

HR Solutions, Inc. Presents:

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Selecting For Engagement and Retention

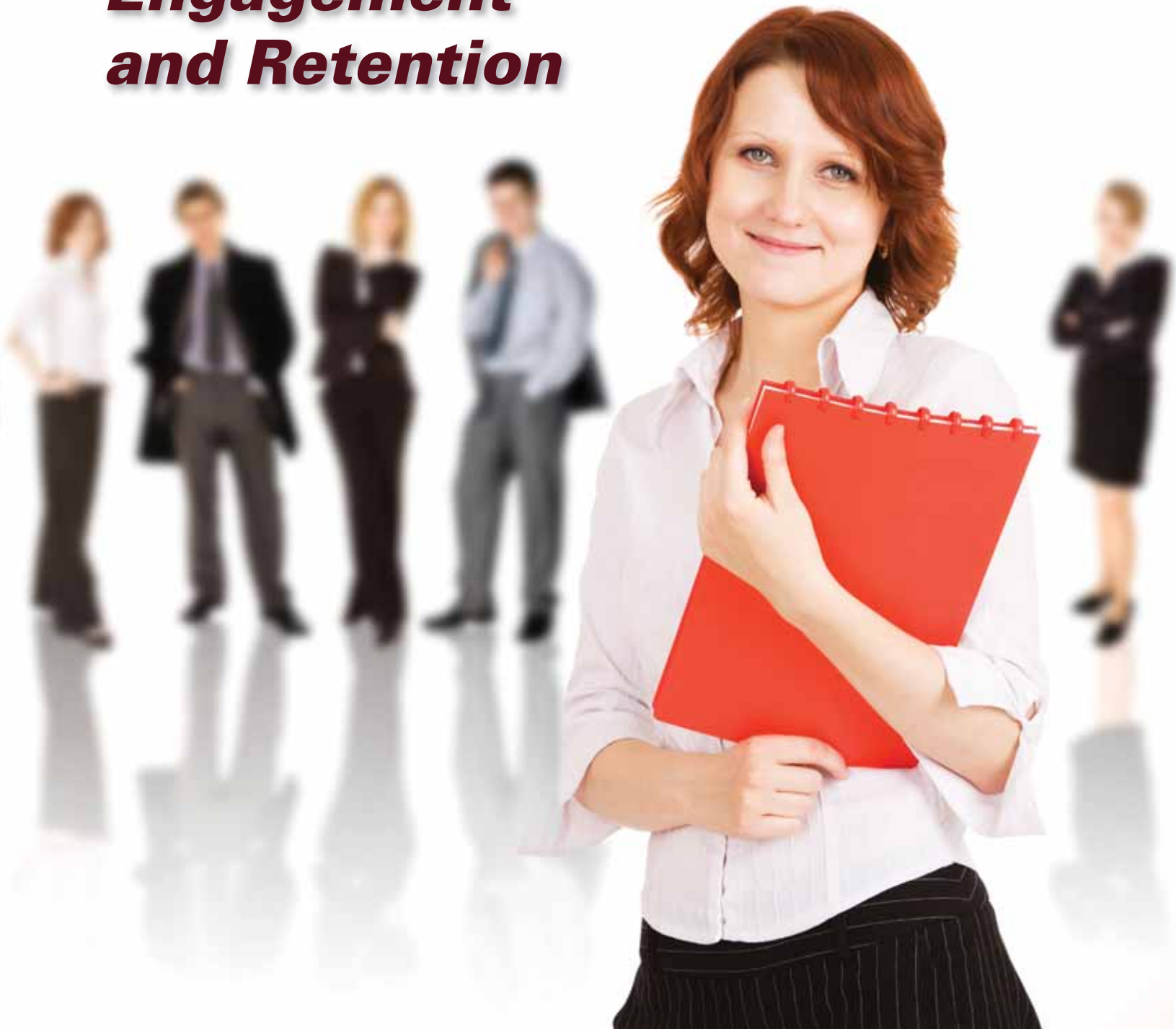


TABLE OF CONTENTS

From the Office	3
New Clients.....	3
FEATURE ARTICLE	
Selecting For Engagement and Retention.....	4
Everyone Benefits – How Resorts International Saved Millions and Increased Employee Satisfaction.....	6
Engage Early and Often to Attract and Retain	7
Facts & Figures.....	7
On the Road.....	Back Cover
The State of Healthcare Diversity and Disparities: A Benchmark Study of U.S. Hospitals.....	Back Cover

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Turning Data Into Action®

Employee Engagement: it is the key that allows an organization to maintain its competitive edge. These are the employees who go the extra mile for your organization. Yet, at the same time, there needs to be an initiative in place that goes the extra mile for them. As an Employee Engagement specialist, we recognize this value. That is why we are proud to announce our newest strategic alliance with Michael C. Fina, the leading provider in employee recognition programs.

We would also like to thank all our new and existing clients for the opportunity in working together.

**Sincerely,
The Staff of HR Solutions**

Why all the fuss about Employee Engagement?



Employee Engagement has quickly become the Holy Grail for organizations in the 21st century. Most of you have probably read numerous articles about it. Nearly everyone that we come into contact with tries to measure it, but why? How?

The idea of Engagement borrows from the concept that you want to create a mutually-beneficial long-term relationship with employees and, by extension, customers, such that commitment, loyalty, and profitability can soar. As is often the case, you can't manage it if you don't measure it.

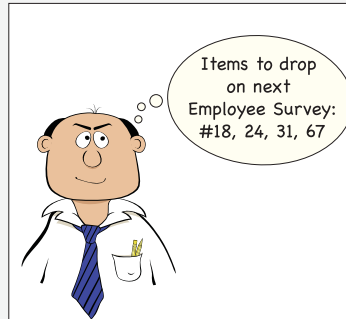
For the first time, HR Solutions has made public a report that explores our philosophy towards Engagement and its impact on reputation, turnover, and financial performance.

