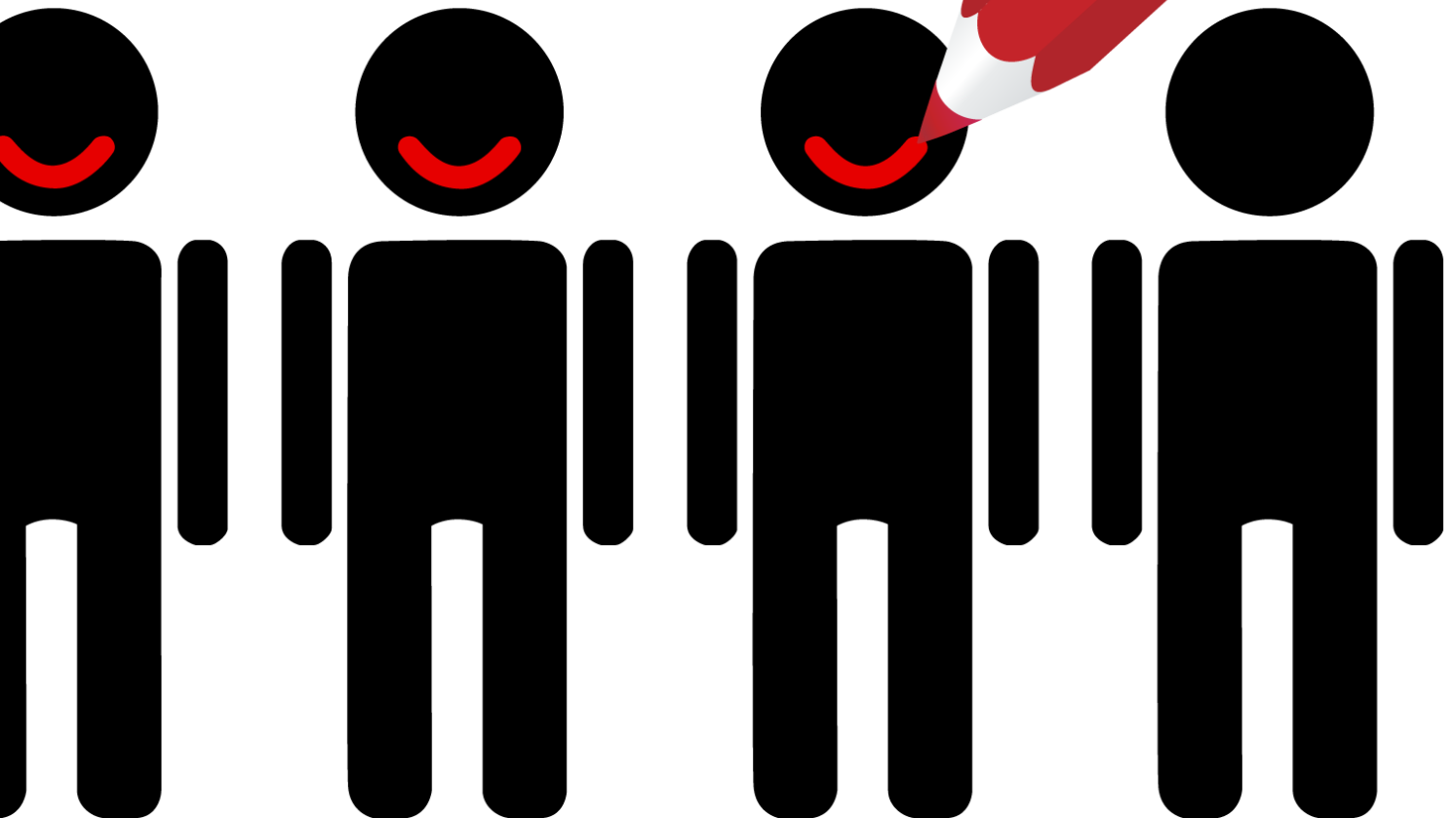



Why people ~~leave~~ ^{stay}

How to keep your
best employees



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Other useful resources and recent research available from our website:

- The 5 people drivers of the profitable growth cycle™
- The 7 organisational habits that drive high performance
- Nicholas Barnett's book titled *GPS for your Organisation®: how to energise your employees and build sustainable high performance*
- The 2012 Insync Surveys Retention Review
- Taking your board from good to great: the best 101 ways to improve
- Gender Agenda: Unlocking the power of diversity in the boardroom (in conjunction with Gender Worx)

Executive summary



Context

Retention of high performing employees is critical for maintaining and enhancing competitive advantage in difficult economic times. Long serving employees retain corporate memory, continue to nurture long standing customer relationships, are generally more productive and are usually strong advocates for the organisation. Higher employee retention also limits the costs associated with employee turnover including reduced sales, lower productivity and recruitment time and costs.

This paper looks at what makes employees more likely to stay with their employers. It draws on employee survey data from 85 organisations with over 60,000 employee responses. We correlated 90 statements that examine employee alignment and engagement with the statement “*I can envisage a future for myself in this organisation*”. We took this statement to be a good indicator of an employee’s propensity to stay with their employer. Through this correlation analysis we were able to identify what factors are likely to have the biggest impact on employee retention.

Retention themes

Twenty statements had a high correlation where Pearson’s coefficient* was 0.70 or higher. Analysis of these 20 statements revealed five key themes relating to employees being able to envisage a future for themselves in the organisation.

