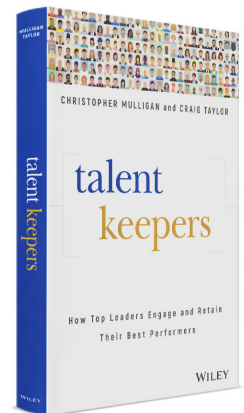


Talent Keepers

How Top Leaders Engage and Retain Their Best Performers

by **Christopher Mulligan and Craig Taylor**



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THE SUMMARY IN BRIEF

Attracting and keeping the best and the brightest is an ongoing challenge for any organization. In *Talent Keepers*, authors Christopher Mulligan and Craig R. Taylor—of the acclaimed TalentKeepers organization—explore the winning approaches that are designed to create the kind of engagement that produces perpetual positive energy, energizes others, and leads to commitment and loyalty.

Leaders who communicate well are the most important factor for implementing an effective engagement and retention strategy. Leaders can learn to hone their communication skills in order to create a healthy and engaging workplace culture. *Talent Keepers* also reveals how leaders can apply workplace data to improve engagement and retention, with results that will echo throughout the organization.

Without taking a one-size-fits-all approach, *Talent Keepers* offers proven suggestions, ideas, and strategies for forward-thinking leaders who want to create a vibrant workplace environment. It's your guide for improving your staff's effectiveness from top to bottom.

IN THIS SUMMARY, YOU WILL LEARN:

- Why leaders are the single most important element in fostering engagement.
- The four drivers of employee engagement and how leaders can use them.
- Communication strategies for managing constant change.
- To create a culture of engagement and retention throughout the organization.

Introduction: Energizing a Changing Workplace

These days, the workforce on which we depend changes rapidly. People leave their employers for new opportunities more frequently than ever before.

More and more often, organizations find themselves committing the time and resources to train a new employee, only to see him underperform or even depart before ever making a meaningful impact. Often, this leads to an underlying drain on the energy and commitment of an entire staff.

To succeed in this remarkably fluid new workplace, the best organizations must find ways to invigorate their staffs. That invigoration comes with a new focus on the importance of managers and the critical role they play in employee engagement and retention.

Engagement is that level an employee reaches when she is ultimately committed to the organization, the leader, and the tasks at hand. Engaged employees act like caffeine for an organization—a java-crew that can enliven people around them, inspire creativity, promote high performance, and delight customers. You already know that, and most executives agree with you.

It's no surprise that, today, 82 percent of all organizations make engagement a strategic priority, with over one-third of them ranking it among their top talent initiatives.

Act on the Data

More organizations are finding ways to generate, analyze, and use data to guide talent-management practices. That's why, in 2016, employee surveys were the most popular and effective way of gathering relevant and actionable data on employee engagement. The problem is that too many leaders with access to this data never wind up doing anything with it.

In a major study that TalentKeepers undertook earlier this year that included over 30,000 employees, those employees who believed their leader took some action as a result of a survey were 11 percent more engaged on every index measured. The impact this has on business metrics can't be overstated.

Let's figure out how to make that happen for your organization.

Engaging Your Talent Is a Business Imperative

When it comes to keeping and engaging high-performing

employees, it's no longer enough to leave the responsibility in the hands of the HR department. In truth, retention and engagement are business strategies with clear business outcomes. An engaged workforce positively impacts the customer experience, which improves employee/customer relationships, and, in turn, generates more revenue.

The effort to engage and retain talent must move out to the front lines. It must rest squarely in the hands of leaders like you. When leaders hold themselves accountable for energizing their most talented employees, every aspect of the organization improves.

So how do you keep and engage your best workers? It takes leaders with a well-honed skill in building a climate of engagement and retention—a climate that speaks to employees in a way that encourages them to get connected and do their best. This stance is not necessarily revolutionary, but the following strategies stand on 16 years of data compiled from thousands of companies of all backgrounds and goals and in any industry you can think of.