Visit our website to find out why our Sweet 16® Engagement tool is more actionable than other tools and designed to "Turn Data into Action™." You can also use the HR Solutions' online Return-on-Engagement Calculator to determine the financial impact Engagement can have on your organization. Enter your organization's turnover, attendance, and training costs data and you will be surprised by the savings that a focus on Engagement can yield.

Go to: <http://www.hrsolutionsinc.com/engagementcalculator>

HR Solutions Chuckles

Manager in Denial



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// new clients //

HR Solutions welcomes the following organizations as new clients:

Baptist Healthcare
Botsford Healthcare Continuum
BroMenn Healthcare System
Cole Taylor Bank

Focused Health Solutions
Glacial Lakes Energy
Harley Davidson
Ingalls Health System
Masco Administrative Services

Memorial Hospital at Gulfport
National Information Solutions Cooperative
New England Sinai Hospital
Underwood Memorial Hospital

Selecting For Engagement and Retention

By Karen Stene, Senior Consultant, HR Solutions Inc.



The Current State of Affairs: Engaged Employees Are in Short Supply

The benefits of having an Engaged Workforce are undeniable. Engaged Employees are more loyal, productive, and innovative than their disengaged counterparts. On the opposite end of the spectrum, Disengaged Employees cost organizations billions of dollars each year in the form of lost customers, absenteeism, inefficiency, and other damaging behaviors.

According to research at HR Solutions, a shocking 75% of the U.S. workforce is disengaged. The majority of those employees are Ambivalent (59%), leaving a mere quarter of Actively Engaged Employees. With such a low number of Engaged Employees, it is understandable that improving Engagement levels is a top priority for many organizations. However, the first step in creating an Engaged Workforce is often the most overlooked: the selection process.

