

# Employee retention through engagement

BY MARK STERANKA

**I**T'S EASY TO understand why employee retention is important. It supports business continuity, preserves institutional knowledge, prevents competitor poaching, minimizes recruiting and onboarding costs, and maximizes productivity. So to achieve employee retention, we just need to nurture people like the crops that grow in our fields, right?

If only it was that simple.

One of the biggest factors that impacts employee retention is employee engagement, which is a significant challenge for many businesses.

The Gallup Poll has been measuring employee engagement since 2000. Recent results are alarming. Annually, they survey approximately 100,000 workers who are 18 years of age or older to determine the level of employee engagement across the United States.

Consistently, the results indicate that only about 33 percent of employees are engaged (involved in, enthusiastic about, and committed to their work), while approximately 50 percent are not engaged (going through the motions or “punching the clock”).

Worst of all, about 17 percent are actively disengaged — that is, they're making an effort to work against the employer to prevent it from achieving its goals.

The productivity loss associated with this lack of employee engagement is estimated to be \$500 billion per year.

Employee engagement is low because most companies don't take the initiative to engage their employees. Fortunately, it's not difficult; it just requires a plan and a commitment to adhere to the plan.

What steps can you take as business owners and/or leaders? Here are three practical initiatives — one strategic, one tactical and one personal — for achieving high employee engagement, strengthening



employee retention, and ultimately, operating as a high-performing organization.

## 1. Strategic: Prepare a roadmap.

Every organization needs a roadmap: a plan that defines your current state, your desired future state, and what it will take to move from where you are today to where you want to be in the future. Your employees need to understand your plan so that they know how they fit into it. How can they feel engaged in and committed to your plan if they don't know what it is?

But it's not just the plan itself that's important. Meaningful employee commitment is achieved when employees are also engaged in the development of the plan. You can encourage employee participation by gaining their input to the plan, such as asking for their keys to success, what they would most want to change, or their perspective on strengths, weaknesses, opportunities and threats (also commonly known as a SWOT analysis).

You can also involve employees by requesting their feedback on plan

components, such as mission, vision, goals and priorities. Employee input and feedback is easily facilitated through the use of online survey tools.

## 2. Tactical: Define performance expectations.

Once a plan is in place, you need to articulate the performance expectations required to execute the plan. In other words, you must define the specific actions and quantifiable results required to achieve the plan.

One of the keys to successful performance is making sure individual employee performance is aligned with group (team, division and/or department) performance, and group performance is aligned with company performance.

By defining performance expectations for each level of the organization, employees learn what it will take to achieve the goals in the plan. For instance, company performance metrics might focus on revenue growth and net profit; department performance metrics might focus on

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## Employee retention

expansion into new markets, streamlining processes and reducing costs; and individual performance metrics might focus on enhancing skills and improving teamwork.

The key is for employees to understand how their actions help their group achieve its objectives, which in turn, helps the company achieve its goals.

### 3. Personal: Quantify total rewards.

With the ever-increasing price of healthcare, benefits comprise a significant cost to both employees and employers. However, companies don't typically do a great job of conveying the overall costs of the benefits they offer. Instead, they focus on cash compensation, including salaries and bonuses.

As a result, employees don't understand the real value they receive from their company's benefit contributions.

An effective way to gain credit for other types of investments in your employees is to provide a total rewards statement that quantifies the value of cash compensation, healthcare premiums paid by the company, retirement benefits, such as 401(k) company contributions, and training and development.

Greater awareness of the overall total rewards package translates into enhanced employee appreciation for the investments their company is making in them.

### Engaged employees will be retained employees

If your employees understand how they strategically, tactically and personally contribute to and benefit from being part of your organization, then they will stay at your company, give their best effort, and help you be a high-performing organization. ☺

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