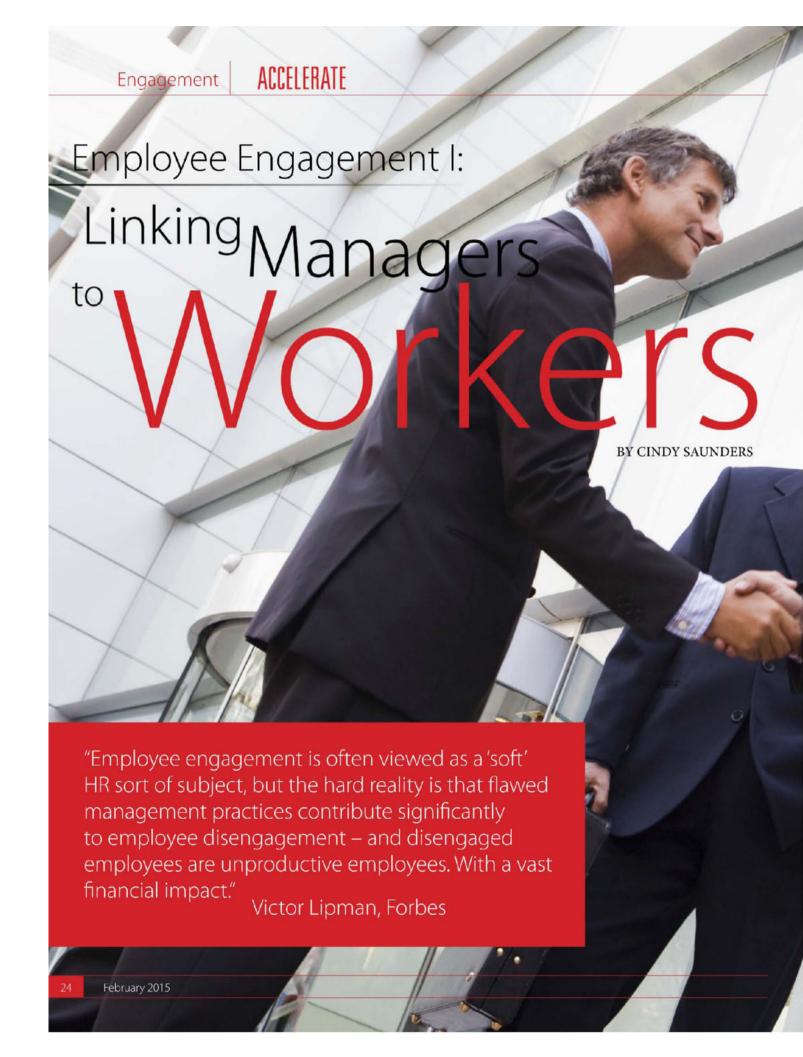
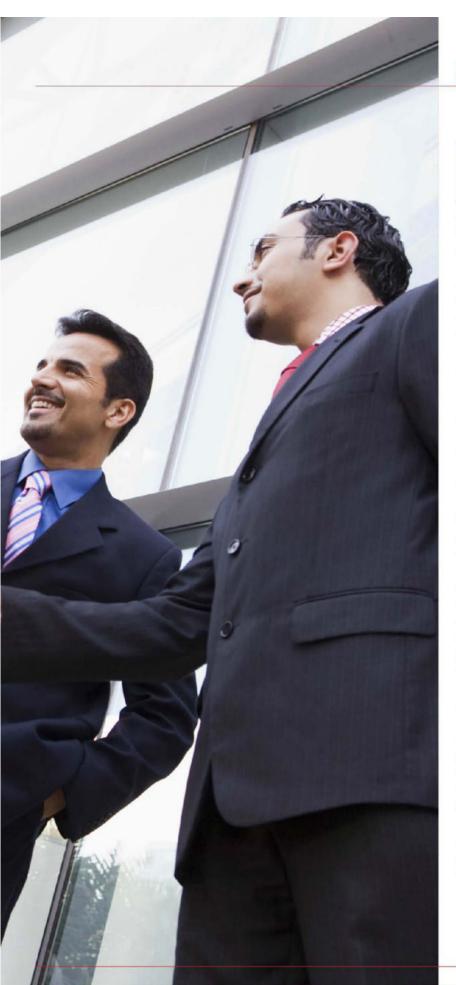


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magine waking up, dreading the start of another work day. You get ready, leave and arrive at your place of work with a sense of resignation... again. As you go through the motions, completing your tasks and responsibilities, the end of the day can't come soon enough. This is what needs to be done to pay the bills. You adapt and persevere. You will reluctantly get up and do it again tomorrow, and the day after, and, the day after that. You are disengaged.

