

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).

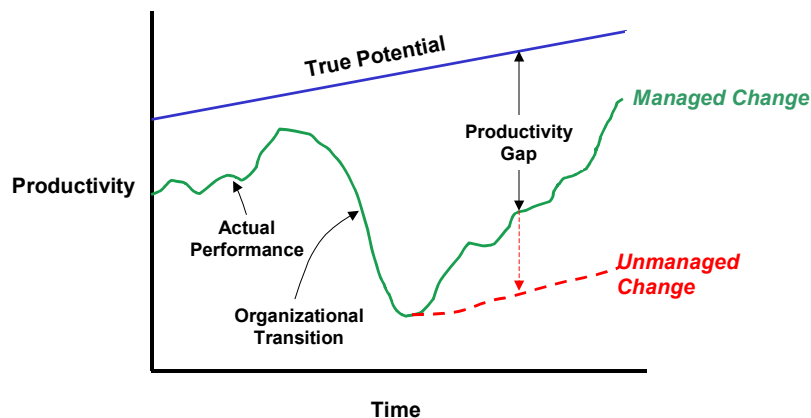


Figure 1: Organizational Productivity

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

Why Employee Retention and Motivation Is Important

Turbulence In the Work Environment

In slightly more than a decade (1988-2000), the eminent issue for companies was one of attracting and retaining people with the skills necessary to do the work. The situation became even more complex during 2001 as an economic downturn forced thousands companies to cut back or downsize their employee populations. In the past year alone, more than a million US jobs have been eradicated leaving a scenario of lost trust, eroded loyalties, financial demise, growing employee cynicism and diminished productivity. Employee stress levels have escalated as morale and creativity plummet, while simultaneously, the cost of absenteeism and medical related expenditures have risen. Further, companies are now indicating that product quality is beginning to suffer; customer satisfaction is dropping and many organizations are beginning to experience a significant increase in turnover of key talent--especially amongst those individuals considered most 'crucial' to the downsized organization (Ambrose, 1996; Caplan and Teese, 1997; Reichheld, 2001; Deal and Kennedy, 1999).

In a sense, the manager's function is that of a "catalyst" and as with all catalysts, the manager's function is to speed up the reaction between two substances, thus creating the desired end product (Buckingham and Coffman, 1999). Specifically the manager creates performance in each employee by speeding up the reaction between the employee's talents and the company's goals, and between the employee's talents and the customer's needs. When hundreds of managers play this role well, the company becomes strong, one employee at a time. In today's slimmed-down business world, most managers shoulder other responsibilities: they are expected to be subject matter experts, individual superstars and leaders in their own right. These are important roles which managers execute with varying styles and degrees of success, but when it comes to the manager aspect of their responsibilities, "great managers" excel at the catalyst role.

What we're faced with today, is an extremely dynamic and volatile work environment marked by continued turbulence in the economy. Managers face a difficult challenge of motivating and retaining employees in an environment of increased uncertainties (Mitchell, 2002). Essentially, no organization, profession or community has been unaffected by the continuing series of layoffs, dot com failures and restructurings. At the same time, jobs are being created at unprecedented rates: 700,000 new businesses are being established annually and there are worker shortages in some professions—particularly the medical and services industries (Corporate Leadership Council, 2000).

So how can managers and organizations make sense of all this chaos?

Research shows that In the future, successful organizations will be those which adapt their organizational behavior to the realities of the current work environment where longevity and success depend upon innovation, creativity and flexibility. Further, the dynamics of the work environment will have to reflect a diverse population comprised of individuals whose motivations, beliefs and value structures differ vastly from the past and from one another.

At the Root of the Long Term Problem--Demographics

Both the nature of work and the workforce are changing rapidly as reinforced by the decline in the volume and character of new entrants into the workforce. For instance, throughout most of the world (United States, Europe and Asia) the number of 16-24 year olds is declining. In 1995, there were 1.3 million fewer 18 year olds (in the U.S.) than in 1980—just as the service industries needed them the most. Last year more than 80 per cent of the new entrants to the workforce were minorities, women or immigrants. Other demographic trends show that there is an increasing gap between the highly educated and those with very little education; and more than 25 per cent of the U.S. population is older than 50 years—with those over 65 outnumbering teenagers (Hallett, 1987; Naisbitt and Aburedene, 1990; Michaels, Handfield-Jones and Axelrod, 2001; Kaye and Jordan-Evans, 1999).

The characteristics needed in today's environment are those that embody the entrepreneur: drive innovation, energy and a special commitment to seeing something through to its maturity. Abilities to work cooperatively with other people and organizations are also needed (Buckingham and Coffman, 1999).

What is important for employers about these statistics is that they *must now maximize the contributions and value of all employees—regardless of age, ethnicity, gender or style.*

A report published recently by the Corporate Leadership Council, an independent research organization funded by industry and education institutions alike, indicates that shortages of sufficiently skilled employees at many levels of the labor market are being driven by **long-term secular trends** in the economy rather than by short-term, temporary “business cycle” factors (Corporate Leadership Council, 1999).

The direct implication of this is that as attracting scarce talent becomes more competitive, corporate investments are likely to shift from increasingly expensive recruiting programs, to lesser expensive retention initiatives in an effort to hold onto truly scarce and valuable talent. Even corporations traditionally sheltered from labor instability will, at a minimum, be forced to adopt a defensive retention posture in order to protect their most valued talent from departing.

Bottom line, employee retention may be the “break-point issue” which finally forces organizations to invest in a rigorous study of the contemporary workforce, with the intent of **gaining “insight” into the motivators of employee loyalty, commitment and productivity.**

Retention As A Strategic Business Issue

In today's turbulent workplace, a stable workforce becomes a significant competitive advantage. If an organization has unstable workforce conditions, it's forced to invest thousands of dollars in recruiting, orienting, training, overtime and supervision. Those

dollars come right off the 'bottom line' (Reichheld, 2001; Dibble, 1999; Herman, 1999). Without continuity, organizations don't have ongoing close relationships with customers; customer loyalty is fragile; managers are stressed; conflict is more likely; efficiency is hampered. Such challenges make it difficult for an organization to compete in the marketplace.

Arguably, the most **valuable (and volatile) asset is a stable workforce of competent, dedicated employees**. Longevity gives a company a powerful advantage; depth of knowledge gives organization strength. The loss of a competent employee is increasingly difficult to replace with someone of comparable competence—even with an effective succession planning process. With a volatile labor market and competition for good people, organizations are forced to hire persons with less competence. If this scenario repeats itself enough, the **aggregate competence and capacity of the organization's workforce will gradually diminish**—along with the ability to meet customer expectations (Ambrose, 1996). Dissatisfied customers leave, and take the organization's cash flow and profits with them.

Important stakeholder groups (customers, creditors, investors, employees) watch workforce stability and capacity carefully. Workforce strength, capacity, and dependability influence the confidence of all these constituents.

Customers are increasingly concerned about the quality and service levels they get from suppliers. They want to have confidence that their suppliers can perform—especially in situations that call for specialized knowledge, fast response, or appreciation of the customers' history with the company. **Customer relationships are stronger when an organization's workforce is stable and customers can depend on the company's people—the continuity of their product knowledge, industry experience and proven performance.**

Creditors continually observe the stability and performance of their clients. Any hint of potential problems (as witnessed by workforce turnover, etc), creditors will likely monitor the situation much more closely. This oversight means that the creditor might consume a lot of an organization's time to stay on top of their risk...**and that's time and cost an organization needs to run the business more proactively.**

Investors are understandably very concerned about a company's capacity to perform in ways that will positively influence the value of their stock. When they detect an unstable situation, they start asking questions (Mitchell, 2002). **High turnover raises red flags that warn investors to be extra cautious.**

Unhappy people can seriously affect employee morale. Whether they leave or not, **disaffected workers can damage the attitudes of other workers** (Caplan and Teese, 1997). Negative feelings impact the quantity and quality of work, absenteeism and tardiness, cooperation with supervisors, and a company's ability to attract desired applicants. Instability of the workforce, often caused by ineffective managers, can cause far-reaching problems. When dedicated workers have difficulty getting their jobs done, they quite naturally look for other employment opportunities where they can achieve the satisfaction they seek from work.