Organizations rarely take engagement into consideration when selecting employees, and even when they do, it is usually a subjective measure. Interviewers may ask themselves, “Does this candidate appear excited about the job?” or “Would this candidate be bored with the job duties?” However, these subjective measures of future Engagement are often inaccurate. According to prevalent research and the view of the American Psychological Association, these subjective measures are relatively flawed at predicting future performance of job candidates due to their vulnerability to rater errors and biases.

What Can Organizations do to Create an Engaged Workforce?

The inadequate methods of predicting future Engagement during the selection process have played contributing roles to the overwhelmingly low Engagement levels of employees. In order to combat the potential subjectivity of interviewer perceptions, employers can assess candidates for certain traits or competencies that are indicative of an Engaged Employee during the selection process. Such competencies include a high level of adaptability, a strong orientation toward achievements, an innate drive for results, a focus on customer service, and a propensity for taking the initiative.

These Engagement competencies should be assessed using structured behavioral items, formal selection tests, or a combination of both.

Adaptability can be assessed through interview questions, such as:

- *“Tell me about a time when a project did not go according to plan. How did you deal with it and what were the results?”*

Possessing a drive for results can be uncovered through interview questions, such as:

- *“Describe a time when you set high standards and stuck to them. What was the outcome?”*

To measure achievement orientation and initiative:

- *Utilize formal selection tests such as personality tests.*

Research has shown that using structured questions and assessments can more than double the predictability of the candidate’s future success.¹

In addition to the generalized Engagement competencies, there are other organization-specific factors that should be taken into consideration during the selection process that can impact future engagement. Based on HR Solutions’ research, candidates who believe in the company’s mission are more likely to become Engaged Employees. In fact, HR Solutions has found that 90% of Engaged Employees agree with the organization’s strategy and mission compared to only 44% of Disengaged Employees.

The candidate’s fit with the organizational culture should be measured as well. For example, a company that is fast-paced and has minimal time for “hand-holding” should look for candidates who are autonomous and require little affirmation regarding their performance. Expanding on this particular example, HR Solutions has found that 83% of Engaged Employees are satisfied with communication from their supervisor about their performance compared to only 27% of Disengaged Employees. These differing groups of employees work at the same organization; thus, organizations should perform a cultural assessment to determine what company-specific attributes they should be measuring during the selection process.

HR Solutions’ Recommendations and Best Practices

While selecting for Engagement can help organizations weed out the potential Disengaged Employees, this process alone is not enough to create an Engaged Workforce. It is of utmost importance to create a work environment that is conducive to Engagement. In order to create this type of atmosphere, employees should be surveyed annually to identify and act upon areas that are preventing optimal Engagement levels.

While it is essential to survey employees in order to uncover organization-specific opportunities for improvement, HR Solutions has identified Best Practices for creating an Engaged Workforce, some of which include:

- *Connect employee behaviors to the organization’s success. By linking employees’ jobs to the overall success of the organization, employees understand the relevance and importance of their jobs. Thus, they put more effort into their duties and are more committed to the organization.*
- *Work with employees to establish career paths. Managers who take the time to create career plans with employees are perceived as genuinely caring about their staff. Employees who have established career plans are also more loyal and more motivated to achieve career milestones.*
- *Recognize employees when they have performed well. Recognizing employees is one of the most important, yet most underutilized, practices for engaging employees. In fact, recognition even surpasses pay as the top motivator for younger generations.*

Creating an Engaged Workforce is not a one-step process. It requires an ongoing cycle of selecting the right people, surveying current employees, and making improvements to create a work atmosphere that promotes and maintains active Engagement. Taking these steps will put your organization on the right track to creating an Engaged Workforce that will positively impact your organization’s bottom-line.

¹ Research cited in The structured interview: Additional studies and a meta-analysis published in *The Journal of Occupational Psychology*.

Everyone Benefits – How Resorts International Saved Millions and Increased Employee Satisfaction

By Michele Westphall, Marketing Project Manager, HR Solutions Inc.



