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Employee Retention: Moving Up the Employee Relationship Chain

by Ed Cohen and Arunav Sinha

We believe moving up the “*relationship chain*” is critical for organizations. A long-lasting relationship that converts to strong retention is the desired results for companies that want to sustain themselves through good times and bad.

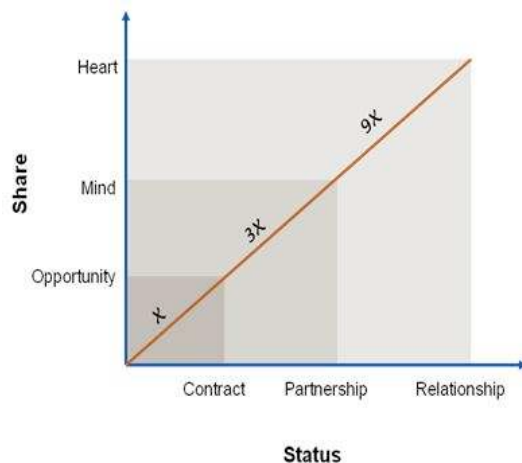
We define the employee relationship chain as:

Stage 1: Share of Opportunity - Contract

Stage 2: Share of Mind - Partnership

Stage 3: Share of Heart - Relationship

These stages have been studied and utilized extensively in the world of marketing and branding. We believe it adds equal if not greater value to the world of employee retention.



Stage 1: Share of Opportunity - Contract

When a company makes an offer that is accepted by a future employee, many call it entering a relationship. We beg to differ. It is a mere contract at this point in time, and not a relationship by any measure. What you have just won is ‘share of the opportunity’ for the company and the employee. Your employee has entrusted the company with providing meaningful work in a secure

environment. There is a degree of skepticism so employee orientation is conducted to assist with the transition. Every now and then discussion will be around fit, task and measures for success. **The focus is on adherence.**

The vocabulary of the employee also gives you an indication as to the stage in which you are. Refer to graph, if you are in Opportunity-Contract stage, customer will simply tell say – “*Tell me what to do. Tell me how I am going to be measured.*”

Stage 2: Share of Mind - Partnership

In this stage, the employee has experienced consistency and decided there is a fit. This stage is achieved only if you have engagement where the company delivers what is promised especially in the way of meaningful work, compensation, and measurement. You have employee’s share of mind where his/her skepticism turns to confidence. At that time s/he starts becoming engaged in areas beyond the scope of the specific work assignments. They may join task teams or participate in employee forums and event. The focus at this stage is on the outcome; with less emphasis on adherence (although no less importance as confidence can be lost faster than gained).

The stage will also witness change in customer vocabulary where “*Tell me what to do*” will make way for “*Let’s explore ways to accomplish this*” and “*Tell me how I am going to be measured*” will make way for “*Help me continue to grow my career.*”

Stage 3: Share of Heart - Relationship

This is the most desirable state of the employee relationship chain. The employee now views the organization and its leaders as trusted advisors. Now that the company has a share of his/her heart,

both are gaining the maximum value and the employee becomes a true brand ambassador for the organization. Employees share and embrace the organization's vision, core values and direction for the future. The focus on this stage will not be so much about performing but on transformative opportunities and deep sustained impact (still the previous two stages cannot be forgotten as stages are cumulative). It is in this stage where if the employee is uncertain about certain aspect of the business, s/he will trust the company to provide the missing pieces. In this stage everyone has the opportunity to co-create value. At this stage the vocabulary of the employee will be what truly is reflective of a long term, sustainable relationship – "We can do this. Let's build a plan for the future."

Why all this effort? Why are having employees move up the relationship chain beneficial to the organization? In our view, organizations could witness systematic geometric progression in retention of top performers by moving up the relationship chain. It means if the initial tenure in the Share of Opportunity – Contact stage was 'X', the second stage could result in '2X' tenure and the third stage could result in '4X' tenure.

Moving BACK UP the Relationship Chain

When turbulence impacts every part of the business, how can the organization continue get back to a "Share of Heart-Relationship" described by Ed Cohen and Arunav Sinha. How can an organization motivate its people to recommit their talents, energies and spirit to rebuild? This is a key question every organization must answer concurrent with implementing cost optimization measures. When we discovered our revenues were not what we had been told, we immediately knew we had too many people and that one of the cost optimization measures would eventually require us to have many people leave. We implemented strict cost optimization measures.

