



# The Human Factor

Releasing the Power of Your People



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## Retaining the Right Talent to Reach the Next Level

In today's economy, every business executive, owner, CEO and president should be asking themselves one important question: "Do I have the talent to take this business to the next level?"

If the answer is "no," or "I'm not sure," you probably want to begin evaluating your talent, but if the answer is yes, then employee retention should be at the top of your list. With employee retention statistics that prove your best employees may be sitting on your payroll while patiently waiting for the "right" job, you need to be sure that you are managing employee retention with specific individuals in mind and long-term goals in place.

### Employees Are Not All Alike

A good manager knows the strengths and weaknesses of their employees. But do they know what motivates them?

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**Are You Retaining the Right Talent for Success?**

## The Advantages of Health & Productivity Management (H&PM)

In the first article in this series, we looked at the basics of Health & Productivity Management, starting with a definition of the concept:

*[Health & Productivity Management] is "the integrated management of health and injury risks, chronic illness, and disability to reduce employees' total health-related costs, including direct medical expenditures, unnecessary absence from work, and lost performance at work (i.e., presenteeism)."*

As we discussed, this concept is **comprehensive** in approach and **pro-active** in nature, significantly differentiating it from other healthcare/productivity endeavors. Now that we've laid the groundwork, what makes this type of program so important? Why should companies and other organizations consider implementing an H&PM initiative? In this article, we'll look at the answer to these and other questions.

### Meeting the economy's challenges

The economic crisis currently facing the United States – and in some fashion, the world – makes an effective Health & Productivity Management program even more essential. This is true not just for certain types of companies, either. It's true for companies in every industry and of every size, namely because the economy is presenting the same types of obstacles for all companies. Some of those major obstacles and challenges are:

- **The aging workforce** – There's no stopping it; employees are getting older every day. Another stark reality is that more and more employees can't afford to retire at the age workers retired in the past.

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As a result, they're working well into their 60s and beyond. At that age, employees are more at risk for injuries, disabilities and/or chronic illness. Therefore, their subsequent absence from work, even for short amounts of time, can eat into a company's overall productivity. An H&PM program can help to combat this challenge.

- **The healthcare dilemma**

– Healthcare costs seem to skyrocket every year, rising even faster than the annual rate of inflation. For some small business



owners, the cost of providing healthcare to employees has become a crippling expense. Consequently, it is in their best interests to help their employees be as healthy as possible in an attempt to keep costs at acceptable levels from year to year. Unfortunately, healthcare isn't about to become more affordable, at least not in the foreseeable future.

- **The need for more productivity with fewer employees** – Companies have been slashing payrolls at a fast clip since the beginning of the year, and more job losses are forecast for the remainder the year. As a result, it's imperative that companies invest in the health of their employees so that they can reap a sizeable investment in terms of productivity.

Specifically, you need to maximize your productivity from each employee on an individual basis. This “production-per-employee” matrix is a strong indicator of a company's long-term success. In other words, it is what makes a company “lean and mean.”

- **Survival of the fittest** – That leads us to the top priority, both for individual companies and for the country as a whole. Continued revenue generation and the existence of concrete profit margins (as opposed to the manufactured margins that have been gleefully reported on a routine basis during the past few years) are essential for the continued growth and development of the economy. Only those companies that pay the proper amount of attention to health and productivity will be

*Continued on next column –*

positioned correctly to reap the benefits once the economy rebounds.

### ***Taking the next step***

Keeping employees healthy and productive has never been as important as it is right now. In all likelihood, it will become even more crucial in the near future. If properly implemented and monitored, a Health & Productivity Management program can help any company reach its goals and objectives, especially as they pertain to greater productivity and a healthier bottom line.

However, more questions can be posed. How does a company go about implementing such a program? Are there specific steps that can be undertaken to ensure a greater level of success? Does it matter if you're a large company or a smaller company? *In our next issue, we'll tackle these questions in the final part of our three-part series.*

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## ***Stop Dragging Work Home with You***

You'll find that your work-life and your home-life will be more productive and enjoyable if you can confine work to the office.

### **Here are some tips that will help:**



- ✓ **Gripe about work for no more than 10 minutes.** If you've had a bad day, keep it from invading your evening at home. Set a timer if you have to. Return the favor by listening to the other person's gripes for 10 minutes too.
- ✓ **Tie up loose ends.** To keep your mind off work, write down any nagging, office-related matters as soon as possible after arriving home.  
**Example:** "Remember to call Jones tomorrow before noon, re: contract renewal." Then put it out of your mind until the next day.
- ✓ **Take 20 minutes to clear your mind.** Create some ritual that marks the transition from work to home. **Examples:** Take a walk, meditate, shoot baskets or read a section of the newspaper.

Source: *Manager's Edge*, as adapted from *Secrets of Executive Success*, Mark Golin, Mark Bricklin and David Diamond

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In employee retention studies, contrary to popular belief, it has been found that money is NOT the reason most employees leave a job. In TTI's latest study of over 19,000 job seekers, only 19% said money was the reason they were looking for a new job. Instead, more popular reasons included stress, mismanagement, lack of room for advancement and lack of employee development.

In order to effectively manage employee retention, it is important to determine the core values of each individual. This is what drives them to take action. Do you know what keeps them engaged and motivated? Do you know what needs they have that should be fulfilled on the job? For example, let's assume Steve is a salesman for a medical device company that sells new health care devices to hospitals. What motivates Steve to get out of bed each day, put on his suit and give a great sales pitch? Perhaps he knows that each time he introduces better technology to a hospital, he impacts the lives of many every day. Or, maybe Steve's personal goal is to be the top salesman in the company. Yet another possibility is that Steve comes from a family of salesmen and takes pride in following in their footsteps. Whatever the case may be, the important thing is to know what motivates Steve and ensure that employee retention strategies cater to his unique, personal motivators.

