

# Engaging the Massive Middle

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The Conference Board

The Hartford

The McGraw-Hill Companies

United Technologies Corp.

Wachovia Dealer Services

*by Beverly Kaye and Sharon Jordan-Evans*

*Authors, Love 'Em or Lose 'Em: Getting Good People to Stay and Love It Don't Leave It: 26 Ways to Get What You Want at Work*

*Human Resource Executives from across the country convened for an Employee Retention & Loyalty Seminar filled with Best Practice presentations from Fortune 1000 organizations, chaired and facilitated by the authors of this report.*

*Among the topics covered was the issue of how leaders can engage and retain the massive middle (the bulk of their workforce) through a variety of both time-tested and innovative approaches.*



Presented by

**CAREER SYSTEMS INTERNATIONAL**

*A Beverly Kaye Company*





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## What's in the Spotlight

### *Engagement & Retention Remain Spotlight Issues*

We saw it in 1999 and we're starting to see it again. Some believe the coming talent war will make the last one look like a minor skirmish. Those who are better prepared for this war are more likely to come out on top, with an ability to attract, engage and retain the best people. And the best people will help their organizations compete successfully and ultimately win.

The cause of the new talent war? A confluence of four factors:

#### *Healthier Economy*

A healthier economy (as measured by GDP, consumer confidence and employment) spells a brighter job market and that spells more options for good workers. It makes sense – and now it's happening. Conference presenters reported that the best and brightest have their resumes updated, they've logged onto Monster.com and they're getting calls from headhunters again – finally.

The unanimous conclusion is that while the healthier economy is good for business, it's also good for talented people who, once again, have multiple choices about where and for whom they work.

#### *Changing Demographics*

More than one-half of the 76 million Baby Boomers will be eligible to retire in the next decade and their replacements will come from a smaller generation of only 43 million, most of whom are already in the work place.

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*“The worst employment crisis ever is on the horizon as baby boomers leave the workforce faster than new employees can take their place.”*

CEO, Monster.com

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While there are indeed mitigating factors that could ease the worker-shortage dilemma (delayed retirement, globalization, immigration, technology advances), presenters suggested that they're already feeling the pain, especially in certain geographies and industries (e.g. healthcare, education, engineering).

### ***Skill Shortage***

Some attendees of the conference weren't terribly concerned about the shifting demographics or a pending shortage of workers. But virtually all were worried about a current or pending

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*“Our education sucks, we’re falling behind and we will be unable to compete.”*

Bill Gates, Microsoft Chairman

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skill shortage. In fact, many echoed Bill Gates' sentiments. The U.S. Department of Labor states that 60% of 21st Century jobs will require skills that 20% of workers have.

### ***Unhappy Workers***

Many presenters touched on this unfortunate and prevalent reality. Curt Coffman, formerly the Global Practice Leader of The Gallup Organization, presented data from Gallup's Management Journal's Employee Engagement Index. In summary: 29% of U.S. workers are truly engaged, 54% are not engaged and 17% are actively

disengaged (poisoning the workplace). A Conference Board's survey of 539 global CEO's found that "Employee loyalty/commitment/job satisfaction was cited as an issue of greatest concern by 22% of CEOs in the U.S. and 32% of CEOs in Asia.

Many unhappy workers leave the workplace and, assuming they are talented contributors, their departure costs money – big money. But other unhappy workers quit and stay, leaving half their heads and hearts at home. That costs money too. In fact Gallup

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*Unhappy workers, with updated resumes and packed bags, threaten organizational success.*

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research shows that the disengaged workforce is costing the U.S. economy more than \$300 billion a year (roughly 11% of payroll costs). In the UK, loss is estimated at \$79 billion.

# Focus on the *Massive Middle*

Many organizations focus engagement and retention initiatives on the top 10-15% – the “high potentials”, the “A” players. That’s not wrong – but in the process they often lose sight of another critical segment of the workforce – the massive middle. By massive middle we mean the solid citizens, the bulk of the workforce (75-80%), the people whom you count on to show up every day and do their jobs. The massive middle includes managers and individual contributors who are often overlooked, especially when it comes to engagement or retention initiatives.

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*“Employers are coming around to the realization that failure and success might not lie among the weakest and strongest link, but in the solid middle, the 75% of workers who have been all but ignored.”*

— USA Today

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But dozens of Fortune 500 companies are beginning to focus engagement and retention efforts on this group. Why? Because they need the bulk of their workforce to be more fully engaged, to bring their discretionary efforts to the job, and to support their leadership. They need the 71% who are not engaged

(according to Gallup research) to get engaged – and get engaged now.