1	<i>Job fulfilment and growth</i>	Employees are more likely to stay when they enjoy their work, are satisfied with their job, are able to fully use their skills and talents and think that the organisation has effective plans for developing and retaining its people.
2	<i>Inspiring leadership</i>	Employees are more likely stay when the senior leadership team has an inspiring vision, encourage innovation, are good role models, act with integrity and get the maximum from people’s individual talents and knowledge.
3	<i>Performance focus</i>	Employees are more likely to stay when the organisation is committed to best practice, is performing well and is well run.
4	<i>Values driven</i>	Employees are more likely to stay when the organisation has clear values that are demonstrated in practice and when they are treated with consideration and respect.
5	<i>Pride and advocacy</i>	Employees who can envisage a future for themselves in the organisation have a strong sense of connection with, and pride in, the organisation. They are also likely to be advocates for the organisation.

*A Pearson’s coefficient (r) describes the relationship between two variables in terms of strength and direction, spanning -1 to +1. The higher the value, the stronger the relationship. Variables with a relationship higher than 0 move in the same direction, whereas variables with relationships lower than 0 move in opposite directions. +1 indicates the highest possible positive relationship and -1 the lowest. 0 means that there is absolutely no relationship.

Implications

These findings make it clear that there are no quick fixes for increasing employee retention. Employee retention is heavily dependent on meaningful work, inspiring leadership and the overall health of the organisation. It could be argued that employee retention is a very good proxy metric for the overall health of the organisation. Retention can only be addressed in a meaningful way by ensuring that employees have fulfilling and stimulating roles within a sound organisational context.

How to increase employee retention

Strategies to increase employee retention are linked to the organisation's Employee Value Proposition (EVP). The EVP refers to the balance of the rewards and benefits that are received by employees in return for their performance in the workplace. It is the sum of everything that people in an organisation experience and receive; from the intrinsic satisfaction of the work, to the environment, leadership, colleagues and remuneration. An EVP answers the question of "what's in it for me?" with respect to working here and formalises an employer's pre-employment promises to employees – both explicit and implicit.

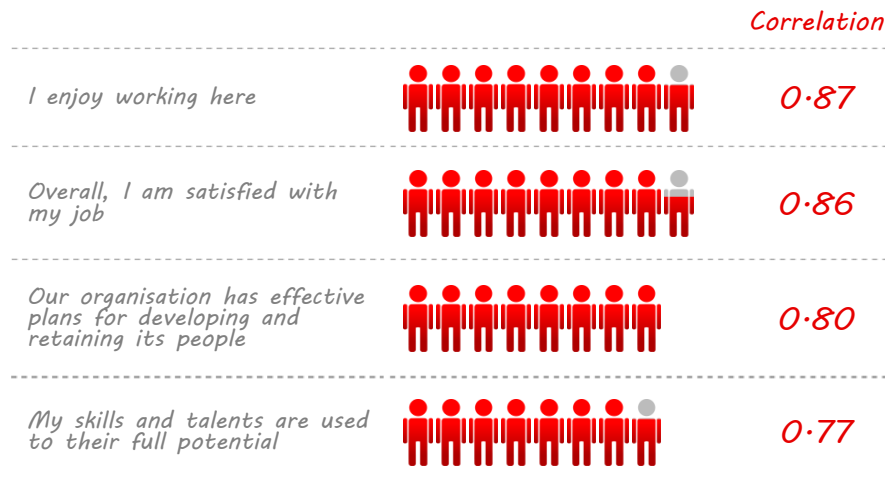
An EVP should be constructed with the same care as a customer value proposition as it also has a very significant impact on the organisation's performance. Insync Surveys has developed a five step process for doing this:

- starting with a careful analysis of what employees value,
- designing the EVP in consultation with employees,
- developing an effective communication process,
- implementing the EVP with senior leadership advocacy, and
- continuing to measure and improve the EVP as part of an ongoing strategic cycle.

The findings from this study make it clear that the EVP should be considered in a broad context to include job satisfaction as well as the impact of senior leadership, organisational performance and organisational values on retention.

Theme 1: Job fulfilment and growth

It is unsurprising that fulfilling work and opportunities for personal development are very strongly related to retention. Four of the top 10 correlations relate to this theme.



Clearly, employees are much more likely to stay when they enjoy their work and can see potential for growth.

Make jobs fulfilling

Given the importance of employees enjoying working for the organisation and being satisfied with their jobs, this must be at the core of an organisation's retention strategy. Job fulfilment will be greatly assisted by focusing on role clarity, job fit and mission alignment.

Role clarity and impact

Some roles are inherently multi-faceted and challenging, while other roles are essentially repetitive and monotonous. These fundamentals cannot be changed easily. However, many organisations have found that much can be done to make even repetitive work more meaningful. The following factors make a difference:

- Making it clear what outcomes and standards are expected of employees
- Measuring the impact of what employees do (for example, call centre operators get a real sense of satisfaction when they have the capacity and authority to solve clients' problems)
- Ensuring employees know how they are contributing to the organisation's success
- Providing performance feedback that helps employees to improve their effectiveness

Job fit

Employee retention will increase when care is taken to clearly communicate the nature of the role and what attributes are required to be successful. Employees must feel that the job is right for them and enables them to work on the things they do best. Many employers now include work colleagues in the recruitment process so that people already working in a similar role can communicate what they particularly like or dislike about the role. Such insight into what the job entails, warts and all, allows the employee to assess the level of fit between their own interests, skills and abilities and the tasks they will perform at work. The closer the alignment, the more likely the employee will be retained over an extended period.

Mission alignment

Employees who express positive attitudes towards the organisation's mission experience higher job satisfaction and indicate greater intentions to stay. Most organisations now recognise how important it is to have a clear

and believable aspiration and organisational purpose that connects with employees and enhances the meaning of their daily work. Mission alignment, whereby the employee personally identifies with what the organisation is trying to achieve, is playing an increasingly important role in attracting and retaining the right people.

