



Employee Engagement and Retention

**7 Key Strategies for
Motivating, Inspiring, and
Holding on to Top Talent**

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Executive Summary

Engagement and retention is recognized as a top challenge among almost all large organizations—from corporations to large non-profits to public institutions. Studies consistently show that positive or negative engagement factors directly affect employee retention and have far-reaching corresponding impacts on productivity, morale, quality, customer satisfaction, and ultimately, profits and sustainability. Most organizations understand the importance of engaging and keeping key employees and they make serious efforts in these areas. Often, however, these efforts fall short, and the most valuable employees walk (or run) out the door.

This paper explores the current state of employee engagement and retention, factors that contribute to poor results in these areas, and the tangible and intangible costs to employers. It then discusses the most common engagement and retention tactics used by large employers, and examines benefits and pitfalls of these strategies. Finally, this paper explores the importance of effective leadership and introduces 7 leadership strategies that directly improve employee engagement and increase desired retention of key players. The Leadership Excellence Coaching Program developed by TurnKey Coaching & Development Solutions from these leadership strategies allows executive clients to strengthen their effectiveness in specific ways that favorably impact employee engagement, increase productivity, reduce turnover, and improve profits.

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The Current State of Employee Engagement

One would have to go out of his or her way to avoid the research studies, leadership books, and magazine articles on this topic that have become *de rigueur* reading for any management professional. But like most hot-button topics, engagement and retention has generated its fair share of hot air. Despite a plethora of emerging theories and strategies, the fact is talent management issues continue to plague even the best organizations

Consider the following facts:

- According to a variety of published formulas, employee turnover can cost anywhere from 25% to 400% of the departing individual’s salary and benefits.
- A 2009 Gallup Employee Engagement Index reports only 33% of workers are “actively engaged”—feeling passion for their jobs and a connection to their company. 49% consider themselves “non-engaged”—just putting in time without energy and passion. And a shocking 18% say they are “actively disengaged”—unhappy enough to routinely undermine the accomplishments of other employees.
- The Gallup report further states that actively disengaged employees cost United States organizations more than \$300 billion annually in lost productivity.
- The Corporate Executive Board recently reported that 90% of leaders recognize that employee engagement is still the most crucial factor when determining organizational success. And while they

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acknowledge that engagement practices directly impact the success of their business, over 75% also admit they have no engagement plan or strategy in place.

- Most alarming, a report published by Aon Hewitt states that in the quarter ended June 2010, 46% of tracked organizations experienced declines in employee engagement, while only 30% experienced an increase in employee engagement. According to Aon Hewitt, *this was the largest quarterly decline in the more than 15 years they have been tracking employee engagement.* And this adverse trend is continuing.
- Goldman Sachs watched its shares plummet after top British exec Greg Smith, in an open letter to the *New York Times*, announced his resignation, claiming that chief executive Lloyd Blankfein and president Gary Cohn “lost hold of the firm’s culture on their watch,” which resulted in a “decline in the firm’s moral fiber.”

We know that over the last decade, entire departments have been created and staffed to focus on talent management and employee engagement. This is reflected in the fact that The Human Capital Institute (a global association for furthering the science of strategic talent management) completely sold out of seats at its 2012 Employee Engagement Conference in Seattle, WA. Despite the attention large organizations have been giving to these issues, the statistics and studies like the ones mentioned above clearly prove that employee engagement and talent retention continue to be big challenges. And with dramatic demographic shifts anticipated in the next decade, the severity of these challenges is magnified.

And this begs the question, “What can be done?”

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The Rules Have Changed

The constantly changing and turbulent business environment we're currently experiencing is hard on organizations and leaders, and it's also hard on employees. As the business climate changes, organizations must be agile and quickly adapt their strategies to roll with the punches.

For a company, this may mean restructuring, completing a merger or acquisition, developing a new business strategy, outsourcing an entire business function, or implementing a radical new technology. It may mean setting up offices in faraway locations or creating virtual offices.

For an employee, this may mean constantly changing responsibilities, confusion over the organization's strategy or goals, not understanding their personal impact on the company, or reporting to one person one day and another the next (or maybe both). It often means persistent ambiguity about their role and the shifting sands of power when they want to be heard. Careers may frequently flow horizontally with scarce opportunities for coveted vertical movement.

In the end, employees and leaders alike may become frustrated and disappointed.

