

Managers: A Key Factor in Employee Retention and Engagement

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Introduction

Seasoned professionals want more than money to stay with an organization. Although pay sometimes becomes a justification and often shows up in exit interviews, most employees stay in organizations because they have a trusting relationship with their manager and see career opportunities. Given the frequent changes in management, reorganizations, mergers and the like, building and maintaining a trusting two-way relationship is becoming harder than ever for managers. They all claim “I don’t have enough time.” Our response is, “It’s not as much a question of time as of focus.”

Background

According to a recent survey of over 1,000 professionals conducted by Mastery Works Inc., one of the top three factors affecting a respondent’s decision to leave an organization was whether the manager developed a trusting relationship with the employee. Phrases employees used to describe great managers included:

- Respectful
- Supportive
- Challenging
- Developed unique talent
- Family conscious
- Provided career opportunities
- Cared
- Helped me learn from mistakes
- Supported risk-taking
- Went to bat for me
- Trustworthy
- Talked about long-term goals
- Integrity

The survey found that managers who respected and valued employees’ competency, paid attention to their aspirations, assured challenging work, valued the quality of work life and provided chances for learning had loyal and engaged employees. In these days of corporate scandals, having a manager with integrity and respect has become more important than ever.

The majority of survey respondents indicated they wanted to stay in their organizations. They would rather not have to start all over again in another organization and rebuild their reputation, network, comfort level and confidence. However, if the desired conditions aren’t available within their current organization, they’ll move on — whether they want to or not. Ease of movement, of course, is likeliest for the most valuable and highly marketable employees. These are the first to leave and hardest to replace. And, managers are frequently the cause of dissatisfaction, disengagement and resignations.

Findings

The chart below lists the surveyed employees' responses of what they look for in managers and the organization environment. The percentage of times each item was listed is also shown. These findings underscore the importance of relationships between managers and employees. Lack of trust was an issue with almost every person who left an organization. The quality of the manager-employee relationship is a critical feature of the workplace environment. With trust present, managers “know” what truly motivates the employee. Without it, the manager is oblivious to an employee’s needs and does not recognize the employee’s growing dissatisfaction until he or she resigns — too late to remedy the situation.

What Employees Look for in Managers and the Organization

High – 90+%	Retention Factors
	Respect and Trust of Manager
	Manager with Integrity
	Work/life Balance
	Career Opportunities – Mobility & Advancement
Medium – 70%-90%	
	Challenging Work
	Flexible Work Schedules
	Learning Opportunities
	Personal Values Aligned with Organization Values
Low – 30-60%	
	Teamwork
	Comparable Pay
	Passion for Organization Mission
	Autonomy

When managers have been asked which of the above factors they influence, most agree that they can impact all of them except comparable pay. So this puts the burden on managers to build strong, respectful relationships and know their people’s needs.

A+ Managers

While analyzing *why* people stayed or left an organization, five management practices emerged as hallmarks of managers with high retention rates. When the practices were present, employees stayed because they felt appreciated and knew how they could contribute to the organization now and in the future. When the practices were not regularly embodied and reinforced by management, loss of key people increased. These practices include:

- Appreciating the uniqueness of each employee – values, interests, skills, knowledge, style, and work/life balance needs
- Assessing and giving frequent feedback to employees – performance, reputation and network
- Anticipating and speaking about the future of the organization – industry, organization, profession and job trends
- Aligning employee's goals and aspirations with the mission and strategies of the organization
- Accelerating learning, mentoring, training and on-the-job development opportunities

The benefits of developing skills in these management practices are developed below. Managers will also find tips on how to focus conversations, build trust and respect, and anticipate tough questions they may receive from employees. In order for managers to take this on diligently, leaders need to reinforce and model the same management behaviors.

APPRECIATE EMPLOYEES' UNIQUENESS AND WORK/ LIFE NEEDS

Life circumstances change as people become more experienced in their profession, marry, divorce, have children, get older, have aging parents, develop health concerns or find themselves in the role of a "trailing spouse." Work/life balance is one of the top requirements of employees today. They're willing to make great sacrifices to assure their quality of life. According to a recent study by the Families and Work Institute, 22 percent of employees are willing to sacrifice some career advancement to enhance their personal lives. Among workers ages 18 to 24, however, that figure jumps to 34 percent – and 60 percent among very young parents. These new generations are working to have a life now, not just for the future.