Provide growth opportunities

Employees cannot be expected to stay with an employer for an extended period of time if there isn't the opportunity to grow personally and professionally. Challenging work, learning opportunities and career progression are fundamental requirements for retaining high performing employees in the longer term.

Challenging work

For employees to be challenged in their jobs, a large majority want to continuously develop their skills, take on new tasks and find new ways to stretch themselves. They want to use their skills and talents to their full potential. In order to provide stimulating work experiences, organisations can explore a number of options such as automation of routine aspects of the job, increased breadth and depth of role responsibilities and ongoing dialogue as to how day-to-day operational tasks connect with the goals and purpose of the organisation. Promoting opportunities for innovation is also proving more popular. For example, Facebook enriches their engineers' jobs by encouraging them to take part in a "hackathon" where they can work on new projects that may end up being product features.

Development opportunities

Employers who invest in training and employee development not only reap productivity benefits, but also have a better chance of retaining high potential employees. Employees want to feel that the job they do is important to the success of the organisation and that the organisation is investing time and money in them to have the job done correctly and at the highest level. Employees having the chance to learn new things not only adds value to the organisation but also helps keep employees motivated and interested in their jobs. Such development opportunities can include a mix of both on and off-the-job training. Job rotations across different departments, coaching, modelling and mentoring are all examples of on-the-job training. Off-the-job training includes e-learning, management development and specialised training programs run by universities, professional associations and training companies.

Career progression







High performing organisations emphasise the career development of their people both to ensure that they can fill key roles with qualified people and to offer high performing employees the career progression they expect. In general, employees are less likely to stay if they cannot see the available career paths in the organisation. Articulating and communicating the career pathways offered by the organisation, both vertically and horizontally, is an important requirement for a retention strategy. In addition, to successfully retain high potential employees, organisations must offer information and advice about careers through one-on-one mentoring and leadership development programs. This gives employees clear expectations on what it takes to succeed in the organisation and empowers them to take responsibility for their own career development.

Theme 2: Inspiring leadership



One of the findings from this study that will surprise many people is the critical role of senior/executive leadership in influencing employee retention. While the employee's immediate line manager certainly plays an important role, long term retention is impacted much more by senior leadership. Six of the top 20 correlations relate to senior leadership. There are no items relating to team leadership in the top 20, though there are four items in the top 40.

The items relating to senior leadership are:

		<i>Correlation</i>
<i>Our senior leadership team has a vision for our organisation that inspires me</i>		<i>0.76</i>
<i>Our senior leadership team gets the maximum from people's individual talents and knowledge</i>		<i>0.75</i>
<i>Our senior leadership team encourages innovative and creative ideas</i>		<i>0.75</i>
<i>Our senior leaders are good role models</i>		<i>0.74</i>
<i>Our senior leadership team motivates me to work hard towards achieving the organisation's goals</i>		<i>0.72</i>
<i>Our senior leaders act with integrity</i>		<i>0.71</i>

If you want your employees to envisage a future for themselves at your organisation and commit long term, make sure you have inspiring leaders who are interested in their people, act with integrity and are good role models. As senior leaders have such a big impact and influence over an organisations future, having such leaders is essential if sustainable high performance is to be achieved.

Create and share an inspiring vision

To keep top talent, senior leaders must espouse a vision or guidance and positioning statements (GPS) that inspire employees to get out of bed and come to work each day (for further information see *GPS for your Organisation: how to energise your employees and build sustainable high performance*, written by Insync Surveys' CEO Nicholas Barnett). As senior leaders paint a picture of a compelling future and as it is discussed, upheld, referenced and lived every day, employees will increasingly be energised and attracted to it. The organisation's vision, purpose, strategy and values will provide meaning and purpose for employees. They will come to work to do something special and worthwhile as opposed to simply working hard to make more money for their boss or the organisation's shareholders.

Utilise employee talents and knowledge

As referred to in Theme 1 employees will be more likely to stay if their organisation has effective plans for developing and retaining its people and if it uses their skills and talents to their full potential. Good senior leaders will get the most out of their employees by ensuring the right people are in the right roles and employees are challenged at work. This benefits the organisation and the employee. Employees can be demotivated by working in an environment that lacks clear direction and goals and feeling that their talents and knowledge are being wasted.

Encourage innovation and creativity

Senior leaders are the most influential in creating a culture of innovation through their openness to new ways of thinking. An innovative culture requires employees to be free to question and provide suggestions for improving products, processes and procedures. When innovation is encouraged and employees' opinions and contributions are acknowledged, they feel valued and connected to the organisation. As a result, these creative employees may not feel a need to change organisations and are more likely to look for their next career move internally. Ultimately, investment in innovation and creativity will also be rewarded through tangible benefits such as improved productivity, higher profit margins and greater market share.

Be a good role model

Great CEOs lead by example and take full responsibility for their actions. If leaders say one thing and do another they shouldn't be surprised if their employees model their actions rather than follow their words. Nor should they be surprised if they lose credibility in the eyes of their employees. Good leaders have a 100% alignment between their words and actions. Senior leaders also need to have bought into the organisation's values and behaviours and be exemplars at role modelling them. They should pull up each other if their actions are not in accordance with the chosen values. They should also encourage and be open to their subordinates pulling them up if their actions and behaviours are out of line.

Communicate clear and motivational goals

Our *2012 Retention Review* showed that employees need meaningful work and clear direction as to how their day-to-day work affects organisational outcomes. Our findings in this study give the same message. Senior leaders therefore need to set and communicate standards, goals and responsibilities in a way that aligns with what employees feel is important in their day-to-day roles (see Insync Surveys' *GPS for your Organisation* for more information). Every reasonable opportunity should be taken by management to relate current projects, plans and decisions back to their organisation's GPS. This will involve management explaining why the particular projects and plans are essential if the organisation's Vision is to be achieved. Explanations of progress made over the last two or three years towards your Vision, the main goals and an explanation as to what needs to be done over the next few quarters or year brings a bigger picture perspective to daily actions and achievements. This clear communication of challenging goals will motivate employees and ensure employees don't seek validation elsewhere.