Your hope as an organization is that your best employees want to be there and want to shine. But if they are constantly feeling frustrated, if the business climate has resulted in lack of connection, role confusion, and lack of fulfillment or purpose, you can bet they'll listen when a headhunter calls. They could be out the door before you know it.

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The True Cost of Retention and Engagement Issues

Consider this scenario. Your top V.P. of Marketing left because she was unhappy with the corporate culture and unclear about her prospects for the future. Now you are wondering how her departure is going to impact your organization. Applying a commonly used statistic, the replacement of your V.P. is going to cost (at the low end) about 150% of that individual's annual salary and benefits package.

That's a mind-boggling number, for sure, but does it give a fair assessment of the total damage?

What about the massive deadline your marketing department could miss as a result of your V.P. leaving?

What about the morale and productivity of employees who now feel lost and unanchored?

What about the decline in performance and potential for errors that occur during a period of speculation and uncertainty?

What about the loss of motivation and career direction that occurs as a result of organizational turmoil and inconsistent leadership?

What about shareholder unhappiness that could follow a drop in performance or confidence?

Finally, what about the loss of additional personnel if this highly visible departure signals a broader concern about the health and vitality of the organization?

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Ka-ching!

When all is said and done, the estimated costs the turnover calculator produces is really just the tip of the iceberg. Once organizations understand the huge tangible and intangible costs of unwanted turnover, they are more likely to be motivated to invest in meaningful engagement and retention plans. Plus, with any improvement in the economy, there is a higher risk that key employees will feel safer to go elsewhere.

Five Commonly Used Engagement and Retention Strategies

Strategy #1: "Just Pay More" Strategy

High salaries alone cannot prevent unwanted turnover. It's just not that simple or sensible for the business. Yet, employers who are trying to engage and retain top talent often turn to compensation as a key strategy. They believe that the more money they throw at their employees, the more secure they'll be. It's certainly true that *fair* compensation and benefits policies contribute to whether an organization is viewed as a "good place to work." And it's also true that employees can still be wooed by rival organizations that offer more money. But is cash really king? Will top people really stay or go just on the basis of money?

A WorldAtWork study titled *The Impact of Rewards Programs on Employee Engagement* found that total reward structures, policies, and programs had a significant impact on employee engagement. But this same study showed that base pay and benefits had the *weakest* impact on an organization's ability to engage and motivate employees, when compared to incentives, intangible rewards, and quality of leadership. Ultimately, the

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the study showed that many organizations simply didn't understand how to use money and other rewards to motivate and engage employees.

To illustrate this point, let's take a look at female CEOs.

According to a recent report by NerdWallet, the median compensation for female CEOs exceeded median compensation for male CEOs by 13% in the most recent fiscal year. (The nineteen female CEOs of S&P500 companies earned median compensation of \$11.1 million while the 481 male CEOs earned \$9.8 million median compensation.)

So women CEOs are making good progress on the money front, right? But they continue to have a significantly higher turnover rate—about twice as high—as their male counterparts. A study done by researchers at Oregon State University showed that 7.2% of women execs at Standard & Poor 500 firms leave their jobs compared with just 3.8% of men.

Why?

The Oregon State study went on to prove that the turnover disparity between female and male executives actually had little to do with gender or money. Instead, it had to do with the level of specific experience they brought to the table and correspondingly the level of support they received. The overwhelming number of male-dominated organizations have not made the right efforts to ensure that women executives get the leadership training and mentoring they need. Female executives often don't have role models who have paved the way for them. A LinkedIn survey shows that 82% of women feel it's important to have a mentor, yet 50% say they haven't met someone appropriate for the role, and a whopping 67% say they haven't even been asked.

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And while mentoring and support is undoubtedly an issue among female executives, it is also true that male executives who lack role models, support, or leadership development are susceptible to leaving.

So, if you're currently using the "more money" strategy and wondering how much more it's going to take to keep employees from walking out the door, relax. Later in this report, we're going to show you a tried-and-true engagement and retention strategy that is far more effective than putting more money into paychecks and has saved one organization in the hospitality industry an estimated \$30 to \$60 million per year.

Strategy #2: The "Worshipping at the Feet of the Training Gods" Strategy

If you can't effectively engage and retain employees with money, perhaps you can put your money into the next best thing—training. Every year, American companies spend an estimated \$134 billion on training programs. While the majority of this training budget is allocated to necessary skills training, about 20% or \$27 billion is spent in the areas of leadership and management training.

