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Employee Engagement: A Delicate Balance

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From time immemorial companies have sought to find and exploit an advantage over their competitors. Price, quality, speed, effectiveness and fitness for purpose are the traditional battlegrounds in the war to attract and retain business. More recently, fashionable initiatives have been constructed around Total Quality Management, Just in Time supply, Six Sigma and so on.

These initiatives are very laudable, practical, and effective in their own way, but as more organisations adopt them - and as the timescale from innovation to imitation is measured in weeks rather than years - competitive advantage is harder to find and even harder to maintain. They simply allow companies to be in the game, but what do they need to do to win the game?

Employees should be viewed as a dynamic asset. The value of their contribution can go down as well as up

If I may paraphrase what Arie de Geus has said, the only true source of sustainable competitive advantage is the ability of your people to learn faster than the competition. To be effective that learning has to be institutionalised so that it can be replicated and developed over time. This is one component of "intellectual capital" that we refer to as "structural capital". The other components are:

- Customer capital - the value of customer relationships
- Human capital - the value of the knowledge and capabilities of the organisation's people.



Alan Crozier

In most organisations, the value of intellectual capital outstrips the value of tangible assets by quite a margin. That means that the largest asset to be managed has a significant human dimension. But do we pay as much attention to that as we really should? How much of what we say about our "greatest asset" (employees) is lip service?

Let's not assume that employees are our greatest asset. Let's create the culture that determines that they will be. Figure 1 shows the aspects of effective employee engagement that we must consider and manage.

Employees should be viewed as a dynamic asset. The value of their contribution can go down as well as up. And that will depend on:

- How they are managed
- How they perceive their job and relate it to their team's goals and organisational objectives
- How they perceive and relate to the customer
- How they perceive reward and whether they can influence it
- How they are learning and developing and, of course

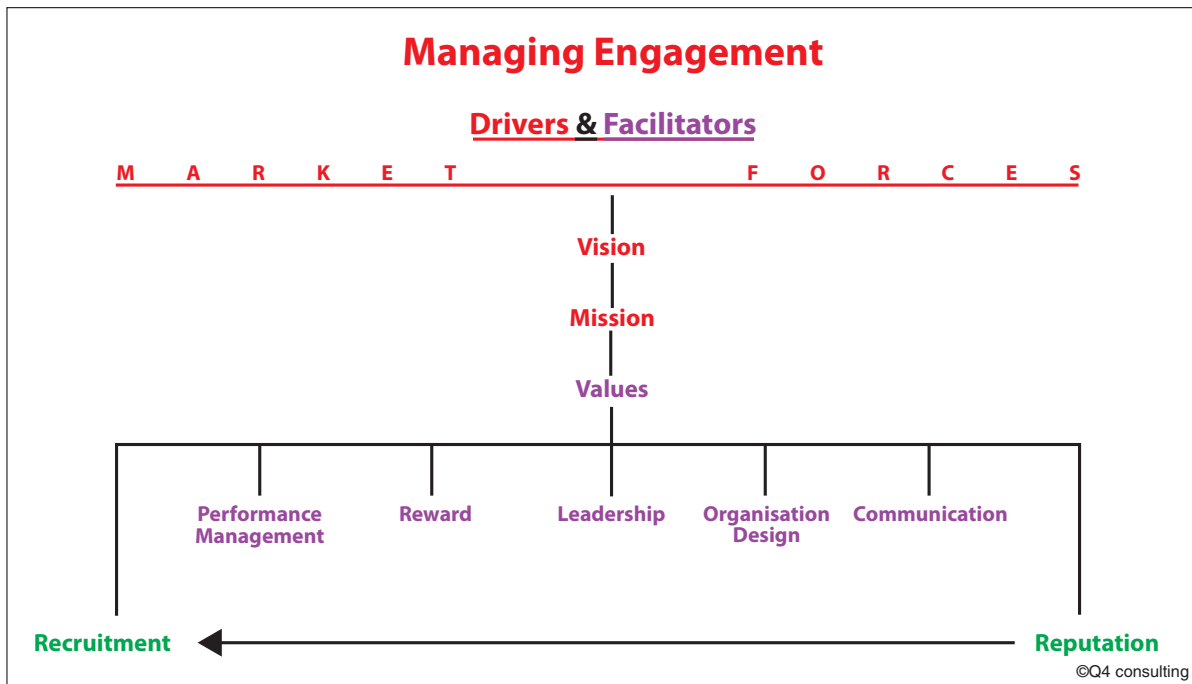
- How they are involved in decisions that might affect them.

