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Managing People

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Retention & Employee Engagement

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Transforming Education; Transforming Lives



www.uwtsd.ac.uk

Employee Turnover and Retention

- Employee turnover refers to the proportion of employees who leave an organisation over a set period (often on a year by year basis) expressed as a %
- Retention relates to the extent to which an employer retains its employees and may be measured as the proportion of employees with a specified length of service (typically one year or more) expressed as a % of overall workforce numbers.

(CIPD, 2015)

“Employee turnover becomes problematic when it starts to have a negative impact on an organisation’s performance.

By understanding the reasons behind employee turnover, employers can devise recruitment and retention initiatives that reduce turnover and increase retention.”

(CIPD, 2016)

Reasons for Leaving

- Employees often decide to leave quickly – often as a result of a ‘shock’ or ‘trigger’

Common triggers:

- Call from head-hunter
- Pregnancy
- Divorce/separation
- Mergers
- Reorganisation/allocation of new duties
- Appointment of new supervisor



Effects of Turnover

**Negative
Effects?**

Is turnover
always
negative?

**Positive
Effects?**

Costs associated with turnover

- administration associated with resignation
- recruitment & selection
- cover during the period in which there is a vacancy
- administration of recruitment & selection process
- induction training for new employee
- reduced productivity whilst others train
- loss of customers



5 Common **Misconceptions** about Employee Turnover

- All turnover is the same and it is all bad
- People quit because of pay
- People quit because they are dissatisfied with their jobs
- There is little managers can do to directly influence turnover decisions
- A simple one-size-fits-all retention strategy is the most effective

(Allen, Bryant and Vardaman, 2010)

Turnover and Labour Markets

- High unemployment has little impact on the turnover of **high-performing** employees
- Large scale layoffs in difficult times often lead to higher turnover among survivors
- Pent-up turnover can occur when labour markets become more favourable for employees
- Retention strategies are important in all economic conditions

Types of Retention Strategy

- Systemic – based on general principles of retention management and are intended to reduce turnover rates across the board.
- Targeted – based more specifically on organisation-specific turnover drivers and are intended to address organisation-specific issues often to influence turnover among certain populations of employees.

Developing a Retention Strategy

- **Diagnose extent to which turnover is problematic** – analyse rates, costs and functionality
- **View turnover analysis through the lens of organisational context** – external benchmarking, internal benchmarking (rates over time), needs assessment (evaluation of turnover in the context of future labour demand and availability – external labour markets, internal future strategic direction of the organisation)
- **Determine goals and decide on strategic investment required** – e.g. reduce turnover by 5%, as cost of turnover is low but turnover is dysfunctional, introduce low investment strategies aimed at leavers.
- **Collect data to diagnose and adapt cause-effect to a particular context** – exit interviews, post exit surveys, focus groups, linkage research, predictive studies, in-depth studies

In other words -

Analyse internal data on:

- Who is leaving
- Why
- Where they are going
- How much is it costing
- Who is staying
- Why they are staying

Analyse external data – bench-marking

Align strategy with business strategy and objectives

Diagnostic Tools

- Exit interviews
- Surveys of ex-employees
- Attitude surveys
- Stayers surveys
- Last job move surveys
- Quantitative approaches

Strategies to Enhance Retention

See handout (Allen and Bryant, 2012)

- Recruitment
- Selection
- Socialisation
- Training and Development
- Compensation and Rewards
- Supervision
- Engagement

Features of effective retention strategy

- Realistic expectations - don't oversell the organisation/job
- Systematic recruitment, selection, induction
- Career development, support in updating qualifications
- Job (re)design - provide variety and enrichment
- Work-life balance and flexibility
- Management style and working relationships

CIPD Survey – Most Effective Retention Methods

- Increased pay (also in top 3 least effective)
- Increased L&D opportunities
- Improved line managers people skills
- Improved selection techniques
- Improved benefits/rewards
- Improved work/life balance

CIPD (Resourcing and Talent Planning Survey, 2015)

Why People Stay

- Job embeddedness – links, fit and sacrifice.
- ✓ Design work in teams, provide mentors, encourage employee referrals, support community involvement
- ✓ Provide realistic job previews, select for fit, communicate values and culture, recruit locally or help embed relocators in community, foster links with community.
- ✓ Tie financial incentives to tenure, provide unique incentives, encourage home ownership, develop career paths that do not require relocation.

