

[retention]

Do You Know What Kind of Commitment They Have?

By Jack Phillips and Lisa Edwards

Commitment to the organization – what is often called “employee engagement” – describes the degree to which an employee is so committed to an organization that he or she will invest extra effort in the work. Organizations can benefit greatly from such highly engaged employees. High levels of organizational commitment promote retention of talent, improved customer loyalty, better organizational performance and stakeholder value.

Consider that employee turnover is not a single event, but rather a process of disengagement, and that employees who are not committed are more likely to eventually leave the organization as they become less and less engaged.

Employee engagement/commitment has consistently been shown to be related to turnover. One study has shown that employees with the highest level of commitment are 87% less likely to leave the organization. In addition, commitment is also associated with productivity. Employees with the highest level of commitment perform 20% better.

Employees who are involved in their work processes, such as conceiving, designing and implementing workplace and process changes are more likely to be committed to their jobs and to their organization. In a recent study of 132 manufacturing firms, employees who had this level of involvement in their work processes also had higher productivity.

FOUR TIMES THE POWER

There are two main forms of commitment: Rational Commitment and Emotional Commitment. **Rational Commitment** is the degree to which a job serves an employee’s *financial, developmental, or professional self-interest*. **Emotional Commitment**, on the other hand, concerns the degree to which a job serves an employee’s *values, enjoyment and belief in what they do*.

Each of these forms of commitment is distinct. Employees may be committed to the organization because it fulfills a logical and rational need to provide an income or source of financial stability. An employee may also be committed to a job because it serves a long-term purpose related to career goals or professional needs.

However, emotional commitment – gaining a sense of meaning and joy – is where discretionary effort kicks in. Emotional commitment has four times the power to impact performance, yet only 11% of the workforce is committed at that level. In fact, 13% of the workforce has very little commitment at either the rational or emotional level, and the remaining 76% of the workforce is somewhere in the middle, with strong commitment to one aspect of the job (such as income), and can take or leave the rest. Most importantly, the lesser the degree of commitment, the greater the likelihood that the employee will leave the organization.

ABOVE AND BEYOND

To increase and maintain commitment from employees, an organization must address both forms of commitment listed above. Think of the employee who chooses to stay late to help a co-worker with a client project that is due in the morning; or the employee who talks proudly of his or her organization to friends and encourages them to apply for an

open position at the company. When employees are both rationally and emotionally committed to an organization, they willingly go above and beyond the call of duty.

Commitment can be measured in business impact, and positive commitment can result in significant cost savings to an organization. For example, Denver, CO-based Molson Coors found that employees who were committed and engaged were five times less likely to have a safety incident and seven times less likely to have a lost-time safety incident than their non-committed counterparts. The cost of a safety incident for an engaged employee was only \$63, compared to an average of \$392 for a non-committed employee. As a result of improving employee engagement, the company was able to save \$1.7 million in safety-incident-related costs during the course of one year.

Good management practices are central to building employee commitment. Specifically, managers must be clear about business goals and how employees' individual roles contribute to that goal, and provide positive feedback or redirect behaviors when necessary. Celebrate successes. Finally, managers need to recognize that everyone is unique and that they must find ways to maximize people's performance and feelings of success by plugging them into roles that leverage their natural abilities.

EXPECTATIONS AND BENEFITS

Identifying expectations, and the benefits of meeting those expectations, also helps build commitment, even in temporary or short-term employment. In a temporary job, employees understand that they will eventually have to leave. However, when organizations explain expectations and help them achieve the benefits of completing their temporary work assignments, commitment can be created.

Employees with positive experiences may remain committed long after they leave the organization. For example, McKinsey and Company is famous for the level of commitment it enjoys from its former consultants, even after layoffs. Another example concerns the Wharton School, where members of the first-year class were asked to explain how they were managed in their previous jobs. Nearly without exception, those employees who worked in temporary jobs, such as for an investment bank as a junior analyst, were positive about their former employers. The reason was due to receiving a clear idea of organizational expectations, what was gained through their efforts, and the knowledge of their fixed departure date.

MEASURING COMMITMENT

Many organizations measure employee commitment to improve productivity and gain insight about potential turnover concerns. Gallup has identified 12 indicators that link employee engagement/commitment to productivity, profitability, retention and customer satisfaction. These indicators – commonly known as 'Q12' – are measured by using the following questions:

- 1) Do you know what is expected of you at work?
- 2) Do you have the materials and equipment you need to do your work right?
- 3) At work, do you have the opportunity to do what you do best every day?
- 4) In the last seven days, have you received recognition or praise for doing good work?
- 5) Does your supervisor, or someone at work, seem to care about you as a person?
- 6) Is there someone at work who encourages your development?
- 7) At work, do your opinions seem to count?
- 8) Does the mission/purpose of your company make you feel your job is important?
- 9) Are your fellow employees committed to doing quality work?
- 10) Do you have a best friend at work?
- 11) In the last six months, has someone at work talked to you about your progress?
- 12) In the past year, have you had opportunities at work to learn and grow?

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