Act with integrity

Employees are more likely to stay and feel connected with their employer if its senior leaders act with integrity. Employees thrive in an environment in which the actions of their senior leaders are consistent and predictable. This gives employees the confidence to act without fear. If leaders say one thing and do another, treat employees differently or say that a particular action is acceptable one day, but not the next it creates a very unstable environment where employees don't have confidence.

Senior leaders must recognise that everyone is watching them and that news of them doing anything inconsistently or out of the ordinary will spread quickly around the organisation. This rightly sets a very high bar for the integrity and authenticity that is required and rightly expected of senior leaders.

Theme 3: Performance focus

Employees are more likely to stay when they consider their organisation to be high performing and well run. The performance related items with a high correlation to retention are:

		Correlation
<i>Our organisation is committed to best practice</i>		0.75
<i>Our everyday actions and performance are clearly linked to the organisation's goals</i>		0.75
<i>Our organisation is committed to high standards of performance</i>		0.72

Working in a high performing organisation has many benefits for employees that make it more likely that they will be able to envisage a future for themselves in their organisation. These include greater job security, role clarity, personal development opportunities, career opportunities, and reward and recognition. The links between high performance and employee retention are described in more detail below.

Commit to best practice

Working for an organisation that is committed to best practice not only allows employees to develop their skills and capabilities, it also reduces the stress and frustration that comes from working with unclear direction and poorly structured processes. When employees can see that their organisation is committed to best practice, it enables them to develop their professional and technical skills in a more predictable and challenging environment thereby increasing the likelihood they will stay.

Link individual and team actions to organisational goals

High performing organisations typically have clear strategies and goals for the organisation as a whole and for each of their divisions and departments. This makes it much easier for employees to link their everyday actions and performance to the organisation's goals, thus giving them a much greater sense of accomplishment. Understanding how individual departments fit together in achieving the organisation's goals also helps to reduce turf wars and encourages a constructive organisational culture. Retention rates are higher where employees have a greater sense of accomplishment while working in a positive environment.

Commit to high standards of performance

In a rapidly changing and turbulent environment, high performing organisations are more likely to be able to offer job security in the medium to long term. With higher levels of job security, employees are much more likely to be able to envisage a future for themselves within the organisation. In addition high performing organisations will often be expanding on one or more dimensions including their product range, customer base, geographic reach, knowledge, practices and technology. All of this opens up numerous opportunities for employees to grow and develop. By offering greater personal and career development, high performing organisations are more likely to retain their best people.

High performing organisations are also more likely to be able to meet their employees' remuneration expectations. Although being paid fairly wasn't one of the items most highly correlated with propensity to stay, remuneration can play a role. High performing organisations will typically be able to provide more attractive rewards and incentives based on organisational and individual performance.

Employees of high performing organisations are typically proud of what the organisation has achieved and this contributes to job satisfaction and personal fulfilment. This has great benefits to the organisation as these

employees will often recommend the organisation to others and help increase the talent — or customer — pool that is available to the organisation.





Build a self-reinforcing cycle

High performers continue to lift the organisation’s performance. If high performing organisations are able to retain high performing employees they will benefit from a self-reinforcing cycle. Conversely, low performing organisations may be more likely to lose their high performing employees and may find it harder to recruit high performers. If this cycle gathers momentum it will lead to the demise of the low performing organisation. Organisations therefore need to continue seeking to lift their performance as a critical requirement in its own right but also because it has a big impact on the retention of high performers and the self-reinforcing cycle that this can create.

For a more detailed discussion on what organisations can do to lift their performance please refer to our paper, *The 7 organisational habits that drive high performance*, which is available at www.insyncsurveys.com.au/research.

Theme 4: Values driven

Employees are more likely to stay when the organisation has clear values that are demonstrated in practice and when they are treated with consideration and respect. Values driven survey items with the highest correlations to employees envisaging a future for themselves at the organisation include:

		<i>Correlation</i>
<i>Resources in our organisation are allocated fairly</i>		<i>0.74</i>
<i>Our organisation cares about and is committed to me</i>		<i>0.72</i>
<i>Our organisational values and behaviours are demonstrated every day in my work group</i>		<i>0.72</i>
<i>I am advised how changes that may affect me are to be introduced</i>		<i>0.71</i>

Employees are less likely to envisage a future for themselves if they think their organisation does not allocate its resources fairly, show genuine respect and commitment to its employees, or ensure that organisational values are upheld. To ensure the long-term retention of engaged employees, senior leaders need to build a values driven organisation. This includes carrying out the matters referred to below in an authentic way.

Ensure resources are allocated fairly

Resource allocation is not just about new financial expenditure; it also relates to the allocation and sharing of internal resources, including people resources. Organisations must align their spending with targeted goals and objectives in a robust and rational manner. Communications about how and why resources are allocated is also essential to promote transparency and understanding. It is also important to have a robust review process in place to explain the return on investment on resource allocation so that changes can be made if the desired outcomes are not being achieved. Where resources are reallocated an even greater level of communication and transparency is required. Communication must be transparent and authentic. It must not be “sugar coated” as employees will see straight through it and the credibility of senior leaders will be undermined.

Show genuine care for your employees

It is not surprising that employees are more likely to envisage a future for themselves at organisations that genuinely care for them. Care and commitment for employees will be demonstrated over a long period of time. Actions are important but be aware that inactions will speak loudly too. Care is easy to demonstrate when things are going well but will be tested under difficult circumstances. How retrenched employees are dealt with during a restructure, for example, will have a significant impact on the perceptions of the remaining employees for years to come. Employees will be able to sense if their organisation genuinely cares for them or is just going through the motions or acting in an attempt to buy their loyalty.

