



## DILEMMA OF ENGAGING EMPLOYEES DURING UNSETTLING TIMES >>

In today's rapidly changing economic climate many executives are facing an acute dilemma. Among many other priorities, how do they make the people changes that they feel are necessary to rapidly improve performance whilst maintaining employee motivation and engagement?

There is now a wealth of evidence linking business performance and employee behaviour. A recent study of corporate performance revealed that two thirds of business units scoring above the median on employee engagement also scored above the median on performance whilst only one third of companies below the median on employee engagement scored above the median on performance<sup>1</sup>. This is understandable when you consider that engaged employees work 57% harder and perform 20% better than those that are not<sup>2</sup>. Engaged employees also feel three times more positively that they can impact the quality of the organisations products and services<sup>3</sup>.

Organisations in all industries and all sectors are preparing for the economic slowdown. Recent business trends show that confidence among firms is at its weakest level since the early 1990's recession, executives are launching change programmes as a response to the economic slowdown and a quarter of organisations are planning redundancies within the next three months<sup>4</sup>.

Redundancies are one of the most traumatic events an employee can experience and the announcement or mere rumour of redundancies will invariably have an adverse impact on employee engagement. With levels of engagement in the UK found to be as little as 1 in 3<sup>5</sup>, many organisations start from a very low point. This coupled with the launch of corporate change initiatives and nightly news bulletins, will be doing little to raise engagement levels as redundancies become the topic of corridor conversations.

Last time in a downturn "Companies who stayed committed to talent and kept faith with employees reaped the rewards of innovation, performance and growth."

Linda Holbeche, Director of Research and Policy CIPD, 2008

# So what is engagement?

Engagement is the measure of the willingness of employees to give discretionary effort and personal commitment to achieving the vision and values of the organisation.

To achieve engagement what actions can executives take quickly? The following suggestions will help:

## Communications

Executives should focus on creating employee communications strategies designed around the following:

- > Clearly communicate the plans for the business
- > Be open and honest about the internal and external realities of the situation
- > Engender a spirit of mutual support and sense of purpose by focusing on the actions being taken
- > Explain the reasons for decisions in plain, clear and concise English
- > Lead, rather than follow, the rumour mill
- > Remind people of the successes the organisation is having.

In unsettling times there is no substitute for person to person dialogue so all managers should be actively encouraged to speak face-to-face to their teams.

## Organisational change

When considering making organisational changes, successful executives tend to follow five steps:

- 1) Understand the current structure particularly actual headcount, vacancies, grade mix, employee costs fixed and variable, types of employee, reporting lines, layers of management, spans of control, locations of employees.
- 2) Determine which are the new key business processes or requirements critical for business success.
- 3) Develop criteria for organisational design which:
  - > Enable the delivery of the key business objectives which address the immediate business climate
  - > Build on strengths of current structures and remove blockages
  - > Support key performance indicators of business units which align to key performance indicators (KPIs) of the organisation. If KPIs do not exist, define them quickly around the new key business processes
  - > Clarify spans of control, layers of management and reporting lines so accountability is clear.
- 4) Practice makes perfect, consequently test the proposed new structure and processes with scenarios or transactions that impact upon other areas of the business, in particular, from a customer perspective.
- 5) Make sure the plans are future proof by defining the skills, knowledge and competencies required of people who will undertake roles in the new structure. This as a minimum will involve job specifications and person specifications but may also include job design and job evaluation.

## Performance management

Effective performance management in uncertain times cannot be left to three conversations a year as part of a formal appraisal process.

Executives need to be inquisitive about the conversations line managers are actually having with their people. Effective performance management will have the following features and executives need to role model this behaviour:

- > Line managers need to be precise with people about what they need them to do
- > Discussions should be face-to-face and a mix of regular individual and team sessions
- > Line managers should initiate proactive conversations with their people and tackle the warning signs of under performance or address behaviours which are no longer relevant. This will require line managers to initiate emotionally charged conversations as they need to get people to do things differently
- > Line managers should work with their teams to determine which activities will be stopped in order to create the time to start addressing the new priorities
- > Conversations should focus on the things individuals are going to take personal responsibility for doing differently. Line managers should facilitate this dialogue and then track achievement.

Line managers need to give people a compelling 'reason why' and the self belief that they can achieve the stretching new targets they are setting themselves.

## Final thought

To win in uncertain times requires organisation's to take action. If these actions destroy employee engagement they are not likely to be successful.

## Next steps

For further information please email [ukconsulting@atosorigin.com](mailto:ukconsulting@atosorigin.com), call 02078304444 or visit our website at [www.atosconsulting.co.uk](http://www.atosconsulting.co.uk)

“Over one in four people feel less secure in their jobs according to the latest survey from Lloyds TSB.”

Consumer Barometer Survey  
Lloyds TSB Corporate Markets, June 2008

<sup>1</sup>BDO Stoy Hayward <sup>2</sup>Corporate Leadership Council <sup>3</sup>Gallup <sup>4</sup>Chartered Institute of Personnel & Development/KPMG <sup>5</sup>Institute of Employment Studies