

BUSINESS JOURNAL

Aspire Higher

The Power of Engagement

Times are difficult for many businesses and organizations today. We all know that developing your staff costs time, money and a commitment to change. Because of this, some are not inclined to develop their staff. While this may be a money and time saver in the short run, it undercuts long term sustainability. Consider what you want for the long term for your company. Staff development can drive your business forward in many ways including:

- increasing creativity
- productivity
- staff retention and recruitment
- customer retention and growth
- efficiency and effectiveness

Consider the following from recent reports:

In a 10 professional medical practice focusing on chronic diseases, *one* idea about a change in medical records generated during the staff development process is estimated to save the practice \$40,000 per year.

On average, the Gallup Organization found that by developing hospital managers, earnings before interest depreciation and taxes increase \$172.08 per admission by increasing employee loyalty by 4%. This would be \$2,151,000 for a typical 200 bed hospital.

A security company found that by investing in their employees, they increased external customer retention over a three year period: 4%, 2%, and 2 % a year. For them, each 1% translates to \$765,000 in revenue per year.

According to Blessing White, Inc., most employees leave their jobs because of poor managers. Employee retention numbers are dramatically different for good managers; 85% of engaged employees plan to stay while only 27% of employees who are not engaged plan to stay.

Why don't more people focus on staff development? Here are some reasons that are often heard:

- They expect to hire only employees who are ready to step into a job and do it flawlessly.
- The economy is heading south and they think they can't afford it.
- They are reluctant to take time from employee's schedules to do the work and risk a down turn in volume.
- Employees are not committed to the company so it seems developing them is not worth it.
- They don't see the connection between developing staff and getting better business results therefore viewing development as an expense rather than an investment.

- They expect the correct behaviors to be intuitive, or to be able to be "picked up" through the course of regular daily operations.
- They are not sure what type of development might be best for them, so they delay or forgo development.
- They save the cash outlay and avoid the perceived decision making risk.
- They were involved in training at some time in the past that became the "flavor of the month" and did not stick.
- It's not the right time because the company is smack in the middle of (fill in the blank).

In most businesses, the personnel budget is the largest single line item. We suggest that staff development should be considered an essential component of leveraging the largest resource in the company rather than a luxury if you are looking to the long term success.

In many cases, companies are already spending the money they might invest in their employees over and over again without solving the real problem. They invest in training rather than development. They invest in flavor of the month initiatives without alignment of goals. They invest in advertising for employees and for customers.

Communication between employees and customers, employees and employees, and employees and management is the single most important way business gets done every day. If your employees can't communicate to a customer and understand and meet their needs, you can lose the business of that customer. If your employees cannot look across departments and support each other in problem resolutions, you are spending money on building stronger and impenetrable silos that do not help the company grow but rather make individuals look good. If your employees can't tell you that a process would be easier and faster if it was changed, you waste much time and undocumented amounts of money.

Is there a best time to develop staff, and what are the right circumstances? There are always reasons a practice, company or organization can find to NOT make the commitment. Staff training and development is, however, the sign that a leader has made the decision to see something bigger and better in the future for the company and its people.

Organizational leadership must look for opportunities to lead by example to learn and grow. Being unable to change with changing times and opportunities is a potential sign of a stagnant leader and organization. Ultimately, it is not possible to avoid risk by refusing to change. Developing strong employee leaders helps to embrace change. Change is the one thing that we know is consistent in all businesses. There is a direct link between employees attitudes, behavior and business outcomes. When that direct link between changed employee behavior and business results can be identified, the time is right.

Aspire Consulting is dedicated to helping companies and organizations in the Greater Hudson Valley discover their potential and get results that are important to them. Aspire's team assists in building or implementing plans that support necessary change, transform leadership and sustain success for businesses in our communities. Please contact us at (845) 803-0438 or info@AspireAdvantage.com to learn more.