The combination of an expanding economy, and a drop in the birth rate a generation ago, have caused a **serious labor shortage** throughout the world (Michaels, Handfield-

Johns and Axelrod, 2001). There is a finite supply of people coming into the workforce through traditional channels. **No more are immediately available.**

To meet staffing requirements, astute employers are deliberate about seeking to hire the caliber of people they need. **Employee retention levels depend, in part on the people who are hired, why they are hired, and how they are managed.** (Dibble, 1999, Herman, 1999; Kaye and Jordan-Evans, 1999). Bringing in the right people for the right jobs is essential.

Calculating the Cost of Attrition

Measuring the cost of employee turnover can be a real challenge...and a real eye opener. What costs should actually be included? Hard costs? Soft costs? Indirect costs? Should an organization measure only uncontrolled (voluntary) turnover, or should replacement costs for people that have been terminated or laid off, also be accounted for?

Regardless of what components are included in the calculations, it is clear that most business leaders have seriously underestimated the cost of turnover. The Saratoga Institute, a leading research firm in the human resource arena, reports: "Losing an employee, even a lower level one, often costs the equivalent of from six months to one year's pay. Highly skilled technicians, professionals, and managers typically cost as much as twice that to replace." Another study, conducted by the Corporate Advisory Board, suggests that the **cost might easily reach 2.4 times a person's salary...if not greater.**

Below is a list of costs related to employee turnover. (Cascio, 1991; Fitz-enz, 2000; Kaye and Jordan-Evans, 1999; Herman, 1999). While not complete, it will provide some "insight" into various components often included in the calculation.*

- Loss of productivity-work put on hold until replacement is on board
- Cost of overtime or temporary help to get the work done during selection and training of replacement
- Lost efficiency, including the interaction and institutional knowledge
- Accrued vacation
- Lowered morale of co-workers
- Recruiting costs (advertising, time to place ads, development of promotional materials, management of web sites)
- Search firm fees (often equivalent to 30 per cent of new hire's first year salary)
- Screening of applicants (time to review resumes)
- Interviewing time (how many people interview each applicant)
- Hiring costs like testing, background checks, drug screens
- Relocation expenditures, temporary housing
- Sign-on bonuses
- Time spent in orientation
- Training, assimilation into work team

* "Compare this information to a client's return on investment (ROI) in the Insights Discovery System.

- Lower productivity during learning period—for both the new individual and those providing the training
- Loss of other employees
- Lost customers
- Lost contracts or business

There is no question that uncontrolled and unexpected employee turnover can damage a company deeply. If enough of the right people leave, the loss can cripple and even kill a company (Dibble, 1999; Caplan and Teese, 1997; Ambrose, 1996). The difficulty of hiring an equal replacement, combined with the time the critical position remains open, can make recovery practically impossible.

Why Employees Become Disengaged and Leave

When managers or supervisors are asked why good people leave, most respond by saying “its about money”. Or, they simply dismiss the departure matter-of-factly by stating that the employee “received a better offer”. As noted by Beverly Kaye, author of the book “Love ‘Em or Leave ‘Em”, managers often blame organizational policies or pay scales for the loss of talent. (Kaye and Jordan-Evans, 1999)

Contrary to expectations, research indicates that money is ***not even in the top five reasons*** employees give when asked why they are leaving an organization. The way an organization distributes money indicates what management really wants however. It sends a message to employees whether the company truly pays for performance; incentive plans indicate service or sales to customers; and an organization that pays and supports employee development will generously pay for academic and training courses. Salary and benefits tend to attract people to organizations, but are not usually the reasons employees leave (Herman, 1999). Listed below is what pay really means to employees (Dibble, 1999):

- **Value** – perceived worth to an organization
- **Equity** – perceived worth compared to other individuals
- **Finances** – ability to maintain certain standard of living
- **Jealousy** – difficulties that arise if someone is not recognized according to perceived worth
- **Favoritism** – perception that one person may be singled out to receive more/less
- **Anomaly** – pay for reliability (attendance)
- **Precedent** – recognition of similar actions in the future
- **Appropriateness** – entitled to more than salary (bonus, profit sharing) for extra effort?

Susanne Dibble— “Keeping Your Valuable Employees”

Figure 4: What Pay Means to Employees

Viewed from *employees' perspective*, a “healthy” organization is one in which people are generally satisfied with the quality of their work life. On most days they feel good about going to work. They feel empowered to help shape decisions that affect them, they have the resources and skills to satisfy customer needs and they are generally confident in the abilities of the leadership team (Thomas, 2000; O’Malley, 2000).

From the *organization’s perspective*, the organization is “healthy” if it is viable as measured by its profitability, competitive market position, and customer satisfaction. A healthy organization also responds well to the need for change; it is adaptive and thereby ensures its future—meaning that following a major upheaval or transition, the healthy organization rebounds and employees remain committed (O’Malley, 2000).

Companies that are able to create commitment realize that commitment ultimately is personal. This is the hard part of commitment that has profound implications for corporate conduct—it requires being flexible and making exceptions, it requires being consistent in what a manager does even though there may be short term costs attached; and it requires making choices about what employees are prepared to do. Commitment requires the patient and concerted effort of the whole organization.

To build commitment, managers must communicate with employees; assess their capacity to engage in various initiatives; give honest feedback; develop their strengths; identify their ‘blind-spots’; make decisions; and most of all, value each person’s unique style and capabilities (Buckingham and Coffman, 1999).

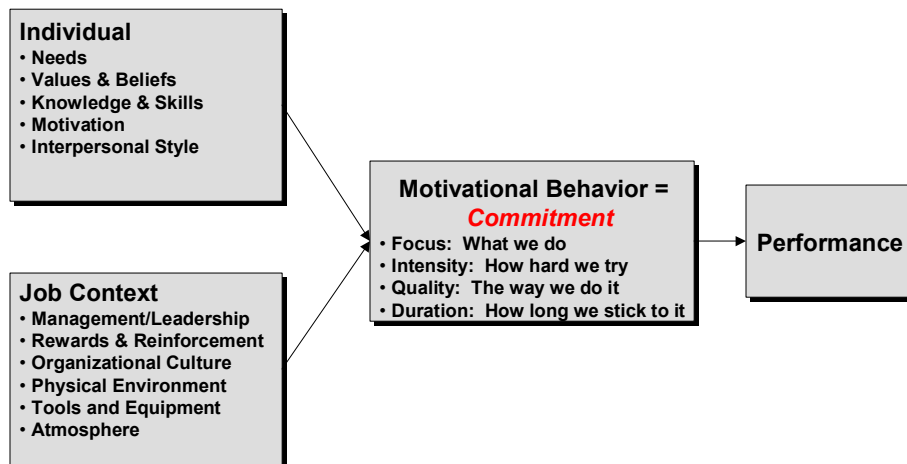


Figure 5: Job Performance Motivational Model

In order for the relationship between manager and employee to be emotionally rewarding, it has to be based on the things that individuals want and need; has to evolve and grow; and must enable the employee to feel effective in the execution of his or her duties (Buckingham and Coffman, 1999).

Bottom line, it is the role of the manager, that most influences an employee’s decision to stay or depart from an organization.