In this changing organizational climate, with high turnover as we transition from the baby boomer to the millennial generation, we are looking at a new and extremely valuable trend: Organizations that leverage their leaders to engage and retain employees achieve a significant advantage. When it comes to talent, this is the new market inefficiency. And this market inefficiency, like any others, offers plenty of opportunity for those who take action.

Introducing the Leader Engagement Index

One of the most effective strategies an organization can implement is to survey its employees on their opinions about their leaders. The Leader Engagement Index (LEI) is a composite of the data gathered from multiple behavioral questions presented to an organization's employees. The results are expressed as the percentage of team members who are currently engaged by their immediate leader.

Imagine being able to see how all leaders within your organization vary, from 100 to 0 percent, on LEI. Imagine the power of comparing the LEI score with team performance (almost always a strong positive correlation) as a way to demonstrate the value of leader engagement on performance. Organizations who successfully do this find that they have a new lever to pull to drive higher performance: the power of highly engaging leaders. Perhaps even more exciting is the ability to show leaders with lower LEI scores the exact behaviors they can modify to increase their LEI, and in turn, their team's performance.

There is nothing that an organization can change quicker, easier, and to greater results than how their leaders approach employee engagement.

How does it work? Every leader's employees receive a survey that asks them to rate their leader on statements like these:

- My supervisor wants me to be successful.
- My supervisor uses specific work examples while coaching me.
- My supervisor enables me to achieve the career and professional goals I have set.
- My supervisor is usually receptive regarding suggestions from employees.
- My supervisor communicates effectively.
- I am satisfied with the recognition I receive from my supervisor for my achievements.
- The feedback and coaching my supervisor provides helps me improve my performance.
- My supervisor is someone I can trust.

Once each employee has provided answers to the 22 statements similar to the eight listed above, the data gets compiled into a percentage. The higher the percentage, the higher the engagement; the lower the percentage, the lower the engagement.

The core principles that the index can instill in your leaders and the people they lead include being a trust builder, communicator, esteem builder, flexibility expert, developer and coach, high-performance builder, climate builder, generation manager, talent finder, and retention expert.

These principles all contribute to creating an environment in which employees see the value of their work and a connection between their success and the success of the organization.

What Engages People at Work?

Three important trends have emerged from the millions of answers TalentKeepers has compiled through surveys:

1. There are four key drivers of employee engagement:

organizational factors, job/career satisfaction, co-worker relationships, and credible leadership.

2. Different generations tend to favor those four drivers in slightly different ways;
3. No matter what generation, organization, or industry we're talking about, quality of leadership is the absolute most controllable driver of employee engagement. There is nothing that an organization can change quicker, easier, and to greater results than how their leaders approach employee engagement.

Let's now discuss the four drivers of employee engagement.

Organizational factors. Organizational factors include perception of senior management, the organization's vision and mission, reputation, policies and procedures, culture, and environment. An engaged employee tends to make these kinds of statements about the organizational factors that contribute to her job: "The organization's vision, mission, and goals inspire me and help me to be more productive." "Senior management in my organization is open, honest, and transparent in communication." "Senior management is accessible and approachable when necessary."

Job/career satisfaction. The components of job/career satisfaction include clarity of job roles, job responsibilities, accountability for goals, opportunities to utilize skills, and chances for career growth. An engaged employee tends to make these kinds of statements about the job/career satisfaction measures that contribute to his job: "My decision-making authority is sufficient for me to perform my job effectively." "I receive the training needed to perform my job effectively." "This is a career that I love and believe in."

Co-worker relationships. Team-based relationships, including peer support and everyday work interactions, can make or break how satisfied an employee feels, while playing a key role in overall engagement. Here are a few examples of statements an engaged employee might make: "Most of my co-workers communicate effectively with me." "From most of my co-workers, I receive the support I need

to be able to succeed.” “Most of my co-workers demonstrate interest and concern for my personal well-being.”