Research conducted by organisations like Gallup, AON Hewitt, Towers-Watson, Deloitte and PriceWaterhouseCoopers consistently show that more than 70 percent of the workforce is disengaged (some studies show an even higher level of disengagement). That means 7 out of 10 employees are just "calling it in"; that means most employees are fairly miserable; and that means most employers don't fully grasp what occurs when employees are disengaged.

Surely, if they understood the cost to their productivity, their reputation as a company, and their bottom line, they would be motivated to make changes. It seems logical, but these surveys show just the opposite: most companies don't get it.

Disengaged employees eventually leave. This costs a company lowered productivity, overworked (remaining) staff, lost know-how, lost engagement and training costs, to name a few. The Center for American Progress reports the cost to replace an employee ranges from 16 percent to 213 percent of an employee's annual salary:

• 16 percent of annual salary for highturnover, low-paying jobs (earning under \$30,000 a year). For example, the cost to replace a \$10/hour retail employee would be \$3,328;

- 20 percent of annual salary for mid-range positions (earning \$30,000 to \$50,000 a year). For example, the cost to replace a \$40k manager would be \$8,000; and
- Up to 213 percent of annual salary for highly educated executive positions. For example, the cost to replace a \$100k CEO is \$213,000.

## Managerial relationships are crucial

One of the key elements that drives employee engagement is a caring manager.

A recent study by MSW Research and Dale Carnegie Training, "What Drives Employee

Engagement and Why It Matters", states,

"The attitude and actions of the immediate supervisor can enhance employee engagement or can create an atmosphere where an employee becomes disengaged. In addition, employees said that believing in the ability of senior leadership to take their input, lead the company in the right direction and openly communicate the state of the organisation is key in driving engagement."

A manager's ability to build strong relationships with employees creates an environment in which employees are motivated to perform at their highest level. Employees want their managers to



care about their personal lives, to take an interest in them as people, to care about how they feel, and genuinely support their well-being. Employees need to understand and identify their unique role and career path in the company. Within the scope of their position, they need to know their significance to the organisation. Strong managerial relationships connect employees to this understanding of significance.

#### The Challenge

Most managers are hired for their technical abilities and expertise. Some are promoted solely based on seniority or industry experience. Unfortunately, many of them aren't evaluated as closely when it comes to their ability to lead employees. This usually ties back to an organisation not understanding the value of an engaged workforce. So, they recruit, hire and promote managers that also don't understand or value an engaged workforce.

Communicating change, delivering specific approval and constructive suggestions, collaborating, listening, problem solving, laughing with employees - all of these interactions build mutual respect and trust. Effective communication skills can turn a faltering employee around. The ability to coach an employee through a challenging situation can strengthen their contribution to the company and salvage their position. It sets the stage for an employee to feel 'invested' in the success of the Company. They become central to that success.

Managers need both technical and nontechnical expertise. Hiring and training practices must be aligned to support this crucial balance. Until this truth is recognised and strategically implemented, detached and uncommitted employees will continue to dominate the workforce.

#### Discover what works

Companies that succeed in creating dedicated employees know that a one-size-fits-all approach doesn't work. In addition to skilled managers, what does it take to make an employee love their work environment?

Options vary according to industry and resources, but a few low-cost or no-cost ideas might be: redesigning jobs, offering telecommuting, job sharing, flexible schedules, recognition programmes, creative workspaces, volunteer groups, mentoring, or fine tuning the feedback process. The choices are endless.

Managers need both technical and non-technical expertise. Hiring and training practices must be aligned to support this crucial balance. Until this truth is recognised and strategically implemented, detached and uncommitted employees will continue to dominate the workforce.

We tend to think more money is always at the top of the list for employees. However, pay level is only marginally related to job satisfaction. Once a certain 'average salary' threshold is reached, money as a motivator moves down the list. People seek meaningful work, a balanced life, genuine appreciation and the opportunity to grow and develop. If organisations can find a way to connect with those basic, intrinsic employee needs, they will see a much higher degree of involvement emerge, which will, in turn, affect their bottom line. Highly engaged employees = highly innovative employees = highly productive employees.