Consider another astounding figure. According to the Bureau of Labor Statistics, organizations spend about \$1.78 per employee, per day, on training. So on average, a

company with only 500 employees is spending \$323,500

per year on training. What that means then in simple math terms is that if the company produces a 10% profit margin, the company has to achieve an incremental \$3.2 million in sales to pay for the training.

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There are countless studies that prove training boosts skills, develops talent, and makes employees feel happier and more in tune with their jobs. Training is especially valued by employees in high-tech jobs where it would be career suicide to get stale. When employees improve their skills, they feel better about their jobs and their performance, resulting in a spike in engagement and productivity.

But is training a siren’s song? Talent managers shell out big bucks across the board in the hopes that training will be the silver bullet that increases engagement and motivation. They roll out program after program and even create “corporate universities” to manage the scale of these efforts. And too often, they fail to evaluate and develop more intelligent strategies to ensure that their training dollars have the lasting value and impact they intend.

Plus there’s plenty of evidence that training doesn’t “stick.” One study showed that training increased productivity by 22.4%. Not bad. But what if we introduced you to a method that quadrupled that benefit, increasing productivity to 88%? Later in this report, we’ll introduce you to a strategy that, when used alongside training, produces 65.6% higher productivity than training alone.

Don’t get us wrong. Training is absolutely important, valuable, and necessary. But training alone is simply not enough to ensure employee engagement and effective retention.

Strategy #3: The “Dangling Carrot” Strategy

Think about the typical performance review. Whether you’re on the giving or receiving end, they tend to follow the same formula. Employees receiving feedback often report that the first two minutes are spent on things that are being done right, while the

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next 58 minutes are spent on the things they are doing wrong or could do better. Rarely do these meetings include meaningful career discussions. It's no wonder that, according to a study by Reuters, 80% of U.S. workers are dissatisfied with performance reviews. But is anyone out there listening?

Organizations often hold things such as pay raises, bonuses, stock awards, more responsibility, and promotions over their employees' heads, hoping that these "dangling carrots" will result in the motivation and engagement that's needed for them to boost "areas of improvement." Instead of focusing on how their employees can leverage their strengths, leaders giving the feedback frequently focus on weaknesses, making the point that these areas could be hindering the employees from getting that raise or promotion.

At first glance, it makes sense. Dangle the rewards in front of employees, and like champion greyhounds, your employees are off to the races. Or are they?

A study done by Kansas State University shows that employee wellbeing and happiness could hold the key to organizational success. According to the study, psychologically healthy employees were better performers. And since performance is ultimately tied to organizational outcomes, employee happiness can play a huge role in an organization's success.

While "happiness" is a term that's difficult to define, employees who say they are happy at work are, in general, interested in their work, find meaning in it, and feel that they positively affect organizational goals.

If your organization relies on a "dangling carrot" strategy, there are better ways out there. Continue reading to learn how large companies are using a tried-and-true method that

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leverages strengths for professional development, increased productivity and higher loyalty—a method nine out of ten executives strongly believe is well worth their time and money.

Strategy #4: The “Assessment Tool” Strategy

Employee assessment tools have been around for a very long time—they have been used by the military since World War I. Broad-based as well as highly targeted assessments have since been adopted by organizations looking to improve engagement and retention. These tools are designed to evaluate any number of individual and organizational factors. Companies spend a good chunk of time and money choosing and administering these tools and there are hundreds, maybe thousands, on the market. Employee satisfaction surveys are ubiquitous. Many top performing companies base a significant portion of executive evaluations and thus compensation on the results.

Talent management teams conduct talent evaluations that feed succession planning efforts. They also administer trait-based assessments and tools that appraise employees’ strengths and weaknesses as well as their personal preferences, motivators, and other attributes. Conceptually, if they can tap into this knowledge, they can use it to positively impact engagement and retention, and ultimately the organization’s bottom line.

Unfortunately, for a lot of reasons both practical and ethical, the plethora of information gathered may not be effectively harnessed to create the optimal results.

Sometimes, a potentially useful report might end up in the hands of just one or two people who may or may not decide to do anything with it.

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Savvy leaders *must* find a way to use the information they've gathered through assessment tools and feedback surveys, otherwise they'll lose the talent wars.