Define, communicate and reinforce acceptable values and behaviours




Because values are so critical to an organisation's culture, it is essential that boards and CEOs are very deliberate about defining the values and behaviours they believe are critical for the organisation's strategy to be executed successfully and for its main goals to be achieved. Ideally employees will be involved in the process of developing, articulating and embedding those values and behaviours that will form and shape the desired culture for the organisation. Senior leaders will need to be exemplars of those values and behaviours if they expect employees to take them seriously. As the organisation's chosen values are modelled, regularly referenced, upheld and recognised they will become the way of life for the organisation. Employees will be absolutely clear as to what values and behaviours are acceptable and which are not. Unfortunately this is not the case in many organisations as many leaders don't walk the talk or the organisation's values and behaviours have not been explicitly stated or related to the organisation's success.

Communicate changes that impact employees

Change is a necessary constant in today's business environment. Change management is therefore an important core competency for senior leaders. Change by definition will impact many employees, some detrimentally. Building a compelling case for change and senior leadership unity for the change is always important. This includes explaining how the proposed change fits with the organisation's vision, strategy and main goals. Ideally those impacted by the change will have input into how and when the change is to be implemented. Impacted employees should be given as much advance notice as possible in relation to changes that will impact them. They should also be given every opportunity to ask questions about the proposed changes in different forums. Leaders must ensure questions are answered in an honest and transparent way or credibility will be lost.

Theme 5: Pride and advocacy

The final theme is that employees who can envisage a future for themselves in the organisation have a strong sense of connection with, and pride in, their organisation. They are also likely to be advocates for their organisation. The items with a high correlation to retention include:

		Correlation
<i>I would recommend our organisation as a place to work to my family and friends</i>		0.87
<i>I am proud to be working here</i>		0.79
<i>I feel a strong sense of belonging to my organisation</i>		0.78

Foster belonging and pride

Employees are much more likely to envisage a future for themselves within an organisation when they have a strong sense of belonging and pride in the organisation. This will be influenced by many things including the four themes previously discussed:

- A very important determinant will be employees having meaningful and challenging roles, as well as being able to see opportunities for development (Theme 1)
- Inspiring senior leaders who have a clear vision for the organisation, act with integrity, and are good role models will also impact employees' sense of belonging and pride (Theme 2).
- Employees are more likely to feel connected and proud in an organisation that is committed to high performance and where they can connect their everyday actions and performance to the organisation's goals (Theme 3)
- They are also likely to feel more connected and proud when the organisation demonstrates its values and behaviours consistently and when the organisation cares about and is committed to them (Theme 4).

Encourage and recognise employee advocacy

There is a very high correlation between being able to envisage a future for oneself within the organisation and being willing to recommend the organisation as a place of work to others. These employees are not only more likely to stay with the organisation for longer, but they are also very likely to help attract other potential employees and customers. Many organisations recognise the value of referrals from employees and offer incentives if they help bring people from their networks into the organisation. The benefits of employee referrals are very significant. Not only do they reduce the cost and time required for recruitment, but they often bring in better quality candidates with a better understanding of the job requirements (with honest input from "insiders") and a more accurate sense of what it would be like to work for the organisation. A better understanding of the job and organisational environment means that new employees joining via referrals are typically more likely to fit within the organisational culture and more likely to stay for longer themselves.

Reinforce reciprocity

Like most relationships, the employer-employee relationship involves reciprocity. When the employer provides the employee with a fulfilling job within a positive organisational context, the employee typically reciprocates by performing to the best of their ability and being an advocate for the organisation to both customers and other potential employees. The next section describes in more detail how to make this relationship as constructive as possible to the benefit of both parties.

How to increase employee retention

Employee value proposition

Strategies to increase employee retention are linked to the organisation's EVP. The EVP refers to the balance of the rewards and benefits that are received by employees in return for their performance in the workplace. It is the sum of everything that people in an organisation experience and receive; from the intrinsic satisfaction of the work, to the environment, leadership, colleagues and remuneration. In other words, an EVP answers the question of "what's in it for me" with respect to working here, and formalises an employer's pre-employment promises to employees (both explicit and implicit).

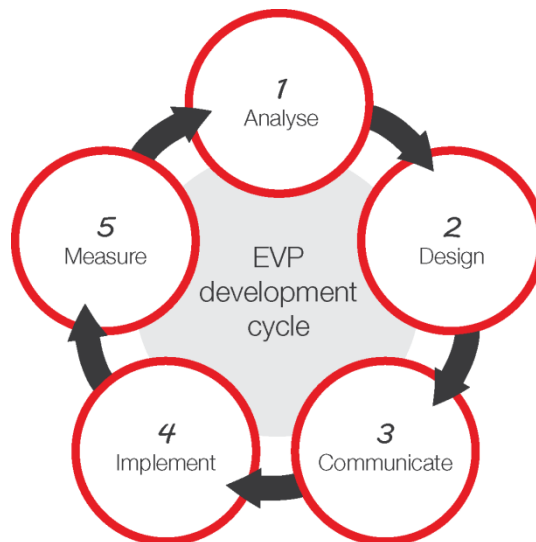
The findings from this study make it clear that the EVP should be considered in a broad context – it must consider job satisfaction as well as the impact of inspiring leadership, organisational performance, organisational values, and pride and advocacy on retention.