"Ultimately the most successful and enduring organisations in business are those that have a common sense of mission, a deep respect for their employees (and customers of course), and put time, energy, and money into building a highly engaging environment. They carefully select the 'right people' with lots of hard work,

and once people join they take the time to make sure they have development opportunities to move up the value curve."

Josh Bersin, Principal, Deloitte Consulting LLP

Simply conducting an external engagement survey without addressing internal issues won't work. The effort to engage employees must be genuine, from the inside out and the top down. Those with power to affect real change must examine and identify their true convictions about their workforce. We need to 'see' the employee as a person — not a hired hand, a means to an end, or a person in a slot. Everything within the culture needs to center around building the people so they can build the business.

They will engage.

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# Employee Engagement II: Linking Workers to Significance





"The days of the hard-nosed, profit-obsessed CEO are slowly coming to an end. While most businesses expect people to work hard, CEOs now realise that it's the soul of the business that inspires people to contribute." -- Josh Bersin, Principal, Deloitte Consulting LLP

When disengaged workers leave, the cost to replace them ranges from 16 percent to 213 percent of their annual salary. Companies spend over \$720 million each year on employee engagement, and that's projected to rise to over \$1.5 billion. The Gallup Organisation estimates that there are 22 million actively disengaged employees costing the economy as much as \$350 billion dollars per year in lost productivity including absenteeism, illness and other low morale issues.

And yet, employee engagement is at record lows.

Of the 70 percent of employees that are disengaged, only half are seeking employment elsewhere. That leaves a dangerously high number of employees, approximately 35 percent, remaining in the workforce. They are draining productivity and adversely impacting Company culture and reputation.

Research by Modern Survey, an organisation that measures workforce intensity, has identified those remaining disengaged employees into three general categories:

## The Comfortable Employee

These employees feel they have been at their job long enough, and deserve the pay they have without earning it. They may feel entitled to the positions they hold, but they do not offer innovative ideas or feel the need to improve. Long-term employees and employees who are nearing retirement may fall into this category.

# The Preoccupied Employee

These employees may be dealing with a problem outside of work, such as a health issue or divorce. This type of disengagement may be temporary, but long-term issues may feed off each other and become too much for the employee to deal with without disengaging from work permanently.

## The Overpaid Employee

These employees may be interested in leaving, but they do not look for opportunities elsewhere. They have done the research, and have found they are paid more than they are worth in the open market. So, they sit tight.

This workforce is divided into thirds -- the top 30 percent is engaged and productive, the middle 35 percent are disengaged and looking for work elsewhere, which leaves the bottom third populated by disengaged employees with no intention of leaving whatsoever.

This is a disturbing depiction of the workforce.

One of the key elements that drives engagement is a caring manager. A manager's ability to build strong relationships with employees creates an environment in which employees are motivated to perform at their highest level. Employees want their managers to care about their personal lives, to take an interest in them as people, to care about how they feel and genuinely support their well-being.

A recent McKinsey Quarterly report highlights the recurring theme the manager plays in employee engagement. Their data reveals three noncash motivators: praise from immediate managers, leadership attention, and a chance to lead projects or task forces—as even more effective motivators than the three highest-rated financial incentives: cash bonuses, increased base pay, and stock or stock options. Their research shows how nonfinancial motivators play critical roles in making employees feel that their companies value them, take their well-being seriously, and strive to create opportunities for career growth.

Employees need to understand and identify their unique role and career path in the Company. Within the scope of their position, they need to know their significance to the organisation. Strong managerial relationships connect

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employees to this understanding of significance.

It's important to distinguish between significance and meaningful work. Along with caring managers, meaningful work is cited as the secondary most powerful driver of employee engagement. The assertion is that connecting employees to the greater meaning of their job will motivate them to apply "discretionary effort" to work.

Herein lies the problem: meaningful work, and "loving what you do", is somewhat of an idealistic notion for the majority of people. Enjoying what you do is a noble goal, and satisfying when achieved, even in small ways.

Should more people seek out jobs that they love? Absolutely. And, Companies can take steps to connect the employee to the greater meaning of their job, if a greater meaning actually exists. However, few have jobs that are intrinsically important. Some work to change lives, have great influence, or positively wield power. The truth is, most go to work, and, to the best of their ability, simply do their jobs. "Leave for another day many other good reasons to not do what you love — including the realities of providing for a family, getting healthcare, or saving for old age. Stressing and straining to discern some enchanted pathway of bliss is a futile exercise for most of us." -- Cal Newport

In the absence of an "enchanted" work environment, we actually have something tangible and realistic to work with. Although not all jobs are intrinsically important, all people are.