So far, we've discussed four strategies commonly used to boost engagement and retention by large employers. And chances are you're familiar with every single one of them. Your organization may have used one or perhaps all of the above strategies. And what were the outcomes? Perhaps you've been there, done that, and you're left wondering where to turn next. You may be hesitant to spend more time and more money on an engagement and retention strategy that, once again, may not meet your expectations.

Fortunately, there is a solution you can count on. It's Strategy #5.

Strategy #5: Enlightened Leadership Cultivated and Supported by Professional Coaching

When it comes to maximizing employee engagement and retention, studies tell us that more money, one-size-fits-all training, focus on performance, and fancy assessment tools, when used alone, simply don't cut it. But let's face it. You don't need a bunch of scientists and researchers to tell you that. You've tried these methods, and you know through personal experience that they aren't getting the complete results you want. There is a chance that you are actually on the right track, but you need a complementary strategy to maximize results.

The Leadership Excellence Coaching Program offers a proven strategy that the best companies are using to maximize engagement and retention, cut costs, improve performance, and boost their organization's bottom line.

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First, stop and think about the best job you ever had—the one that inspired and motivated you to be the best you could be. The job that actually made you love Mondays.

Next, think about the worst job you ever had—the one where you were merely putting in the time to collect a paycheck, waiting for the next best thing to come along.

Think about what these two jobs had in common. Chances are, not much.

But they probably did have one thing in common. In each situation, it's quite likely that your boss had a major impact on whether you loved your job or hated it.

The quality of leadership has a huge impact on employee engagement and retention. This is not simply hypothesis, it's a fact that is well supported by research. WorldAtWork's study, *The Impact of Rewards Programs on Employee Engagement*, looked at the effects of incentives such as pay and benefits, intangible rewards, and quality of leadership on engagement. And guess what? *Quality of leadership had the strongest relationship with effectively motivating and engaging employees.*

According to a study done by Performance Solutions Group titled *Are Your Employees Engaged?*, only 42% of employees feel inspired and engaged by their leaders.

And according to the *2010 Global Workforce Study* done

by Towers Watson, employees desire leaders who are both competent and inspiring, yet they doubt their current leaders' abilities in both areas. You can't help but wonder, "Are leadership development programs focused on the right areas?"

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The quality of leadership had the strongest relationship with effectively motivating and engaging employees – more than pay, benefits, and intangible rewards.

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Twenty years ago, the answer may have been “yes.” But in today’s global economy—where socially and culturally diverse organizations operate on several different continents, where it’s the norm rather than the exception for individuals to be organized in matrix, flat, or virtual teams—the answer is much more complicated.

To be sure, high-performing organizations have to set the right values and expectations and also provide meaningful training opportunities for their leaders. But all this falls short if there is no coaching, support, and individual accountability.

Introducing the Leadership Excellence Coaching Program

Using knowledge gathered from decades of corporate-level business leadership, executive experience, training, and development experience, TurnKey Coaching & Development Solutions has created the *Leadership Excellence Coaching Program*. This targeted coaching initiative is designed to meet today’s engagement and retention challenges head on, placing the focus where it really matters—on LEADERSHIP.

The Leadership Excellence Coaching Program highlights seven key strategies that unquestionably improve employee satisfaction, productivity, and positive results across the board. The goal of the Program is to provide the framework, safety, and individual support that is necessary to produce great leadership and engaged employees for sustainable success.

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Seven Leadership Strategies that Improve Engagement

1. Cultivate High Trust

We expect a lot from our managers. In order for an organization to remain competitive, a good manager must create an atmosphere of teamwork and performance. Hopefully we've all experienced at least one of these managers during our careers—the person you look back on and say, “Wow, that person really had a way of inspiring me and those around me, in both good times and bad.”

In order to create this kind of energy and commitment, a manager must be socially and emotionally intelligent, proactively anticipate the needs of the team, lead from the front, and know what it takes to motivate and inspire. All great managers—bar none—share one thing in common. They cultivate trust. It is this trust, when all is said and done, that serves as the backbone of a cohesive team.

How to do this varies widely. According to Stephen M. R. Covey's insightful book, *The Speed of Trust*, the two critical components of trust are character and competence. It takes both to deserve high trust. He writes:

“Character includes your integrity, your motive, your intent with people. Competence includes your capabilities, your skills, your results, your track record. And both are vital.”