Tracy had a one-year-old child and commuted almost three hours daily. She approached her manager and asked to experiment with telecommuting two days a week, to balance her hectic work schedule with changing family needs. Her manager said telecommuting was not a policy in the organization. Tracy researched similar organizations to see how they were handling telecommuting and made a presentation to her manager about the proven benefits of telework. Again, the response was, "Our organization doesn't have a policy." Tracy began job hunting. She was torn, because she loved her work and reputation in the organization, but could no longer put herself and her family second in creating a balanced work life.

Not too surprisingly, Tracy resigned, leaving a major vacuum in the company. Today she is fully employed in a major competitor and an organization that respects and appreciates her skills and life needs. She is thriving, has a great manager, and is leading several major change strategies in the company. She says she's in a perfect "fit" regarding her skills, her values, her goals, and her aspirations. She has found an organization that respects and appreciates her life, as well as her work.

Employees who can articulate their changing needs should be met with flexibility and openness on the part of management. Managers who truly appreciate and value the uniqueness of each employee can capitalize on their talents. Being able to talk about values, skills, interests and life needs is just as important as discussing work in today's 24/7 world. Great managers get to know their people well and develop a loyalty and engagement that's hard to quantify.

Actions to Stimulate Appreciating Uniqueness

- Listen to the work/life needs of employees and seek win-win solutions.
- Discuss employees' prior work experiences to identify their skills, values, interests and knowledge base in order to maximize their contribution and satisfaction.
- Talk about the unique talents and behavioral strengths of each employee and explore how he/she can build on strengths to contribute more fully to the organization.
- Learn what motivates employees – working with ideas, people, data or things – and help them enrich their current work, if necessary.

Understand and negotiate work schedules, telecommuting possibilities, and work preferences with each employee to assure a better *fit* between their needs and the strategies of the organization.

Tough Questions Managers May Encounter

- I don't feel like I use many of my talents and abilities in this job. Can we talk about how I could add more value?
- I'm not happy with the type of work I'm doing and don't want to leave the organization, what do you recommend? Talk about the unique talents and behavioral strengths of each employee and explore how he/she can build on strengths to contribute more fully to the organization.
- I no longer feel challenged in my job. I feel like I'm falling behind in my profession. What advice do you have?

We all want to be known, valued and respected. And, we want to honor the life commitments we've made. Getting to know employees is no longer a luxury for managers. It's a critical behavior for enhancing the business and capitalizing on the unique talents of every employee. Even one disengaged employee creates an energy drain in his/her team and organization.

ASSESS AND RESPECT THE CAPABILITY OF EMPLOYEES

Employees want to work with managers who give them feedback, respect their competencies and prior experience and ask them for input and advice. They treat employees as valuable colleagues. Managers who listen carefully, give frequent feedback to their employees and reinforce a positive reputation attract great people to work with them. They are like magnets. Their reputation spreads and people want to be on their teams.

Michael, a high-powered sales professional who had been working in the home construction business for 20 years, *"finally couldn't take it any longer."* Michael tried to work with his new manager, share his experiences and give feedback from his customers, but his manager wouldn't respond. *"I felt disrespected and not listened to for months. I had a proven track record, greater than the new manager's, but he acted as if I knew nothing. I finally decided that I had to leave for my own mental health. I hated to walk away from that kind of money and customers I'd cultivated for years, but my own dignity and self-esteem became more important."*

After much soul-searching, Michael left the organization after 20 years. The organization's regional sales have decreased markedly and two other sales managers are job hunting on the outside. What will it take for the manager to see that his lack of listening and appreciation of Michael's skills, network and reputation created a huge loss for the company?

Actions to Enhance Assessing Employee Capability

- Explain the criteria for assessing the quality of each employee's work.
- Provide individuals with specific feedback on a day-to-day or week-by-week basis in one area of performance – handling a meeting, speaking with a customer, refiguring a budget, etc.
- Discuss with employees how their current performance impacts their reputation and future career goals.
- Help employees widen and strengthen their industry, organizational and professional networks.
- Ask for specifics when others are discussing the reputations of employees.