Credible leadership. Here is where we can make the greatest difference as leaders of an organization. Credible leadership involves engagement of team members by immediate managers, including communication, trust, coaching, and recognition. Here is what a leader who effectively engages her employees looks like: “Tells the truth, meets commitments, and does what she says she will do; is someone an employee can trust; listens when an employee has suggestions on how to do things better; clearly communicates expectations and the reasons behind changing priorities,” and so forth.

LEI correlates positively to all the factors listed in the four drivers model. A leader with a high LEI score can influence and shape an employee’s perception of team building, career opportunity, self-esteem, sense of self-worth, safety, and on and on.

Leaders and Their Impact

Many people think of engagement as a light switch that we turn on or off. We often think of people as either engaged in their work or not. In reality, becoming engaged in one’s work is a process we all go through.

TalentKeepers has developed an engagement continuum to describe the process of getting individuals engaged with their work. Let’s talk about the three phases of that process: commit, engage, and excel.

Commit. Each of us makes a commitment to our job in various ways and to different degrees. We commit to a role, a leader, the team, and the organization when we see alignment between what we want to achieve from our work and what we perceive the opportunity will provide to us. Employers want people to make intellectual, emotional, and even behavioral commitments to, for example, perform to the best of our ability. This commitment begins during the recruiting process and evolves as an employee gains more experience. This is why it is so important for recruiters to provide a realistic job preview to potential employees.

Engage. Once we make that conscious or perhaps subliminal commitment, we begin to dig in and apply ourselves. At this point, we have the opportunity to become engaged in the work and bring that energy and discretionary effort to our role and the organization. As described above, the four drivers of engagement and retention play an important role here

over time: credible leadership, supportive co-workers, job and career satisfaction, and a high-performing organization.

Excel: For many employees, engagement leads to sustained high performance over time, and people excel in their roles. Here is where all stakeholders—the employees, their leaders, and the organization—reap the rewards of discretionary effort in the form of higher performance in the areas of service, sales, productivity, safety, and so on.

How do we get there? As the continuum suggests, it starts with commitment. Engaging your leaders to increase the commitment from their teams is a matter of communication. Trust is also a building block in fostering commitment. Getting leaders and employees to connect and commit to each other, their roles, and the organization is imperative for building engaged, loyal, and productive team members.

The next phase of the continuum, engage, calls for ensuring that all the four drivers of engagement and retention are working effectively for your employees. The final phase, excel, leads to a continuation of the development of an engaged culture. By this point, leaders are focused specifically on areas of engagement and are empowered to enhance interactions and performance with team members.

Because organizations are constantly changing, let’s now discuss strategies, tactics, and pitfalls for successfully maintaining a highly engaged culture in an ever-changing environment.

Communication: The Lubricant of Change

New products. New marketing strategies. New sales goals. New policies. How often do these kinds of changes emerge in your organization? If yours is like just about every other organization on the planet, the answer is “constantly.”

Almost across the board, the difference between high-performing organizations and everyone else is that the former’s leadership structure—from top to bottom—is equipped to foster, manage, and communicate the reasons for that change, details of the change, the benefit of the changes to the organization, and how the change will affect employees.

Blaming Up

“I don’t know why they won’t let me buy you pizza anymore,” a front-line manager would tell an employee who complained about the cutbacks. “And I can tell you one thing for sure: If I were running this store, the last thing

I would have cut was the coffee. I mean, how much can coffee possibly cost, anyway?"

It's a natural human reaction to deflect blame. It's also an all-too-natural response for managers to deflect that blame upward. The message that management often delivers is that they don't understand the changes and definitely don't agree with them. When a miscommunication like this occurs, people become distrustful of senior management, resistant to inevitable change, and slow to adopt new processes or procedures.