Leadership coaching can help managers understand their personal trust and credibility scores, develop a game plan to improve their trust “index,” and create an environment that contributes to higher levels of engagement and retention. An effective

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leadership coach can help managers completely change the dynamics and attitudes in their departments by:

- Developing a stronger rapport with employees. Managers who genuinely, authentically care about every employee—what makes them tick, and what they require to be successful—will quickly earn trust. Leadership coaches can help managers develop strategies to empower and engage even the most difficult of personalities.
- Establishing character and integrity. A professional coach can help leaders come up with a plan to establish the credibility they need to earn trust. These leaders have to display integrity, show transparency in motives and intent, and consistently walk their talk in alignment with their stated values.
- Demonstrating competence. The best leaders have a record of getting things done, are always true to their word, consistently follow through, and have proven results. A coach becomes the leader's performance partner, cheerleader, and sounding board for work challenges.
- Resolving conflict. Do your managers get frustrated by conflict, and allow it to derail projects? Or do they see it as an opportunity to build relationships and learn? A leadership coach can help managers build the skills they need to most effectively manage and solve problems.
- Becoming an excellent communicator. Honest, clear, and consistent communication builds trust and relationships. A professional coach can help leaders communicate better not only with those in their department but with those throughout the organization, which will, in turn, build an atmosphere of teamwork in which employees count on and rely upon one another.

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2. Model Core Values

For the past several years, the business world has been pretty topsy-turvy. From the headline-generating scandals of big corporations like Enron to the collapse and tentative rebuilding of the global economy, today's organizations—and their leaders—face more challenges than ever.

How are your leaders responding to these challenges?

Do your leaders run around with buckets of water, “putting out fires?” If this is their regular course of action, this will not prevent fires from happening in the future. Fires will continue to burn, and quite often it's the same old fires. Employees will feel frustrated, unmotivated, and tired. Engagement and retention will suffer.

A strong set of core values guides individuals in how to act when issues and problems occur. They provide a reliable framework for making

decisions and taking actions in challenging times, when the answers are far from easy.

The best leaders have a strong sense of the organization's core values and their own. They walk their talk. They practice what they preach. And they act with passion, integrity, and courage. Leaders who act this way instill confidence and trust in their employees, and

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Seven Leadership Strategies that Improve Engagement

1. Cultivate High Trust
2. Model Core Values
3. Encourage Debate and Risk Taking
4. Listen, Really Listen
5. Leverage Strengths—Mitigate Weaknesses
6. Be Savvy About Organizational Nuances
7. Imagine the Future

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create an atmosphere in which organizational development follows quickly on the heels of personal development.

Leadership coaching can help managers not only clarify what their core values are, but also communicate their core values and ensure that there is clear alignment with the organization's values. This explicit alignment increases the effectiveness and influence of the leader, resulting in improved engagement and retention.

3. Encourage Debate and Risk Taking

Organizational culture has typically been considered a “soft” HR topic, relegated far behind more “important” areas such as compensation and benefits when it came to engaging and retaining employees. However, a study done by Leadership IQ showed that *entrepreneurial cultures*—those that promote risk-taking, creativity, and intelligence—have the highest employee engagement. Yet, in the same study only 19% of respondents said their organizational cultures were entrepreneurial.

The best employees want to be in organizational cultures where their opinions matter, where debate is accepted, where they are encouraged to take risks and learn from mistakes, and where there is a constant sense of adventure and growth. And managers and leaders are directly responsible for the development of this kind of environment.

Consider this scenario. You're a quarterback, and have the opportunity to play for two professional football teams. On one team, the manager prefers to dictate plays, telling you exactly how things should be done and accepting no mistakes. On the other team, the manager's policy is to let you give some input, based on the information around you.

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He trusts you to put in your two cents. He doesn't mind if you make a few risky plays, knowing that you'll learn from them, and ultimately improve your game as a result. What team would you rather play for?