Process for articulating and refining the EVP

Increasingly, organisations are starting to craft their EVP with the same care and effort that is devoted to their Customer Value Propositions (CVP). It has long been recognised that a CVP requires finding the right package of functionality, quality, service and price that is most attractive to the organisations' target market. It is not possible to offer customers the best of all possible worlds – trade-offs need to be made to find the best possible offering for customers with similar needs and expectations. Likewise, an employer cannot offer current and future employees the best of everything; they must find the right combinations and packages that will be valued by the people that they want to employ and retain.

To articulate and refine an EVP we recommend the five step process outlined below.

Figure 1: The five steps to implementing an effective EVP



Analyse what employees expect and value in the employment relationship

The EVP development cycle begins with analysing what it is like to work for the organisation. This study has made it clear that the analysis must not only look at the specific characteristics of different roles, but also at general employee perceptions relating to leadership, performance, values and organisational pride.

There are many potential sources of information:

- What does your entry survey data say about why people join your organisation?
- What does your employee engagement survey data say about why employees like working with your organisation? Are there issues identified that if improved would lift employee retention?
- What does your employee turnover and absenteeism data tell you? How does it match against industry standards? Are there pockets of the organisation where retention or absenteeism issues are more prevalent?
- What does your exit survey data say about why employees chose to leave? What was missing from their employment experience with your organisation?
- What do your competitors state as their EVP? What are your points of difference?
- How do elements collected fit into the five themes identified in this paper? Where are the key focus areas? What has not been addressed and why?

Existing information can be supplemented by additional information where required. Focus groups can be used to find out what employees are looking for in their employment experience and to understand what they enjoy most about coming to work each day. We recommend using sessions like this to gather words and phrases from employees about what makes the organisation a great place to work (or not).



Design a realistic and meaningful EVP with the help of your employees

Once the EVP elements and themes are established, a draft EVP can be designed. It is recommended that you involve a diverse group of employees in the design process. Involving employees is a very effective engagement tool in itself. The EVP could be summarised in a simple series of bullet point statements or a tailored paragraph. Either way, it should be realistic, easy to interpret and meaningful to all employees irrespective of department or level in the organisation.

The EVP should be designed alongside the organisational vision and strategy. This is critical as employees might have identified something that is just not sustainable for the organisation. For example, a theme may have emerged in Step 1 showing that higher than industry standard salaries are important to employees but the organisation compensation strategy might be to pay average base salaries supplemented by an attractive incentive scheme. The EVP should therefore reflect what compensation strategy is on offer so that employees understand and have transparency in this area.

The design step should also involve testing the draft EVP with groups of employees to reveal how it resonates with and motivates them. You should also test the EVP with potential employees during the recruitment phase to determine how compelling the proposition is for attracting suitably qualified people. This helps organisations to understand which interventions will add the most value to the employee experience and highlights which parts of the EVP appeals to specific employee groups. This step is critical as, with respect to diversity and inclusion, the EVP should hold something for good performers, high performers and high potential employees alike.



Communicate the EVP in a way which resonates with both existing and potential employees

Once the EVP has been designed and tested, a great deal of thought and effort is required to communicate it effectively. To prevent your EVP from merely sitting on the “HR shelf”, an extensive internal communications program must be implemented to explain the EVP to employees, highlight any current issues and outline the organisation’s plans for implementing what is espoused.

This communications strategy needs to include more than just an announcement in a company email and on your website. The EVP must be regularly reinforced by all levels in the organisation and across all departments. It must also be highlighted throughout the recruitment, on-boarding and internal promotions process so that prospective talent can determine if the EVP meets their ongoing needs and every member of your workforce understands what the organisation offers them in return for their efforts and contribution. Opportunities for communicating the EVP include:

- Ask targeted questions during recruitment to understand whether candidate drivers match what the organisation offers. What do you like most/least about this industry? Why do you want to work with us? If you were successful in getting this role, how does it fit into your longer term career plans? What does this organisation/position offer you that your current organisation/position does not?
- During induction, discuss the EVP with each new employee and what it means to both the organisation and the individual. Agree on actions to address any gaps identified.
- In quarterly, bi-annual or annual performance review discussions, discuss the EVP with individuals to see how it correlates with their personal needs; identify what might be missing for them and agree on actions to address gaps.

Missing this step in the cycle may mean that poor hires or promotions, pervasive sub cultures and the office rumour mill could destroy all of the hard work you have put into the previous two steps.



Implement the EVP so it is constantly discussed and reflected upon by leaders and employees alike

Once you have defined and communicated your EVP, this psychological contract must be “lived and breathed” throughout the organisation and reinforced in every way possible.

Supporting material to complement the EVP must also be developed to assist HR staff and line managers to deploy the EVP throughout all organisational development activities. It is important that initiatives resonate at the organisational, managerial and individual level.

When implementing the EVP, the following questions can be considered:

- Is the EVP regularly discussed in senior leadership meetings and examples provided as to where it is or is not addressing retention issues?
- Do senior leaders regularly refer to the EVP in employee communications, highlighting where and how the organisation is delivering to employees what it says it will?
- Do templates for recruitment, induction, promotion and performance development refer to the EVP to prompt discussion?
- Have role models been identified to champion the EVP; people who can positively promote discussion around why they work with the organisation and who can challenge the cynics?
- Do your employee surveys — entry, exit and/or engagement — address the elements and themes of your EVP and seek feedback on its ongoing relevance?



Measure and improve the EVP as part of the ongoing strategic cycle of the organisation

A critical step often missed following the rollout of an EVP program is to assess the extent to which it has actually made a difference. We recommend that organisations monitor movements in the baseline indicators developed in Step 1 regularly to understand and address any inconsistencies with how the EVP is being experienced in the organisation.

