

Share the power

Emerging from the recession, those businesses that make their workers feel valued will be most successful, writes *Stefan Stern*

MANAGEMENT is a practical task. It is about getting things done, not speculating about what you might do. Managers tend to be happier with concrete, tangible procedures or situations, rather than abstractions. So it is hardly surprising if mention of the term “employee engagement” can be met, on occasion, by some rather blank looks. To some people, the idea that employees should need to feel engaged with their work remains quaint and sentimental at best, and downright soft-headed at worst. An explanation for this inability, or unwillingness, to engage with engagement was provided 50 years ago by Douglas McGregor, the US psychologist. In his book *The Human Side of Enterprise*, he argued that, in general, managers subscribe to one of two theories about the people they have to deal with: they adhere to either Theory X or Theory Y.

Theory X is based on a fairly grim view of human nature. It holds that people are essentially lazy and uncomfortable with the idea of bearing too much responsibility for anything. They only turn up to work for the pay. Employees have to be supervised rigorously in a strict hierarchy, otherwise nothing will get done.

Theory Y, on the other hand, suggests people may be capable of something more positive – that they will seek out responsibility and try to get better at their jobs, from which they can derive significant personal satisfaction. Theory Y managers have high expectations of their people. They are also much more likely to develop a truly engaged workforce.

As businesses struggle to emerge from the recession, and public sector organisations endeavour to maintain and improve services with limited and

possibly diminishing resources, the commitment of employees will be vital. A new Ipsos Mori poll of 100 board-level directors from the 500 biggest companies in the UK confirms that business leaders realise they need more from their staff right now.

According to this survey, “attracting, motivating and retaining the best employees” is the number-one priority for businesses, beating even greater efficiency or having the right strategy. If the bosses surveyed by Ipsos Mori had an extra half-day a week, they would choose to be more visible and find more time to speak to their colleagues, ahead of any other measure.

As businesses struggle to emerge from the recession, employees’ commitment will be vital

For some business leaders, these ideas are not controversial. Justin King, chief executive of J Sainsbury, the retailer, says his company’s efforts to encourage greater engagement are based on having open, two-way communication in the business.

“For me, colleague engagement is about helping colleagues to want to do a better job every day,” he says. “The more they feel committed to what we are trying to achieve, the greater PR ambassadors they become for the company in everything they do and say.”

But it is not enough just to listen to colleagues, he says. They need to know their opinions matter and that suggestions will be acted upon. “The ‘Tell Justin’ scheme enables colleagues to raise ideas and suggestions. So far we have had more than 30,000 entries, with many being taken up,” he says.

At O2, the mobile phone company,

engagement has been a priority for some time. Kay Winsper, head of employee involvement and experience, says O2 wants its employees to be emotionally and rationally committed. They should feel proud to work for the company, and realise it makes financial and professional sense not to change employers.

“All of our internal communications are couched in terms of ‘fans’. It’s part of our language and the way we think and behave. We measure internal engagement with the brand against a range of external factors, including financial performance. Our quarterly performance is measured on a ‘fanometer’, and our brand-new recognition programme, ‘Fanclub’, makes peer-to-peer as well as manager-to-peer recognition easier, tapping into the closeness of teams and the relationship between managers and their teams.”

At the John Lewis Partnership, engagement is a central part of the culture and distinguishes the business from its competitors. Patrick Lewis, the “partners’ counsellor” at John Lewis, says leaders are encouraged to seek out the views of colleagues in order to sustain that culture.

“Our ownership model is a huge reinforcer for engagement,” he says. “On difficult issues, such as changes in the way we work or to our pension scheme, the fact people are listened to is vital. Leaders are effectively working for their owners. And the commitment we get from partners can be very impressive.”

Both sides of industry have high hopes for the emergence of a more engaging style of leadership and management. Brendan Barber, general secretary of the Trades Union Congress, says: “Employers who are serious about employee engagement recognise the value that unions can bring to the workplace. During the recession there were examples of unions and employers working together to save jobs and cut

costs so the company is in a competitive position as the economy starts to recover.”

Ruth Spellman, chief executive of the Chartered Management Institute, says: “Organisations across the UK are hampered by poor management skills, with leaders who have an inability to let go and allow staff to take ownership of

their work. The end result is talented people becoming frustrated and disengaged at best, or ready to leave, at worst ... By investing in the development of staff through training and development, and acknowledging their achievements, employers have a better chance of taking advantage of the upturn.”

Managers are starting to see what a more engaged workforce could achieve. But true engagement goes deeper than mere “morale-boosting” communication efforts or staff attitude surveys. It arises only when the leadership’s behaviour – words, attitudes and actions – encourages belief and commitment from the staff.

A matter of motivation

The presentation of a crisis can alter employees’ perceptions of it, says *Stefan Stern*

What does employee engagement look like in practice? John Smythe, from the Engage for Change consultancy, offers two scenarios to illustrate it.

Imagine two different employees, called Ruby and Geraldine, who work for different businesses. In the first scenario, Ruby is invited to attend a morning meeting titled “Help our recovery”.

“The invitation confirms recent open communication about the poor performance of all parts of the company, and that its parent is unable to subsidise it, let alone provide more cash for investment, and that fast action must be taken to stabilise the situation,” Mr Smythe explains. “But it also says there are no secret pre-hatched plans for radical action. It says: ‘We want you and your colleagues to take ownership with management to solve the crisis, recognising that unpalatable options will have to be on the table.’”

Ruby is both concerned and flattered. She arrives at the meeting feeling like a player rather than a spectator. A two-month timetable is laid out in which she and her colleagues are invited to use their knowledge to find achievable cost savings without harming key business areas.

In this process, Mr Smythe says, there

are three good questions employees can be asked. What would they do if they had a free hand in their day job? What would they do if they were a director of the company? What would they do if they had survived a takeover but were given two months by the acquirer to propose small but radical changes? In this way, employees can own the decisions that are necessary, and not become disengaged or demotivated even as tough measures are put in place.

The alternative scenario, which concerns Geraldine, is less appealing. She is also invited to a meeting described as a “cascade briefing”. Rumours have been spreading, directors have gone to ground and communication from the company has been sparse.

“At the ‘cascade’, her fears are confirmed when, in a PowerPoint presentation, the full extent of the dire state of the business is revealed for the first time,” Mr Smythe says. “Detailed top-down plans for restructuring and efficiencies are revealed. The focus is all on reduction with no hint of new business opportunities. Geraldine feels less like a spectator and more like a victim. To varying degrees, her colleagues leave the meeting in shock and immobilised.”

These examples are based on real situations, he says. “The first adult-to-

adult example resulted in very fast action from a large group of workers, who all, or nearly all, felt they were driving change where they worked, and fast results were achieved. The second disenfranchised those who could contribute, resulting in a huge task of execution by an overworked ‘change team’,” he says.

“When have you felt most engaged, most valued and most implicated in a successful project or period at work?” he asks. “Absolutely none of us is going to report that it was more like Geraldine’s experience.”

Engagement means sharing power, which can scare some managers. It also means developing a culture of “distributed leadership”: selecting and developing leaders at every level who engage people in the decision-making and change process.

“A culture of distributed leadership means challenging assumptions about the primacy and effectiveness of a command-and-control approach to leadership,” Mr Smythe says. “It primarily means individual leaders assessing how they have learnt to make decisions, how they engage others in decision making and how they transition from being a ‘god’ with all the answers to being a ‘guide’ helping to liberate the creativity of others.”

**Engage
for
Change**

Leader and employee engagement