A stalled economy presents many challenges for employers in regards to recognizing employees and making them feel appreciated. Employees are already feeling the impact with raises and bonuses that have been put on hold, retirement plans dwindling in value, and staffing cuts that may be requiring them to work longer hours to fill coverage gaps. Most organizations overlook boasting about a reward they are already providing employees: benefit plans.

The typical employee doesn't know the actual worth of these benefits. Add together paid time off, subsidized medical benefit, 401K matching, life insurance, tuition reimbursement, employee assistance programs, pension plans, Social Security contributions, tax contributions, performance and sales bonuses, these benefits equal an average of one-third of an employee's salary or more.

Capitalizing upon their Employee Engagement Survey results and action-planning process, Resorts International discovered an ace up their sleeve and found a way to put millions of dollars of benefits expenditures back in their pocket.

Employees voiced multiple concerns in the 2005 Employee Engagement Survey with an alarming overall Benefits Satisfaction dimensional score of 49%, a full 14 percentage points below the national average. It was obvious that changes needed to be made to the benefits plan.

It became extremely important for Resorts executives to understand which aspects of the employee benefits package were perceived as "value-added" by the employees, and which aspects of the benefits package were not. Employees might be willing to forego a specific network, for example, in order to have lower office visit co-pay, eliminate co-pays on generic prescriptions, or obtain a better vision care benefit.

It also was critical to gain insight as to which benefits employees distinguished as vital to their employment with Resorts International. By asking employees to rank those benefits which they held as most important, Resorts International was able to effectively re-allocate benefit dollars to create a benefits package that maximized employee satisfaction.

"Our decision to become the first major gaming company with free Generic Drugs was 100% a result of our employees' concerns with the prescription drug program."

Phil Fortino,
former Resorts International Senior
Vice President of Human Resources

Phil Fortino, former Resorts International Senior Vice President of Human Resources, realized that organizational communication needed to be clear and concise in regards to the changes Resorts planned on implementing. By creating a communication campaign related to the medical benefit plans, the organization was able to educate all employees on both the plans' features (including all services covered and not covered under the plan provisions) and monetary value.

Fortino explained, "We provided each employee with a letter detailing their entire benefit package, as well as the employee cost and the company cost of each benefit. It was an example of an open book philosophy that the employees apparently appreciated."

Another area that Resorts focused on was the market competitive set. They shared with employees where Resorts' plans stacked against the competitors in each market. "We were not afraid to show them all the data and we encouraged them to ask questions about our plans," said Fortino, "When we needed more doctors in the network we were very aggressive with our carrier and demanded results — which we got." Fortino went on to state, "Even the tough decisions were in part a result of

our reviewing the survey and trying to minimize those changes in order to affect the least amount of people.

Resort's 2008 Employee Engagement Survey rolled around, and the Benefits Satisfaction dimension results increased a full 12 points up to 61% favorable. Of the 2,060 employees participating in the survey, most employees reported that they were happy with their benefits, many calling them "excellent." One of the "value-added" changes even received several verbatim comments from employees:

"I like the free prescriptions."

"Thank you for the "no co-pay" on the generic drugs. "

Resorts International is an excellent example of the benefits that can be achieved when survey results are put into action. Taking the appropriate steps to truly understand how employees perceive specific areas or policies of the organization will result in a more lucrative bottom-line.

This is one change Resorts can take all the way to the bank.

Engage Early and Often to Attract and Retain

By: Dennis Madej, Senior Vice President of Client Services, PFS Marketwyse

MICHAEL C. FINA®

As the world of work changes, one thing remains constant: the need to attract and retain top talent. The key to holding on to good employees is to keep them engaged in their work and the workplace. There are many important reasons for doing so: 1) Engaged Employees care about the future of the company 2) they are attentive to customers and 3) they promote the positive aspects of their job and the organization. Engagement is not a short-term proposition. In order to influence employees so they are motivated to exert discretionary effort on behalf of their company, commitment has to be a two-way street. In the long-run, a positively-engaged workforce yields benefits spanning across the organization and beyond, affecting employees, management, as well as customers.

