Re-engaging the Workforce

KEITH LAWRENCE & JOE GROCHOWSKI
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Our Key Premise: As the world economy recovers, companies are looking to re-ignite the passion of their employees and restore employee pride. Many actions firms have taken during the last few years to survive the economic downturn have strained employee loyalty and commitment. With new job opportunities emerging retaining and engaging talent still remains a critical issue. But to most companies, engagement is most often thought of as a score on a survey that correlates to performance measures—what RBL calls a measure of “rational engagement” (i.e., Are you showing up to do your job?). But to re-engage the workforce, it takes more than rational engagement. Companies will need to focus on both rational and “emotional engagement.” In other words, what are leaders doing to ensure employees are showing up and that they are putting in their heart and soul into their jobs?

KEY QUESTIONS COVERED
1. What actions are you taking to re-engage your workforce? What results have you seen to date?
2. Based on your experiences and learning, what are key levers to re-engage the workforce?

HIGHLIGHTS FROM THE DISCUSSION
• HR leaders, line leaders, and top company leaders understand the important link between re-engaging their workforce and their future business success. Companies have invested heavily in engagement (both time and money) and take engagement efforts seriously. Many companies are paying closer attention to movement in engagement as they slowly move from recession to recovery.

• The foundation to re-engagement is “doing the basics well,” such as individual career planning, investing in employee development, and fostering sound management practices.

• Today’s workforce wants greater freedom and openness—both keys to driving high levels of engagement. Employees want to know the truth, both how well the company is really doing from a strategic perspective and how well they are doing (as individuals) to meet those strategic objectives. They also want the space and trust to do their jobs, achieve their aspirations, and live a balanced life. Given these realities, companies need to begin to embrace new management practices (e.g., more transparency, co-development of business strategy, etc.).

WHAT IS EMPLOYEE ENGAGEMENT?
There are countless definitions of employee engagement. Your organization’s definition may vary depending on whether you use Gallup to track engagement or have your own home-grown tool to measure engagement. One basic definition is the extent to which employees are committed to something or someone in their organization. This determines how hard employees work and how long they stay. Highly engaged employees:
Choose employment at their firm over employment elsewhere.
Give their very best performance for the success of the company.
Are true advocates for the company and its products/services.

To most companies, engagement and meaning are interchangeable terms. In other words, Gallup engagement scores are often seen as the same thing as a meaning score. Although there are clear linkages with Gallup’s work on engagement and The RBL Group’s research on meaning, most engagement surveys only measure “rational engagement” (i.e., Are you showing up?). But meaning is more than just rational engagement. It’s also about “emotional engagement” (i.e., Are you putting in your heart and soul?)

In other words, employee engagement is about moving from commitment to contribution.

WHY IS EMPLOYEE ENGAGEMENT IMPORTANT?
The business case for employee engagement is compelling. Numerous studies have linked higher levels of employee engagement with improved customer service, quality, profitability, retention, innovation and productivity. Recent studies include:

- Hewitt Associates: Firms with higher engagement had total shareholder return 19 percent higher than average in 2009. In lower engagement firms, total shareholder return was actually 44 percent lower than average.
- Wharton Business School: An analysis of The Best Companies To Work for in America indicated that higher levels of employee satisfaction generate superior financial returns in the long term.
- Gallup: Currently only one out of five employees on average are fully engaged at work. Four out of ten are actively disengaged. Employees are not performing anywhere near their true capability or capacity because they don’t have the necessary rational, emotional, and motivational connections to the company. As a result of actions taken to survive during the recent recession, 27 percent of employees indicate they are less loyal to their firm, increasing the risk of attrition as the job markets improve.

10 KEYS TO RE-ENGAGEMENT
Based on our rich mini forum discussion, our participating RBL Institute members identified ten drivers to re-engage employees.

1. Build Trust in the Company and Its Leaders: For employees to be engaged, they must trust their leaders plain and simple. This trust has to be personally felt by the employee and each employee must also trust in where the company leaders are taking the company (strategically).
**Applied Materials’** employee engagement survey highlighted that employees wanted to better understand the company’s vision. They had questions about their leaders and the company’s overall vision for the future and what it meant for them personally. Applied Materials responded with “Strategic Dialogue” sessions held with the top 200 leaders in groups of 10-12 to get employee questions out in the open. This input was collected and the findings were shared back with everyone, including how their input will shape the future. This is a great illustration of co-developing a company’s vision for the future as opposed to traditional top-down vision development.