Obviously there are penalties for making mistakes which can result in leaders holding a tight rein on employee decision making and creativity. Too little freedom suffocates good employees but too much freedom can spell trouble, big trouble. The balance is tricky, and the safety zone only expands with confidence and experience. With the help of a professional coach, leaders and managers can strengthen their ability to delegate authority and learn how to create entrepreneurial cultures in which debate and risk taking is encouraged and embraced. Leaders have to embrace not being right all the time and have to have the fortitude to be challenged but ultimately accountable for the final outcomes. Specifically, coaches often help leaders as they help employees:

- Accept disagreement and failure. Thomas Edison said, when it took him many times to develop the light bulb, "I have not failed. I have just found 10,000 ways that will not work." Leaders can be taught to develop a culture in which failures are embraced as essential to future success.
- Learn from experiences. Employees who are not afraid to make mistakes and who are comfortable talking about them contribute to a learning atmosphere. When employees feel as if they are personally growing and learning, engagement and retention skyrocket.
- Acknowledge what you don't know. It's important for leaders to be perceived as experts. But they also must admit when they don't know something, or when they have made mistakes. Their ability to admit they don't know it all will encourage employees to do the same, and will go far toward developing an atmosphere in which learning, risk-taking, adventure, and fun are embraced.

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- Expand options. In the world of negotiating, the party with the most options will probably “win”. The ability to develop or discover a large number of options that can satisfy a challenge is an extremely valuable asset for cultivating flexibility and successful resolutions despite the obstacles.

4. Listen, Really Listen

Much has been made about how meaningful and relevant communication fosters the type of positive environments that result in engagement and retention. But what many leaders don’t realize is that being a good listener is essential to being a good communicator. The best communicators know when to keep their lips zipped and their ears open.

Listening is an important skill that is too often overlooked, underestimated, and underdeveloped. And if you are a smart, experienced leader for whom time is always of the essence, one of the most tempting things to do is immediately share your knowledge and opinion when asked (and sometimes even when you are not asked). This impulse, however, robs the other person of the thinking process to come up with their own opinion or solution. It’s one of the most common and difficult skills that coaches assist their business clients to develop. The one-on-one coaching process can help leaders learn how to:

- Invite and show appreciation for feedback. When employees feel as if their feedback is valued and their input matters, they feel a more integral part of the team. When they feel a more integral part of the team, engagement and retention naturally follow.
An executive coach can help leaders and managers develop the tactics they need to genuinely and authentically welcome feedback.
- Become a “master asker.” A few years ago, a popular public speaker on leadership, possibility thinking, and change management, Brian Biro, challenged his audience to

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become “Master Askers”: ask the right questions, listen to the answers, follow up with more questions, and basically do a whole lot of listening. An executive coach can challenge your leaders to ask questions, suspend their judgment so that they keep an open mind to the answer, and stay fully present in the process.

- Remain insulated (and grateful) for negative feedback. When you personally take the risk to open yourself to feedback, you will almost certainly get input that is critical. If you become defensive or even hostile, you probably won’t be getting any more negative feedback anytime soon. And while that may feel better, it’s not in your best interest to have your head in the sand. Learning how to accept negative feedback for the gift that it is and then deciding in your own mind what you want to do with it is a powerful way to grow professionally and also model the kind of emotional maturity you want from your employees.
- Listen for more than just words. Professor Albert Mehrabian’s groundbreaking research about communications of feelings and attitudes four decades ago suggests that 55% of the messages received and processed by your brain come from non-verbal cues or body language. Another 38% is from tone of voice and only 7% are the actual words used. An executive coach is trained to listen deeply and thus is uniquely able to help leaders learn how to listen for the critically important messages that are screamed silently.

Randy, a very successful group vice-president, was frustrated with the number of false starts, lost opportunities, and major program revisions that his team and his colleagues were experiencing. He found during his coaching engagement that while he considered himself a good listener, he was only listening to content—data, facts, information. He discovered that by paying close attention to context, emotions, and more subtle messages, he began to more fully understand where his staff and co-leaders were coming from and how to anticipate and manage risks more directly. The result was a positive crucial shift

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in their level of engagement and their real commitment to his vision for the organization as a whole. By learning how to listen more intentionally, Randy was able to lead his team in creating several new programs and changes that were well received and implemented in record time, strategically positioning his organization for unprecedented growth.

When leaders open their eyes and ears and listen, really listen, the information that employees share provides valuable direction to those in power—information that can result in a happier, more productive, and overall better workplace. This process results in higher levels of engagement, increased productivity and performance, and ultimately elevated rates of retention.

5. Leverage Strengths—Mitigate Weaknesses

What typically happens when we get a performance review or assessment report? We focus on the lowest scores, the weakest areas, and any criticism or negative feedback. Wouldn't you agree that most motivated, high-performing employees will look past the 95% of what they are doing well and zero in on the 5% that needs improvement? Of course, this isn't all bad—if an employee just ignored their development areas, they would probably be trailing the pack in no time. It's what keeps us competitive and thriving in a fast moving world.