Although not all jobs are intrinsically important, all people are. Reframe meaningful work as significance, and we have a different perspective.

Reframe meaningful work as significance, and we have a different perspective. The presence of significance is constant. The concept of significance calls forth a powerful sense of worth reaching beyond the actions or performance of the employee.

Significance is about respecting a person for who they are, regardless of what they do. If a Company can effectively communicate this value to the employee, that employee will be motivated to extraordinary levels of loyalty and dedication – regardless of their position on the organisational chart.

When the focus is on extrinsic components of the "work", we assign responsibility for engagement solely based on the "job", and its level of importance or compensation. However, when linking to the intrinsic perspective of significance, we tap into something fixed; an unlimited resource. When regarded as people instead of processes, employees connect in a strong way to the Company. They feel valued as a person, regardless of the perceived value of their job.

Working adults spend more of their waking hours at work than anywhere else. Work should ennoble, not kill, the human spirit. Promoting workers' well-being isn't just ethical; it makes economic sense.

--Teresa Amabile and Steven Kramer, New York Times

While there are numerous modifications that can be made to maximise the external work environment, (to be covered in the third part of this series), you can't guarantee the degree of satisfaction the work environment alone will bring. What you can rely on, is that each employee

that is treated as valuable and significant, will engage, connect to the Company, and play their role in the success of the organisation.

Once the "right" employee has been chosen, the manager is the voice of the Company to communicate the message of significance. The manager acts as a catalyst to engage employees and strengthen their skills. Here are four key channels crucial to link employees to this understanding of significance:

#### **Channel One: Trust**

In his book *Unusually Excellent: The*Necessary Nine Skills Required for the
Practice of Great Leadership, John Hamm
identifies trustworthiness as the most
noble and powerful of all the attributes of leadership.

"Leaders become trustworthy by building a track record of honesty, fairness and integrity. If you treat employees fairly, and you do so consistently, you will set a pattern of behaviour for the entire organisation. This sense of fairness - critical to the creation of a safe environment, can be reinforced not only by complimenting fair practices, but also by privately speaking to—or, if necessary, censuring—subordinates who behave unfairly to others in the organisation."

Simply stated, trust means confidence—confidence that actions are consistent with words, that managers are concerned about who employees are, regardless of what they can do, and that equity and fairness can be relied upon as the gold standard.

As Stephen Covey put it, "The best leaders



recognise that trust impacts us 24/7, 365 days a year. It undergirds and affects the quality of every relationship, every communication, every work project, every business venture, and every effort in which we are engaged. It changes the quality of every present moment and alters the trajectory and outcome of every future moment of our lives -- both personally and professionally. I am convinced that in every situation, nothing is as fast as the speed of trust."

#### **Channel Two: Action**

Although necessary at times, reactive management can be destructive when it becomes the norm. Indecision breeds insecurity in a work environment. When conflict or decisions remain unaddressed, problems fester and productivity is impeded.

"Most of what we call management consists of making it difficult for people to get their work done" -- Peter Drucker

Decisiveness triggers action and communicates strength. A responsive manager eliminates obstacles to performance. When decisiveness prevails, roadblocks are removed, and work is allowed to progress.

In his article, Conquering a Culture of Indecision, Ram Charan maintains that the inability to take decisive action is rooted in the corporate culture, but can be broken if leaders will create honesty and trust in the connections between people. By using each encounter with his or her employees as an opportunity to model open, honest, and decisive behaviour, the leader sets the tone for the entire organisation.

#### Channel Three: Clarity

One of the most common sources of employee dissatisfaction stems from the lack of role clarity. Undefined roles create a vacuum.

Within the context of a team, undefined roles set the stage for competition and power plays. Without direction and accountability, employees will use their energy to doubt themselves, their value to the Company, and how they compare to the "competition". When roles and expectations are clear, people establish their own sense of purpose, and understand the part they need to play. Role clarity provides a connection to individual contribution which in turn supports a sense of significance.

