

Engaging and Retaining Top Performers

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Introduction

Engaged employees say positive things about their company, give extra effort, and are more likely stay with their company. The latter piece of this definition is of particular importance for companies who are trying to address turnover concerns. Indeed, we see that disengaged employees are nearly **twice as likely to leave** an organization as their engaged counterparts. Although all turnover may not necessarily be bad, voluntary turnover of *high performers* is rarely a good thing. We wanted to get a better understanding of what engages high performers, and in turn what drives them to leave, in order to gain deeper insights into this small but important segment of your organization.

Disengaged vs. High Performer Turnover



Disengaged Employees
are **2x** as **likely to leave**
as engaged employees.



How do we avoid
voluntary turnover of
high performers?

High Performers' Intentions to Stay

Aon Hewitt's engagement measure has two questions that assess an employee's intentions to stay with the company. There are competing hypotheses on how high performers will respond to these items relative to other employees:

1. High performers may be more likely to intend to *stay* with the company because they view themselves as an instrumental part of the company and feel valued.
2. High performers may be more likely to intend to *leave* the company because they know they have attractive alternatives elsewhere.

Which hypothesis is supported by the data? Our results tend to align with the former—high performers score seven percentage points higher on Intentions to Stay than employees who are not high performers. This suggests that high performers recognize they are instrumental and valued, and reciprocate by wanting to stick around.

Intentions to Stay



High Performers score **seven** percentage points higher on **Intentions to Stay** than employees who are not high performers.

Driving Engagement and Intention to Stay

In addition to high performers' engagement and/or intentions to stay, we can glean important insights from examining the item-level drivers of each of these outcomes. The table below shows the rank order of the drivers with either Engagement or Intentions to Stay based on a meta-analytic investigation across clients (predominantly based in the United States).

Four of the drivers are consistent across the two outcomes. While we see some expected overlap, we see some very interesting findings in the cells highlighted in green. Having appropriate opportunities for growth is the top driver of intentions to stay for high performers. Indeed, there are two items focused on career and development *opportunities* that come out as top Stay drivers, but are relatively low on the list of engagement drivers. How can you interpret this?

- Engaging high performers is not the same as driving them to stay.

- Both of the items focused on career and development specifically reference *opportunities*. High performers need to see the development opportunities, not just hear about them. Without this line of sight, high performers may get frustrated and leave.

It may be surprising to not see any items related to managers emerge in this analysis. After all, a common adage is that employees do not leave their jobs, but rather they leave their managers. While employee perceptions of their manager have a significant correlation with Intentions to Stay, we consistently find weaker relationships between Intentions to Stay and perceptions of the manager for high performers compared to other employees. This finding seems consistent with our other findings (discussed later) that suggest high performers place a stronger weight on more distal aspects of their work environment (e.g., career growth) compared to the more proximate aspects such as receiving recognition from a manager. In sum, be careful of a “one size fits all” approach to retention strategies.

Ranking of Drivers of Engagement vs. Intention to Stay

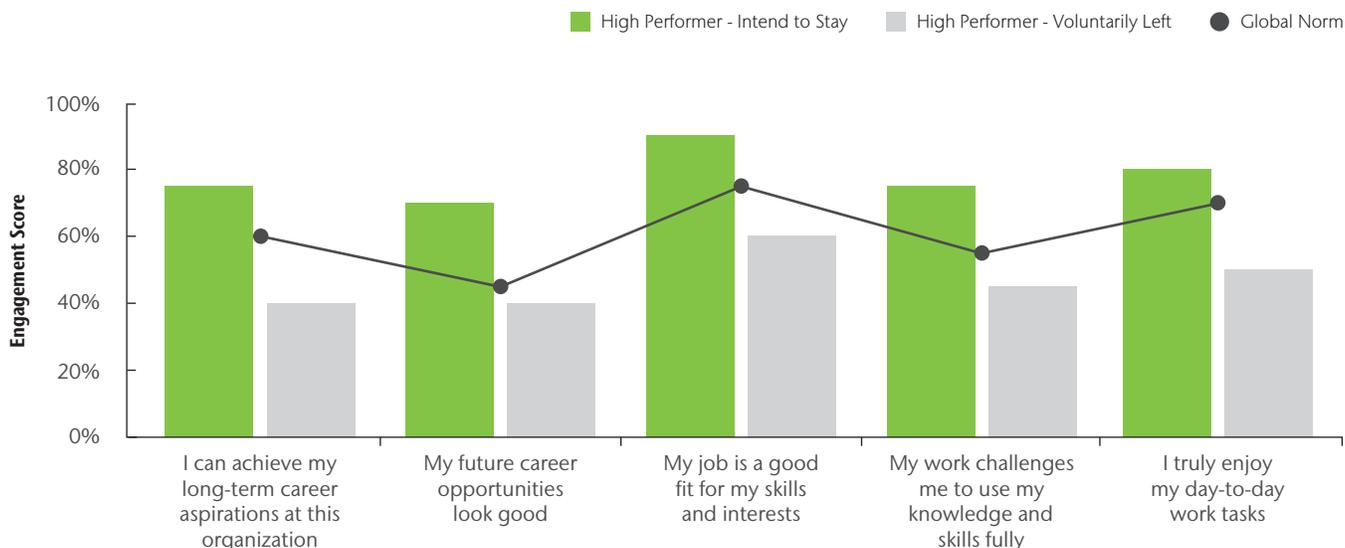
Drivers	Engagement	Stay
I am proud to be part of this organization	1	2
Senior leadership is worthy of employees' trust	2	4
This organization is considered one of the best places to work for someone with my skills and experience	3	3
Overall, the way we reward and recognize people in this organization helps us produce the business results we want	4	2
I can achieve my long-term career aspirations at this organization	5	17
I have appropriate opportunities for personal and professional growth	16	1
In my current position, I feel there are sufficient opportunities for me to increase my chances for advancement	23	6