While methods vary greatly and must be customized for each individual employee, there are three strategic focus areas companies report using to build a retention edge with the massive middle. Those focus areas are:

- Comprehensive career development
- Mentoring methods
- Leadership learning

## *Comprehensive Career Development*

What do people really want? What will keep them engaged and on a team? Beverly Kaye, Sharon Jordan-Evans and their respective organizations have been studying this question for eight years. They’ve asked over 15,000 people why they stayed in an organization “for a while.” The top five stay factors (listed in descending order of frequency of response) are:

- Exciting, challenging work
- A chance to learn and grow
- Great people with whom to work
- Fair pay
- Good boss

Forty-three percent of survey respondents list the second factor, a chance to learn and grow, as a primary reason they stayed. Human resources professionals and savvy leaders recognize this reality and are now doing something about it – in the form of career development programs and support, not just for the top 10%, but for the massive middle.

One organization launched a survey and found that most employees did not:

- feel like they owned their careers
- know of career options that existed within the company
- know how to gain desired skills

The survey also showed that leaders didn't know how to coach their employees about their careers, and thus avoided the conversation completely.

These survey results stimulated thinking, and this organization responded with the design of a systemic approach to career development. It was important to align business needs with the career development intervention.

All recognized that two powerful levers for increased employee engagement are employees who are able to manage their

own careers and leaders who are able to coach employees to manage those careers.

Once this link to business results was clear, educational initiatives were created to provide learners with a systematic process and tools they could use to plan and manage their own careers including:

- Career development workshops that teach a process for managing ones own career
- Individual development plans to guide learning
- Assessment tools (e.g. to identify strengths/weaknesses) to help employees know themselves and their goals more clearly
- Career advisors to support decision-making and action
- Mentors to teach skills they wanted to learn
- Manager support to encourage learning and growth

A complimentary educational initiative was designed for leaders and helped to develop key competencies through workshops, job aids, mentoring and resources to support coaching their employees. This initiative provided:

### *Focus on the Massive Middle – continued*

- Greater understanding of abilities and career fit
- Continued dialogue about strengths and development needs
- Knowledge of industry and organization trends and career implications
- Selection of multiple development options linked to business needs
- Agreed-upon action plan to guide individual's development needs

One organization reported success with the use of a process that utilized Career Action Teams. Upon completing an on-line offering of a career development workshop, virtual action teams were formed and were able to coach one another through the development and learning process.

#### *“Stay Interviews” are Key*

Another process that was utilized in development efforts, and also provided critical information to managers about engagement, was the “stay interview”.

Participants at this conference learned about the power of conducting stay interviews.

Why don't managers ask what their employees want to learn next? Why

don't they ask what they envision as their next career steps or what will keep them engaged and on the team? Fear, busy agendas and lack of skill prevent otherwise good leaders from conducting these important conversations with the massive middle.

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#### *How many times do we learn what employees wanted when it's too late – during the exit interview?*

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Conference presenters talked about the importance and power of the stay interview. Many include stay interview manager training in their systemic approaches to engagement and retention.

Here are some sample questions from a manager's stay interview with a good employee:

- What about your job makes you jump out of bed in the morning?
- What makes you hit the snooze button?
- What will keep you here? What might entice you away?
- If you had a magic wand, what would be the one thing you would change about this department/team/organization?

- If you had to go back to a position in your past and stay for an extended period of time, which one would it be and why?
- What do you want to learn this year?

What employees really want are two-way conversations with their managers to talk about their abilities, choices, and ideas. They want someone to listen. They may not expect that someone to have the answers, but they expect and really want to have the dialogue. It is essential that managers hold a stay interview with every contributing member of their teams.

### **Mentoring Methods**

People with mentors are twice as likely to stay as those without. Senior executives and human resource professionals know this. That's why mentoring programs have doubled in numbers in recent years across all organizations, and are implemented in support of retention and engagement strategies.

Companies that want to retain high-performing women and minorities are investing in mentoring programs; some believe good mentoring will break the glass ceiling.

Companies are giving creative incentives to mentors, pairing mentors with new hires, and offering group mentoring and online mentoring to hasten their employees' development of management and technical skills.

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*Mentoring has become a way not only to transfer crucial skills and knowledge but to inspire loyalty in new employees and emerging leaders.*

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Innovative approaches to mentoring are now used to engage and retain the massive middle.

Effective mentoring includes the ability to:

- tell a great story about one's own experience
- de-brief an assignment
- engage in a dialogue about things usually kept under the table
- build connections to expose mentees to others who can help or teach

One conference presenter talked about an innovative "collaborative" group mentoring approach that delivered terrific results. Using a learning leader as a facilitator, regular sessions were set up to allow the group to talk about what they were learning, how they were learning, and what they needed to learn next.

### *Focus on the Massive Middle – continued*

The key steps in developing this type of learning environment included participant identification, implementing an effective process that included introducing and training key roles, hosting a thorough kick-off, determining key learning assignments, and establishing routine meetings to bring the group together for the learning experience.

Another approach focuses on combining mentoring with networking. This process provides a giving/receiving relationship for everyone involved. By teaching all individuals the concepts of mentoring and networking and the roles of both mentor and mentee, they are prepared to build their own relationships and drive their own professional growth.

Once an on-line self-matching system was added this organization was able to provide a self-directed program that offered on-going learning designed specifically for the individual needs.