"People have a strong desire to fulfill the expectations and accountabilities of their role. As part of strategic management, it is important for individuals, teams and organisations to have a clear definition of their roles, an understanding of the interdependence of roles within the organisational structure, and finally, clear alignment of roles and structure to achieving the organisations mission, purpose and priorities." --Dave Hoy

#### **Channel Four: Interaction**

Every interaction with an employee has the potential to move the needle on their degree of engagement. Connecting with employees on an informal basis is one of the most effective forms of interaction.

Prioritising time for interactions says "you matter." Feedback and recognition are identified as the most powerful forms of

interaction. Here are the results of a recent Globoforce Report:

- 39 percent of employees report that they don't feel appreciated at work;
- 14.9 percent lower turnover rates in companies that implement regular employee feedback;
- 30X more likely to make workers actively engaged at work when managers focus on employees' strengths;
- 4 out of 10 workers are actively disengaged when employees are ignored by their manager;
- 43 percent of highly engaged employees receive feedback at least weekly;
- 65 percent of employees said they wanted more feedback;
- Only 58 percent of managers think they give enough feedback;
- 69 percent of employees say they would

work harder if they felt their efforts were better recognised;

• 78 percent of employees said being recognised motivated them in their job.

Treat an employee like they make a difference and they will. -- Jim Goodnight

When we focus our attention first on internal aspects of engagement, efforts to address external elements will take root and succeed. Employees that believe their companies value them, and take their well-being seriously will be compelled to go beyond the minimum ... they will exceed expectations, and apply effort "above and beyond". Feed the internal and you can be certain the external will take care of itself.

They will engage.



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and monitored decreasing employee engagement levels. We have applied programmes and processes to address this lack of engagement, yet, engagement levels remain low. There is an emerging paradigm shift away from the industrial age of managing people as machines. This shift in perspective draws us to look deeper into the soul of an organisation, and the heart of its people for true answers to an engaged organisation.

The first article in this series, Employee Engagement I: Linking Managers to Workers, outlines the realities surrounding employee engagement and the manager as a key driver. Research conducted by organisations like Gallup, AON Hewitt, Towers-Watson, Deloitte and PricewaterhouseCoopers consistently show more than 70 percent of the workforce is disengaged. Companies spend over \$720 million each year on employee engagement, and that's projected to rise to over \$1.5 billion. The Gallup Organisation estimates that there are 22 million actively disengaged employees costing the economy as much as \$350 billion dollars per year in lost productivity including absenteeism, illness and other low morale issues.

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lives; to take an interest in them as people; to care about how they feel, and, to genuinely support their wellbeing.

A recent McKinsey Quarterly report confirms the recurring theme the manager plays in employee engagement. Their data reveals three noncash motivators: praise from immediate managers, leadership attention and a chance to lead projects or task forces—as even more effective motivators than the three highest-rated financial incentives: cash bonuses, increased base pay and stock or stock options.

Their research shows how nonfinancial motivators play critical roles in making employees feel that their companies value them, take their well-being seriously and strive to create opportunities for career growth.

Managers make the initial connection from the company to employee and connect the values, mission and sense of belonging. The employee experience is reliant upon the skill of the manager to convey this information accurately.

Upon this foundation, communication is established, and from this place, engagement emerges. People seek meaningful work, a balanced life, genuine appreciation and the opportunity to grow and develop. When these needs are met, a potent resource is unleashed. In Employee Engagement II: Linking Workers to Significance, we see the intrinsic need of employees to understand and identify their unique role and career path in the Company. Within the scope of their position, they need to know their significance to the organisation. Strong managerial relationships connect employees to this understanding of significance.

The concept of significance calls forth a powerful sense of worth reaching beyond the actions or performance of the employee. Significance is about respecting a person for who they are, regardless of what they do. Although not all jobs are intrinsically important, all people are.

When the focus is on extrinsic components of the "work", we assign responsibility for engagement solely based on the "job", and its level of importance or compensation. However, when linking to the intrinsic perspective of significance, we tap into something fixed - an unlimited resource. When regarded as people instead of processes, employees connect in a strong way to the Company. They feel valued as a person, regardless of the perceived value of their job or their position in the organisation's hierarchy.

In this final installment on engagement, we will look at the concept of significance and how it can link to transformative action that answers the questions around engagement. When we focus our attention first on internal aspects of engagement, efforts to address external elements will take root and succeed. Employees that believe their companies value them, and take their well-being seriously, will be compelled to go beyond the minimum ... they will exceed expectations, and apply effort "above and beyond".