Think about it from the front-line employee's perspective. If he or she hears from his or her boss, "I don't know what management is thinking," then the message isn't only about disagreement, it's about how "my boss isn't on board about this decision, and in fact, he may be skeptical that this is the right decision in the first place." For front-line employees, what exactly is their incentive to work hard on this new initiative or make the change management is asking them to make? Why should they jump in with both feet if this might not even be the direction the organization goes long term?

What to Do: Sharing Down

Your greatest ally to reverse blaming up and strengthening your culture is increased communication. This is called "sharing down." In any culture, communication is the lubricant for effecting change, and silence is the friction.

First, whenever possible, providing advance notice to all levels of leadership about an upcoming announcement, policy change, new goal, and so on is important. This gives them time to personally react to the change before they think about how their teams will react.

Second, management must give leaders the right talking points to share about the reasons for this decision. It's not enough to say, "We have to make this change" to survive, thrive, or whatever the message happens to be. Your leaders must know the business drivers that you're hoping to influence with this decision. They need to know what alternative strategies management considered before arriving at this decision. And they need to know every element of why this decision will benefit the organization. Then, leaders must use these talking points when they address their teams.

The third tactic is to give leaders an upward feedback channel to go to with questions from their team that they can't answer. This lets them quickly get an answer and provide it to their team, which builds confidence for the team, confidence for the leader, and confidence between the team and their leader.

There's a litmus test in all of this. Listen to your managers as they describe changes. Listen specifically for two words: If the leaders are saying, "They want us to do this," then they aren't engaged with the message. They're blaming up. If they say, "We want to do this," then they're owning and advocating the decision. They're sharing down.

In any culture, communication is the lubricant for effecting change, and silence is the friction.

Solving the Career-Growth Dilemma

Career issues remain the top reason that employees are voluntarily leaving their jobs in the United States. And it's not always about upward mobility or a lack thereof. It's about growth—growing skills and knowledge, gaining responsibility for roles and tasks, being exposed to things that make one better at one's job, and so on. No matter what organization we're talking about, employees care a great deal about these matters, particularly millennials.

The Stay Interview

You've heard of exit interviews. You've probably even conducted or sat in on a few. Their value to any organization is tremendous, because here we have an opportunity to learn from a departing employee all those factors that are causing him to leave. This allows us to assess how we might make changes to prevent similar departures from happening in the future. This data is incredibly useful, which is exactly why such a high percentage of organizations employ the strategy.

What would make this kind of data even more useful would be if your organization gathered it throughout every employee's career life cycle. Many organizations get part of the way there by implementing selection and onboarding programs that include some form of assessment or evaluation that can be used to learn more about the new employee's potential for growth. Unfortunately, too many of these organizations then stick that information in a drawer and never revisit it—at least not until it's time to conduct the exit interview.

Organizations should collect the appropriate data early and often, keep this data with the employee, and revisit it as often as possible. Start by gathering information from each employee and building on this data with each subsequent (ideally monthly or at least quarterly) conversation between leader and employee.

If you talk to the people you count on frequently, you have a much better understanding of who they are, what they expect, what they need, and what it will take to compel them to stay with your organization. That information is so much more valuable and actionable than the exit interview data related to why that employee left you.

Conducting these stay interviews on a regular basis through a short questionnaire also allows the organization to aggregate the data, which opens leadership's eyes to what their employees want at any given time during their tenure.

New Rules for Building a Leadership Team

A large call center in Charlotte, North Carolina had a manager named Leon. Leon was the manager of a day shift. His employees regarded him highly, and his team performed exceedingly well on all measures. Then, Leon decided that he wanted to go back to school to get a degree, and the only way to do that would be to switch to an evening shift so he would have enough time during the day to attend his classes.

Now, completely switching a work schedule is a big, often uncomfortable change for most people, to say nothing of switching teams. Not many people would volunteer to make such a dramatic change. But when Leon announced his decision to move to an evening shift, nine of his 15 team members went with him. That's nine people who valued Leon's spectacular leadership to the point where they were willing to literally turn their working lives upside down just to stay with him.

