Pivotal employees

Over the past decade, many organizations have spent a great amount of time, effort and energy on identifying and managing High Performers. Understanding what motivates these "A" player employees to give discretionary levels of effort, which organizational systems enable their success, and how the work environment supports desired business outcomes is important.

But, while High Performers are essential to a company and warrant attention, an emerging focus and emphasis is being placed on a group of employees called Pivotal. Pivotal employees are segments of the workforce that are expected to create value and determine the success of the company. Pivotal employees can vary across business units (e.g., in business unit A, a pivotal employee is a Manager, while in business unit B, a pivotal employee is a software engineer).

Pivotal employees vary by industry, and, are not necessarily supervisors, management or rising stars (high performers). For example, pharmaceutical companies depend on the development of new drugs while a restaurant depends on the experience of each customer. For the pharmaceutical company, a research scientist is likely to be a pivotal employee. For the restaurant, the cook and servers would likely be classified as pivotal employees as they are each defining the customer experience in their own way. Pivotal employees may change as a company evolves, but always play a disproportionate role in creating company value and success.
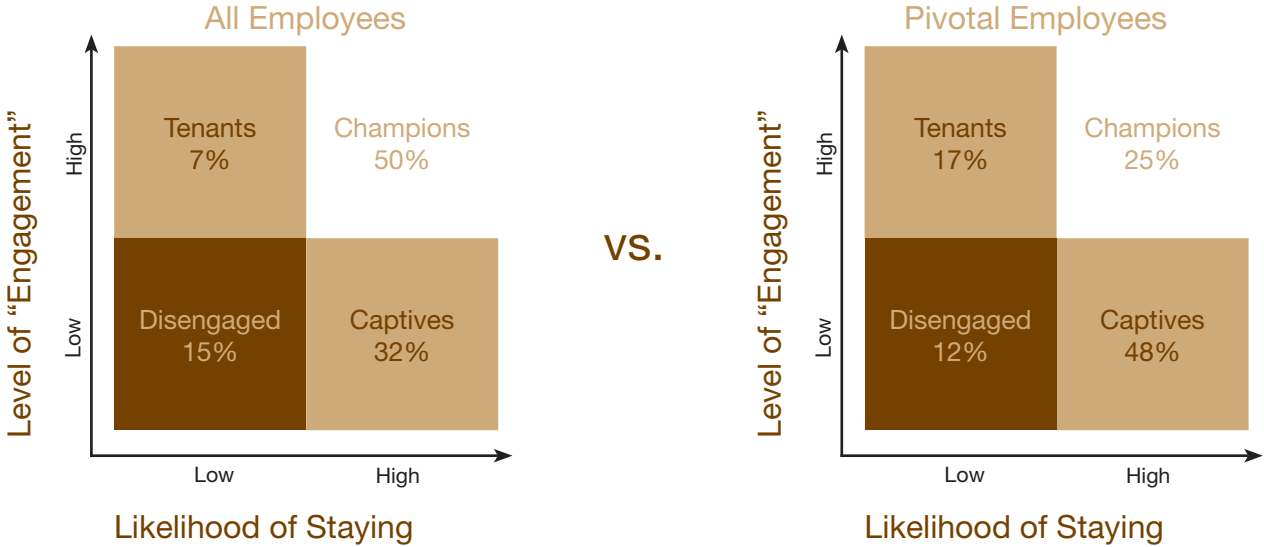
Engagement of Pivotal employees can be the difference between business success and failure. Not knowing who your Pivotal employees are, how many are fully engaged and how many plan to leave is a business risk. Equally critical to company performance is preventing Pivotal employees from feeling captive (not engaged, but not leaving). Captive Pivotal employees will leave as soon as other outside opportunities emerge but prior to leaving, tend to be unproductive and may represent quality and safety/compliance risks.

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As depicted in the charts below, Saratoga has designed our engagement surveys to focus on Pivotal employees' engagement levels and commitment to stay. Our "Pivotal

Employee Profile" provides a current state view of "at risk pockets" within the Pivotal employee population and contrasts them to the overall workforce population.

All Employees

Level of "Engagement"

	Low	High
High	Tenants 7%	Champions 50%
Low	Disengaged 15%	Captives 32%

Likelihood of Staying

VS.

Pivotal Employees

Level of "Engagement"

	Low	High
High	Tenants 17%	Champions 25%
Low	Disengaged 12%	Captives 48%

Likelihood of Staying

Each segment of the "Pivotal Employee Profile" should be evaluated within the organization's structure with consideration given to what impact the mix of segments has on

business success. The following characteristics define the four employee segments outlined in the graphic on page 2.