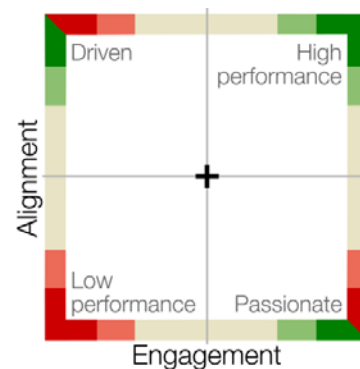
It is also important that the EVP is reviewed and updated every one to two years to keep it relevant to the current strategy and circumstances of the organisation, its employees and the industry in which it operates. This dedication to continuous improvement will ensure that the exchange of reward and benefits and quality performance leads to competitive advantage, and ultimately greater attraction and retention of high performing employees.

Appendix A

Insync Surveys' high performance framework

Insync Surveys' high performance framework has been designed around two of the most important drivers of high performance; alignment and engagement. This framework was used to develop Insync Surveys' Alignment and Engagement Survey (AES).

The survey was designed to establish whether the day-to-day operations of an organisation are aligned with its strategic goals, and whether employees are engaged. It identifies those organisations that have both high alignment and high engagement, which are likely to achieve sustainable high performance (see figure to the right).



Research reveals that a high performing organisation will:

- **Energise** – employees will be energised and inspired by the organisation and its senior leadership team. The organisation will have a clear and engaging long term direction and purpose and the senior leadership team will be good role models and motivate employees to achieve the organisation's goals.
- **Execute** – the organisation will align its plans and activities to the achievement of its long term goals. Its line managers will set a good example and build effective collaborative teams with a strong accountability and performance culture. It will invest in the development of its people and systems and be appropriately externally focused on meeting its customer and stakeholder needs.
- **Engage** – employees will be highly engaged and proud to work for their organisation. They will understand why their success is important for the organisation and they will recommend the organisation as a good place to work.

Within these three framework areas are high performance factors which are important for the achievement of sustainable high performance. Each factor measures the extent to which employees perceive that the organisation is achieving best practice in the relevant area. All factors include an important alignment thread which measures the extent to which action, behaviours and outcomes are linked to the organisation's long term goals.

The high performance factors are shown and explained briefly in Appendix B.

By assessing how well the organisation is performing on all of these factors, the AES can identify what kind of issues are potentially acting as barriers to achieving an organisation's goals, where those problems are and what actions can be taken.

A whitepaper explaining Insync Surveys' high performance framework is available on the AES page of our website.

Appendix B

Sample Alignment and Engagement scan

A sample executive summary (scan) from our AES report for sample company Axus Foundation is shown below.

Your Alignment and Engagement scan

The Alignment and Engagement scan below shows the alignment and engagement results of TAS compared to Axus Foundation overall. Results are displayed as the percentage of respondents who scored items either a six or a seven on the seven point rating scale. The colour coding indicates how the average raw score compares to organisations in Insync Surveys' benchmark database.

Number of TAS responses: 158

		TAS	All staff
Energise	Long term direction —whether strategies and changes are clearly articulated, communicated and accessible and it's clear how strategies will be achieved	34%	56%
	Senior leadership —whether senior leadership exemplify best practice, inspire, encourage innovation, and acknowledge and maximise talent	33%	54%
Execute	Team leadership —whether managers are trustworthy role models who build teamwork, communicate well, coach and mentor, and value their teams' opinions	57%	70%
	Team effectiveness —whether work groups use challenging goals, embrace change, celebrate achievements, focus on customer service and compare actions against plans	48%	60%
	Performance focus —whether the organisation is open to new ideas, putting customers at the centre of decision making and having systems that help staff meet their promises to customers. Organisations that are outwardly oriented outperform their peers on most productivity metrics. This applies to all sectors	35%	56%
	Investment in people —whether employees are supported with training and development, reward and recognition programs, work-life balance initiatives and performance appraisals	33%	49%
	Investment in systems —whether systems allow employees to do their job well, concerns are addressed and there's good internal customer service	26%	57%
Alignment —whether employees, teams, systems, processes and customer strategy are aligned to the organisation's long term goals		39%	58%
Engage	Engagement —whether employees are committed to and emotionally engaged with the organisation and its goals, and they promote and act in its best interests	49%	64%

Your average raw score compared to Insync Surveys' benchmark database.

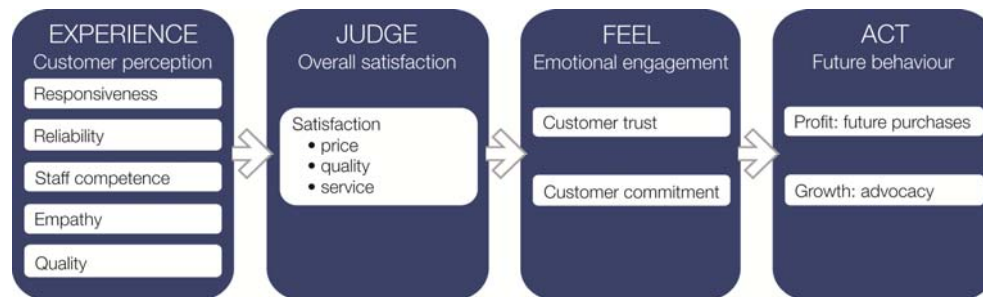
Legend: ■ Bottom decile ■ Bottom quartile ■ 2nd and 3rd quartiles ■ Top quartile ■ Top decile

Appendix C

A framework of customer satisfaction and engagement

The Insync Surveys Customer Satisfaction Survey (CSS) is based on our unique Experience-Judge-Feel-Act framework designed by our team of researchers. The framework was developed after reviewing the academic literature on customer satisfaction as well as recent studies on customer loyalty and engagement. Combining the traditional customer satisfaction approach with ideas about emotional engagement and future behaviour takes our CSS to the next level in customer research and is a true differentiator from other instruments.

