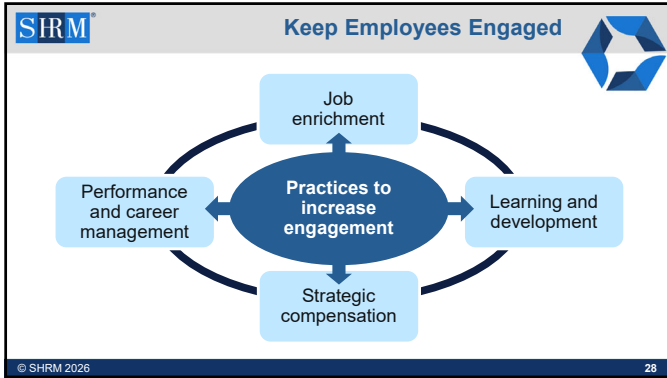
Transition

LEGACY



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The slide is titled "Realistic Job Previews" and includes the SHRM logo. It contains a list of three bullet points in a yellow box: "Help a candidate make an informed decision", "Allow the organization to portray the job objectively", and "Increase the potential of a good match". Below this, under the heading "Examples:", there is a list of four items: "Videos about the organization and its brand", "Tours of the workplace (virtual or walk-throughs)", "Interviews with future coworkers", and "Job-related videos". A final item, "Simulations that replicate working conditions", is listed below the others.

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The slide is titled "Colorado Law on AI" and includes the SHRM logo. It features a graphic for "Colorado's Landmark AI Act: What Companies Need To Know" dated "June 24, 2024". Below the graphic, it lists "Skadden Publication / AI Insights" and the authors: "Shant D. Levi, Ken D. Kumarajana, William E. Ridgway, Mani Ghazemanshahi, MacKinzie M. Neal". At the bottom, there is a URL: "Colorado's Landmark AI Act: What Companies Need To Know | Insights | Skadden, Arps, Slate, Meagher & Flom LLP".

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SIRM **Personalized Onboarding and Suggestion Mechanisms**

Personalized Onboarding

- Adapting to employee's needs can shorten time to performance and integration and increase engagement and retention.
- Components may include:
 - Team-building workshops
 - Mentors

Suggestion Mechanisms

- Organizations can gather feedback that helps throughout the employee life cycle.
- May include:
 - Suggestion box
 - Dedicated e-mail address
 - Chat channels or other internal platforms

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SIRM **Work/Life Balance Programs**

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SIRM **Rewards and Recognition**

- Tied to strategic goals and organizational values
- In a form meaningful to individual recipient
- Use positive and negative reinforcement of desired behavior (Skinner's behaviorist school)
 - Positive: adding something desired
 - Negative: removing something not desired

Financial

- Bonuses
- Prizes

Nonfinancial

- Public or private recognition
- Opportunities
- Greater autonomy or access to resources
- Work/life balance benefits

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SIRM HR Role in Recognition

Promote a strategic recognition program.

Tie recognition programs to corporate values.

Encourage corporate spending on employee recognition.

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SIRM Engagement Practices During Separation

The employer brand is strengthened by:

- Humane and honest behavior during workforce reductions.
- Exit interviews that uncover obstacles to engagement.
- Well-handled separation processes.
- Creation of an alumni network.

Maintaining awareness of engagement during separation can lead to the eventual return of valued employees or valuable referrals of new employees.

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SIRM Performance Management

Maintaining or improving employee job performance

1 Organizational values and goals

2 Performance management standards

3 Employee performance/behaviors

4 Measurement and feedback

5 Business results and employee growth

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SIRM Performance Standards

Management expectations translated into:

Behaviors

What the organization wants the employees to do

Results

What the employees must produce or deliver

Standards should be objective, measurable, realistic, and stated clearly in writing (or otherwise recorded) and communicated throughout the organization.

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SIRM Fostering a High-Performance Workplace

- Demonstrate executive-level support.
- Provide a positive and challenging environment.
- Attend to engagement activities.
- Train managers.
- Hold managers accountable.
- Provide continual feedback.
- Provide resources and tools.
- Maintain consistent practices.

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SIRM Evaluating the Performance Management System

Approaches to measuring effectiveness of performance management system

- Track training of users.
- Track completion of activities.
- Review performance standards periodically.
- Review alignment with organization's strategic goals.
- Confirm positive relationship of appraisal results with promotions and pay increases.
- Gather feedback from users.

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SIRM Performance Appraisal

Measuring the degree to which an employee (or group) accomplishes work requirements

Purposes

- Provide feedback and counseling.
- Help in allocating rewards and opportunities.
- Help in determining employees' aspirations and planning developmental needs.

- Constructive feedback and improved productivity
- Training and developmental needs
- Clear expectations
- Commitment and mutual understanding

Desired Outcomes

Performance evaluations should be communicated continuously.

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SIRM Performance Appraisal Methods

Category Rating

- Graphic scale
- Checklist
- Forced choice

Comparative

- Ranking
- Paired-comparison
- Forced distribution

Narrative

- Essay
- Critical incidents
- Field review

Management by objectives (MBO) and the behaviorally anchored rating scale (BARS) may be used to overcome appraisal challenges.

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SIRM Errors in Performance Appraisal

Halo/horn effect

Strictness

Recency

Leniency

Primacy

Central tendency

Bias

Contrast

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SIRM **Appraisal Meeting**

Proper **documentation** is critical:

- Timely
- Specific and objective
- Accurate and consistent

1. Discuss and agree on ratings.

2. Set objectives for next period.

3. Create plan to implement.

4. Discuss follow-up.

5. Discuss what will be accomplished.

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SIRM **Engagement Metrics**

Engagement may be measured in a number of ways, both internal and external.

Metrics could include:

- Impact on business (most important)
- Monthly voluntary turnover rate
- Revenue per employee
- Wellness

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SIRM **Understanding Turnover**

- What is the current turnover rate?
- How does it compare to previous years?
- How does it compare to the industry average?
- How much is turnover costing the organization?
- Who is leaving the organization?
- What impact does it have on morale?

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