Obviously, Leon scored quite highly on the Leader Engagement Index. Leaders like Leon are an organization's best defense against unwanted turnover and keeping valued talent longer.

Promote for More Than Just Job Skill

When selecting new leaders to serve your organization, the overarching goal is to avoid the common tendency to select or promote someone (whether internally or from another talent pool) based solely on the performance results they're

currently delivering, rather than more comprehensive criteria. Include performance results as well as talent engagement and retention results.

In an environment committed to energizing employees, we need to select leaders who have a core belief that the best work gets done by inspiring people and lifting them up instead of hammering on them to work ever harder. When looking internally to fill an open leadership role, organizations must interview and evaluate candidates based on how they believe in and support engagement and retention as fundamental requirements of a leader's role.

Interviewing internal candidates allows you to base your decision on their track records of energizing employees, too. Do people enjoy working with or for this person? Does this person lift the level of excitement and performance of those people around them? Do people jump at the opportunity to join this person on an assignment, like so many did for Leon?

How can you shed light on organization-wide data to determine how leaders are performing and how they might learn better engagement strategies from other teams? Many employers have found a 360-degree survey format is useful to solicit input from individual leaders themselves, their direct reports, their managers, and often their peers. The objective is to enhance a leader's awareness of their strengths and weaknesses so that the organization can determine and prioritize the most appropriate developmental activities for that leader.

Additionally, this kind of survey can be used as pretraining and posttraining diagnostic tools and as part of a leadership assessment program for development and promotion.

Creating an Engagement and Retention Culture

To this point, the focus has been on how improving engagement and retention works on the individual level. The results ramp up dramatically when you find ways to weave these measures into the organizational culture. In fact, improved engagement and retention always have a positive effect on people and teams, but when organizations embrace these values as part of their culture, the benefits become truly massive.

How massive? In TalentKeepers's most recent Workplace America survey, when asked, "What part of your company is most impacted by low engagement and high turnover?"

The most important goal is to hold your leaders accountable for the engagement and retention of valued and contributing employees on their team.

respondents placed “morale and culture” in the lead with an eye-opening 65 percent.

How can an organization that understands the value of engagement and retention on employee and leadership levels make those same measures a part of their culture? Best-in-class organizations start with assessment and analysis. They ask themselves what the organizational climate is like on all levels. They examine how trust and communication might improve. They question whether they are doing enough to stir and embrace creativity and group problem solving.

Creating the Culture

Consider these strategies for building engagement and retention into your organizational culture:

Onboarding. One retail business used to manage onboarding this way: first the interview, then the hiring, then the employee immediately goes to training, and then once that’s complete, they go directly to the store to start working. They overcame high turnover by making the onboarding process more personal. One manager reaches out to a new hire and meets him at the store before he goes to training. In that meeting, he gets the new hire’s contact information, introduces him to everyone in the store, and tries to connect on a personal level even before that new hire is exposed to any form of training.

Then, on that first day of training, that great leader texts the new hire, saying something like, “Good luck. You’re going to knock it out of the park. We’re here if you need anything or have any questions.” This leader also likes to get everyone else on the team involved in the process. Once that new hire gets through training, he has everyone in the store send him an email of congratulations that also welcomes him to the store and offers any help necessary.

Measuring and monitoring. Creating a culture of engagement and retention is like any other process you are trying to manage; you need frequent measurements to monitor your progress and make adjustments.

Today, 75 percent of organizations are utilizing some form of survey to measure employee sentiment, whether it’s an engagement survey, satisfaction survey, pulse survey, or some other sort of survey. Regularly gathering this data and utilizing the results to measure and monitor how you’re doing is essential for sustained execution and success. For example, you can measure the effectiveness of each driver of engagement so you can leverage strengths and align resources to opportunities. Or you can hold leaders accountable for improving opportunity areas.