AI and retention

Xane : Best Features

Pulse Checks

360 Qualitative Feedback

Team Stand Ups

Actionable Reports



<https://www.youtube.com/watch?v=EUtdhK4XXI4>

Employee Satisfaction vs. Employee Engagement

Employee engagement is not the same as employee satisfaction.

- **Satisfied employees** are merely happy or content with their jobs and the status quo. For some, this might involve doing as little work as possible.
- **Engaged employees** are motivated to do more than the bare minimum needed in order to keep their jobs.

Employee satisfaction...

- only deals with how happy or content employees are.
- covers the basic concerns and needs of employees.
- does not address employees' level of motivation or involvement.

Employee Engagement



What is Employee Engagement?

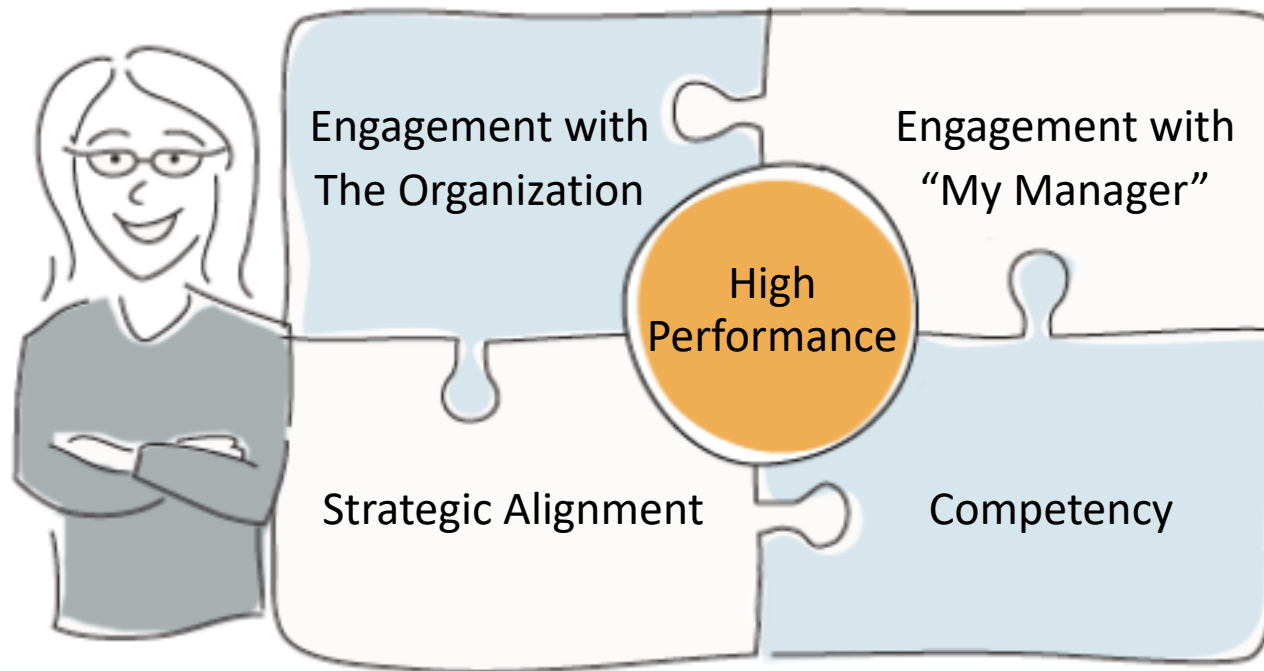
Employee Engagement Definition

Employee engagement is the extent to which employees feel passionate about their jobs, are committed to the organization, and put discretionary effort into their work.

- Most people find that their level of engagement with their work is far from consistent.
- There are many factors that can affect this. It is not simply moving to a different job that creates change. Changes to personal circumstances can also affect our attitudes.
- Management and organisational practices are extremely influential too and often dictate how work is carried out and experienced. External factors are very important and shape the context for work. What is nominally the same job will actually change from year to year.
- All of these factors will influence how we engage with our work. Intrinsic and extrinsic influences are also important. For example, we might engage with a job which is intrinsically unstimulating because of the rewards that it provides. Some work is valued because of the wider social contribution that it makes. This, according to Will Marre, is an increasingly important explanation for engagement.

Employee Engagement Framework

An employee engagement model based on statistical analysis and widely supported by industry research.



Engagement with The Organization

- Measures how engaged employees are with the organization as a whole.
- Includes employee feelings about and perceptions of senior management.
- Key components include trust, fairness, values, and respect - i.e. how people like to be treated by others, both at work and outside of work.

