



Engaging and Retaining High Performers in an Economic Downturn

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Part of the Managing Through Turbulent Times Series

Engaging and retaining high performers is always a smart business practice, but this proves true especially during an economic downturn. Organizations should strive to keep their top performers producing at a high level for them and not their competitors. Doing so means understanding what drives high performers' engagement and retention. In this installment of the Managing Through Turbulent Times whitepaper series, the Kenexa Research Institute (KRI) identifies key drivers of engagement and retention among high performers, examines the effects of an economic downturn on those drivers and provides basic steps for enhancing employee engagement and reducing turnover intentions.

Engagement and Retention of High Performers

The Kenexa Research Institute has demonstrated that employee engagement is related to positive organizational outcomes in a number of areas such as employee retention, service quality, and customer satisfaction and loyalty. Identifying and acting upon key drivers of engagement can have a positive influence on employee behaviors and subsequently on an organization's bottom-line. The Kenexa Research Institute utilized the WorkTrends™ database to explore what organizations can do to engage and retain their high performers.

The results indicate that the Employee Engagement Index for high performers is indeed high at 74%. This is important because research suggests high engagement often leads to better retention. However, there are differences in what has a more direct influence on engagement and retention. High performing employees' drivers of engagement and retention are identified in Table 1.

These results identify the 10 most important drivers for engaging and retaining high performers. The common drivers between the two categories are highlighted in Table 1. Four of these items are among the top five drivers of engagement and retention. These

commonalities were expected considering retention is often an outcome of engagement, and reaffirm that there are actions that can be taken that will positively affect both engagement and retention. Because of the overlap, organizations can improve engagement and retention simultaneously by identifying and acting on the top five drivers of engagement.

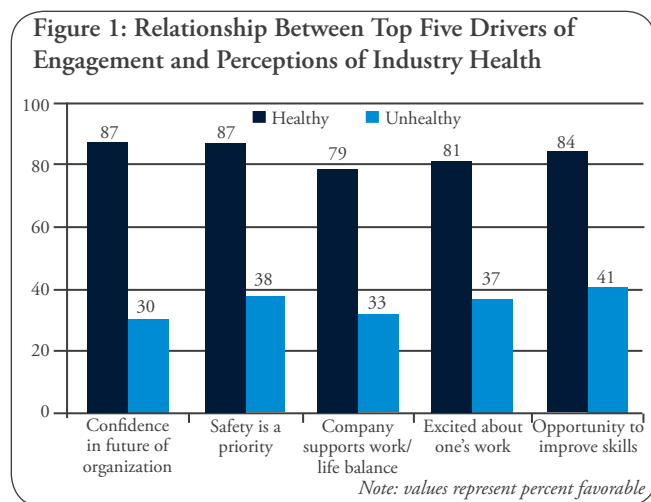
Table 1: Key Drivers of Engagement and Retention for High Performers¹

Driver	Rank for	
	Employee Engagement	Retention
Confidence in the future of company	1	2
Safety is a priority	2	4
Company supports work/life balance	3	1
Excited about my work	4	5
Opportunity to improve skills	5	6
Diverse employees given equal advancement opportunity	6	–
Promising future for me	7	3
Manager keeps commitments	8	7
CSR efforts increase my job satisfaction	9	–
People I work with do their best	10	10
Satisfied with recognition	–	8
Confidence in senior leaders	–	9

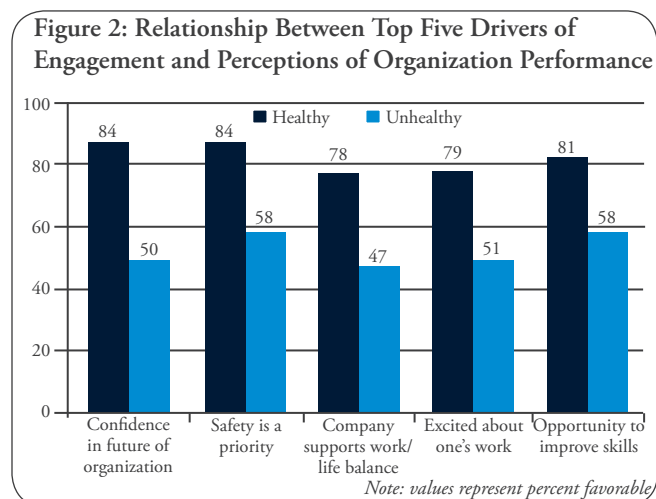
¹High performers were identified as employees enrolled in a company-sponsored, formal management development program (N = 2041). This definition of high performers is narrow, but would include those in a management-related high potential program. Therefore, it is reasonable to assume that these employees perform at a high level in their current position.