It is during these turbulent times that we needed to rebuild our relationships with employees starting back at Stage 1: Share of Opportunity. A retention strategy that quickly shifts people from fright and flight back to share of opportunity is not only important, it is tantamount to the future success of the organization. So, how does an organization

move back up the relationship chain after it is lost? It can only happen once the organization is sanitized, meaning all of the people, processes and other support systems that allowed the crisis to occur have been eliminated and gaps closed. Then attention shifts to identifying and responding to whatever it takes to keep the right people from leaving the organization. According to IMD Professor Preston Bottger, "To begin with, smart executives show talented people that they are valued and spell out the reasons why they should stay where they are rather than move on. And, while bonuses are limited by the economic environment, effective leaders are finding other ways to motivate their people. In this emergency, smart human capital leaders are quickly discovering what matters most to those whom they cannot afford to lose – and providing it." (Bottger 2009) What are the needs of employees in turbulent times? Here are those we feel are critical shown in alphabetical order so as not to imply priority. Priority is determined by the specific requirements of each unique circumstance.

- Assistance with emotional factors
- Consistent decision making about employee policies
- Continuous communication from leaders
- Job security
- Know that leaders value their contributions
- Meaningful work assignments
- News before it is in the news
- Opportunities to express oneself with leaders
- Patience
- Promotions (not put on hold is earned)
- Regular updates on the health of the business
- Reinforcement of core values
- Restoration of compensation (particularly bonuses and variable pay)
- Socialization activities
- Trusting environment
- Understand the way forward
- Workload balancing

The answer is "all of the above" at the same time. Employees want to know they are appreciated. They want to know the organization is stabilizing. They want to see daily signs of improvement. They want a trusting and transparent environment where the news of the day is not something they

read in the paper or see on television first. They want news to be communicated rapidly. They want news to come directly from their leaders. Access to leaders is critical. Leaders who do not reach out to their people are doing irreparable damage and should not be tolerated.

Recapturing Share of Heart

The best way to determine what employees want is to ask them. In his book, *A Sense of Urgency*, Kotter tells us, *"The idea is simple. Send out "scouts" who, when they return, bring new information about the world and a new found determination to do something about the information."* (Kotter 2008) Since many will be reticent to voice their opinions in a turbulent environment, online surveys are an approach to use. One on one meetings with leaders are also highly encouraged (it shows they care).

Employees never want to be told that they are less important than customers or shareholders! This is a common mistake for companies experiencing turbulence. They tend to forget that the equation for success includes all stakeholders and that all are equally important. They immediately implement cost optimization measures and customer retention measures. Conversations center on shareholder retention, customer retention and reputation. They expect more from people who are not displaced and they expect people to come to work each day with renewed energy. Not possible! If the organization demonstrates that their priorities are 1) customers and shareholders, 2) cost optimization and finally 3) employees, they will not forget this treatment. This will not result in renewed share of heart. Employees need to know their retention is as important to the organization as customer retention. Of course, it may not be possible to retain everyone. That said demonstrating priority for employees, shows the company is engaging in a share of heart relationship that will make the reality of the situation easier for people to understand and to accept.

Recapturing share of heart is much more complicated than moving from share of opportunity to share of mind. In *Love Em or Lose Em*, the authors tell us *"Talent-focused managers are truth*

tellers and feedback providers. They do it in a way that is honest and respectful. Preserving the dignity of the other person greatly matters to these managers." (Kaye 2008) Foremost is Trust. Employees need to believe their leaders. The ecosystem must not tolerate any lack of integrity, or breaks in trust. Even one break prevents the organization from regaining share of heart.

Karl Dumas provides six lessons for building share of heart with customers (Dumas 2009) that we believe apply directly to establishing or rebuilding share of heart with employee.

- 1) Become a Student of Your Customer (in our situation, the employee)
- 2) Care About What They Care About
- 3) Give Something Up
- 4) Make Fun A Priority
- 5) Practice Generosity
- 6) Serve Them With Extraordinary Humility

When we surveyed our LinkedIn contacts from around the world, they also advised to establish and communicate a new path, a new vision, and new roles so people see value to continue rather than jumping the first chance they get. Additionally, they advised and we agree that reinforcement of core values, solid governance, and allowing an open environment where people can voice their thoughts helps further the journey to regain share of heart and steady employee retention.

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Ed Cohen

Biography



Ed Cohen is a talent executive with close to 30 years of high impact, global experience. His specialty areas include leadership strategies, executive development, coaching, high impact leadership teams, succession planning, change management and the global leadership journey.

Ed has worked in more than 40 countries with organizations including Booz Allen Hamilton, Mahindra Satyam, Seer Technologies, National Australia Bank, Larson & Toubro, Farmers Insurance Group, Banco Banesto, and the World Economic Forum. His strength as a consultant and leader comes from his high integrity approach to building trusted relationships. From China to Chicago, from Australia to Amsterdam, Ed has also been a featured speaker in more than 40 different countries around the world.



