



Why Do I Work Here?



By Ellen Raim, Principal

If you asked the bank teller for change for a dollar and she gave you 3 quarters it would be apparent that you hadn't gotten the appropriate return for your outlay. You would then demand a fair exchange and insist on getting the extra 25 cents.

This value exchange at the bank is pretty clear. It's not so obvious in a workplace. But the truth of the matter is employers all over the United States are participating in an unequal trade every day. And this is how it happens: employers pay 100% of employees' salaries and they are getting back about 60% of the employees' discretionary effort.

That's a 40-cent loss on every dollar.

Forget the fancy definitions of employee engagement and complex explanations of why engaging your employees matter. It's nothing more complicated than this. For every dollar you pay your employees you should expect a dollar's worth of effort in return. Every day your employees are checked out costs you an enormous amount of money.

Not worried yet? Here's another calculation. For every 10% drop in employee engagement, it takes 16% more resources just to stay even with the original work output. That means in a company of 100 people, shoring up that 10% engagement drop would cost almost \$400,000.00 –and that's if the work was done by minimum wage people.

On the upside, engaged employees are good for business. According to the Corporate Leadership Council, at companies where there has been double-digit growth, the employees are 21% more engaged than at companies with flat or single-digit growth. Moreover, engaged employees work harder and quit much less frequently.

Interesting facts you say, but they don't apply to me. I don't have low morale, my employees don't complain. They must be engaged right? Wrong.

The Conference Board says the average engagement score on the various assessments performed in companies in the US is 60 out of 100. That means most people are just doing

the basic job. They aren't going the extra mile. It's important to realize that just because your employees are not actively complaining it doesn't mean that their heart is in it.

After all, in the last two years they have seen their coworkers laid off and are, in many cases, picking up the work of the folks no longer there. They aren't sure about the health of the economy, even now or whether there will be a continued slump. Finally, they are tired because most of them are old enough to have lived through several of these down cycles already.

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It's easy to blame it all on the downturn. But that isn't the culprit. In fact, engagement scores have been surprisingly flat for close to a decade. The truth of the matter is that employee engagement isn't much worse now than it has been for the past ten years. It just matters a lot in a down market.

So why doesn't anyone seem to be able to move the needle? To figure that out we have to understand what was going on when engagement was higher. Experts say that engagement was at its height in the days when the unwritten contract was that an employee had a job for life, and in return they would devote themselves to their employer. That relationship fell apart in the early '80's and engagement has been slipping ever since.

It is possible to rebuild engagement, but to do that employers have to explore whether their employees are engaged. If they are not, acknowledge the strain in their current relationship with employees and work from there.

The first step is to get some data. Investing in a tool that measures this or conducting interviews or focus groups is a good start. But there are less formal ways to collect

worthwhile information. You can learn a lot about what your employees need to be engaged by holding focus groups and asking two questions:

1. What would you do to make this company and its products/services better if there were no constraints at all?
2. What's standing in the way of doing the great work you described in question 1?

The second step is to turn the design and implementation of the fixes over to the employees. So often, great pains are taken to involve employees in problem identification but when it comes to solution design, it's left to management. This is a missed opportunity in two ways. First, the fix management comes up with may be off the mark. Second putting employees in charge of the resolution is a way to build early buy in with an influential part of the population.

In addition to the systems and process work the employees will undertake, there are several other areas of focus necessary to allow meaningful and lasting change. First, leadership needs to take genuine steps to repair the relationship between management and employees. Second, employees need to understand that engagement (which is largely about attitude and viewpoint) is a personal choice.

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Remember—engagement is emotional. Employees are looking to their leadership to see whether they want to put their energy behind him or her and the vision he or she has for the company. That means that the leader needs to inspire pride in the company and trust in him or her. Since the employer/employee relationship is strained right now, leaders will need to acknowledge the pain that employees have gone through on their watch and explain how they will act differently in the future. One person with whom I spoke summed it up like this:

So much loss of trust occurred because my company went into panic mode and made choices that hurt the employees without, as it turns out, a significant improvement in financial health. To regain my full commitment, show me we have a

plan for thriving in the future and most important, show me how I am part of that future and give me room to take actions to help.

Last, social science suggests that the attributes needed for engagement such as optimism, enthusiasm, creative thinking and belief in one's ability to make change are some of the same traits needed to be happy. Workplace happiness is fast becoming recognized as a driver of productivity, innovation and overall organizational success.

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No one ever tells employees that they have personal work to do to become happy and engaged, but they should. Employers can take many steps to create an environment where employees can feel engaged but at the end of the day, it's an individual choice.

Psychologists believe that individuals can become happier and more engaged by learning to emulate others who more strongly demonstrate these traits. Business experts such as Marshall Goldman and Srikumar Rao are beginning to speak about how employers might help employees learn to reframe their thinking and actions to gain more personal wellbeing and, consequently, increased organizational excellence.

The key to engagement is to approach the problem not merely at the system level but on a personal plane. Every one of us has a profound need to "matter". The more control we have, the easier it is to make a difference. The challenge for employers is to create an environment where employees have the autonomy to create a direct path from effort to significance.

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