Effects of an Economic Downturn on Drivers of Engagement and Retention

If high performers leave en masse due the effects of an economic downturn, who will lead the organization as production ramps up when the economy recovers? Engaged high performers help prevent unnecessary productivity and customer loss during a downturn, positioning the organization to move forward. High performers rate the drivers of engagement and retention more favorably if their organization’s industry is robust and healthy (see Figure 1).



A similar pattern emerges when examining employee opinions about changes in their organizations’ performance over the past year. High performers employed by organizations with improved performance responded more favorably than those working for organizations with a decline in performance (see Figure 2).



High performers employed in organizations that have a decline in performance and whose industries are failing are much more likely to be disengaged and begin to look for work elsewhere. The good news is that organizations have control over the drivers of engagement that support employee engagement and retention despite an economic downturn.

Improving High Performer Engagement and Retention

During turbulent economic conditions, the choice of strategy may be influenced largely by cost. The following section addresses ways organizations can improve on high performers’ drivers of engagement without breaking the bank.

Confidence in Future of Their Company

It is difficult for employees to envision their future with an organization if leaders have not communicated a clear picture of the organization’s future. High performers who have confidence in their company’s future are more engaged and less likely to state an intention to leave. Conversely, high performers are much more likely to disengage and abandon their company if they view it as directionless or as a sinking ship. Leaders can take steps to enhance employees’ confidence in the future by:

- Providing a clear vision of the organization’s future
- Promoting the organization internally by publicizing big client wins, industry awards and community involvement efforts
- Communicating organizational progress toward remaining competitive during the economic downturn

Safety is a Priority

Employee safety is important whether working at a construction site or office. While not all work hazards are life-threatening, exposure to noise, hazardous materials or even an unclean workplace can lead to employee injuries and health problems. High performers are more engaged and less likely to state an intention to leave when employed by organizations that make safety a priority. Organizations can demonstrate that safety is a priority by:

- Conducting a work environment audit to ensure compliance with legal statutes and guidelines
- Ensuring bathrooms and break rooms are cleaned regularly
- Eliminating exposure to chemicals, high noise and unguarded machinery, where possible. If it is not possible to eliminate exposure, organizations can ensure employees are trained in the use of appropriate protective equipment

Company Supports Work/Life Balance

Organizations that support high performers' work and personal demands make it easier for them to stay engaged and perform when at work. Organizations can support high performers in balancing their competing demands by:

- Considering alternative ways to work. Organizations can minimize travel time (and expenses) by meeting via teleconference rather than in person when possible
- Providing flextime. Employees are able to handle small non-work errands and appointments without missing work time
- Enabling telecommuting. This option provides for those who are unable to go into the office due to unforeseen circumstances such as inclement weather

Excited About Work

Ensuring adequate person-to-job fit is the first step in ensuring high performers are excited about their work. However, selecting the right person for the right position is only the first part of the equation. Overall job design is integral to ensuring high performers are excited by their work. By definition, high performers have demonstrated adequate mastery of their position and may find themselves in search of newer challenges and greater responsibility if these needs are not met. Managers can ensure their high performers are excited about work by:

- Providing realistic job previews. These give high performers an opportunity to determine if the job is a fit for them. Lack of person-to-job fit can result in disengagement and turnover
- Giving high performers adequate autonomy and authority to do their jobs without the need for undue input from management
- Setting a clear career development path. With this path, high performers can continue working toward their next level of achievement

Opportunity to Improve Skills

Employees are more likely to be engaged if they feel competent in their jobs. Organizations that provide high performers the opportunity to improve their skills gain the benefits of improved engagement, retention and employees that are more competent. Organizations can ensure high performers get the opportunity to improve their skills by:

- Conducting training needs assessment to identify areas where employees need to improve their skills
- Creating individual development plans. Employees get the training needed to support their growth within the organization
- Holding regular career discussions. Career discussions are a good way to show high performers that the organization supports their development by identifying training needs

Conclusion

Economic downturns can present a major challenge for organizations. It behooves leaders to dedicate extra efforts into areas most related to engagement and retention, especially among high performers. Doing so supports organizational readiness for economic recovery. Fortunately, organizations can focus on a number of areas to enhance high performer engagement and retention without large investments. ■

About Kenexa

Kenexa provides business solutions for human resources. We help global organizations multiply business success by identifying the best individuals for every job and fostering optimal work environments for every organization. For more than 20 years, Kenexa has studied human behavior and team dynamics in the workplace, and has developed the software solutions, business processes and expert consulting that help organizations impact positive business outcomes through HR. Kenexa is the only company that offers a comprehensive suite of unified products and services that support the entire employee lifecycle from pre-hire to exit.

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