Profile	Characteristics
Champions	• Strong identification with company objectives • High level of loyalty to the company • High level of willingness give discretionary effort and self-initiative to also inspire and motivate colleagues
Captives	• Rather critical, therefore difficult to lead • Individualistic, interested only in their own professional advancement • Ready to change jobs when opportunities become available (sometimes the employee feels these opportunities are not, therefore they feel stuck)
Disengaged	• Dissatisfied • Disconnected from the company • More frustrated than dedicated • Under-utilized resources of the company
Tenants	• Very satisfied • Straightforward, however, need to be directed • Lack connection to company

Once a company has identified its pivotal employees and has profiled them as tenants, captives, disengaged and champions, it can start to identify the biggest productivity challenges and/or barriers to success. This should be done for each group of pivotal employees. Analyzing engagement survey data by pivotal employees will, at glance, reveal such barriers, as depicted in the below graph:

Average Productivity Impact Score LOW to HIGH	All	Pivotal	Champions	Tenants	Captives	Disengaged
No. Participants =	12343	3794	1176	305	1745	569
Supervisor provides the correct/right information to do your job	0.71	0.72	0.69	0.49	1.16	1.15
Your company's stability	0.71	0.74	0.57	0.75	1.55	1.15
Supervisor is responsive to work issues brought to his/her attention	0.71	0.74	0.77	0.56	1.06	1.24
Flexibility of work hours	0.72	0.71	0.67	0.44	1.10	0.92
Amount of extra hours required	0.78	0.78	0.72	0.64	1.07	1.14
We're given a clear picture of the company's business direction	0.80	0.79	0.52	1.08	0.96	1.31
Notice of extra work hours	0.80	0.78	0.82	0.45	1.25	1.14
We're given a clear picture of the company's financial situation	0.83	0.83	0.60	1.00	1.01	1.45
Associate recognition	0.88	0.89	0.87	1.14	1.05	1.20
Supervisor gives feedback on your performance	0.90	0.90	0.79	1.02	1.56	1.40
Your job, taking everything into account	0.93	0.95	0.75	0.75	1.23	1.30
The competence of on-the-job trainers	0.95	0.97	0.90	0.79	1.29	1.51
Your own job security	0.97	1.00	0.84	0.82	1.63	1.25
The company-provided training conducted on-site	0.99	1.01	0.88	0.90	1.40	1.56
When changes call for action, we're informed on what to do	0.99	1.02	0.79	1.13	1.40	1.46
We're kept up-to-date during difficult times	0.99	1.03	0.80	1.19	1.46	1.54
Co-workers with positive attitudes	1.05	1.05	0.92	0.94	1.61	1.48
Company leadership is open and honest in sharing information	1.07	1.08	0.93	1.00	1.46	1.58
Speaking up without fear of retribution	1.09	1.10	1.11	0.92	1.70	1.32
The company's on-the-job training	1.10	1.12	1.00	0.98	1.56	1.60
Your chance to learn new skills	1.11	1.13	1.04	0.81	1.52	1.60
Your company's loyalty to associates	1.13	1.17	1.03	0.86	1.67	1.48
The company's basing rewards on good performance	1.15	1.15	0.93	1.08	1.71	1.73
We have plenty of advance notice of major changes on the way	1.15	1.15	1.12	1.06	1.80	1.53
The resources provided for career development	1.16	1.16	1.11	1.20	1.57	1.69
Supervisor has the communications skills to do the job	0.90	0.90	1.16	1.21	1.49	1.73
Your opportunity for promotion	1.20	1.31		1.24	1.77	1.72
Your earnings potential with this company	1.35	1.38	1.20	1.50	1.69	1.89
Information flows freely throughout the company	1.38	1.41	1.19	1.70	1.95	1.85
Supervisor has the communications skills to do the job	1.42	1.47	1.18	1.45	1.84	1.94
Teamwork environment	1.51	1.56	1.33	1.51	1.92	2.07
IMPACT ON PRODUCTIVITY =	0.77	0.78	0.68	0.72	1.09	1.19
Unfavorable =						
Very Unfavorable =						

In the example provided, issues impacting pivotal employee productivity are quickly identified and raise five concerns:

1   Promotion opportunities

2   Employee earnings potential

3   Information flow

4   Supervisor communications

5   Teamwork

Once success barriers for Pivotals have been identified, organizations can begin assessing the business impact of removing them.

Traditional employee surveys don't easily lend themselves to decision guidance. Even with the best intentions, results are rarely communicated in business terms—leaving Human Resources and the rest of the business as far apart as they were before the survey. This is changing, however. Tools exist today that link employee attitudes to business results.

If your organization is conducting an employee survey or considering one, you should evaluate what will be surveyed and how the results might be used to influence business goals and objectives and most importantly whether the results will demonstrate the business impact of increasing (or not) employee engagement.

To learn more about Saratoga, please visit our website: www.pwc.com/saratoga or call us at 866 727-2864.