People will leave if they don't like their manager—even when they are well paid, receive recognition and have a chance to learn and grow. In fact, ***disliking or not respecting the “boss” is the primary reason for talent loss.*** Reasons for employee departures cited in major research studies, are, in descending order (Buckingham and Coffman, 1999; Kaye and Jordan-Evans 1999; Kreisman, 2002; Herman, 1999):

1. Employee/manager relationship
2. Inability to use core skills
3. Not able to impact the organization's goals, mission
4. Frequent reorganizations; lack of control over career
5. Inability to “grow and develop”
6. Employee/organization values misalignment
7. Lack of resources to do the job
8. Unclear expectations
9. Lack of flexibility; no ‘whole life balance’
- 10.** Salary/benefits

It is very important to know that the above factors are often NOT the ones mentioned in attrition studies published by individual organizations. Additionally, this information does not match the data (reasons for departing) frequently obtained during an employee's exit interview. The rationale behind this discrepancy is that exit interviews are often conducted by the departing employee's manager or Human Resource Manager. Typically, employees are hesitant to tell these ‘company representatives’ the truth about their decision to leave for fear of ‘burning bridges’ or “getting a bad reference” (Dibble, 1999; Kreisman, 2002).

A recent research study conducted at a large multinational technical firm showed that a significant number of employees (96 per cent of those interviewed) admitted they did not provide the “real” reason for departure (Kreisman, 2002). For these individuals, acknowledging that their manager was the primary reason they left seemed “too risky”. Instead, they chose to give reasons (for resigning) such as:

- Better opportunity
- Industry change
- Better working conditions
- Lack of development

As noted by Marcus Buckingham and Curt Coffman in their recent book, “First Break All the Rules”, a talented employee ***“may join a company because of its charismatic leaders, its generous benefits, and its world class training programs, but how long that employee stays and how productive he is while there is determined by his relationship with his immediate supervisor”*** (Buckingham and Coffman, 1999).

Why employees said they were attracted to the Organization

- Type of work (job content)
- Career opportunities
- Skills development
- Company reputation
- Potential for significant financial reward

Why employees said they left the Organization

- **Poor management/leadership**
- Inability to use core skills (type of work not stimulating/challenging)
- Feeling unappreciated; not valued
- Lack of development; no career opportunities
- Frequent reorganizations

Figure 6: Why People Join Versus Leave Organizations

According to Buckingham, institutional investors have “always been the ultimate numbers guys, representing the cold voice of massed stockholders, demanding efficiency and profitability.” Traditionally they focused on hard results, like return on assets and economic value. Most of them didn’t concern themselves with “soft” issues like “culture”. At least that’s the way it used to be. Two recent research projects undertaken by the Gallup Organization have shown that investors are starting to realize that whether software designer or delivery truck driver, accountant or hotel housekeeper, **the most valuable aspects of jobs are now the most essentially human tasks—sensing, judging, creating and relationship building.*** This means that when good people leave a company, they take their value with them...more often than not, straight to the competition (Buckingham and Coffman, 1999; Caplan and Teese, 1997).

Buckingham and Coffman believe that the most important difference between a great manager and one of lesser quality is that great managers look inward. “They look inside the company, into each individual, into the differences in style, goals, needs and motivation of each person.” **The ability to look inward is the right way to release each person’s unique talents and performance.**

Buckingham and Coffman further explain that each person has a “filter”, formed by genetic inheritance and experiences over time that creates a characteristic and individualistic way of responding to the world. Our filter apparently tells us which stimuli to notice and which to ignore—it creates our innate motivations—are we competitive, altruistic, or ego driven? It defines how we think—are we disciplined, practical or strategic? It forges our prevailing attitudes—are we optimistic or cynical, calm or anxious, empathetic or cold? Our filter creates in all of us, our distinct patterns of thought, feeling and behavior (Buckingham and Coffman, 1999).

This “filter” can account for the fact that the same stimulus produces vastly different reactions in one individual vs. the person next to him/her. Scientists argue about what causes a person’s brain to function in one way vs. another resulting in various behavior patterns. Some contend that genetic inheritance predisposes the person to respond in a certain way; others claim that the way an individual is raised has a significant effect on our behaviors, but few disagree on the outcome. By the time a child reaches his/her early teens, each individual will have a **unique way of responding to the world.**

* These two Gallup surveys included over a million employees from a broad range of companies, industries and countries.

Great managers, according to Buckingham and Coffman, recognize that each person is motivated differently, that each person has his/her own way of thinking and his/her own style of relating to others. “They don’t bemoan these differences and try to grind them down...instead, they capitalize on them. **They try to help each person become more and more of who he/she already is**” (Buckingham and Coffman, 1999).

The Phenomena of Intrinsic Motivation

What motivates people to do their best work in any endeavor they undertake? Management theory and practice has traditionally focused on extrinsic motivators—pay, benefits, status, bonuses, pension plans, expense accounts, etc. While these are powerful motivators, by themselves they are no longer enough—intrinsic rewards are essential to employees in today’s environment (Thomas, 2000).

When organizations wanted only compliance from workers, they bought it with money and other tangible benefits. Extrinsic rewards don’t come from the work itself; instead they are allocated by managers to ensure that the work is done properly and on a timely basis (Thomas, 2000). Nowadays motivational issues are more complex because of the wealth and opportunity so many employees have enjoyed. Thus, work in the current decade has the potential for much richer, “intrinsic” rewards. Intrinsic rewards come to employees directly from the work they do—like the pride of technical accomplishment, service to a customer, or making a difference in the world.

In today’s competitive labor market, intrinsic motivation is crucial. Over the long haul, **people need intrinsic rewards to keep going and to perform at their peak** (Thomas, 2000).

Organizations can no longer offer guaranteed employment and a pension in return for worker loyalty and compliance. **And employees with dull or unfulfilling jobs are less willing to remain with a company for the mere possibility of an eventual pension.** Workers have been forced to take more responsibility for their own careers, going where the work is rewarding and where they can develop skills that will guarantee their employability—in whatever organization (Hall and Associates, 1996). This mobility and “free agency status” has created greater competition for skilled employees amongst organizations. Talented workers have more choices than ever before, and are likely to leave if not satisfied with their employer or job content.

As employees have become more likely to leave unrewarding jobs, the impact of losing individuals has become greater. With global competition and a scarcity of talent, few organizations can afford the cost of recruiting and training replacements (Thomas, 2000). **Managing for intrinsic rewards, then has become the crucial next step in keeping employees.**

Organizations have had generations to develop their extrinsic reward systems. In the future, the biggest gains will come from systematically improving an organization’s intrinsic reward process—making the work itself so fulfilling and energizing that **employees won’t want to leave.**

Work is made up of tasks and tasks are comprised of activities (behaviors) that an employee performs. However, tasks are comprised of more than just activities—they are actually sets of activities directed toward a purpose (Cox, 1996; Thomas, 2000). ***Rediscovering the role of purpose in work is key to understanding the new work and the motivation of today's employees.***

There is much evidence that today's employees, especially knowledge workers, tend to expect their work to be at least somewhat meaningful and rewarding. They are more educated than workers of preceding eras, have a higher standard of living, and see more opportunities for meaning in their work (Thomas, 2000). ***Organizations now find themselves competing to attract and retain workers on the basis of the meaningfulness of their jobs.***

Turnover is Not a 'Binary' Event

An employee doesn't simply wake up one morning and decide he or she is going to resign that day. Nor is it usually one "binary" event that causes an individual to leave an organization. True enough, turnover is a yes/no decision, but the event itself is most often the culmination of a series of experiences that prompt people to disengage.

