

HUMANEMENT

LET'S GET ENGAGED!

By Mark Brenner



The most famous line in the movie “The Graduate” might be the career advice given to Benjamin by a family friend. That advice is simply “plastics.” Forty years later, there is a single word of best advice for companies that are serious about strengthening their people value chain: “engagement.” Engaged employees identify with their enterprise. They are more loyal and are intrinsically motivated to perform. They “deliver the goods” for greater productivity, profits and customer loyalty.

Unfortunately, many organizations still have a way to go when it comes to employee engagement. According to a recent survey, only 46 percent of U.S. workers are fully engaged with their employers, while 31 percent are actually unengaged. These unengaged employees “are already halfway out the door while at the same time putting customer satisfaction, retention and business success at risk,” the survey reports.

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Last month's column in this series outlined a strategic approach to performance enhancement, the sixth link in the people value chain (PVC) of talent attraction, targeted recruiting, high-accuracy hiring, proactive onboarding, talent identification, performance enhancement, career acceleration and succession management. This month, we address a fundamental lever of the performance enhancement link: creating a culture of engagement.

Building the Culture

Decades' worth of employee satisfaction studies consistently show that wages, benefits and job security are well down on employees' list. Instead, what they truly value are:

1. Appreciation and recognition of their performance
2. Important, meaningful and stimulating work
3. Opportunities to achieve, grow and excel
4. Caring, communicative, fair and inclusive management, especially from their personal manager
5. Work/life balance
6. Substantive career development opportunities
7. A collegial work culture

Leaders who genuinely understand what makes a working person tick also know that it's all about culture. In a groundbreaking five-year study of 160 companies (“What Really Works,” Harvard Business Review, July 2003), Nitin Nohria, William Joyce and Bruce Roberson identified culture as one of four primary practices that “really work” to drive successful business performance when combined with any two out of four secondary practices.

Although some leaders still misconstrue culture as being “soft” and all about a fun environment, the authors' research clearly demonstrates that winning cultures are performance-oriented. In other words, effective cultures are distinguished by their commitment to holding high expectations.

In the past, much of the writing on corporate culture has been rather fuzzy and formless. But Nohria et al. go beyond the usual, overly academic and theoretical approaches to corporate culture and list very specific behavioral prescriptions for creating a performance culture. The high-impact culture levers described in their study synchronize closely with the recommendations we have been making in our PVC discussions. If cultural and leadership levers are to really work, they must be described at an entirely behavioral level – no airy-fairy theoretical stuff. This creates a well-defined line of sight for management to adopt.

Here is a summary of Nohria et al.'s recommendations and an explanation of how they line up with the links of the PVC:

- “Inspire all managers and employees to do their best.” There is an inestimable impact of a clear and compelling mission, vision, set of core values and strategic line-of-sight as the underpinnings for inspiration and meaningful individual contributions.

- “Empower employees and managers to make independent decisions and to find ways to improve operations – including their own.” A performance environment that reveres empowerment and accountability is in the bedrock of a strategically branded, alluring culture. Such a culture is the first link on the PVC: talent attraction.
- “Reward achievement ... but keep raising the performance bar.” An emphasis on creating a meritocracy by raising managerial EQ is central to SPED – strategic performance enhancement designs – discussed in the last column.
- “Pay psychological rewards in addition to financial ones.” Intangible rewards create a magnetic and inspiring culture that fosters retention and attracts the best talent.
- “Create a challenging, satisfying work environment.” Again, a fun environment may be nice to have, but what people really want are challenges and the opportunities to develop and advance.
- “Establish and abide by clear company values.” Every link on the PVC depends on an organization living by its core values.

Operating together, these levers generate a powerful impact because they deliver the seven satisfiers that employees truly value. They foster a culture of engaged employees who deliver the goods.

The Perfect Combination

Engaged employees are highly motivated to work hard. They naturally go the extra mile for customers. They think “team” and are more likely to operate from the organization’s core principles. They tend to be retainable, will more often recommend their organization as a great place to work and are less likely to be recruited away.

These are precisely the kinds of attitudes and behaviors that are fundamental and critical to a company’s future performance. It’s the perfect combination of orientation to the customer, work ethic and an attitudinal set that leads to high morale. This is exactly the combination that is predictive of a high-performing work force.

Getting there goes back to the root issue – what it is that employees seek and find gratifying in the work place. The management practices that create genuine engagement provide:

- A meaningful daily work experience
- Senior leaders who are role models and a culture that echoes principled behavior
- A product, service and culture brand that are admired in the marketplace
- Genuine meritocracy
- Accessible opportunities to ascend a career arc
- Work-life balance
- Safety and a diversity friendly culture

In the end, it’s about engaging each employee in meaningful work every day. A “meaning-creating culture” reveals a direct line of sight to help each employee to know and feel that they’ve made a real contribution to the enterprise today and that they will be acknowledged for these contributions along the way.

The Challenge to Perform

Many employers still focus on employee satisfaction or retention metrics to gauge how well they are managing their work force. However, we now know employee engagement is a more valid predictor of productivity, customer loyalty and an employee’s commitment to the organization. Employees don’t just want to be happy and content. They want to be challenged.

Accordingly, they want their organization to be led by executives who have a vision, who are going to take the organization somewhere that is truly meaningful and who are genuine role models. Employees also want to improve their skills and capabilities as they advance in their careers. Leaders who truly understand what engagement is all about can begin to reorient their focus, attention and energies to operate the critical levers to build a high-performance culture.

Are You a Winner?

The perennial question in the business world is how to promote and sustain superior organizational performance. To answer this question, Nohria’s team studied 160 companies in a 10-year period. They discovered four primary management levers – strategy, culture, execution and structure – supplemented by the mastery of two out of four secondary management practices – talent, innovation, leadership, and mergers and partnerships. This winning (4+2) combination for business success yields a higher than 90 percent probability of sustained business performance.

Although neither surprising nor counterintuitive, the fundamental takeaway from the research on these eight performance levers is that companies that are firing on all cylinders are doing so by operating six levers simultaneously. Maintaining this kind of focus for more than 10 years is no mean feat. [USBR](#)

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