

# Human Resources Management

A CCH INCORPORATED PUBLICATION

## Ideas & Trends

### MANAGEMENT TRAINING

## Retaining employee enthusiasm is a challenge

If you have noticed that employee enthusiasm takes a nose dive shortly after new hires start work with your company, you are not alone. In fact, there is a disturbing and significant decline in employees' overall job satisfaction after they have been with their employer for six months or more, according to research conducted by Sirota Consulting, which surveyed 1.2 million employees at 52 primarily Fortune 1000 companies during the years 2001 through 2004.

**Downward spiral?** Employees who had been with their employer for an average of six months expressed an overall job satisfaction rating of 80 out of 100. However, employees who had been with their employer between one

and five years had a satisfaction rating of only 69 out of 100. The silver lining could be that there is some improvement in overall job satisfaction in employees who have been with their employer for more than 10 years. Even then, however, employees' enthusiasm never recovers to what it was when they started their jobs.

### Management's responsibility

This progressive decline in enthusiasm as job tenure increases is attributable to three actions by management, all of which can be compensated for with minor managerial adjustments.

**Don't manage to your lowest performers.** First, the majority of man-

agement policies are not geared toward the 95 percent of employees who are good workers, but toward the 5 percent of employees who are not so great, according to David Sirota, Louis A. Mischkind, and Michael Irwin Meltzer, co-authors of "The Enthusiastic Employee: How Companies Profit by Giving Workers What They Want."

These employees require micro-managing. According to the authors, "a major problem is that, in many organizations, management generalizes the behavior of this small group to just about every worker, which makes the work environment oppressive for all, and suppresses the natural enthusiasm most people bring to their jobs." To avoid this, management should avoid policing 10-minute coffee breaks, invoking disciplinary codes for minor offenses, and at all costs, avoid behaving as though employees have to be made to work.

**Express appreciation.** Second, managers who fail to show appreciation and concern for their employees by bearing an attitude of indifference quickly deplete the level of enthusiasm an em-

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### STAFFING

## Prepare now for Baby Boomer retirement

It is never too early to begin planning for employee retirement, especially when the employees you plan for are part of the Baby Boom generation (those born between 1946 and 1964). As this infamous generation nears retirement, transferring their collective knowledge and expertise is crucial to maintaining top employee performance and a competitive edge.

The retirement of the Baby Boom generation will be one of the biggest challenges ever confronted by HR professionals, according to Rita Danker, vice president of organizational development and HR at the

Schneider Electric North American Operation Division.

**How worried should you be?** According to Danker, "Anyone who thought it was tough to find the right people to fill jobs in the nineties in the midst of the dot.com craze is in for a real surprise. That was nothing compared to what we will be dealing with to find qualified people in the coming years." Baby Boomer retirement will have a huge impact on American enterprise. How worried should you be? You should be very worried because everyone will be affected by Baby Boomer retirement.

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## EMPLOYEE ENTHUSIASM

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employee has for working for that manager. An employee must feel appreciated to feel enthused.

**Avoid layoffs if at all possible.** Finally, management must not be too quick to respond to adverse business conditions with employee layoffs. "Although companies can preach forever that 'our people are our most important asset,' that means little when dismissing workers in times of economic difficulty is the first thing a company does, instead of the last," report the authors.

### Management solutions

The authors report that employees cannot be expected "to be enthusiastic about an organization that is not enthusiastic about them." Instead, all management

policies should be created to satisfy three goals, none of which, the authors report, are more important than these:

- Equity – to be treated fairly;
- Achievement – to be proud of one's job

## Employees cannot be expected to be enthusiastic about an organization that is not enthusiastic about them.

- and company; and
  - Camaraderie – to have good, productive relationships with fellow employees.
- To sustain employee enthusiasm, management needs to stop believing that em-

ployees are expendable and require constant supervision, report the authors. Instead, management must:

- Recognize that most employees are reasonable people with realistic expectations who come to work in partnership;
- Acknowledge that people must be treated with a fundamental fairness, need to feel valued as people, and require social contact to be productive; and
- Build a real partnership culture for the long-term, a culture in which individuals and groups cooperate to beat the competition rather than squabble among themselves. □

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Source: David Sirota, Louis A. Mischkind and Michael Irwin Meltzer, *The Enthusiastic Employee; How Companies Profit by Giving Workers What They Want*, (Wharton School Publishing 2005).

## KNOWLEDGE TRANSFER

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**What exactly is the concern?** The concern over knowledge transfer bears many faces, all of which will land HR in a world entirely different from the one in which it currently exists. For example:

- The employment market will belong to employees because there will not be as large a pool of candidates from which employers may choose.
- There will be a loss of an incredible knowledge base because of new employees' lack of maturity in applying their skills in the big business picture.
- Corporate structure itself may not survive intact because of the inability of those left to support it when the Baby Boomers retire.

**Will it ever end?** The first wave of Baby Boomers will reach retirement age, 65, in 2011. Current projections have the labor force remaining constant between 2010 and 2030 because after the peak of the Baby Boom in the late 1950s, U.S. fertility rates fell rapidly, and there simply is not a large supply of younger workers to replace the retirees. The loss of institutional knowledge will end eventually, but it is not expected until mid-century.

**Are you prepared?** To best prepare to protect your company from the potentially devastating repercussions of unplanned-for Baby Boomer retirement, Danker suggests that HR implement the following:

- **Understand the impact.** Attempt to appreciate and understand the impact of the retiring baby boomers;
- **Build a bridge for knowledge transfer.** Build into all corporate programs the expertise and participation of the soon-to-be-retiree Baby Boomers who have contributed greatly for many years. To do so successfully, HR should actively take inventory of the current corporate knowledge base so that it can be preserved and transferred;
- **Don't lose focus.** Focus on designing and delivering individual and organizational development tools and processes that will help you achieve business results through improved customer focus, continuous improvement, and employee satisfaction; and
- **Leverage the knowledge you have.** Be willing to leverage the full weight of your intellectual capital in your approach to reinforcing leader-

ship positions and in the ways you run your business. □

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Source: Schneider Electric North American Operating Division, <http://www.us.schneider-electric.com>.

### Managing Editor

Heidi J. Henson

### Contributing Editors

Joyce Gentry  
Deborah Hammonds  
Joy Waltemath

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HUMAN RESOURCES MANAGEMENT—Ideas & Trends (USPS 680-810)(ISSN 0745-0613), a CCH editorial staff publication, is published semi-monthly (twice a month) by CCH INCORPORATED, 4025 W. Peterson Ave., Chicago, Illinois 60646. Periodicals postage paid at Chicago, Illinois, and at additional mailing offices. POSTMASTER: SEND ADDRESS CHANGES TO HUMAN RESOURCES MANAGEMENT—IDEAS & TRENDS, 4025 W. PETERSON AVE., CHICAGO, IL 60646. Printed in U.S.A. All rights reserved. © 2005, CCH INCORPORATED, A WoltersKluwer Company.