Research indicates that turnover is actually an evolutionary process by which employees gradually discover (some more quickly than others) what the organization is like and what kind of relationship they are in—with their manager, peers, etc.—and they make a choice accordingly to stay or leave (Dibble, 1999; Kreisman, 2002). The decision is a result of numerous experiences, the final one of which may be the "last straw" or the one that "pushes employees over the edge." ***Causes for resignation are actually the accumulation of experiences with separation triggered by one or more precipitating events.***

In general, companies tend to think of the consequences of commitment in binary terms: people stay or leave; show up for work or don't; are diligent employees or under-performers; have the necessary skills or not. This sometimes leads to a logical fallacy that the causes of attrition (often inaccurate data) are simple and discrete. In reality, ***commitment is the result of complex conditions stimulated by a variety of corporate actions...and those actions often are first experienced by employees during the recruiting process.***

Retention begins long before an employee's first day on the job. It starts when a company representative defines the position to be filled, continues during the interview and hiring stages and is reinforced via new employee orientation. In essence, job descriptions, recruitment, selection and employee orientation are the foundations of retention (Dibble, 1999). Equally important to employees are: career development opportunities, the work environment (including an organization's policies and procedures); performance management; work/life balance; and the management team itself. Each of these factors will impact an organization's ability to attract and retain talented employees.

The Insights Discovery Systems can be used systematically and strategically to improve each of these critical processes as noted further in the next major section of this paper. It should be reiterated however, that the primary influencer of a person's decision to stay or depart from an organization, is the direct relationship between the manager and employee. (Buckingham and Coffman, 1999; Kaye and Jordan-Evans, 1999; Kreisman, 2002; Herman, 1999).

How Insights Can Help Attract, Motivate and Retain Valuable Employees

Manager/Employee Relationship and Insights

When managers or supervisors are asked how they keep good people, many respond, "With money." Research suggests that 89 percent of managers still believe it's largely about money (Kaye and Jordan-Evans, 1999; Kreisman, 2002; Herman, 1999).

As noted previously, the manager matters most because the factors that drive employee satisfaction and commitment are largely within the direct manager's control (Buckingham and Coffman, 1999). Once again, these include providing recognition and feedback, opportunity to learn and grow, fair compensation which reflects an employee's contribution and value to the organization, a "healthy" work environment, and above all, **recognition and respect for the uniqueness of each person's competencies, needs, desires and style.**

Insights can help bridge the gap between manager and employee. It can be used a tool for enhancing communication which then helps managers to better understand the motivational drives and interests of each person. Insights can further be utilized as a vehicle for providing feedback about performance and style. Coupled with a 360 Degree Feedback Report, Insights becomes a powerful mechanism to reinforce other's views of an individual's behavior and/or style indicating areas of strength or developmental opportunities (Collins, 2000).

The graph sections of an Insights report can lead to discussions which reveal issues which cause stress in the work environment. A significantly high or low preference flow should be addressed by the manager and employee to explore issues adversely affecting the individual's desire or ability to do the work.

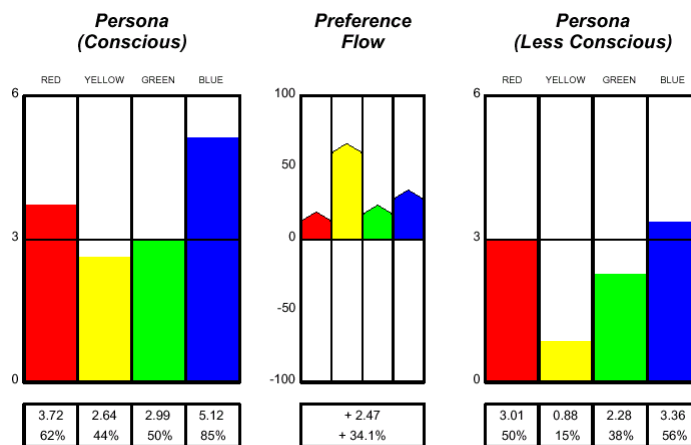


Figure 7: Insights Preference Flow Chart

In essence, Insights can bring about a closer relationship between employee and manager which enables both parties to better adapt, connect and understand one another.

When understanding does not exist, often the manager perceives that the employee lacks the skill to do the job (Kreisman, 2002). The truth is that the employee may be highly competent but his or her style is very different from that of the manager. The “Value to a Team” section of an Insights report provides crucial information to a manager who tends to evaluate all employees against one set of standards. Insights can help managers recognize the value and uniqueness of each person’s contributions, then reward them accordingly.

In these turbulent times when change occurs constantly and re-organizations are the “norm”, Insights can accelerate the process of understanding between manager and employee, resulting in increased job satisfaction and commitment to the organization as a whole. Without Insights, this awareness may take months, years or may never develop at all.

As noted previously, retention begins long before an employee’s first day on the job. At the very outset, a manager’s actions create a lasting impression (perception) on behalf of the employee. It starts when a manager defines the position to be filled and continues throughout the employee’s entire career with the organization (Dibble, 1999). Below are some ways in which Insights can further minimize turnover:

Job Descriptions and Insights

The first step in building a foundation for retention is to have a clear picture of the work needed to be done and the skills required to do it. To support retention, job descriptions should:

- Define what an organization is looking for so that people with the right skills and abilities will be selected.
- Identify the required competencies, style, capabilities, and type of individual needed for the job. ***A manager who profiles his or her entire team using the Insights Discovery System is able to identify possible gaps in the organization and hire to fill those gaps.***

Selection (Interviewing) and Insights

During the interviewing phase, potential employees should be treated as prospective customers. Potential employees have the power and knowledge of their abilities and confidence in their value in the marketplace (Dibble, 1999). The worst mistake a company can make is to misrepresent its culture, reward system, advancement/development possibilities and/or business strategy (Kreisman, 2002).

- Treat all candidates fairly and with respect for their individual skills and unique attributes. **Use the Insights Discovery System to educate all incumbent managers on the value of understanding and recognizing differences amongst types. This will help minimize the “halo” effect often associated with managers who favor (give job offers to) people most similar to themselves.**
- Encourage hiring managers and HR personnel to adequately and accurately describe the company’s immediate needs. Explain what skills, style and competencies are needed and why. **An Insights Team Wheel can depict gaps in the group or organization’s competency areas. A manager who realizes a gap exists may seek to fill an open position with a person whose skills complement those of rest of the group.**
- Have the hiring manager take the time to identify (ask) what **motivates** each person in order to gain knowledge of the candidate’s self awareness. **Motivational drives are ‘key’ to understanding others in a work environment. If a manager knows what motivates (is of importance to each employee) the manager can adjust perks (in this case an offer of employment package) to the specific desires of the candidate. The Insights Discovery System clearly identifies what motivates or demotivates people at work.**
- Explain the company’s process of using the Insights Discovery System for selection purposes--**if validated for the particular job opening.***
- Provide an adequate and accurate description of the company’s culture so that candidates may determine if their values match those of the organization (Cameron and Quinn, 1999; Trice and Beyer, 1993; Schein, 1977). **During the hiring process, encourage managers to talk about the current climate (culture) of their respective organizations. This can be done via the use of Insights which graphically identifies the predominate style of a group or department. The hiring manager can then compare/contrast the present with a desired future “cultural state”. This will enable a prospective employee to determine if his/her values fit with the current organization.**
- Discuss the company’s strategic plan, structure and initiatives so that candidates may identify how their skills may impact business outcomes. **If a manager is trained to use the “language of Insights” he/she will understand that a prospective employee is not only interested in knowing how his/her skills fit the organization today, but also in the future. Encourage the hiring manager to discuss developmental opportunities for newly hired individuals within the respective organization. Ensure that the manager mentions he/she is aware that**

* Some organizations may want to validate the Insights Discovery System for hiring individuals into Managerial, Executive or sales related positions. Validation refers to the instrument’s capability of predicting job success based upon internal benchmark factors. (Read “Insights for Job Selection Purposes” authored by Scott McLagan, Insights-Denver, January, 2002)

people have different learning styles and acknowledge that a variety of types of training are available.