Ed Cohen is the only Chief Learning Officer to lead two companies to ASTD BEST Award #1 ranking; Booz Allen Hamilton and Satyam Computer Services (only company outside United States to achieve this). He is the author of Leadership Without Borders published John Wiley & Sons which received multiple international accolades. He is also co-author of Riding the Tiger: Leading Through Learning in Turbulent Times, published by ASTD Press this May 2010.

Prior to his consultant role, from 2005 to 2009 Ed lived in India working as Senior Vice President for Mahindra Satyam, a global, technology professional services. Under Ed's leadership, they became the first and only company outside the U.S. to attain the # 1 ranking by American Society for Training & Development (ASTD). Before that, Ed Cohen was eight years with Booz Allen Hamilton. Under Ed's leadership, they achieved the # 1 ranking on both Training Magazine's Top 125 list and ASTD's global list. Booz Allen also received more than 30 "Excellence in Practice" recognitions from ASTD (American Society for Training & Development). He implemented learning and people services including people strategies, executive coaching programs, action learning, virtual learning, social networking, that have cumulatively resulted in more than \$500 M of return on investment.

Ed participated in Harvard Business School's Leading Professional Services Firms, earned a M.S. in education from Nova Southeastern University and a B.A. in accounting from the University of Florida.

Ed demonstrated a cutting-edge knowledge of human performance; a profound commitment to excellence; the ability to perform under pressure; and a knack for tying his interventions to the organization's bottom line. Simply put, Ed's presence makes an organization perform better. Ed Cohen is someone who consistently causes real improvement in organizational performance. He exemplifies the highest core values and always does the right thing.

Ed is a world-class professional, dynamic expert in corporate learning and leadership, and an inspiring leader of people and programs. During his seven-year tenure at Booz Allen Hamilton, Ed developed and set the standard for what became, under his leadership, a highly recognized learning program—ties directly to the business needs of our rapidly growing consulting firm.

Priscilla Nelson Biography



Priscilla Nelson is a **proven senior level executive with 30 years of best in class talent management experience working with Fortune 500 companies in areas of human resources, strategic development, performance consulting, global diversity and succession planning.** Priscilla identifies leadership development, executive coaching and diversity as her key areas of expertise spanning over 60 countries. She has a unique ability to recognize the additional strengths most leaders have within them and don't know how to nurture.

Glaxo SmithKline, AT&T, Rollins College, Emergent Biosolutions, Titan Corporation, the U.S. Government, Mahindra Satyam and Pfizer Pharmaceuticals are among her list of notable clients.



She has received international acclaim for her work in leadership development, executive coaching and diversity. Her strength as a consultant and leader comes from her ability to partner on a deep level to assess, and hold leaders accountable for what they say they want, and to help them identify how they differentiate and brand themselves. Her executive coaching, complemented by action learning is among the best in the industry. She has presented throughout the United States, Europe and Asia with numerous keynotes in China, India.

Prior to her consulting role she was recruited for international placement and held a \$10 million budgetary responsibility for all senior level learning programs, and executive coaching and mentoring service offerings. She led a team of professionals who designed and facilitated leadership development for 5,600 senior level leaders and C-Suite executives across the world resulting in the development of a global core competencies framework, succession planning and feedback process and impacting the reduction of attrition in a 50000+ associate organization of over 30% across the global workforce and culminating in the acquisition of numerous awards and citations. She is the author of an internal professional coach certification program aligned to the International Coach Federation core competencies resulting in a \$15 million savings by providing internal executive coaching services throughout the organization, "Let's Talk", a desktop resource manual comprised of 90 powerful questions for leaders. Priscilla is co-author of "Riding the Tiger" Leading through Learning in Turbulent Times, being published by ASTD Press in May, 2010.

Priscilla has a M.S. in Human Resources Economics, and a M.A. in Counselor Education. She is a Certified Performance Technologist, a Certified Professional Coach and holds numerous certifications in assessment tools including such well-known instruments as Benchmarks 360, MBTI and a member of the International Coach Federation.

"I have had the pleasure of working with Priscilla for over 4 years and during that time she has proven herself as a multifaceted leader and coach. She is a values driven and results oriented professional who aligns to her clients goals, helping them achieve results that endure. Driven professionals that are looking for an internationally seasoned coach and consultant with a proven track record of helping clients succeed should consider working with Priscilla Nelson."

"Pris is an energetic, creative and passionate leader. She is one of the best executive coaches I have ever come across.. Pris has a talent to Coach people for their superior performance at work and in life. People who have worked closely with her know her as a highly accomplished leader who takes leaders to new levels of performance. She has been honored internationally for her relentless pursuit to World-Class Excellence "