### Transformation from the top

In his groundbreaking book,
Reinventing Organisations, Frederic
Laloux describes the need for
transformation: "We are increasingly
disillusioned by organisational life.
For people who toil away at the bottom
of the pyramids, surveys report that
more often than not, work is more
dread and drudgery, not passion or
purpose. And it's not only at the bottom
of the pyramid. There is a dirty secret
I have discovered in the fifteen years I
have spent consulting and coaching

organisational leaders: life at the top of the pyramids isn't much more fulfilling. Behind the façade and the bravado, the lives of powerful corporate leaders are ones of quiet suffering too. Their frantic activity is often a poor cover up for a deep inner sense of emptiness. The power games, the politics and the infighting end up taking their toll on everybody. At both the top and bottom, organisations are more often than not playfields for unfulfilling pursuits of our egos, inhospitable to the deeper yearnings of our souls."

Consciously, or unconsciously, leaders put in place organisational structures, practices and cultures that make sense to them and correspond to their way of dealing with the world. Their mindset at the top of the organisation is pivotal in transformation.

"An organisation cannot evolve beyond its leadership's stage of development." Frederic Laloux

#### Transformation from the middle

It's absolutely true that a company can only experience a complete transformation when led by top management. It's also absolutely true that while top management holds the most power, they don't necessarily have the most influence.

As discussed earlier, a caring manager is key to connecting with employees. It is easier to fulfill the demands of this role when top management builds a strong foundation of support, but easy or not, much can be accomplished from the middle.

Opportunities to connect, encourage and engage with employees are everywhere ... if you look for them.

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The Company doesn't need to have an appreciation "programme" to remind you that everyone needs to feel appreciated. A formal mentoring "programme" doesn't have to exist for you to share your expertise with those around you. Instead of focusing on what top management doesn't support in areas you would like to see change, focus on finding creative ways to support and care for the people in your area of influence.

Managers play a crucial role in transforming a company from the inside-out.

"The way people are treated, the way they treat their peers, and their response to their leaders is the air people breathe. If that air is clean and healthy, people thrive and the organisation succeeds, but to the extent that it is stagnant, discouraging, or genuinely toxic, energy subsides, creativity lags, conflicts multiply, and production declines. "Samuel R. Chand, Leadership Consultant

Managers often underestimate the powerful impact they have on those around them.

Even without support from the organisation as a whole, managers can make a huge difference. They can create an environment of fairness and safety within their sphere of influence. They can build bridges of trust throughout the organisation by acting with integrity and genuine concern. Managers can shape the environment by modeling appropriate behaviours. It's absolutely true that Managers help create the air people breathe.

#### Transformation at the root

Any real transformation occurs at the root of an issue – personal transformation. We can research, analyse and criticise the elements preventing engagement in our workplace. However, unless we take responsibility for our individual contribution and change our behaviour accordingly, there will be no lasting change.

Jeff Benjamin of Breakthrough Training has worked with thousands of companies across the globe on leadership development and team building. In a recent conversation with Jeff, he shared his perspective on the power of personal transformation:

"Individuals who experience personal transformation within an organisation are committed to change. The most successful individuals have clearly defined goals and constantly remind themselves why it is important to change. They know and understand the benefits they will experience from the effort they put forth and stay true to their path, even when other team members falter. They take personal accountability for their growth, but also seek outside help through appropriate training and an accountability partner. They measure and document personal performance and make public commitments to others concerning resolutions. Over the last 20 years as a corporate trainer, I have witnessed first-hand how personal accountability can transform organisations. When individuals change, organisations change."

Companies with world-class engagement have 3.9 times the earnings per share growth rate compared to their competitors with lower engagement. When employees are strongly linked to their companies, productivity is greater, innovation is the norm, and teams are strong, efficient and agile. Employee engagement drives bottom line results. It sets the great organisations apart from the simply good ones.

Engaged organisations are authentic. They are built on trust and respect. Engaged organisations understand that flawed management practices drain the life from their people. They hire and train managers that treat people with respect and hold them accountable for enhancing the engagement environment.

An engaged employee knows he matters. He believes his opinion counts, and feels respected. He never feels invisible. He knows his role is important and he plays it well; he is connected to his company from the inside out.

An engaged employee would agree with Josh Bersin when he says "it's the soul of the business that inspires people to contribute."



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