

# PLAYING DEFENCE: EMPLOYEE ENGAGEMENT AND RETENTION

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# *Agenda*

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- The coming supply/demand shift
- From loyalty to engagement
- From replacement to retention
- Role of the manager in retention
- Elements of engagement

# *The coming supply/ demand shift*

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- ❑ Statistics/demographics
- ❑ Shift to a sellers' market
- ❑ "Employees who leave can always be replaced"
- ❑ Employees are customers, not commodities

# *Bye, Bye, Boomers*

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- ❑ Past 5 years 225,000 retirements in Canada
- ❑ Next 5 years 320,000 (StatsCan)
  
- ❑ 2006 census -- 1.9 replacement workers in 2006.  
2.7 replacement workers in 2001.  
3.7 replacement workers in 1983.
  
- ❑ “Even if Canada brings in 500,000 immigrants every year, it won’t be enough to solve the worker shortfall.” (Hon. Joe Fontana, Minister of Labour, October 2004)
  
- ❑ There could be a worker shortfall of 1 million jobs by 2020 (Conference Board of Canada)

# *Paradigm Shift*

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- ❑ Old paradigm (buyer's market):
  - “Employees who leave can always be replaced”
- ❑ New paradigm (seller's market):
  - “I must identify my key employees and work to keep them from leaving, because I may not be able to replace them with comparable talent”

# FROM BUYER'S TO SELLER'S JOB MARKET

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	<i>Buyer's Market</i>	<i>Seller's Market</i>
Loyalty	Marriage – long term	Dating – Engagement – short term
Employees	Costs, commodities	Investments, consumers
Supervisory skills	Optional	Essential
Hiring occurs when . . .	Positions become vacant	Talent becomes available
Fair treatment	Treating all employees the same	Treating talent differently
Poor performers	Tolerated	Managed out
Performance ratings	Tend towards sameness	Rigourously differentiated
Supervisory focus	Rescuing marginal performers	Developing talent
Organizational rewards	Distributed somewhat evenly	Distributed to talent

# OFFENCE ON STEROIDS

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Workopolis Job Postings – April 15, 2008

*Recruiters:* **452**

*Organizational  
Development:* **9**

***Recruiting:*** ***Playing Offence***  
*Managing the 'Entrance' Door*

***Organizational  
Development:*** ***Playing Defence***  
*Managing the 'Exit" Door*

# OFFENSE ON STEROIDS

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## Florida Salary Survey

### *Increase in Compensation 2001-2007 (%)*

HR Director	10
Recruiter	37
Comp. And Ben. Manager	42
Employment Manager	50



# *From loyalty to engagement*

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- Engagement: the state of being attracted, committed, and fascinated
- Engaging Employment Experiences
- Short-term orientation

# *What is Disengagement?*

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## Passive Disengagement:

- ❑ going through the motions
- ❑ retired but forgot to leave

## Active Disengagement

- ❑ speaking negatively about the organization
  - ❑ sniping from the sidelines

## *What Causes Disengagement?*

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- ❑ *Lack of recognition for achievements*
- ❑ *Feeling that no one will listen to you*
- ❑ *Wondering who would miss you if you didn't show up*
- ❑ *Having work that isn't challenging, or even interesting*
- ❑ *You're not learning anything new*
- ❑ *You feel alone, performing heroic deeds all by yourself, and no one notices*

## *What about Money?*

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- Effects of more money (and other tangible rewards) exhilarating at the time but they don't last
- Money can retain but it can't engage

# *From replacement to retention*

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- The differentiated workforce
- The ***retention-eligible*** employee
- Who is retention-eligible?
- Cost of replacement
- 3 strategies: recruit, replace, retain
  - Which is the most cost-effective?