### ***Leadership Learning***

When we ask supervisors and managers how to engage and keep good people, many immediately respond, “With money.” Research suggests that 89 percent of managers truly believe it’s largely about the money. These managers place the responsibility for keeping key people squarely in the hands of senior management. They blame organizational policies or pay scales for the loss of talent. Or they point the finger at the competition or the location. It’s always someone else’s fault.

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*“When leadership is defined not as a position you hold but as a way of ‘being’, you discover that you can lead from anywhere.”*

Rosamund Stone Zander

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The truth is, managers matter most. Managers at any level, a frontline supervisor or a project leader, actually have more power than anyone else to engage and keep good employees. Why? Because the factors that drive employee satisfaction, engagement, and commitment are largely within a manager’s control. And the factors that satisfy and engage employees are the ones that keep them on the team.

A 25-year-long Gallup Organization study based on interviews with 12 million workers at 7,000 companies found that the relationship with a manager largely determines the length of an employee's stay. And recent research by Gallup found a positive relationship with the supervisor has an important effect on engagement. Research by Kaye and Jordan-Evans (over 15,000 respondents) found that most retention factors are within managers' influence.

In other words, managers matter. That's why leadership development and learning is a key strategy for engaging and retaining the massive middle. Anyone who manages anyone should be carefully trained to do that work, just as she would be carefully trained to manage a key customer, important project or significant budget.

Conference presenters described numerous approaches to training their leaders including:

- Leadership development training programs for leaders at all levels (including the top)
- Competency assessment, gap analysis and coaching to close the gaps
- Mentors assigned to all new leaders
- Coaches (internal and external) to assist in competency development and important behavior change
- Accountability and reward systems to reinforce excellent leadership

One presenter described her organization's approach to "motivational leadership" as having the following characteristics:

- Relies on relationships, conversations, and listening
- Staff driven by passion, challenge and inspiration
- Operates under a unified vision that has no limits
- Leads by making staff powerful
- Builds confident and committed staff

This organization found through employee surveys that the motivational leadership approach:

- Continued to boost morale
- Built the best management team
- Created a recognition system that rewards true leaders
- Celebrated and recognized organizational and leadership successes



### *Focus on the Massive Middle – continued*

Another organization uses “leadership circles,” which involve small groups with the participation of managers, supervisors, and associates. Each group meets on a weekly basis to promote and support leadership at every level of the organization.

Some of the questions this organization asked of their leaders:

- How do we ensure that our employees are treated with respect at every level of interaction within the organization?
- How do we hold leaders accountable for the behaviors we expect as an organization?
- What can we do to ensure our employees feel connected, engaged and valued?
- What are the obstacles that employees feel keep them from doing the best they can each day?
- How do we create a culture that encourages teamwork, cooperation and synergy across departments and divisions?
- How can we build trust throughout the organization?

## Summary

Virtually every presenter echoed the importance of building strong leadership as a way of engaging and retaining the massive middle. Many remarked that their climate studies and satisfaction scores reflected the lack of attention to this group. Consistent complaints about lack of development opportunities and attention from their managers seemed pervasive among the comments from the professionals who attended this conference.

Tom DeLong and Vineeta Vijayaraghavan highlighted this in their well received article in the Harvard Business Review, *Let's Hear it for the B Players.* (HBR, June 2003). They warn leaders not to be blinded to the important contributions that these employees offer and the unique strengths they bring.

HR professionals and business leaders must consider career paths for this group and offer coaching to meet their development needs. We suggest that "promotion is not the only way to promote an employee's career," and engagement and retention is enhanced if these employees see alternative career paths for themselves and ways to grow further in their current position as well.

Finally, everyone agreed about the importance of leadership support for their retention and engagement initiatives. The interventions that had the biggest ROI were those that were supported by senior teams. Support came in the form of the allocation of funding, modeling the necessary behaviors, holding managers accountable and integrating the initiative into the strategic plan.

Senior leaders must walk the talk if the message is to cascade down to the vital massive middle.



## About the Authors

Dr. Beverly Kaye is the founder and CEO of Career Systems International, a leading talent management solutions provider. Honored as ASTD's 2006 "Legend", Bev is a nationally recognized authority on career issues in the workplace. Her ground breaking talent retention, career development, workplace satisfaction and mentoring programs are being implemented worldwide.

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Sharon Jordan-Evans is president of the Jordan Evans Group, Cambria, California, an executive coaching and leadership development firm. She works with executive teams, high potential employees, and senior leaders on effectiveness, retention and productivity issues. She is a keynote presenter and Professional Certified Coach.

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They are the authors of ***Love 'Em or Lose 'Em: Getting Good People to Stay*** and ***Love It Don't Leave It: 26 Ways to Get What You Want at Work*** (Berrett-Koehler).

*When demand exceeds supply, you're in  
a talent war. When you compete for top talent, steal them  
from your competitors and pray they'll stay with you,  
you're in a talent war.*

*– Beverly Kaye and Sharon Jordan-Evans*