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In recent years there has been an important awakening and even celebration of unique talents and strengths. In their popular book *Now, Discover Your Strengths*,

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Gallup researchers Marcus Buckingham and Donald O. Clifton presented a compelling analysis that the most effective way to motivate employees is to build on their strengths rather than correcting their weaknesses. They discovered that only 20% of the two million employees interviewed were using their strengths every day.

Working from strengths is what will get you ahead. Focusing only on improving weaknesses will usually leave you with "better" weaknesses—but weaknesses nonetheless. With a focus on strengths, the best of each individual is tapped and leveraged for increased organizational effectiveness and efficiency. And the employee will be more confident, fulfilled, and successful. This results in a win-win for everybody concerned.

An executive coach can work with individual leaders to leverage their strengths while mitigating their weaknesses. And what they learn for themselves can be applied throughout their organizations. This may include guiding leaders toward:

- Becoming best-in-class at his or her strengths. Sometimes, not only do leaders fail to develop their strengths, they don't even fully recognize them. An executive coach can help leaders recognize their strengths, and come up with a game plan for ensuring that these strengths are fully refined and polished.
- Choosing roles that support strengths. When possible, leaders should choose roles that support their strengths. Executive coaches often help leaders identify their unique talents and strengths in such a way that they can design and navigate career paths most effectively. From time to time, however, a leader may need to take on a "developmental role"—one that demands the cultivation or strengthening of a skill or characteristic that the executive does not possess in great abundance. In these situations, a coach can help the leader think through, design and negotiate an exit strategy before taking a potentially risky position.

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- Learning how to compensate for weaknesses. Let's face it. Even the best of leaders have weaknesses. An executive coach can help leaders develop plans that mitigate these weaknesses, so they don't affect employees, departments, or the organization as a whole.

6. Be Savvy about Organizational Nuances

The word "politics" really isn't a dirty word even though a lot of people feel that way. The reality is that company politics exist, and the best leaders learn how to manage successfully within the system of *quid pro quo* rather than hold themselves apart with disdain. They understand and accept the massive impact of interpersonal relationships on the allocation of resources, strategies, business processes, interdependent goals, performance, and outcomes. It is through this understanding and acceptance that leaders can deliver the best possible outcomes for their teams and departments.

What does this have to do with engagement and retention?

Leaders who know how to manage and exploit company politics will gain credibility among employees and peers. In addition, the way a leader navigates company politics can significantly impact whether a department or team reaches their goals. Employees who feel that their leader "has their backs"—someone who has knowledge of the general political conditions in the organization and can therefore manipulate them to influence outcomes—will feel that their goals are more attainable, resulting in improved motivation, performance, engagement, and retention. Top employees want to be on a "winning team."

The best employees also know that a well-connected leader is a better bet for personal recognition, rewards, and future career opportunities. When promotions and bonuses

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are on the line, the politically savvy leader will be more successful in lobbying for their employees' benefits. Plus, their voices may hold more sway in the succession planning meetings.

Some leaders have a tendency to avoid “politics” and assume that if they simply work hard and achieve positive results, they will be rewarded and recognized accordingly. This is just naïve and potentially dangerous. To ignore the subtle but crucial dimension of organizational nuance, such leaders are risking their personal effectiveness and the success of their entire organization. An executive coach can help leaders reframe their attitude about and approach to company politics, so that they can more effectively ensure the success of their team or department. An executive coach can help a leader:

- Gain the critical skills necessary to manage up and across in an effort to secure support of top management for projects, initiatives, and decisions.
- Identify groups and individuals who could support them, and build strategies and tactics that will secure support.
- Maximize both organizational outcomes as well as individual outcomes.

7. Imagine the Future

Good leaders must be able to imagine the future and then translate and communicate it for employees. Leaders who can clearly articulate the organization's long-term vision, and can link employees' work to the attainment of that vision, have employees who are motivated to contribute. Let's be honest. We all want to believe that what we do matters.

Executive coaching can help leaders delve into the future and explore the possibilities and issues the organization may face. By not having “the answer,” the coach stimulates

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creativity and allows the leader to shape his or her own vision for the company. The leader must also develop a communication strategy that identifies and creates belief in the vision for the organization's future, and conveys to employees their individual contribution to those goals.