- “Sell” the company. Discuss the organization’s strengths, future, position in the industry, etc. **To achieve a higher acceptance rate amongst prospective new employees, train managers in the Insights Selling Process and provide each hiring manager with his/her Insights Selling Style Report. Remember that job applicants should be treated as potential customers.**
- Provide the hiring manager with a list of prepared interview questions which will result in a complete picture of the candidates’ past experience, including what the person did, the circumstances surround the action and what happened as a result. **Incorporate questions from the Insights Interview Guide to identify potential strengths/weaknesses of each candidate. This can be done even if the candidate has not taken the basic Insights evaluator via awareness of color energy differences.**
- Seek to find the best match of position with the candidate’s career and personal interests. **Do not oversell the organization; do not try to create a match if there is not a natural fit between the organization and prospective employee. Know your own style (via completion of the Insights Discovery Process), and understand that not everyone is motivated, or committed to the same type of job function or organization. Respect individual differences!**

New Employee Orientation and Insights

A company has a short period of time before newly selected persons start their responsibilities with the organization. During that time, individuals will continue to develop an impression of the company and what the job will be like. This is a very vulnerable time for some people who may be re-thinking their decision to accept/reject a company’s offer (Kreisman, 2002).

Orientation should actually begin the moment the agreement is reached between individual and employer, and will continue through the first month or so of employment. During this crucial period, the hiring manager plays a significant role in the retention process (Dibble, 1999). Throughout the orientation phase, the organization wants new individuals to be sure that they have made a good decision in agreeing to work for the company.

- Continue to tell and demonstrate to new employees that they will be valued by their team members. **Have new employees take the Insights evaluator within the first couple of weeks of employment and use the report data to generate a conversation about interests, strengths, value to the new team, etc.**
- Consider new employees’ perspectives. **Often the best suggestions for organizational change come from “objective” sources (i.e. people new in**

the organization). Encourage dialogue that values a new person's opinions and understand that his/her style may be different, and sometimes better, than yours. The Insights Discovery System helps others to appreciate different points of view.

- Develop key messages and delivery methods which include organization charts, information about key leaders, expectations and objectives, etc. **To help a new employee navigate through the organization's informal and formal power structures, share "insight" about the style of incumbent managers, important stakeholders, peers and subordinates. Insights provides a framework for these types of discussions.**
- Discuss the company's mentoring program (if there is one), along with developmental processes, the organization's opportunities for involvement with volunteer and community programs, recreation facilities, and on-site services. **A savvy manager understands that there is more to life than work. (The Insights Personal Learning Style Chapter attests to this). Further, it is important that a new employee has someone he/she can feel comfortable with who can offer confidential "organizational survival" suggestions, as well as information about company or community sponsored recreational events, and services. In assigning a mentor, it might be wise to match the new employee with someone of similar style to ensure understanding and appreciation of feelings.**
- Plan and conduct ongoing orientation sessions with organization leaders regarding key topics; offer building tours etc. **Recognize that people have different learning styles—some learn by reading; others by experiencing. Adjust a new employee orientation program so that it appeals and benefits all types of individuals.**

Career Development and Insights

The 21st century employment relationship has redefined development and career opportunity. "Development" is now considered as gaining new skills and taking advantage of many different methods of learning that benefit employees and organization alike (Simonsen, 1997). Employees benefit by experiencing greater satisfaction about their ability to achieve results on the job and by taking responsibility for their career; the organization benefits by having employees with more skills who are more productive.

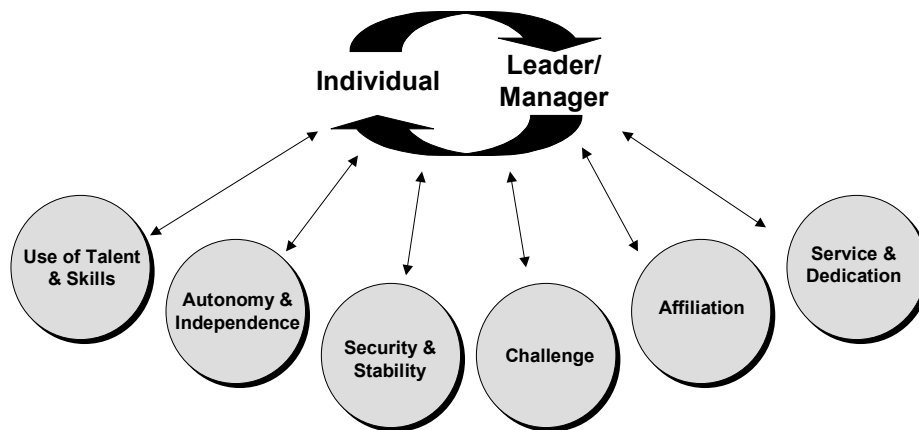
Employees say that the availability of skill development opportunities and career movement are "key attractors" to organizations. If an organization does not recognize the individual's need and desire to grow, then "development" becomes a primary reason for resignation (Kreisman, 2002; Dibble, 1999).

Insights can serve as a communication vehicle for discussions about an employee's current and future interests. Further, Insights helps managers and employees to better identify what values (needs) are most important to each

individual and how these values impact the person's attitude towards work. Typically, values can be clustered into the following categories (Dalton and Thompson, 1986; Schein, 1978; Kreisman, 2002; Ambrose, 1997):

1. *Use of key skills/talent*
2. *Autonomy and independence*
3. *Security and stability*
4. *Challenge*
5. *Affiliation*
6. *Service and dedication*

Results from the Insights Discovery System Basic and Management reports, can be used to discuss factors are of most importance (motivating) to each individual in a group. Conversely, a manager can also identify those factors that are likely to be de-motivating or cause an employee to attrit from the organization. For instance, a person motivated by a high degree of autonomy is likely to resign if he/she is micromanaged; an individual motivated by challenge is more apt to terminate if he/she is assigned to an old project using old technology; and so forth.



Every person has a unique blend of factors that motivates and fulfills them

Figure 8: Motivational Factors

When an organization has a policy of promoting from within, its good people will set their sights more deliberately on opportunities for professional growth in the context of the organization vs. looking elsewhere. (Dibble, 1997; Kreisman, 2002).

To maintain the interest of the incumbent employees, an organization should demonstrate that current employees will have at least an equal chance in the competition against outsiders for new positions. When comparing outside applicants to internal candidates, an organization should value the internal candidate's deeper understanding of the organization; the personalities in various key positions; and what would be expected in the new position. Whenever an

outsider is chosen over an internal candidate, the hiring manager should examine why the incumbent was not prepared for the opening.

Performance Management, Feedback and Insights

Giving feedback is difficult for some managers. Many feel uncomfortable delivering feedback especially when there is a perceived deficiency. Additionally, some managers are not comfortable providing feedback when an employee does something well. Human beings want attention and recognition; they are hungry for any kind of acknowledgment of their value or even their existence within the organization.

Research shows that 85 percent of all difficulties in organizations stem from interpersonal relations—not the competencies of individuals (Association for Psychological Type, 2001). Research further indicates that approximately 45 percent of all “executive derailments” occur because the manager has failed to develop and maintain a network of relationships both inside and outside the organization (Denver Post, 2001; Dalton and Thompson, 1987).

Insights Discovery System tools and processes can be used as the basis of workshops which result in a better understanding of individual differences amongst employees and managers. Understanding self, others and interactions can be the single most important aspect of personal team and organizational effectiveness and can have a significant impact on reducing unwanted attrition.

Team Linkage and Insights

Strong relationships at work are key to retaining an organization’s people. Most individuals want and need colleagues to think, work and create with. In fact, some research shows that co-worker support and acknowledgement is key to retaining their technical talent. The study found that some engineers depend on the workplace as a primary source of social relationships (O’Malley, 2000; Thomas, 2000; Trice and Beyer, 1993). The same is true for many other key employees who place a high value on affiliation.

The Insights Discovery System can be successfully utilized to promote team effectiveness and team building. The main purposes of ‘team building with Insights’ are: 1) to improve productivity by having individuals work together to solve problems, make decisions and improve relationships within the group and 2) helps team members take more responsibility for their actions within the context of a team.

Both of these objectives help promote employee longevity by enabling team members to recognize the value and contributions of one another.