Tough Questions Managers May Encounter

- I think my reputation is good at this company. But how can I know for sure?
- I am kind of shy and work hard. I don't have time to interact with other people very much. How can I develop a broader network?
- I'm not performing as well in my job as I know I could. I think I need training. What would you recommend?

Managers need to be prepared for these questions. Performance is only one indicator of future capability. An employee's reputation and network are also critical for long-term success. Tell the truth. Give employees an honest context for assessing themselves and their future.

ANTICIPATE AND DISCUSS FUTURE TRENDS IMPACTING THE ORGANIZATION

As organizations merge, divest, down-size, outsource and change because of increased competition or changing technology, employees need to be part of the conversation about the future. They need to know what changes are anticipated and how they might fit into the future of the organization. Certain jobs or professions may become more or less important to the organization. Employees need to know this, so they can be prepared for the changes.

Jeff, the leader of one government agency, saw that technology would be replacing the jobs of several hundred administrative clerks. Three years before the technology transfer, he and his management team discussed the importance of redeploying the clerical staff. The employees were invited to attend a career workshop with the purpose of preparing themselves for another trade or profession. Individual employees who thought they'd never make a decent wage nor have a profession had well-thought out career goals based on the changes in technology for the Agency.

As a result, more than 250 clerks chose professions in computer repair, graphic design, administrative support, programming, word processing, data base management, financial analysis and many other professions and trades critical to the Agency. Instead of being “outplaced,” they had full employment and the basic competencies required for the future. Their managers anticipated the impact of technology and talked with employees about the changes well before they happened.

Helping employees anticipate the future involves creating the opportunities for them to learn, explore, evaluate and discuss changes that will impact their jobs and professions. Talented employees have become wary of organization change. When not involved in discussions with managers, they spend their time second-guessing the strategies, lower their engagement and begin job searches outside the organization. Both productivity and morale decline.

Actions to Support Anticipating the Future

- Talk in-depth about future competency requirements, based on trends in the industry, organization and profession.
- Talk clearly about changes in the organization that will require new learning. Be specific and honest.
- Discuss whether employees are in core or secondary professions, based on the mission and future strategies of the organization.
- Provide an overview of the types of career opportunities available in the organization, based on changing organizational priorities.
- Discuss the importance for employees to learn how to use new technology that will increase their personal productivity.

Tough Questions Managers May Encounter

- I am concerned that the skills I have today won't be needed down the road. What do you see happening?
- I see changes in other organizations but not here. What is management planning to do about our competition?
- Why are we so frequently followers in the industry rather than leaders?

Anticipatory managers feel secure because they've already envisioned how competitors, key professions, and other organizations will be dealing with changes in the industry. They frequently engage in discussions about the impact of trends. Employees see the future and spend their time getting ready.

ALIGN EMPLOYEE ASPIRATIONS WITH THE ORGANIZATION MISSION AND STRATEGIES

Passion and purpose drive successful organizations. The more closely an individual and the organization are aligned, the greater the energy and productivity. Managers who know employees' goals and tap into them will be able to retain employees and boost organization innovation.

Tran, a professional with 15 years of leadership experience in a core technology of the business saw the need for shifting part of the product base for the customers they served. He ran conferences, brought in outside speakers, researched and did everything possible to awaken top executives to the changing business needs. Unfortunately, they were still making money in the short term and were unwilling to listen to his vision and advice.

He resigned, leaving a major vacuum in the company. Tran got major investments for the technological shift he led and started a competitive business in the new product area. He is a partner in an organization that “fits” his vision and goals. The product he predicted is one of the biggest sellers in the medical market. As a result, his prior and current organizations are in direct competition. If his prior management team had listened to him about customer needs and changes in technology, they would have kept a valuable leader and would be ahead in a new product field rather than playing catch up. His vision and experience in the core technologies let him see new possibilities.