From Intention to Action: Retaining Your High Performers

Even employees who say they intend to stay with a company may end up leaving his/her job for a variety of reasons. Some of these reasons may not even be under the employee's control (e.g., a spouse gets a new job that requires relocation).* However, we can learn a lot about what drives employees to leave by looking at their prior responses on an engagement survey. The chart below shows the results of a case study where high-performing employees who left were compared to the retained high performers who responded favorably to the Intentions to Stay item (this served as a proxy for employees who are least likely to voluntarily leave the company).

This chart first tells us that high performers who left were significantly less favorable about future-facing drivers such as those related to career opportunities. Because high performers know they are important to the business, they rightfully expect good opportunities and want to be able to achieve their aspirations. We also see high performers focus on job fit and being challenged in their work. Together, these items suggest that high performers have a self-awareness to know whether a) their job is currently a good fit and b) whether their trajectory within the company aligns to their career aspirations.

Drivers of Engagement vs. Intention to Stay



*Russell, C.J. (2013). Is it time to voluntarily turn over theories of voluntary turnover? *Industrial and Organizational Psychology*, 6, 156-173.—This offers a nice review of the academic literature on voluntary turnover.

From Intention to Action: Retaining Your High Performers (Continued)

Two Other Key Findings from Our Research

Our clients often ask us to help them make connections between their engagement survey and broader talent issues such as turnover. By leveraging the responses that these employees provided prior to leaving the organization, our clients are able to identify the main drivers of turnover and take targeted action on areas that are scoring low.

- ▶ Perceptions of career opportunities are important drivers of engagement and retention for all employees, but that importance is amplified for your high performers (see graphic below). For this client, employees who had poor perceptions of their career opportunities were nearly twice as likely to leave compared with those who had positive perceptions. When we looked at how performance level moderated this relationship, we saw that high performers were roughly **three times as likely to leave** if they had poor perceptions of career opportunities.
- ▶ The drivers of turnover also may be moderated by the type of job in question. Employees with highly specialized jobs that require advanced education and/or certifications may be more concerned with seeing a return on their investment of time and money in the form of new and challenging work. Our work with another client supported this assertion: compared with high performers elsewhere in the company, high performers with specialized jobs were uniquely driven to leave the company based on if they felt challenged to fully use their knowledge, skills, and abilities.

Future Career Opportunity & Performance Levels



Conclusion

While the above information can be helpful in understanding the unique needs of high performers, it is incumbent on the organization to act on this information—and that is easier said than done. Consider this scenario that a client faced recently:

Based on longitudinal analyses into their employees, a client observed that high performers were leaving the company in part because they did not see future career growth within the company. However, this was the reality—the company was scaling back, not creating any new jobs, and even combining some old positions. So they asked us: “How can we improve our employee, and in particular high performer, perceptions of career opportunities in the absence of any new job/position opportunities?”

Traditional career pathing may not work in this case, where high performers are feeling the crunch of a shrinking employee base. Instead, focusing on lateral moves, individual development plans, investments in skill building like training, and flexible learning options all emerged as options available to the organization.

Based on this scenario, along with our other work with clients, consider the following steps to engage and retain your high performers:

- **Tell your high performers they are important to the business.**

This is the first question we have when researching high performers: “Does an employee know if they are considered a high performer?” If not, tell them! It is important for employees to know that they are an important part of your present, as well as your future.

- **Clarify how they fit into the company long-term.**

This may involve creating a line-of-sight between their job and the vision of the company. Ensure that, even if there are no promotions/career opportunities available today, your high performers see how they fit in and can grow. This communication is critical to employees, particularly if recent economic conditions have slowed your company’s growth.

- **Foster positive affect.**

A positive affect, or mood, is not necessarily the same as engagement. In addition to clarifying their long-term goals, making sure that your high performers enjoy their day-to-day work in the present helps keep them from voluntarily leaving.

There are obviously many other factors that impact employee decisions to leave a company, but the points discussed above highlight those that are largely under a company’s control and thus offer a good place to start for retaining and engaging high performers.

Learn More

To learn more about our research on the topic of employee engagement, go to www.aon.com/employeeengagement or reach out to one of the contacts on the next page to set up time to talk with one of our experts.

Contacts

Christopher Adair, Ph.D.

Lead Consultant at Aon Hewitt
Talent, Rewards & Performance
christopher.adair@aonhewitt.com

Don MacPherson

Partner at Aon Hewitt
Talent, Rewards & Performance
don.macpherson@aonhewitt.com

About the Author

Christopher Adair is a lead consultant within Aon Hewitt's Talent, Rewards, and Performance practice based in Denver, CO. He specializes in employee engagement and leads much of the advanced analytics around connecting employee survey data to key business indicators such as financial, operational, talent, and customer metrics. He has helped clients ranging from 200 to 200,000 employees understand how to engage their employees and create a more positive work experience. Christopher obtained his Ph.D. in Industrial/Organizational Psychology from DePaul University.

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