

# **Managers Think It's All About the Money (Employees Disagree)**

**When employees and their managers are asked about what they value at work, the answers are surprisingly different, says consultant Andrew Botwin, SPHR. That disconnect will result in expensive turnover.**

**Botwin, who is CEO of SPC (Strategy People Culture) Consulting, offered his engagement tips at BLR's Advanced Employment Issues Symposium, held recently in Las Vegas, Nevada.**

## **What Managers Think Employees Want**

**In one study by the Labor Relations Institute of NY, managers selected, in order, the following as what employees most value:**

**Good wages  
Job security  
Promotion and growth  
Good working conditions  
Interesting work  
Personal loyalty to workers  
Tactful discipline  
Appreciation for work done  
Sympathetic help with personal problems  
Feeling "in" on things  
What Employees Say They Want**

**When employees were asked to rank the same characteristics, the list came out like this:**

**Appreciation for work done  
Feeling "in" on things  
Sympathetic help with personal problems  
Job security  
Good wages  
Interesting work  
Personal loyalty to workers  
Promotion and growth  
Good working conditions  
Tactful discipline**

**Note that the top three on the employees' list are the bottom three on the managers' list. What this means, says Botwin, is that unless we recognize what employees value, we are managing to a disconnect.**

## **Why Do We Care?**

**First of all, turnover is expensive. Estimates vary, but 75 percent to 200 percent of annual salary is a common estimate. If you have 1,000 employees and you take \$70,000 as an average salary, every 1 percent of turnover costs you from \$525,000 to \$1.4 million, says Botwin.**

**Beyond the direct replacement costs of turnover, says Botwin, consider the following costs:**

**Lower productivity (according to one study, "actively disengaged" employees cost U.S. businesses \$300 billion in productivity)**

**Increased error rates**

**Lower client satisfaction**

**Higher turnover**

**Higher legal expenses**

**Less creativity to improve processes**

**Engagement Impact on Recruiting**

**Botwin offers the following impacts of engagement on recruiting new employees:**

### **High Engagement**

**Lower recruiting fees**

**Less strain on internal resources to recruit**

**Recruiters have more time to find top talent**

**Increase in employee referrals of quality candidates**

### **Low Engagement**

**Increased recruiting fees**

**High strain on internal resources to recruit**

**Recruiters simply try to fill job requisitions**

**Less help from staff to find talent**

## **Engagement Impact on Productivity:**

### **High Engagement**

**Employees care more about quality of work**

**Employees are more focused on their work**

### **Low Engagement**

**Employees do their job with less care**

**Employees are more focused on complaining**

Employees dot their i's and cross their t's

Employees do the minimum to avoid getting in trouble

Employees identify issues and work towards fixes

Employees see issues and ignore/complain about them

Employees display more creativity and ownership for quality

Employees don't care

## **Engagement Impact on Client Service:**

### **High Engagement**

Customer sees cohesive team/vendor

Customer sees vendor as unenthusiastic, disinterested

Positivity about a product or service is contagious

Customer feels unappreciated

Perception is that the customer is buying something better

Customer wonders why it is buying from you

Customer enjoys the experience

Customer can't wait to leave

Relationships built with clients

Clients are transactionary

## **Engagement Impact on Sales:**

### **High Engagement**

Increased repeat business

Clients likely to try competition

Increased cross-selling

Limited cross-selling

Clients more likely to work with you to solve problems

Clients just return product

Clients happy to hear from you

Can't get client on the phone

Better reputation on the street

Bad news travels fast

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# **How to Recognize Disengagement—and How to Reverse It**

## **Signs of Disengagement**

Botwin, who is CEO of SPC (Strategy People Culture) Consulting in Florham Park, New Jersey, offers 14 signs of disengagement:

High turnover

Lack of cooperation

Lack of feedback

Shaving of hours

Absenteeism  
Quality less than capability  
Customer complaints  
High shrinkage  
Lack of pride/care in the business  
Lack of creativity and new ideas  
Unhealthy challenge  
Complaints don't go to management  
Vendor dissatisfaction  
Lack of personal or professional celebration

## **What to Do**

When you encounter disengagement, says Botwin, consider the following:

- Show your employees you care about them and their role.
- Talk openly and honestly.
- Provide clear constructive feedback.
- Ask for opinions ... and listen ... and show you listened.
- Get in a trench together and roll up your sleeves.

In addition, says Botwin, remember:

Management's job is to help engage and motivate the workforce, not just to tell people what to do.

Engaged employees bring stronger business results.

To improve engagement and culture, Botwin offers his C.A.R.E.™ Model. He lays it out as follows:

### **C**onviction

- Doing what is right

### **A**daptability & Accountability

- Being open to and embracing change
- Embracing mistakes but not permitting excuses

### **R**ealness

- Being genuine, honest, and trustworthy
- Checking the ego at the door

### **E**nthusiasm

- Showing a passion for the business

If you can apply these principles, Botwin says, you are well on the way to improving your culture and building employee engagement.

## **Flex Is a Good Place to Start**

Botwin offers flex as a good example of something to consider for building engagement. It may seem like “fluffy stuff,” but there are solid business reasons for considering it:

Your competitors are offering it. (Where is the talent going to go?)

It’s typically inexpensive.

It shows the employer trusts the employee.

It avoids burnout.

It increases retention.

It lowers facilities costs.

It allows longer customer service hours.

It gives employees more of a feeling of control.

It increases productivity.

It reduces your carbon foot print through off-peak commuting.

It reduces absenteeism.

Flex might be a great way to build engagement without major expenditures.

## **Don’t Underestimate the Importance of “Soft”**

Engagement and culture—they seem soft, but if they’re ignored, they’ll cost you hard dollars. Additionally, as an HR professional, it’s crucial for you to be not just a manager of people but also of relationships—and your own career path.

Whether you’re fighting to hang onto your star employees, or pushing your CEO to realize you’re more than “the company picnic planner,” your job is full of strategic challenges every day. Master them, and the sky’s the limit.