In summary, the Insights Discovery System can be an effective tool to enhance employee/manager and organizational understanding. By enhancing understanding, the prospect of unwanted turnover is greatly reduced.

Retention is Not for Everyone

It would be a mistake to believe that organizations should attempt to retain each and every employee—especially in light of today’s economic turmoil. The challenges that confront managers are therefore not only how to minimize the possibility of losing good employees, but also how to identify the employees an organization ***needs and wants to keep***.

The preceding sections of this paper focused on minimizing unwanted turnover. This section will briefly outline a methodology for identifying those employees who have “talent” and are “contributors” to the organization. They are the employees who make a difference to:

- Customers
- Other employees
- Managers and Executive Management
- Shareholders, Boards of Directors and other constituents

These key players exhibit:

- Breadth as well as depth of technical/functional knowledge
- Customer service
- Creativity
- Continuous learning
- Flexibility
- Self-direction
- Commitment to the organization’s success

Losing one or more of these individuals could have a significant impact on the organization goals and ability to maintain its stature in the marketplace.

These valuable employees are often not concentrated at the top of the organization. Instead, they are spread throughout, at the frontline, in the back room, and in leadership positions. They are customer service representatives, programmers, accountants, nurses, clerks and program coordinators (Dibble, 1997; Thomas, 2000).

The employees an organization wants and needs to keep differ from others with the same job titles. They are known best by their skills.

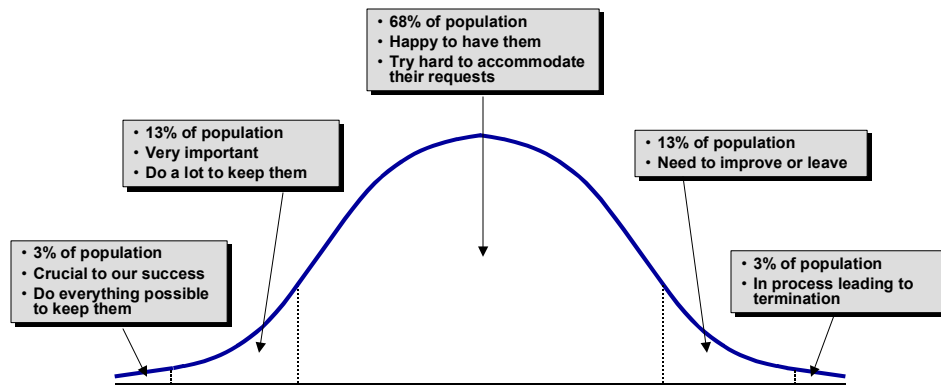


Figure 9: Who Should Be Retained?

An organization may not know the actual number of employees it wants to retain, but a working assumption is that the employee population follows a normal distribution: (Dibble, 1997):

- Three percent (3%) are crucial to the organization's success and everything should be done to keep them.
- Thirteen percent (13%) are very important and the organization should do a lot to keep them.
- Sixty-eight percent (68%) of the population should be considered valuable and the organization should do what it can to accommodate them.
- Thirteen percent (13%) of an organization's population probably need to improve their skills and performance, or leave.
- Three percent (3%) of an organization's population at any one time should probably be in a process leading to their termination of employment.

Using this data, retention-related strategies should be **targeted at 97 per cent of the employee population.**

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Biography of Barbara J. Kreisman

Barbara Kreisman is a Principal of the Insights-Denver Learning Center and accredited Insights Faculty Member. Additionally she is co-founder and Principal of Intergistic Solutions Consulting Firm which has offices in Denver, CO and Austin, TX. Barbara consults primarily in the areas of individual, team and organizational effectiveness and has over 25 years of direct experience in Organizational Development and Human Resource-related specialties.

She has been employed by several Fortune 100 companies including Dell Computer Corporation, Monsanto and Motorola and has consulted with clients representing High Tech, Health Care, Construction and Process Manufacturing industries.

Barbara has conducted exhaustive research in the area of Organizational Behavior, and is a Ph.D. Candidate at the University of Texas. Her degree is interdisciplinary, with coursework drawn from UT's Departments of Management, Marketing, Organizational Communication, Human Resource Development and Psychology. Her dissertation is on the subject of ***"Identifying the Drivers of Employee Dissatisfaction and Turnover"***. She holds two Masters Degrees--one in Human Resource Development from the University of Texas and the other in Career Counseling from Arizona State University.

Barbara is qualified to use numerous diagnostic tools including: The Insights Discovery System, Myers Briggs Type Indicator, Birkman Assessment Methodology, Strong Campbell Occupational Inventory, FIRO B and Thomas Kilmann Conflict Mode. She is a certified Team Facilitator, Employee Retention Trainer, Four-Stage Career Model Facilitator and Workforce Diversity Trainer.

Barbara is a member of the Society of Human Resource Management, ASTD and the Association of Psychological Type. She is a certified practitioner of Virtual CEO.

Appendix One

Insights and Layoffs How To Retain Your Best People After Downsizing

To date, very little has been written about the survivors of downsizing events—those who remain in the restructured organization. Like displaced workers, employee survivors and survivor managers must deal with the side effects of lost commitment and productivity, disappointment, insecurity and increased workloads.

Layoffs are not a new phenomenon. Indeed, some long-tenured employees may have survived recent layoffs and remained on the job. So why should organizations be concerned about losing these employees now?

For those employees escaping layoffs, (the “survivors”), life in the workplace is very different after a downsizing. In essence, the psychological contract between employee and employer—the promise of continued employment in exchange for loyalty and hard work—has been broken. For many people, what they do and how well they do it defines who they are. In addition to job security, the psychological contract met needs of self-identity, self-esteem and affiliation (Caplan and Teese, 1997; Ambrose, 1996; Schein, 1990).

As an organization itself undergoes change, it too, suffers the loss of competence, connection and commitment. Layoff survivors feel the shock of loss of their colleagues, their uncertainty, their feeling of incompetence and their lack of job identity. They worry about their own importance to the organization in the future and the pain for ‘surviving managers’ is intensified by the fact that they are held responsible for everyone else’s suffering. And...in some cases the organization’s trauma is compounded by the realization that the layoffs were ill advised, or did not bring the expected gains in stability, productivity or profitability.

Though organizations may not intend to be callous or uncaring, concerns for the welfare of employees must be balanced with business realities. Downsizing, merging and restructuring are not done on a whim, but to achieve certain business objectives and bottom-line results. The actual results of such actions, however are frequently not as planned.

In 1990, only 20 percent of American employees surveyed by the International Survey Research Corporation were concerned about being laid off. Six years later, 64 per cent reported being fearful of losing their job (Caplan and Teese, 1997; Ambrose, 1996; Deal and Kennedy, 1999). ***And fear often equates to lost commitment and higher turnover amongst the very people an organization can least afford to lose.***

A recent survey of 1,200 human resource executives conducted by Right Management Consulting firm, showed that 88 percent of the employees who survived downsizings in their organization were given no training or assistance in recovering from the downsizing event (Ambrose, 1996). This is in contrast to the high percentage of firms (92%) that offered outplacement, counseling or benefits to those who actually lost their jobs.

This is where Insights can be brought into play and used by organizations to re-engage their employees, thus offsetting “post downsizing” turnover and lost productivity. The following are some suggestions for Human Resource Professionals, Consultants and Managers alike:

- The most critical step in the healing process is facing the reality of the situation at hand. While shock and denial are natural first reactions to loss, employees must find ways to move through stages of anger, bargaining, depression and finally acceptance. The best way to do this is through communication. Anger may be turned inward, resulting in depression or directed at others—regardless, it is crucial for a manager to understand the impact of downsizing on each and every employee (Caplan and Teese, 1997).

Insights is a perfect vehicle to re-establish communication and further helps identify how each individual deals with trauma in the workplace. The Preference Flow chart can depict early warning signals due to stress on the job.