On the contrary, Disengaged Employees and a high turnover rate negatively impact business productivity, innovation, and ultimately, your bottom line. **The numbers don't lie: 75% of American workers are not currently engaged.** This is a wake-up call for organizations, regardless of industry or size, to develop ongoing strategies to create engaged workplaces and continually seek employee feedback to measure levels of Engagement and effect positive change. Not limited to a particular industry or geographical location, workers today are not gratuitously enthusiastic about, or sold on, living the company brand. The resulting gap between expectations and reality could be the difference between profit and failure.

Engagement should begin during the interview and hiring process. This is when both employer and employee start to unveil their "brand." When the official onboarding process begins, an employee has already been exposed to and accepted most of the company's values and priorities.

The new employee can soak in the company culture through provided materials, interaction with colleagues and communications from HR, management and executive leadership. Many companies have a strong onboarding program, but that is just the beginning.

The initial interaction between new hires and the organization must be reinforced by engaging the employees early and often, through a series of touch points around a company's culture, vision, and values. Incorporating such touch points as part of the foundation of an Employee Engagement strategy will carry on throughout an employee's tenure. Early Engagement is essential to supporting and nurturing employees. Michael C. Fina has developed nine elements to engage employees early and frequently, and demonstrate that their performance matters, ultimately building a successful culture that becomes a foundation for a long-term relationship with the organization.

To be effective, employees need to be reminded and praised for their accomplishments relative to the broader goals and values of the organization. This is where the role of the manager and supervisor is a critical factor in achieving an Engaged Workforce. Supervisors should celebrate employees' success, emphasize what is right, and regularly recognize and reward achievements. Companies that foster this manager to employee connection will strengthen the employees' feelings of value to the business.

More and more companies are choosing to recognize their employees earlier and more frequently. An organization-wide Engagement program will boost the passion and productivity quotient among the employees of today and the workforce of tomorrow.

// facts & figures //

ENGAGED EMPLOYEES MORE LIKELY TO SUPPORT, AND ADHERE TO, HR POLICIES

HR Solutions' research reveals a 41 percentage point difference between how Engaged Employees versus Disengaged Employees scored on the following HR related survey items:

- I am satisfied with this organization's Human Resources/Personnel policies.
- There is reasonable consistency between departments in how Human Resources/Personnel policies are administered/followed.

	Engaged	Disengaged
I am satisfied with this organization's Human Resources/Personnel policies.	80% favorable	39% favorable
There is reasonable consistency between departments in how Human Resources/Personnel policies are administered/followed.	70% favorable	29% favorable

// on the road //

If you plan to attend any of the following tradeshows, please stop by our booth and say hello.

The Motivation Show

September 23-25, 2008
Chicago, IL
Booth: 3319

ASHHRA 44th Annual Conference & Exposition

October 11-14, 2008
Austin, TX
Booth: 538

HRMAC

November 5, 2008
Rosemont, IL
Booth: 113

The State of Healthcare Diversity and Disparities: A Benchmark Study of U.S. Hospitals



The Institute for Diversity in Health Management and HR Solutions are ready to launch the very first healthcare diversity survey of its kind—the “The State of Healthcare Diversity and Disparities: A Benchmark Study of U.S. Hospitals.” The project will unveil the strategies healthcare organizations are taking to advocate diversity in the workplace, as well as shed light in areas that still need attention.

We are committed to ensuring that the diversity efforts of hospitals nationwide are recognized. That is why we encourage all healthcare organizations to participate in this landmark endeavor, as it will mark a milestone for the healthcare field.

Please contact us at **312-236-7170** if you are interested in participating.

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