**Accenture’s** leadership has focused on making sure every employee understands the company’s strategies and goals to ensure full alignment behind “One Goal.” Accenture works hard to get everyone on the same page and help build trust around the goal. At **Flextronics**, the senior leadership holds quarterly “Talk To Me” sessions. Leaders from multiple businesses hold open question and answer sessions to talk about the state of the business. And at **HP**, their new CEO has held “Listening Tours” with employees around the world as part of his on-boarding with the firm. This has helped rebuild trust and credibility in HP leadership.

Rebuilding trust was top on the agenda at **UBS** after lots of change at the top of the company, a business turnaround, and low employee morale. All 65,000 employees were part of small group (approximately 40–50 people) discussions of “Leadership UBS Forward,” which was aimed at building awareness of the firm’s core value, its strategic principles, and what the individual employee’s role is in driving the company’s success.

**2. Make Re-engagement Important.** “What gets measured and rewarded gets done.” Senior management at **Deutsche Bank** has recognized this and tied the bank’s P&L goals to performance on several people metrics. Their global business leaders have recently generated and agreed on nine performance principles and are committed to using these and potentially other factors to modify their performance appraisal system. The Global Executive Committee (GEC) also has begun reviewing a dashboard of key metrics that includes people metrics such as leadership bench strength, succession management, diversity, and performance culture (commitment, enablement, leadership and compensation differentiation of top performers). Deutsche Bank believes that a culture of metrics and low employee morale. All 65,000 employees were part of small group (approximately 40–50 people) discussions of “Leading UBS Forward,” which was aimed at building awareness of the firm’s core value, its strategic principles, and what the individual employee’s role is in driving the company’s success.

**3. Connect to a Higher Purpose.** Companies can unleash personal engagement by aligning everyone’s work with a clear business strategy and infusing a sense of higher purpose (above and beyond achieving the economic goals of the firm). **HP** allows employees to spend up to four hours a month volunteering in their community as part of their social innovation commitment. **Mars Chocolate** has found their employees to be highly engaged through an initiative called “Passion for Chocolate.” This experience enables individuals to learn the history of chocolate, conduct a hands-on making of chocolate, and understand how to be an activist for the bean growing communities (supporting sustainability).

**4. Make Engagement Personal.** Most firms conduct frequent surveys of their employees to measure a number of factors. The results are aggregated and trends reported to management. **Accenture** has taken this a step further. From their analytics data they ranked six major factors that were most important to their employees. Individuals were asked to sit down with their supervisor or “career counselor” and have a discussion on their current level of satisfaction in each area. This helped personalize engagement and helped people in making decisions and trade-offs to achieve their optimal work/life balance. **Flextronics** holds one-on-one meetings with each employee to understand current issues and what they are looking for in their career. **Deutsche Bank** is planning to help employees understand the “what’s in it for me?” question through what they call “The Deutsche Deal.” The deal outlines what the company expects of its employees and what the firm offers in return. This will be rolled out shortly. Procter & Gamble calls this “The Adult Business Deal.” While **HP** is reinvigorating “The HP Way” to make it contemporary for the current operating environment.

**5. Invest in Development.** Employees are keenly interested in knowing how they will achieve their personal aspirations within the firms they are working in. **Accenture** wants employees to see the entire company as a marketplace for their career, versus seeking opportunities elsewhere. They are investing time to make sure everyone understands the value proposition at an individual level (“What does it mean to my career, development, etc?”). **Applied Materials** chose to seize on the energy of their employees who were asking “what’s in it for me?” by asking a large sample directly where they wanted the company to focus on to assist...
with their personal development; a focus which had been lost in the recession. They used grassroots-level feedback to inform their corporate approach, and now have teams of people around the globe deeply engaged in improving tools and support mechanisms for development efforts, clarifying career paths, investing in training, and working with managers at all levels to improve their career coaching skills and abilities.

Takeda holds periodic forums with its employees to learn from others and reinforce what is unique about its culture. For example, they show videos from the TED conference and discuss case studies of the Best Companies to Work For to build alignment around their own unique cultural values. UBS revised its corporate talent framework to provide the businesses more flexibility, which has lead to approaches targeted on meeting specific business priorities and the necessary talent to have in place and develop. For example, one area understands its needs for a broad set of skilled employees. So it expanded its focus to development of all employees rather than a primary focus on key talent only. As one outcome, a career pathway Intranet site was launched, linking all roles to skills needed along with support and information on career and skills development.

6. Be Transparent: Jack Welch once said, "The greatest gift you can give anyone is to let them know where they really stand." This is tough. People in general shy away from providing feedback, particularly if it is negative. But employees want to know how they are doing so they can make the right decisions. Deutsche Bank is one of the firms who is deliberately working to create a culture of greater openness and candor, which is being positively received by its employees. Mars is encouraging employees to challenge things during the annual goal-setting process. This is based on Peter Block's saying, "For a yes to mean something, one needs the power to say no."