- Loss of trust in management is the most predictable symptom of the survivor syndrome. When organizations choose to reduce the size of their workforce, those who remain ask three questions related to 1) competence—“Do they know what they’re doing?” 2) Benevolence—“Do they care about the impact on us? Do they have our best interests at heart?” and 3) integrity—“Are they acting in a consistently honest, principled way? Are they telling us the truth?” To establish and maintain trust, managers must make choices that allow survivors of downsizings to answer yes to these three questions. (Ambrose, 1996, Caplan and Teese, 1997; O’Malley, 2000).

Unfortunately, managers can’t always do this, but they can open the dialogue with employees which show that they care and are interested in the employee. Insights can be used as a means to demonstrate commitment and concern to employees. It can also prompt discussion about next step opportunities that match the employee’s career objectives.

- Because employees doubt that managers care about their best interests—employee “survivors” may take few, if any risks, as they go about doing their work. For the same reason, and also because they fear repercussions, they may withhold ideas and information. Because they have lost faith in managerial competence, survivors may question the legitimacy of the business decisions surrounding downsizing and restructuring. Disillusioned employees at all levels find it easy to engage in a cycle of blame for insecurity, job overload and for other feelings associated with working in a downsized restructured organization. Motivation wanes in the face of all of this, and inevitably the employees’ best talents are withheld (Caplan and Teese, 1997; Deal and Kennedy, 1999; Ambrose, 1996).

The Insights Discovery System can be used by managers following a downsizing event to reassess the values and motivational drives of each employee. The assessment can be applied at the individual or team level and results can be instrumental in regaining employee

initiative, trust, and commitment. At the team level, Insights data can be plotted on a team wheel to show the composition and value of all team members. This information can be beneficial in realigning the organization following a transitional event such as downsizing.

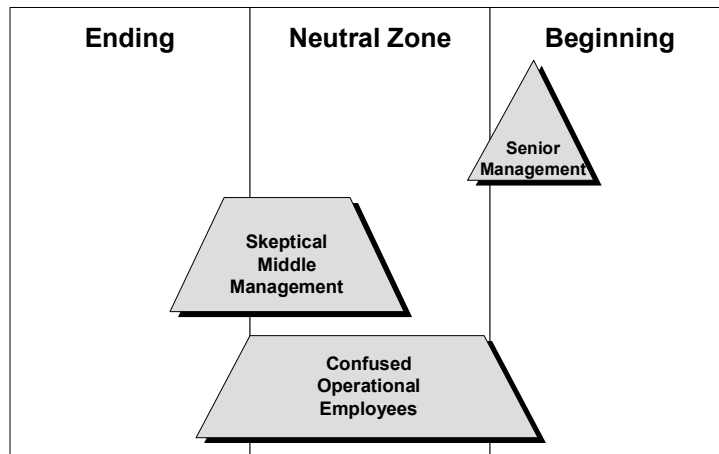


Figure 10: Transitional Misalignment

In their book, “Survivors, How to keep Your Best people on Board After Downsizing”, authors Gayle Caplan and Mary Teese, categorize layoff survivors in three major groups based upon personality style and type (Caplan and Teese, 1997). According to them, people fall into one of the following classifications noted below. ***The Insights Discovery System can help depict and predict how each type will respond to a downsizing event. Managers can use this information to respond to the needs of their people.***

1. **“Potential Surprise Departures”** – These people are typically productive, high achievers who are one step away from leaving the organization, alternately engrossed in their work and disengaged from the organization itself. These people are often motivated by challenge and are frequently the “rising stars” or fast trackers within the organization. For this category of person, personal goals are not separate from, but interwoven with their career plans. Some of these people can be self-described mavericks. Though ardent about their work, they are not necessarily going to follow the rules, color inside the lines or stay within set parameters of expected behavior.

These individuals, more than any other group, appear most able to step back and detach in order to dispassionately evaluate the aftermath of a downsizing situation. One of the identifying characteristics of this group is how proactive and in control they sound. What is important to note however, is that this classification of “employee survivors” recognize that they, not the organization, have the ability to create their own destiny. Following a downsizing, these individuals evaluate whether to stay or leave, and often remain only long enough to attain a specific milestone

with the organization—becoming vested or taking a promised sabbatical. Many actively look for a new position outside of the company and will leave within 12 months following a downsizing. These are the individuals who, even in a tight labor market are able to easily obtain another job because they are known first and foremost for their skills.

In the context of Insights' color energies, these people are likely to have a high degree of blue and/or red energy. They may be classified on the Insights Wheel as "blue observers"; "red/blue reformers"; or "reforming directors". It is important to note, however, that individuals comprising the "surprise departure" group could have any combination of color energies.

Organization/Managerial Challenge: As productive, effective individuals, these employees often provide little evidence of their concerns and potential leave taking in their outward behavior and interactions. What may look like committed employees—arriving on time performing responsibility and responsively—masks their internal stance. Where others may be argumentative, these individuals may calmly ask about the organization's plans or next steps. Because they are very independent, and self-sufficient, people in this category may disengage psychologically and be ready to move on. Management must find ways, to re-engage and recommit them to the organization's goals and make them feel important again. Use clues/conversation from the Insights Discovery Report to accomplish this.

2. **"Wait and See"** – These employee layoff survivors are often more vocal than the first group. They are frequently good performers who become visibly upset with management and confront their decision to eliminate (layoff) specific people. Although controversial, these people are still engaged with the organization's mission and objectives. They play an important role in the future and focus their concerns about the present on the organization's structure. From their perspective, structure not only provides parameters for doing tasks but gives these individuals clarity and creates boundaries for their career pathing. Structure also provides a system of checks and balances and measurement tools to ensure fairness, a primary concern during a period of change.

When the current structure is threatened, when it appears about to be modified, dissolved or replaced, these "survivors" fall into crises. They may express outward anger and display hostility to mask their anxiety and their fear of being out of control. They need, and want to seek new anchors to regain control of their lives—even if the solution is only a quick fix.

These people are often goal driven, and some may actually be fast trackers within the organization but a key difference between these people's and those in the first category, is that they've developed their career goals in accordance with the specific company's hierarchy, and are therefore less likely to leave. Instead, they have a much more

reactive response to downsizing because their security (which is tightly interwoven with the *company's structure*) has been shaken.

Within the organization, these “wait and see” survivors’ reactive behavior frequently comes across as challenge to information, criticism of plans, and seemingly endless questioning of details.

Although their behavior might be viewed as assertive risk-taking, it is actually uncalculated and unplanned, a spur of the moment reaction. They can come across to management as threatening—particularly when the recipient of the incessant questioning doesn’t have all of the answers. Thus, the short-term impact is to negate the credibility or merit of the issues as manager’s become defensive or walk away, putting off discussions or meetings. The effect of management’s “no response” is to discount these “wait and see” employee’s issues, and by association, themselves. As a result, these individuals have difficulty taking control of their lives; are unable to re-engage in their work, and move through the organization’s changes. They become more guarded, feel threatened and protective of their own interests—literally guarding workspaces, files, and information.

Despite their self-concerns, these people can serve as “barometers” within the organization. They often pose pertinent questions that display thoughtful analysis which is thorough, detailed and focuses less on how things will work in the future and more on what actions to make the plan work in the present.

Values are central to their work life. One is that loyalty is a given and loyalty is two-way. The employment “contract” between them and the company represents mobility and the path for movement and promotion within the respective organization. After a downsizing, this group of people will “wait and see” what happens to their own careers before deciding to depart. They will perform even non-challenging assignments during an interim period following a layoff, because the ‘employment contract” speaks to mutual commitment—the exchange of hard work and loyalty for promises of job security and career opportunity.

In the context of the Insights Wheel, these people may be of any color energy combination, but often are those with higher green or yellow scores—the Inspirers, Helpers and Supporters. They value close relationships and perceived ‘rights’ of employees; and are typically reliable, stable, calm, influencing and trusting. However, downsizing their organization creates an intense, stressful environment, and they often become self-righteous, impulsive, critical, suspicious, questioning and pessimistic.