Here's a great coaching example. Jonathon, a senior operations executive, was recruited from the outside to lead the largest division of a major corporation. While he was widely respected and recognized for his operational excellence and tactical prowess, he recognized that he needed to demonstrate "strategic vision" to be successful in his new role and in the company. He worked with his executive coach to develop new performance expectations and objectives. One of the outcomes that he created with his coach was a new rallying cry for his organization—"Only the Best." He proclaimed it in every team meeting, every town hall meeting, and every employee session. His simple message—it's not about perfection, it's about doing our very best—really inspired his team to reach production and quality levels never before achieved by any of the company's divisions. Within a very short time after joining the company, he was honored for his outstanding leadership by the company's president. And unwanted turnover in his division was virtually eliminated.

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By not having 'the answer', an executive coach stimulates creativity and allows the leader to shape his or her own vision for the company.

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It Starts—and Ends—with Leadership

While it may be true that some people are "natural leaders," great leaders can be cultivated and molded from the essential raw ingredients of emotional intelligence and desire. Sure,

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the basics can be taught in a classroom or even read in a book, but when it comes to live application of the basic skills in a dynamic business environment, the most impactful development tool is professional coaching. And especially for senior leaders, it may be the only one that works and makes sense when the stakes are high. A top executive is usually someone who is doing most things well and there is very little “low hanging fruit” for development. But those few, relatively small development opportunities are typically very hard to change at this stage. Changing some of these style issues, personality traits, and deeply reinforced habits takes a unique and intensely personal approach. And professional coaching is just that.

Consider some of these compelling statistics on corporate coaching:

- According to a study done by Booz Allen Hamilton, coaching produced a 529% return on investment and intangible benefits to the business. When cost savings associated with retention was factored in, that figure rose to 790%.
- Coaching produces four times more productivity improvement than training alone.
- Coaching is a \$1 billion a year business in the United States and is one of the fastest growing industries in the world.
- About one-half of all organizations employ coaches.

If your organization is concerned about the level of employee engagement and worried that top talent could walk out the door when the economy turns around or the headhunters call, you have several options. Whatever your efforts and strategies have been so far, the one constant that can supplement and support them all is professional coaching. Training programs and assessments become more powerful and relevant when combined with coaching. And while compensation might be a factor to some degree, on the margin,

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It is not the reason most people stay or leave companies. They stay because they feel professionally supported and valued and that what they do matters. Organizations that demonstrate that they care about their employees, especially their top talent, invest in developing great leaders. And the best way to develop great leaders is through leadership coaching. Leadership coaching uniquely helps leaders develop the credibility, values, risk tolerance, listening skills, strengths, political savvy, and vision they need to ensure that employees are engaged, productive, and happy workers.

I know what you're thinking. Executive coaching isn't cheap. It takes time, and it takes money. But does it really? When all is said and done, the cost of corporate coaching doesn't hold a candle to the cost of disengaged employees—lost productivity, lost brain trust, recruitment costs, training expense, and more.

TurnKey Coaching & Development Solutions invites you to see what executive coaching can do for your organization. Find out how you can increase employee engagement, loyalty, retention, productivity, and profits. Call us at 281 - 469 - 4244 or email us at [Leader@ TurnKeyCoachingSolutions.com](mailto:Leader@TurnKeyCoachingSolutions.com) to schedule a consultation. *Remember, strong employee engagement and retention come directly from skilled, effective leaders at every level in the organization.*

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About the Experts

TurnKey Coaching & Development Solutions is a global coaching program management and contract coach staffing company providing scalable, enterprise training and coaching program solutions. TurnKey provides affordable coaching solutions without the traditional high costs and headaches of managing multiple contracts and dozens or hundreds of coaches. With highly adaptable programs and a broad range of offerings, the company helps large organizations capture the incomparable performance and productivity improvements that come with improved leadership and deeper loyalty at all levels. The executive team and professional coaches have worked with hundreds of executives, managers, and high-potential employees from a wide range of major corporations worldwide. Specifically its Executive Coaches have decades of senior level business leadership experience in addition to years of coaching experience, extensive training, and serious credentials. With a worldwide network of professional coaches and a proprietary matching system, the company is uniquely able to take into consideration both the coaching program objectives as well as the specific requests of individual coachees. Customized programs can be quickly designed and implemented to fit a company's unique needs. Besides the full range of coaching packages, the company offers complementary and effective leadership training, development workshops, seminars, and multi-media programs.