7. Focus on the Possibilities: Most employee engagement surveys and efforts look at what the gaps are and how to close them. Mars has taken an innovative approach to shift the conversation from problem solving to “possibility thinking.” This has unleashed new energy and excitement as employees and their leaders gain new insights into what can be done.

8. Embrace Personal Well-Being: Employees today not only want a great job but also a life! HP is concentrating on improving wellness across its global workforce. This includes multiple dimensions, such as financial, physical, and emotional/spiritual wellness. Accenture wants its employees to "Live Well at Accenture" despite the demands of travel and heavy workloads. They provide extensive flexible work arrangements and an array of wellness offerings to help employees manage their work/life balance. Applied Materials has included the dimension of wellness and fun, having a life and developing a deeper sense of who you are as a person.

9. Unleash Creativity and Innovation: Highly engaged employees want increased levels of freedom to do their work, plan their careers, and live their lives. They want to be able to take risks, experiment, and innovate. HP has recognized giving control and empowering employees is part of workforce innovation. They are focused on key levers including: 1) tools (that enable employees to better do their work and plan their careers), 2) empowerment & control (the ability to innovate and shape their work and the company). They have embraced social media as a way to gather and build on business ideas from across the organization. This has required the company to be open to taking risks and seeing what works and what doesn’t work. Like other companies they are also overhauling business processes to take work out and streamline cumbersome processes. Takeda is also giving employees permission to challenge how work gets done (including the sacred cows) in a quest for simplification.

10. Practice the Management Basics: There is a saying: “People join their company but quit their boss.” This is as true today as it was in the past. Immediate managers have a huge impact on the engagement of their employees. There is a wide range of time tested good management practices (such as providing clear direction and ongoing feedback, listening to everyone’s opinions, enabling careers, recognizing contribution, etc.) that is the foundation to employee engagement. HP is investing in developing the management fundamentals within their leaders, in particular in the emerging markets where significant amounts of hiring and development are underway. While Mars has a very decentralized culture, it believes deeply in the importance of effective leaders. They recently revamped the curriculum of Mars University to include training on leadership every time an individual gets promoted to the next level.

CONCLUDING THOUGHTS

In their latest book, The Why of Work: How Great Leaders Build Abundant Organizations That Win, Dave and Wendy Ulrich outlined several key actions companies can take to strengthen employee engagement. We conclude with a quick overview of the seven areas of abundance highlighted in The Why of Work.
1. **Build on strengths that strengthen others.** People who identified and then used their strengths (values, skills, personal traits) in new and creative ways experienced an increased sense of well-being. A variety of lists can help us identify our personal strengths. Then answer: How can you develop creative ways to use them to strengthen others, contributing to your sense of meaning?

2. **Determine the directions that matter most to you.** Four purposes that capture a lot of what motivates us are Achievement, Insight, Connection, and Empowerment. What is the balance among these motivations that feels most meaningful to you? How can a good work team find the right balance to meet its strategic objectives?

3. **Build high-relating teams as well as high-performing teams.** People who have a best friend at work are seven times as likely to be highly satisfied with their job and twice as likely to be satisfied with their pay. Investing in good relationships at work pays off in a sense of personal meaning, as well as being good for business. We identify four crucial skills for building positive relationships: bids, managing proximity, managing the emotions around problem-solving, and making repairs.

4. **Create a positive work environment.** Cynical work environments abound, and we can often pick up on a company’s culture within a few minutes of entering a workspace. We’ve identified many elements of a positive culture, including humility, openness, unselfishness, positive routines, and accountability. What characteristics matter most to you, and how can you build them into the culture of your work setting?

5. **Get engaged with challenges that you enjoy.** The right level of challenge helps us navigate between excessive stress and boredom. But the type of challenge is also important. Understand what outcomes matter to you. Create a clear line of sight between what you do and what you care about. Then be clear about the work conditions that appeal to you.

6. **Develop personal resilience and learning.** Ask people about a highly meaningful time at work and many will refer to using their skills to overcome a significant challenge or learn something new. We need to take certain risks to learn and succeed, and that means sometimes we will fail. What are the skills of resilience and learning that you can develop so that blame and shame do not keep you from important growth?

7. **Cultivate civility and delight.** People don’t generally put delight at the top of their list of contributors to meaning at work. But often the difference between an intolerable job and a tolerable one is a tiny moment of feeling appreciated, noticing something beautiful, getting a kick out of a shared joke, or having a moment of playfulness. These are the icing on the cake of meaningful that, though small, can be cultivated.