### Employee Retention Needs to Fit Corporate Goals

Developing an employee retention strategy that is specific to each individual starts with an in-depth look at the company's long-term goals and what it needs for success. What is the next level? What skills do you need to get there? Who has these skills and what skills are missing in the company? While it is not an easy task, it is an important step in the process of creating an employee retention strategy that will help you meet your long-term goals. Perhaps you will find that job roles should be re-organized, skills of certain employees are better utilized in another way, or certain employees are key to future success. Once you have determined how your workforce needs to adapt to meet company goals, you can implement an employee retention strategy that ensures your best talent is there to help you reach the top.

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## Web Site Of The Month!



### Welcome to the Deep Web – PIPL.com

Since most personal profiles, public records and other people-related documents are stored in databases and not on static web pages, most of the higher-quality information about people is simply "invisible" to a regular search engine. Pipl's query-engine helps you find deep web pages that cannot be found on regular search engines.

Unlike a typical search-engine, Pipl is designed to retrieve information from the deep web, to interact with searchable databases and extract facts, contact details and other relevant information from personal profiles, member directories, scientific publications, court records and numerous other deep-web sources.

Check it out at [www.pipl.com](http://www.pipl.com)

## Invest In Your Talent!



Turnover alone may be costing you millions, but what about the employees you still have? Is their disengagement costing you even more?

Both turnover and disengagement stem from "**Job Fit**," and you can reduce costs associated with both by using a complete hiring and talent management system. With a comprehensive process that looks at hiring from the very beginning to the very end, you can consider the job, the talent, professional development needs, and performance management. However, with reduced budgets and overwhelming responses to job ads, many companies are skipping a system all together. Unfortunately, this comes with a hefty cost – the wrong hire!

It has been estimated that the wrong hire costs you somewhere between 1 and 5 years of salary. More recently the estimates are higher because we now consider disengagement. Our colleague, Terry Kabachnick, penned a great book called, "**I QUIT, but forgot to tell you.**" Gallup estimates that 71% of the workforce is disengaged, and that the Actively Disengaged Employees (17%) cost American industry \$350 Billion/year.

What is it costing you to not have a comprehensive Hiring and Talent Management System? Implementing one is cheaper than you think – call us at 262-523-1900 to find out how.

*The reward for work well done is the opportunity to do more.*

- Jonas Salk

Don't miss next month's issue.

Subscribe now - **FREE!**

**The Human Factor**

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## Facts about Taking Early Distributions from Retirement Plans

If you take an early distribution from your retirement plan, here are some things you need to know:

1. Payments you receive from your Individual Retirement Arrangement before you reach age 59 ½ are generally considered early or premature distributions.
2. Early distributions are usually subject to an additional 10 percent tax and must be reported to the IRS.
3. Distributions you rollover to another IRA or qualified retirement plan are not subject to the additional 10 percent tax. You must complete the rollover within 60 days after the day you received the distribution.
4. The amount you roll over is generally taxed when the new plan makes a distribution to you or your beneficiary.
5. If you made nondeductible contributions to an IRA and later take early distributions from that same IRA, the portion of the distribution attributable to those contributions is not taxed.
6. If you received an early distribution from a Roth IRA, the distribution is not taxed.



There are several exceptions to the additional 10 percent early distribution, such as when the distributions are used for the purchase of a first home, certain medical and educational expenses, or if you become disabled. To find out more go to [www.irs.gov](http://www.irs.gov).

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## Bridging the Gap between Strategy and Execution



Execution in today's business environment is more critical than ever, but unfortunately most organizations do a poor to marginal job of bringing their strategy to life. Why? Because they're missing the basics. This short list of basics, when followed deliberately builds the bridge to successful execution – how well do you do these?

**Clear Strategy:** Clearly define Vision, Mission and Critical Goal Categories with specific Goals and Action Steps.

**Alignment:** Clear alignment of the strategy, the processes, and the leadership which supports satisfied/loyal internal customers, which in turn supports satisfied/loyal external customers. In other words, are all of your processes and the behaviors of your people and of your leadership specifically designed to provide customer experiences that not only satisfy, but actually engender *Customer Loyalty*?



**Teamwork & Collaboration:** Teamwork, team building and communication are often bantered around as development needs. There is no denying that they are an issue within most organizations, but they are symptoms and not isolated issues to be addressed. Teamwork and Communication are the end result of four main elements; 1) Common Purpose, 2) Clear Roles and Responsibilities, 3) Well Defined Rules of Play, and 4) Tangible Measures of Success. When these exist, there may be conflict, but now it is real and productive conflict regarding which is the best right answer, not your symptomatic relationship conflict we are most familiar with. In our experience, looking at these four requirements, Strategic Planning is the ultimate Team Building Exercise.



**Making it Come to Life:** Your employees, your internal customers, are the ones who make it happen, and they are the ones who determine if your customers have a *"Loyalty Experience."* They have four key needs as well; 1) Clear Expectation, 2) Understanding of How They're Measured, 3) Sufficient Resources to do the Job, and 4) Continuous Feedback and Reinforcement.



A mutual goal setting process with your employees involves them in designing the expectations and the measurements. It is up to the leadership to engage their employees in the process. Your employees' discretionary effort will only be engaged if they see the vision, agree with the vision, and know how what they do everyday affects the vision. People do not work for a company; they work for a cause. If you don't give them a cause to work for, they become the cause.