As often happens, the leadership team to whom he made the recommendations has retired and the incumbents are left to take back a market segment they led for 30 years.

Actions to Align Employee Aspirations with the Organization

- Listen to the vision and goals of employees, especially if they have innovative ideas.
- Explore long-term aspirations as well as short-term goals with employees.
- Discover the kind of work employees seek in the long-term and diligently help them find those opportunities in the broader organization.
- Help individuals link their career goals to the long-term strategies of the organization.
- Assist employees to move into other parts of the organization that better fit their long-term goals, even though they may have to let go of a key performer.

Tough Questions Managers May Encounter

- I don't see many opportunities for learning and growth here. What do you see as other options for me?
- Do I have to move up in order to make more money? I love the field I'm in and don't want to be a manager.
- What are my long-term options in this organization, given my unique talents and skills?

Successful managers help employees see how their goals fit into the long-term strategies of the business. They discuss organizational changes and brainstorm how they will impact their employees. They know that “letting go” of employees who will benefit another part of the organization makes good business sense.

ACCELERATE LEARNING OPPORTUNITIES

Professionals want to keep learning and developing their “hot skills” so they are marketable and can contribute in a meaningful way. Managers who succeed at retaining their workers are always seeking development opportunities and projects for them. They are on the lookout for challenges, new assignments and even willing to let their employees go to other divisions or business units to keep them in the company.

Ann worked for a major energy company for eight years. She was a specialist in human resources with a Ph.D. from a leading school. She was an extraordinarily gifted systems thinker and organization development consultant. Unfortunately, her manager was threatened by her systems savvy. The organization was undergoing a major shift in the industry and facing new ownership. However, Ann's manager was unwilling to tap into her skills and potential and kept her doing routine training and personnel management. She went to him several times with proposals for redesigning HR services and consulting to better support the strategic business plan as they looked at the new ownership. Each time she was rejected.

After three years, Ann moved to a smaller organization, where she had more responsibility, could work on systems issues and was well respected by the executives running the company. Her prior employer is still looking for a replacement and slowly losing its reputation in Human Resources.

Accelerated learning is a requirement today. Employees know that they must continually build their knowledge and competence or risk obsolescence. Manager must relentlessly look for development opportunities. Managers can help find mentors, foster internal networks and build support for innovative development projects. Those that do have highly competent and successful individuals working with them. Those that don't, lose valuable people.

Actions to Accelerate Learning

- Link employees to resources and mentors in other parts of the organization.
- Foster networking by bringing people into the department and helping them connect with other professionals in the industry, organization and related professions.
- Coach employees in developing detailed and relevant learning plans.
- Discuss your team members' career goals and abilities with other managers to find learning opportunities.
- Provide on-the-job work experiences to help employees develop new competencies.

Tough Questions Managers May Encounter

- How do you expect me to learn on the job when I'm doing the work of three people?
- Where do you suggest I start if I want to learn more about the industry we work in?
- What are some upcoming projects that would help me develop new competencies?

Building a learning environment that supports a variety of learning methods related to key organization strategies and objectives keeps employees engaged. The best managers use "real work" to develop their people. They are always on the lookout for projects and initiatives that build individual skills while growing the organization. Smart people want to work with them.

Managers who are open and honest, align individual needs with business needs and consistently practice the five A's, will experience great success and pride in the development and retention of their employees.

About the Author — Caela Farren, Ph.D., is President of MasteryWorks, Inc. in Falls Church, VA. She has been a consultant, entrepreneur, and educator for over 30 years, Caela has worked with hundreds of thousands of people worldwide to get them on their mastery path. Caela's practice and company builds strong links between changing trends in industries, changing strategies of organizations and the talents and aspirations of individuals. People who work with her company discover their passion, their mastery path, and bring renewed contribution and high performance to their organizations.

Caela is known internationally for her expertise in developing talent management products and services. Her solutions are user-friendly systems that serve the needs of both organizations and individuals. She is frequently quoted in the media regarding her thoughts and advice on changing careers and work patterns in the nation. Hundreds of organizations have implemented talent management solutions from MasteryWorks, Inc. — consulting, workshops, assessment instruments and web-based talent management portals.

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