Engagement with “My Manager”

- A more specific measure of how employees feel about their direct supervisors.
- For most employees, this factor has the largest impact on day-to-day life at work.
- Topics include mutual respect, feeling valued, being treated fairly, receiving feedback and direction, etc.

Beyond Engagement – Alignment & Competency

An organization needs more than just engaged employees in order to succeed. There are two additional areas that relate to employee performance and that are closely linked to engagement.

1. Strategic alignment

- Does the organization have a clear strategy and set of goals?
- Do employees understand how the work they do contributes to the organization's success?
- Strategic Alignment ensures that employee effort is focused in the right direction.

2. Competency

- Do managers have the skills needed to get the job done?
- Do managers display the behaviors needed to motivate employees?
- Competency is measured with 360 Degree Feedback.

Retention & Engagement: why people leave

- Push factors
- Pull factors
- Unavoidable
- Involuntary

Common triggers?

- Mergers
- Reorganisations
- Head-hunters
- Pregnancy
- Personal issues e.g. divorce, illness etc
- Appointment of new manager



The link between job satisfaction & employee commitment



Involvement practices

“promoted by management with a view to mobilising the support and tacit knowledge of employees toward corporate goals.”

(Beardwell & Caydon, 2007, p526)

- ✓ Sharing information on organisation strategy& performance
- ✓ Giving employees copies of business plans and targets
- ✓ Staff associations
- ✓ Internal staff surveys
- ✓ Staff suggestion schemes
- ✓ Quality circles
- ✓ Self managed or self directed teams
- ✓ Cross functional teams
- ✓ Continuous improvement teams



Work/life balance considerations:

- Why is this an important consideration for firms?
- What does a healthy work/life balance look like?
- What are the consequences of not adopting a proactive approach?
- Whose responsibility is it?



Work/life balance initiatives:

- ✓ Flexible Working
- ✓ Leave and time off
- ✓ Child care facilities
- ✓ Health & wellbeing

Type of employee requests

- ✓ changes to their hours & times of work
- ✓ changes to places of work
- ✓ part-time working
- ✓ job sharing
- ✓ working from home
- ✓ working term-time only
- ✓ working shifts
- ✓ increased holiday entitlement.



Any other?

Total Reward Approach: what do people value?

- ✓ Job Security
- ✓ Flexible Working arrangements
- ✓ Car parking / staff discounts
- ✓ Easy commutes
- ✓ Pleasant working environment
- ✓ Career development opportunities
- ✓ Well respected employer
- ✓ Respectful and considerate Manager



Technology is revolutionising employee wellbeing and engagement with real-time engagement survey models allowing data to be captured and interventions made instantly



HOW?

Workplace health surveys and trends point to a key role for technology

- effective adoption of meditative practices into the workplace
- financial education
- support for the employee as a carer
- improvements to the communication and integration of benefit and support services (including apps and platforms) &
- taking a more joined-up, strategic approach to the alignment of employee wellbeing with company mission, vision and values

HR Technology

- People increasingly expect to have “**anytime/anywhere**” access to work-related data, just as they have in their personal lives.
- Increasing emphasis on **Mobile** Apps and Self Service technology for Managers and Staff.
- The HR service needs to **embrace this challenge** in addition to the routine HR business.
- Strong focus on **Analytics** and data to inform and empower decision making for Managers

Employee Engagement Awards & Conference

<https://www.youtube.com/watch?v=SkmDK5LJuHs>



Employee Engagement Solutions at 'Citation' | Reward Gateway

Employee engagement: building the business case

<http://www.youtube.com/watch?v=u-e02N1OUqw>

So what can be done to help increase engagement and reduce turnover?

- ✓ Employee recognition
- ✓ Fairness
- ✓ Meaningful communication
- ✓ Timely intervention and support
- ✓ Give autonomy
- ✓ Involve people in decision making
- ✓ Reward (Extrinsic and/or intrinsic)

<http://www.hci.org/blog/employee-experience-next-competitive-frontier>

Employee Experience —The Next Competitive Frontier

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In recent years, much focus has been given to Customer Experience (CX). But with the dust settling on CX as increasing numbers of businesses now understand the importance of adopting it as a strategic and even imperative initiative, it's little wonder why Employee Experience (EX) is the next competitive frontier.

What Is Employee Experience?

Employee Experience is the sum of everything an individual encounters during his or her tenure with the organization.

- Activity – design an appropriate employee engagement strategy for your organisation
- **How will you engage/ enrich / involve and/or reward?**