The CSS gives a complete picture of each customer's journey from their experience of your products and services to their judgments about price, service and quality. Recent research shows that these things can lead to the formation of a personal bond with you and emotional engagement. Ultimately, this is manifested in each person's behaviour, whether they stay with you, buy again, buy more, or recommend you to others.



Each element of the Experience-Judge-Feel-Act framework is set out below.

“Experience”: What do your customers think of you?

“Experience” describes how customers perceive the quality of the products and services they receive from you. Experience is divided into five categories: 1) responsiveness of staff, 2) reliability of delivery, 3) staff competence, 4) empathy of staff and 5) quality of deliverables.

“Judge”: How satisfied are your customers?

“Judge” is all about customer satisfaction. It stems from customers' experiences with you which were measured in the previous section. We measure satisfaction on three dimensions: price, service and quality. It is important to measure and monitor each component of satisfaction separately and not to rely on the overall figure.

“Feel”: How strong is the relationship between you and your customers?

“Feel” describes your customers' emotional engagement with you. Research shows that satisfied and dissatisfied customers leave in roughly equal measures, and that emotional engagement is a more reliable precursor of repurchasing and advocacy. We measure your customers' feelings in two ways: their trust in you and their commitment to you. Together, these tell us about the depth of their relationship with you.

“Act”: How will customers behave in the future?

“Act” describes how customers are most likely to behave in the foreseeable future. If your customer buys again, increases volume and stays loyal then for most businesses profitability will rise. If on the other hand the customer refers new business to you, then revenue growth will result. These actions are collectively known as “behavioural loyalty” in the academic literature. Knowing how customers are likely to act in the future critical requirements for achieving sustainable growth.

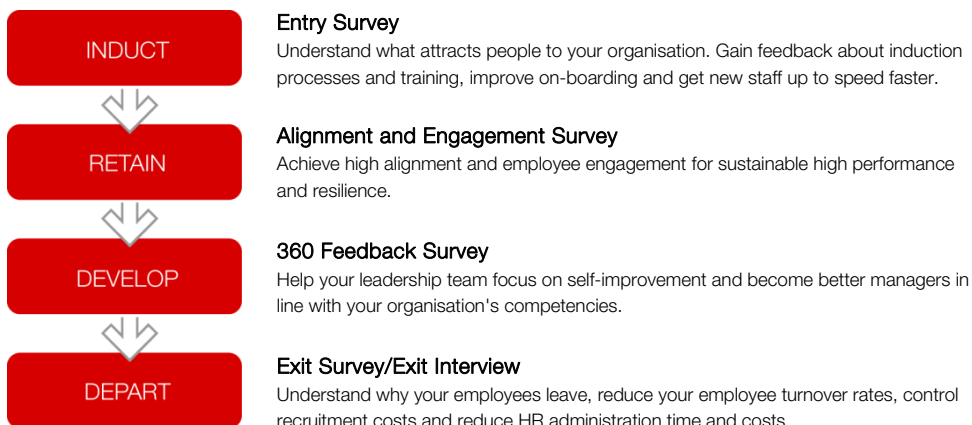
Appendix D



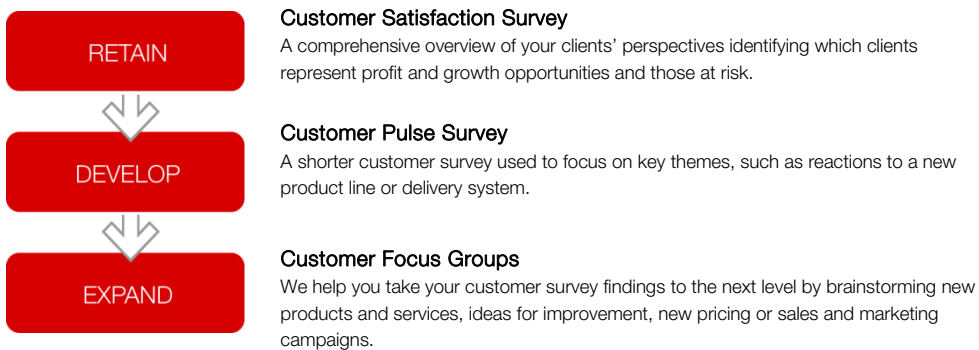
How Insync Surveys helps organisations

Insync Surveys can help your organisation improve employee and customer engagement which can increase your productivity and performance. Our employee and customer surveys also reveal the likely barriers to executing your organisation's strategy.

EMPLOYEE SURVEYS



CUSTOMER SURVEYS



We also have a range of specialised surveys for: boards; local, state and federal government and the education sector.

More information about our surveys and consulting is on our website: www.insyncsurveys.com.au.



About Insync Surveys

Insync Surveys is passionate about helping organisations achieve sustainable high performance by measuring and improving employee, customer, board and other stakeholder engagement.

We have conducted over 1,000 employee, customer and board surveys over the last five years for some of the largest organisations throughout Asia Pacific, including ASX, BHP Billiton, Cathay Pacific, Chevron, CSIRO, Fairfax, GlaxoSmithKline, John Holland, KPMG, Nufarm, Orica, QBE, Suncorp, Swire, Toll, WorleyParsons, Visy, AFL, Mission Australia, federal and state government departments, many local councils and most universities.

Insync Surveys has delivered surveys in 38 languages across more than 90 countries. Our benchmark database exceeds one million responses, giving us the ability to provide context and deep insights when interpreting survey results. We also assist clients with focus groups, action planning and change management. We have made significant investments in our people, processes, culture and technology to ensure that we can provide cost-effective and actionable insights to clients that make a real difference to their organisations. We also assist clients with focus groups, action planning and change management.

To discuss how to increase your organisation's performance or to access other free research reports from Insync Surveys, please contact us.

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