Organizational/Managerial Challenge: It is important to note that people who fall into this category are “on hold” waiting to see what the organization will do next. The manager’s challenge is to move them off of “hold” and redirect their energy toward the new

organization. Engage these people in conversations about the future, and their specific role within it.

3. **“Ride It Out’s”** – These persons are less visible in the organization by choice. They are most connected to friends and the past, and are the least likely to leave an organization by their own choice. The ‘ride it outs’ are motivated primarily by stability, structure loyalty and affiliation. They are impacted at a deep, emotional level by a downsizing event which resulted in displacement of their friends or family. For them, trust has been broken and it will take a great deal of communication to regain both confidence and commitment.

For this type of individual, the present (post downsizing) brings unresolved conflicts: the future, uncontrollable danger. The past, is where, prior to the layoffs, these survivors found comfort in jobs with friends in an environment that fostered tradition and provided them with security. A part of coping with the changes is acting as if the past is still happening. Hence, these individuals react with denial and may keep trying to do the job as they’ve done it before. They often hold on to obsolete forms, records that are no longer relevant, and copies of old files, business cards, etc.—all symbols of holding onto the past.

When living in the past, and denial is no longer possible, these “survivors” turn to avoidance and escape; they flee from realities literally and/or figuratively, withdrawing into themselves when actual retreat is not an option. Within the context of downsizing and change, individuals of this type become extremely risk averse; they shrink from trying new tasks not only because of the fear of failure, but because of what they perceive the ultimate consequences will be—termination.

Avoiding risks and using caution do not appear only under crises, for safety is an operating principle of this type of person’s work life.

Not without ambition, ***many people in this category reach management level positions*** and have done so via their loyalty and commitment to the organization. They tend to pursue their ambitions by identifying and affiliating with mentors and champions and are sometimes perceived as “political” by their peers. From the perspective of someone in this category, friends, the CEO, Management, and social network, all define their job. A key value expressed by these individuals is the importance of feeling connected to the organization and people in it.

Post downsizing, these individuals struggle because of their conflicting attachments. They are torn between loyalty to the leadership and loyalty to their co-workers and friends. Dual loyalties, which are their strengths, become their undoing following a downsizing. Though they may believe that management’s actions are unfair, they will not challenge leadership with their perceptions of inequity. On another level, they are averse to making any statements or taking any actions that may alienate their friends or cause leadership to perceive them as disloyal.

In the context of the Insights color energies, these people may have any combination of red, yellow, blue or green. However, their primary motivational drives typically are security and affiliation, thus they too may display a higher level of green and yellow. They tend to judge their own actions, and others actions, against their personal values. They can become defiant and stubborn if these values are violated and may become overly emotional when under stress or in conflict, and may fail to keep the continuing support of the group.

Organizational/Managerial Challenge: The challenge with this group is to cut through their denial, to disengage them from the past and help them regain the feeling of being self-reliant, empowered individuals. Concentrate on reconnecting these people to their mentors or champions in the organization. Involve them in meetings where direction is being communicated, allow them visibility to the “decision-makers” and enable them to have as much information (to feel safe) as possible about the company’s future.

In the most basic sense, stress is a physiological response to a perceived threat or stressor. It is estimated that, when we are faced with any one stressor, some 1,400 bodily changes occur, all aimed at protecting us by assisting us to deal with the situation causing the stress (Kaplan and Teese, 1997). Most notably, adrenalin and other hormones are released into the bloodstream, causing our metabolism, heart rate, blood pressure and breathing rate to increase, preparing us to act on our own behalf. This response, identified in the early twentieth century, by Walter Bradford Cannon of Harvard Medical School as the “fight-or-flight” response, is key to human survival in a sometimes-hostile world.

It is no surprise that in the past few years, workplace stress has reached epidemic proportions. In addition to the stress of layoffs, today’s employees wrestle with multiple stressors, such as uncertainty about the future, job overload, role ambiguity, and concerns about family and work/life balance. The physiological responses to these stressors are accompanied by emotional and behavioral ones as well.

In the context of the Insights Discovery System, overused strengths may become weaknesses and under tension, individuals with a high degree of blue energy become withdrawn or avoid confrontation; people with a lot of red energy will become dictatorial or more assertive than usual; people with a high degree of yellow energy are apt to verbally attack others or become sarcastic; and people with lots of green energy will often acquiesce or withdraw.

Managers who are trained in the Insights system can minimize the negative affects of stress on employees. They are more readily able to recognize early stress warning signals that can impede employee productivity or result in a “fight or flight” reaction to downsizing.

Through awareness of human behavior gained via the Insights Discovery Process, an astute manager can avoid the loss of a good employee, at any time—even following a downsizing.

Appendix Two

Cost Worksheet Losing and Replacing An Employee

Separating An Employee From The Organization	
Accrued Vacation	
Good-bye Party on work time	
Administrative--Remove from payroll and benefit programs	
Exit Interview--employee and interviewer time	
Other--	
Subtotal	
Hiring A New Employee	
Job Description--verify that the position should be filled; review and revise Job Description	
Advertising--Newspaper, Magazine, Internet, Job Fairs, Radio, etc	
Search Firms	
Interview Expenses--Travel, Entertainment, Coordination, Time	
Selection--coordination, assessment tests, check references, physical exam, etc.	
Salary Increase & Perks--over incumbent	
Signing Bonus	
Relocation Costs	
Administration--put on payroll, enroll in benefit programs, etc.	
Other--	
Subtotal	
Developing A New Employee (to the level of the incumbent)	
Orientation & Training	
Lower productivity during training	
Other--	
Subtotal	
Loss of Business Performance	
Lost Customers	
Loss of Productivity	
Overtime and Temporary Workers	
Other	
Subtotal	
Hidden Costs	
Loss of knowledge and wisdom	
Loss of leadership talent	
Major decisions put on hold	
Bad P.R. in the business community	
Lowered morale of remaining workers	
Lost opportunities (e.g. new business)	
Other--	
Subtotal	
Offset	
Labor savings from open position	
Other--	
Subtotal	
Grand Total	

Appendix Three

How Committed Are Your Employees?

This survey should be completed by the group **MANAGER** in reference to his/her employees.

Instructions: Please read each of the following statements and answer as you believe the majority of employees within your organization would respond. Enter a rating of 1-6 based on the following scale, in the left hand column. When finished, tally your total score at the bottom of the page.

- 1--Mostly Disagree
- 2--Moderately Disagree
- 3--Slightly Disagree
- 4--Slightly Agree
- 5--Moderately Agree
- 6--Mostly Agree

#	Statement	Rating (1-6)
1	Other companies just are not as good as the one I currently work for.	
2	I would like to spend the rest of my career with my current organization.	
3	I like telling others about the company for which I currently work.	
4	I often make sacrifices for the greater good of my company.	
5	Disagreements between myself and the company are handled constructively.	
6	I try my very best at work--I give it my all.	
7	Many of my professional/vocational needs are fulfilled at my current company.	
8	I gladly do whatever my company asks me to do.	
9	I consider the interests of the company as a whole when taking action.	
10	It would be difficult for me, emotionally, to leave my current organization.	
11	When I make a significant mistake, I feel comfortable letting my manager know.	
12	I am proud to wear clothing and use other items with my organization's logo on them.	
13	My current organization is the "best" in its industry.	
14	I would not be as satisfied working some other place.	
15	I think of my employment as a kind of membership in a club to which I belong.	
	Total Score:	
	<p>Score Key:</p> <p>81-90 points = Extremely Committed</p> <p>72-80 points = Very Committed</p> <p>63-71 points = Moderately Committed</p> <p>54-62 points = Slightly Committed</p> <p><54 points = Not Committed At All</p> <p>Adapted from: Creating Commitment, Michael N. O'Malley</p>	