Action planning. Once your survey data has been gathered, analyzed, and presented to leadership, the next step is to have concrete, documented action plans based on priorities formed from the results. You have to build specific strategies that help weave it into the culture.

For example, action planning should take place at least at two levels: for organizational groups and individual leaders. Senior leaders will want to consider survey results from a group, issues, and people perspective. There will be variance in how different groups performed, and they should be managed differently from an action-planning standpoint. Higher-performing groups can be recognized and studied to see if the practices that led to their higher results may be leveraged as “best practices” and shared with other groups.

Accountability. The most important goal is to hold your leaders accountable for the engagement and retention of valued and contributing employees on their team. Engagement and retention only works if the leader holds herself accountable.

Building the Business Case for Engagement and Retention

To sell and sustain a business strategy for engagement and retention, you need data to build the case for support, funding to keep the initiatives moving, and mindshare coupled with commitment from those who are required to execute the actions you have planned.

Much of the data you need likely exists. You probably track turnover data already. You may not have attrition information by individual leader, but that is usually obtainable. You should know the cost of losing a valued contributor. You may also already have in hand many of the relevant key business metrics that are well established and often reported to track performance in your organization.

But this isn't the whole picture. The missing pieces are best obtained through the voice of the employee. In 2018, 73 percent of companies in the United States administered some form of an employee survey. It begins with knowing the metrics that matter. For example, 100 percent of this year's best-in-class organizations track links between on-the-job safety and employee engagement and satisfaction.

The real value in linking key performance indicators like this to employee engagement, and determining where the largest gains are, is to determine where best to invest limited resources to get the biggest payoff.

Finding the Money

Consider these strategies that will help you fund your engagement and retention initiatives and help ensure the greatest level of success.

- **Work from data and build your case.** Focus on relevant and accepted metrics that link engagement/retention to business results.
- **Establish or build budget categories for engagement and retention.** You may find that one strategy will be easier to fund than another. Be thoughtful about where this budget resides in your business unit and who controls the funds (HR? Opera-

tions? Training?). Next, move existing funded activities into this bucket to create the understanding that you are already doing some things that contribute to keeping and motivating people. The purpose of this step is to establish the mindset that this initiative is important.

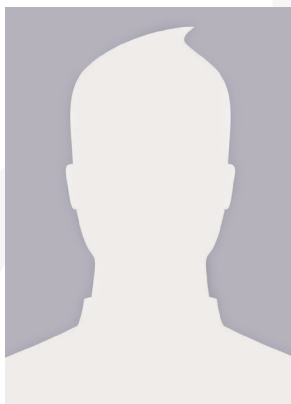
- **Recruit and foster internal partners and advocates.** As with any major initiative, recruiting thought leaders in various parts of the business to serve as your advocates and supporters is the first step. Find leaders who believe in your mission, have influence, and will support you in getting resources and funding. Their ability to help you gain that funding is invaluable, but they can also help you during the execution phase as well.

TalentKeepers is proud to be a leader in shaping how people view engagement and retention in the workplace and in developing innovative solutions to help organizations everywhere engage and retain employees.

You now have the TalentKeepers tools to identify the engagement and retention strategies best suited for your culture, needs, and budget.

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- *The Hidden Leader: Discover and Develop Greatness Within Your Company* by Scott Edinger and Laurie Sain
- *Talent Economics: The Fine Line Between Winning and Losing the Global War for Talent* by Gyan Nagpal



Christopher Mulligan has over 30 years of experience in the human resources industry, the majority of which has been in the employee engagement, selection, assessment, and retention arena. He co-founded TalentKeepers in 2000, an organization dedicated to the issue of employee engagement and retention. Craig R. Taylor is the former vice president of client services at TalentKeepers, where he led the client services team responsible for all client engagements. He has been a well-known leader in the corporate training, organizational development, and performance improvement profession for over 25 years.

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