Employees who are aligned with and committed to an organisation's objectives perform well. They are much more likely to be engaged, channel discretionary effort to their organisation's benefit and, given the conditions outlined above, enjoy job satisfaction. Employees can be "satisfied" without being engaged but it's engagement that drives performance. And companies with engaged employees consistently outperform their less engaged competitors on nearly every front: greater returns to shareholders, lower absenteeism, fewer accidents, better retention, and so on.

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However, engagement can be fragile. It doesn't take much to turn an engaged, productive workforce into one that is disgruntled, disaffected, cynical and untrusting. One just has to read the newspapers to be aware of some recent ill-judged corporate communication decisions.

Organisations are dynamic, complex open systems so maintaining an engaged workforce is never going to be about one thing. Many things (policies, practices, behaviours) have to be in place and work in concert consistently over time. But any one of them if not



properly handled can have a disproportionately negative impact.

While many elements contribute to maintaining workforce engagement the one that impacts on all of the other elements is that of communication. Managing communication is a vital skill for managers; and here there are key principles we must remember:

- 1) It is impossible not to communicate: not saying or doing something in a given situation still sends a message
- 2) Employees are the arbiters of whether a manager's communication is effective by their understanding and actions
- 3) The more complex the issue, the greater the need for communication to be informal, frequent and inter-personal
- 4) Employees' observations of others'

All company behaviours have to be congruent, aligned with objectives, and supported by the values to be credible in the eyes of the workforce

- behaviour are the most powerful and reinforcing elements affecting subsequent workforce actions
- 5) Employees tolerate management's logic, but act on their own conclusions.

Of course it's easy to fall into the trap of talking about the workforce or employees as if they were an

amorphous mass. They are not. They can be differentiated by age, sex, belief, attitude, skill, perception, qualification, length of service, culture, values - and so on. This makes it all the more important for engagement to start with the immediate manager: the person who knows the individuals and their interests and concerns. The leader's job is to support that with the values, infrastructure and senior management commitment that effectively "walk the organisational talk".

In most organisations, about 90% of what employees currently perceive or believe does not come from official communication channels and so the notion that better communication will necessarily lead to a more engaged workforce is flawed. Effective communication is a very important element but this is a systemic issue. To

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be credible in the eyes of today's discerning talent pool all company policies, processes, practices and behaviours have to be congruent and aligned with its objectives and values.

In all of our corporate words and deeds we must consider how they will affect what employees think, how they will feel, and what they might do (or not) as a result. It is important, especially in the current climate, to get a measure on engagement levels and their contributing factors so that we can plan and act accordingly. ■

About the author

Alan Crozier formed Q4 consulting in 2002 having previously held senior positions in Watson Wyatt and before that Mercer. He has also advised many blue chip companies on employee engagement strategies through business transformation, mergers and acquisitions, and on the introduction of new HR policies.

Alan has served on the Steering Board of the Corporate Identity Group, the Professional Advisory Board of the MSc in Corporate Communication Management at Salford University, and is currently International Director of Accreditation (EME) for the International Association of Business Communicators (IABC).

He is a Fellow of the Chartered Management Institute, and an Accredited Business Communicator (the professional qualification of the IABC) and has written for professional journals and talked at conferences in Europe and North America. His seminal paper on Employer Branding, "Total Employment Relationship Management" was published by Fairleigh Dickinson University in 1998. He is a contributing author to "The IABC Handbook of Organisational Communication", published by Jossey Bass, New York, May 2006; and "Integrating HR and Marketing Strategies", published by ICFAI University, July 2006.

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Research has shown significant differences in organisational performance based on human resource policies, practices, and employee engagement strategies. Organisations with people at the top right of the matrix above, will typically out-perform those in the centre by as much as 75%.

Typically, there are four questions occupying the minds of business leaders and senior managers today:

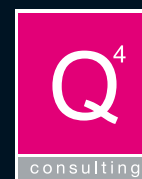
- Q1 Where do we need to go as an organisation?
- Q2 What do we need to do to get there?
- Q3 What do I need to do differently?
- Q4 How do I take my people with me?

Working with clients in pursuit of their organisational and human resource objectives, we help create:

- understanding through involvement
- commitment through engagement
- value through performance

Embarking on that process is a low risk investment with high potential returns - crayon or no crayon.

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