

Leveraging your talent for superior performance

As we get sucked deeper into the international economic crisis, companies are being forced to do more with less. With a strong eye on the budget and limited resources, questions are being asked with some urgency. How are we positioned to survive these changes - What threats are we facing? What are we doing well? What can we do better? How do we best deliver our products and service so we continue to be profitable and look after our customers well? Is our current culture and strategy the best one for growing the business and attracting and retaining the right people?

The good news is there is at least one thing that has consistently proven to deliver bottom line results of high productivity and profitability. And it requires managers and leaders to leverage this untapped advantage in a more conscious win-win way. The solution lies in generating high levels of employee engagement by keeping your existing employees inspired and motivated. A recent article in the Harvard Business Review again highlighted that basic human needs such as the need to achieve, belong, acquire and defend are almost hardwired. And typically these needs critical to individual engagement are not that well identified by managers, leave along harnessed for the benefit of both the individual and the organisation.

So what exactly is employee engagement? While there are as many definitions as there are researchers and scholars, there are some commonalities in all their definitions in terms of employee thoughts, feelings and behavior. Employees are engaged when they have a sense of commitment to the company regarding it as a great place to work, when they willingly go the extra mile and put in the discretionary effort, and when they don't want to work anywhere else. According to global human resources management and outsourcing firm Hewitt, engagement is the extent to which an organisation has captured the 'hearts and minds' of its people and is made of three key behaviours – Say, Stay and Strive.

What there is agreement about including Gallup research is that high levels of engagement drive superior organisational performance. Engaged workers also tend to demonstrate higher levels of performance, be more loyal, experience a greater sense of teamwork and have a sense of fun and flow in their work, unlike their counterparts. And there is New Zealand evidence including

research by John Robertson and Associates and Peter Boxall and Keith Macky (the latter call it 'high involvement work systems'), which shows that engaging organisations get similar positive attitudes in New Zealand.

So how much are employees engaged at work? A global study by professional services firm, Towers and Perrin in 2005 of 85,000 workers from 16 countries found that 14 percent of employees are fully engaged at work, 62 percent are moderately engaged and 24 percent are actively disengaged.

Closer to home, John Robertson and Associates analysis of data from tens of thousands of employees, over ten years, from public, private, and not-for-profit organisations has found that on average only thirty percent of employees are engaged in their work, sixty one percent are ambivalent and nine percent are disengaged. This leaves a bewildering number of people who are disengaged and who leave the best of their heart, mind and spirit elsewhere when they show up at work.

And the cost of employee disengagement is significant. Gallup has found disengaged employees cost New Zealand around \$3.6 billion, Australian business around \$33 billion and USA \$350 billion a year. If these figures are "way out there" for you then translate it back into your team. If 20 percent of your team is disengaged – that's a lot of salary that isn't doing much more than spinning the wheels or worse, creating problems. These figures have major implications including the organisation's brand, recruitment and talent retention strategies especially at a time when you need to hold on to your key staff and have that organisational edge. It has implications for how employees are managed and how leaders create the organisation culture. And there is the tangible bottom line effect in terms of customer satisfaction, productivity levels, and profitability and staff turnover.

Why do employees become disengaged?

Employees become disengaged for different reasons. However, what is likely is that some of their fundamental human/psychological needs or drivers are not being met.

Some typical scenarios include:

1. Employees are not clear about their role and how their contribution and efforts add to the bigger picture. A sense of personal involvement and achievement is missing. They don't feel inspired or motivated by the company to do the best work they can and there isn't a fair and clear system of "reward for effort."
2. There is a lack of alignment between employee and organisation mission, vision and values. The job/organisation may not be quite what the employee expected and they can't see a clear future for themselves. The organisation culture may lack openness, trust and regular sharing of important information about business goals and matters directly impacting the employees e.g. impending organisational change.
3. There is a lack of challenge, learning and stretch in the job. There is no sense of progression or career development. Employees are not being coached, developed and or getting regular performance feedback.
4. Direct reports have difficulties working with their current manager. They do not feel valued, respected and or have lost trust in the manager and or leadership. Management maybe autocratic - employees are being micromanaged. As the adage goes, "people typically leave their manager, not the organisation."
5. They have not formed positive and supportive relationships with colleagues and other employees. It's not a fun-working environment where people experience a sense of community and belonging. There is no or little celebration of success as the focus is "on to the next project."
6. There are high stress levels and work/leisure/family needs are not being met.

The employer – employee relationship is bound by a psychological contract, which to be sustainable has to be win-win. A study by Guillermo Dabos and Denise Rousseau from Carnegie Mellon University indicated that the sense of mutuality and reciprocity are positively related to researched measures such as productivity and career advancement as well as self-reported measures such as expectations met and intention to continue working with employer. Once you have the right people in the right roles, employers need to do what they can to

establish the basis for such a mutually satisfying relationship? Make it a positive and enriched context in which people can work. Given the times, don't neglect the importance of psychological support particularly keeping people up to date with the competitive position of the business, and the teams in the business, and reassuring individuals about their job security.

What can managers and leaders do about it?

You could begin by getting some objective data by collecting if necessary and reviewing information on employee measures e.g. staff turnover, satisfaction and sick leave as well as measures of productivity e.g. billable hours and sales. What is the dashboard system you have for getting the right information? Such an information system is most powerful when you collect the information regularly, and can see trends. James' results might look relatively good relative to the rest of the team – but if they are down on his performance over the last quarter – that indicates something is amiss.

What aspects of your culture may be contributing to people feeling dissatisfied and consequently disengaged? Are you talking about acting in alignment with certain values on the one hand and modeling, accepting or inadvertently reinforcing negative behaviour on the other hand? Are you talking about the threat of competitors in a declining market, without also illustrating how you are succeeding together in beating off that threat?

Managers and leaders also need to understand the key frustrations for the employees and take action on these. What messages are you sending regarding taking action on the known frustrations? Do you know whom the high-performing workers are that you need to hang on to?

Other practical steps you can take include the following:

- Make an effort to get to know your people – their individual needs and core drivers and who they are outside of work
- Paint a picture of how the skills and activities of your direct reports fit into the larger scenario
- Acknowledge and praising people for work well done
- Give regular performance feedback
- Provide stretching goals with support

- Make the workplace fun
- Foster a sense of community and belonging.

Gallup Organisation research has found that when employees believe that their employer, including their boss, cares about them, they are more productive and loyal. As the saying goes, people don't care how much you know but they care that you care – a potent message to take action on. While delivering on the above isn't rocket science, it has been my experience working as a leadership and corporate coach with senior executives, that because these are regarded as 'soft skills' they typically get neglected but with dire consequences. To conclude, "What is one thing which you are not doing currently, if you did, would enhance your employees' level of engagement and result in greater profitability and an upbeat team and work place?"

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This article was written for HRINZ publication by Jasbindar Singh

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If this article raises any issues applicable to your role, from using a simple survey to "get a handle" on levels of engagement within your workforce, to coaching and development issues, please contact us on info@psychpress.com or Dr Gavin Didsbury specifically, DrGavinDidsbury@psychpress.com.