

Executive Overview Insights Into Employee Motivation, Commitment and Retention

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Executive Summary

Employee commitment, productivity and retention issues are emerging as the most critical workforce management challenges of the immediate future, driven by employee loyalty concerns, corporate restructuring efforts and tight competition for key talent. For many firms, “surprise” employee departures can have a significant effect on the execution of business plans and may eventually cause a parallel decline in productivity. This phenomenon is especially true in light of current economic uncertainty and following corporate downsizings **when the impact of losing critical employees increases exponentially** (Caplan and Teese, 1997; Ambrose, 1996; Noer, 1993).

Research shows that the working population can be divided into several categories: people who are engaged (loyal and productive), those who are not engaged (just putting in time), and those who are actively disengaged (unhappy and spreading their discontent). Thus, as noted by Marcus Buckingham, SVP Gallup and author of “First Break All the Rules”, even in the “best of times”, (i.e. the late 1990’s), **only 26 per cent of the working population is fully engaged in their work. The rest of the population is either “not engaged” (55 per cent) or “actively disengaged” (26 per cent.** (Buckingham and Coffman, 1999).

Productivity and retention rates generally fall further as employees become distracted, confused and preoccupied with potential outcomes immediately following an **organizational transition** such as a major restructuring, corporate downsizing, merger, acquisition, or even rapid growth spurt (Cartwright and Cooper, 1999; Bridges, 1991).

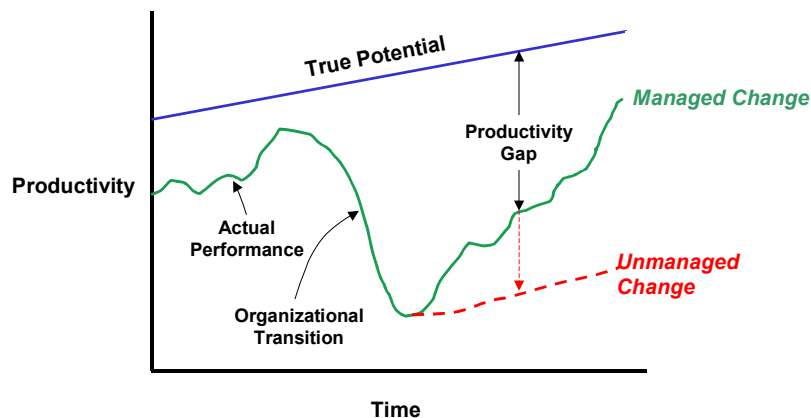


Figure 1: Organizational Productivity

Recent studies have shown that the manager, whether a front-line supervisor, a project leader, team ‘captain’, or senior manager, actually has more power than anyone else to reduce unwanted turnover. Why? Because the factors that drive employee satisfaction and commitment are largely within the direct manager’s control (Buckingham and Coffman, 1999; Kaye and Jordan-Evans, 1999). These include providing recognition and feedback, the opportunity to learn and grow, fair compensation reflecting an employee’s contributions and value to the organization, a good work environment, and

above all, recognition and respect for the uniqueness of each person's competencies, needs, desires and style.

In turbulent times, the role of the manager becomes more important than ever because managers play a vital and distinct role, different from anyone else in the organization. That role is as a catalyst—someone who can “reach inside each employee and release his or her unique talents and convert them into performance” (Buckingham and Coffman, 1999).

To effectively motivate and retain employees, a manager needs to deal with each person one at a time—asking questions of, listening to, and working together one-on-one. A “good manager” therefore, is one who will help talented people find satisfaction in their work, and *“satisfaction” is key to an employee’s decision to stay or leave an organization.* (Buckingham and Coffman, 1999; Kreisman, 2002; Kaye and Jordan-Evans, 1999).

It must be recognized, however, that over the last 10-15 years, most organizations have de-layered and eliminated many middle management positions. Today's managers often have large numbers of direct reports in addition to individual responsibilities of their own (Buckingham and Coffman, 1999). Very few have the time to effectively make the emotional tie with their subordinates that is really effective.

Through use of various tools and processes, specifically, the **Insights Discovery System**, the process of communication and understanding between manager and employee can be accelerated.

The intent of this research paper is to illuminate numerous employee-retention related issues that are of particular significance to organizations today. It further seeks to demonstrate how the **Insights Discovery System** can be utilized as a powerful force to engage, or re-engage employees in a manner that fosters greater job satisfaction and commitment...thus *improving business results.*

Included is a discussion of how Insights can:

- Enhance the effectiveness, commitment and retention of an incumbent workforce through increased understanding of human behavior
- Motivate and retain employees whose basic monetary and material needs may have been satisfied, but who are seeking to find their internal “drives”
- Improve human resource planning and development in organizations
- Identify motivational and managerial issues related to interpersonal style
- Reduce the impact of turbulence and organizational transition on employee commitment and productivity