## *Who is a Key Employee?*

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***ANY EMPLOYEE YOU ARE NOT WILLING TO FACE THE  
FUTURE WITHOUT***

# *Top Notch Tricia*

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- ❑ High potential
- ❑ Exceeds most objectives
- ❑ Favourably known to senior management
- ❑ Eager to take on more work, and a greater variety of work
- ❑ Expresses interest in other departments

# *Solid Steve*

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- High performer
- Is in the exact right job
- Competition would love to have him
- Has realized his potential, and it's very good



# *Average Amy*

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- Performance is satisfactory
- Sometimes needs to be chased to get work done, but otherwise fine
- Needs no particular improvement
- Nothing distinguishing about performance

# *Iffy Ivan*

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- Performance below standard
- Manager believes it can improve

# *Unsatisfactory Ursula*

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- Performance below standard
- Manager believes it will stay that way
- Has realized her potential, and it's not good enough

# *Retention – Eligible?*

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- Top Notch Tricia
- Solid Steve
- Average Amy
- Iffy Ivan
- Unsatisfactory Ursula

# *Costs of Replacement*

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- 150% of salary

- Example:

Company A replaces 8 employees  
(average salary \$90,000)

$8 \times \$90,000 \times 150\% = \$1,080,000$

Company B replaces 4 employees

$4 \times \$90,000 \times 150\% = \$540,000$

# *Role of the manager in retention*

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***“The most important factor in employees’ willingness to engage is their feeling about their relationship with their supervisors”***

***“You can’t afford to have poor managers”***

***Getting Engaged: The New Workplace Loyalty***

# *Survivalists*

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- ❑ Success = nothing bad happened today
- ❑ Workplace a dangerous place
- ❑ Risk avoiders (as opposed to risk managers)
- ❑ Employees are naughty children
- ❑ Hostile to change
- ❑ Value rules and regulations, policies and procedures, forms and signatures
- ❑ Low expectations of performance

# *Taskoholics*

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- ❑ Employees are cogs in a machine, replaceable parts
- ❑ Manager's role is to program employees
- ❑ Always busy, but not with managing
- ❑ Low expectations of performance
- ❑ Value large quantities of work
- ❑ Focused on outputs and results, not on people
- ❑ Command and Control



# *Need You To Need Me*

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- ❑ Value employee happiness
- ❑ Feel responsible for employee happiness
- ❑ Low expectations of performance
- ❑ Uncomfortable with happy, productive employees
- ❑ “Parenting managers”
- ❑ Surround themselves with performance problems

# *Integrals*

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- ❑ Passionate about organization's work and employee contributions to it
- ❑ Champions of change when it's needed to reach organizational goals
- ❑ High expectations of performance
- ❑ Drive Survivalists nuts
- ❑ Leaders

# *Elements of Engagement*

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- Communicate the Big Picture
- Implement Flexible Work Arrangements
- Promote Individual Learning
- Differentiate Performances
- Recognize Achievements
- Coach
- Listen

# *Communicate the Big Picture*

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- Mission: why the organization exists
- Vision: a big, audacious goal
- Values: what the organization cherishes
- Competencies: behavioural expressions of values

## *Implement Flexible Work Arrangements*

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- ❑ Schedule overtime in advance
- ❑ Encourage working from home where possible
- ❑ Make some jobs part-time
- ❑ Institute the compressed work week
- ❑ Have volunteer days
- ❑ Install a core work day e.g. 10:00 a.m. - 3:00 p.m.
- ❑ Extend 3 day weekends to 4

# *Promote Individual Learning*

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- Personal Development Plans
- Treat training as a planned absence from work
- Mentoring
- Showcases and Displays
- “MySpace” website
- Customer contact
- Skunk works

# *Differentiate Performances*

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- Have the courage to rate different performances differently
- Unfairness and subjectivity
- Failure of nerve
- Rewards aren't worth it
- Non-performance criteria

# *Recognize achievements*

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- Rewards vs. recognition
- Rewards: given by the organization, governed by formal policies
- Recognition: given by manager, informal



# *Listening*

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Turning off the power

# *Coaching*

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An “uncovery” process

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