

THE COLUMN



THE NELSON CONSULTING QUARTERLY

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EDITORIAL: LEADERSHIP, PURPOSE AND ENGAGEMENT

The focus of attention for many management teams in search of better revenues and profits is **engagement**. A workforce that is merely 'satisfied' but not engaged is unlikely to achieve its full performance. Some leaders have been aware of the risks involved if the competition is successful: "The person who figures out how to harness the collective genius of the people in his or her organisation," said former Citibank CEO Walter Wriston, "is going to blow the competition away." Our interview with David Sharpley examines the issues involved with fostering engagement.

The topics we emphasise are those to do with **leadership** and **purpose** and how these impact the engagement of employees. People who are engaged with an organisation have a strong emotional bond; they feel that they share in a common purpose and do meaningful work. This is more than being simply motivated by an interesting job - the strength of commitment goes beyond this into identifying with the larger purpose of the organisation.

This is the modern leader's challenge; how to get everyone in the organisation energised to fulfil the higher purpose. People who are engaged are likely to be advocates of the organisation and recommend its products and services. A good test is what they tell their friends! The benefits of having engaged employees are huge. Imagine an organisation of hundreds or thousands of people, all keen ambassadors for the organisation and its products and services.

So what are the essential priorities for a leadership team? Developing a purpose or vision for the whole organisation is the starting point. However, this is not for the general manager to undertake alone; they need to involve their immediate team, enabling them to make a contribution and to gain ownership of the purpose/vision for themselves.

Most importantly, the management team needs to address how they will lead the engagement of the whole organisation. Communicating to the next management levels in a way that answers the question 'what does this mean to me?', and developing those managers to be able to answer the same question from their people, is critical for creating a **climate of engagement**.

INSIDE THIS EDITION

If you would like further copies of this newsletter, please ring or email us!

- **Editorial: Leadership, Purpose and Engagement**
- **Employee Engagement: Interview with David Sharpley**
- **Profile of David Sharpley**
- **Book recommendation: The Inspirational Leader by John Adair**
- **Quotes and soundbites**

Welcome to the thirteenth edition of our quarterly newsletter! The next edition of *The Column* will appear in May/June 2006.

INTERVIEW ON EMPLOYEE ENGAGEMENT

In this edition we interview David Sharpley on the issues emerging from his studies of employee engagement. Undertaken with organisations in the UK, Italy and Australia, this research provides useful insights into the achievement of high organisational performance.

David Sharpley is an occupational psychologist and Nelson Consulting associate, and has recently worked with us on the 360° Development Review element of a comprehensive personal development programme for senior managers in a large financial organisation. We developed the Development Review Questionnaire based on a number of competencies in relation to the strategy of the specific management group. The 360° review was carried out online using David's internet-based PARIO system.

We are very pleased that David's engagement studies provide ways to further enhance everyone's understanding of how to lead and manage the successful engagement of people in organisations. People who are engaged are more likely to contribute to organisational effectiveness, which in turn will build the bottom line.

EMPLOYEE ENGAGEMENT

an interview with DAVID SHARPLEY

By Kate Harrad

In January 2006, David Sharpley presented a paper on employee engagement to the annual conference of the British Psychological Society's Division of Occupational Psychology. The study was based on a survey of over 1,000 people working in the public sector, who were asked a range of questions about what they liked best about their organisation, what they liked least and what they would like to see changed or improved.

Q: What kind of job attributes contribute to engagement?

There are some essential features that are vital. As a starting point we require role clarity: clear purpose - clear objectives. This is important at all levels, but of course takes different forms. For professional/managerial staff there needs to be consultation and dialogue. It is surprising how often people are not that clear about new developments, proposed changes etc.

We also need to make a distinction between motivation (displaying initiative and discretionary effort), which is linked to perceptions of a supportive environment, doing meaningful work and self-belief (and the ability to visualise oneself overcoming a problem) and engagement, which is influenced by (1) the perception that the organisation supports the individual's personal development and (2) management capability – reflected in professional, fair and impartial behaviour. It is possible to be motivated in one's job without necessarily feeling an attachment to the organisation or to the management, if the job itself is motivating enough. However, a

feeling of engagement requires a wider sense of supporting, and being supported by, the organisation.

Q: What individual qualities contribute to engagement?

People need to be 'turned on' and different things work for different people. However, the aim is to get a connection between people's underlying potential to identify closely with what they are doing and seeing their work having a broader purpose and value. Some people start off further along this path than others (e.g. the caring professions, teaching etc). Others will start to identify more strongly with their organisation if there is a general perception that it has a positive reputation. So Corporate Communication might be important, but good management is essential.

The more attuned people are to intrinsic motivational factors (e.g. values, purpose and personal development/growth) the more receptive they are likely to be to the norms and values of the organisation. However, this identification can be undermined if they perceive things are not fair (e.g. pay) or there is a lack of even-handedness in the way managers behave.

And the organisation is represented at all levels by its management, so an employee's sense of what the company is like will usually be heavily influenced by the way immediate managers behave.

Q: What can management do to support engagement?

The role of the manager is critical. What is particularly interesting about this research, which is anchored in the CMPQ (Commitment,



Motivation & Performance Questionnaire) model of employee engagement, is that people are stating exactly what is required in managers. In effect, this is an operationally defined model of leadership. Not academic, not theoretical – just very, very powerful! What it demonstrates is exactly what managers have to do to be 'fair and effective'.

Q: Do individual attributes have a direct effect on engagement and productivity?

Individual attributes, particularly differences in thinking and cognitive 'style', do have an effect on motivation. Self-belief, a more questioning outlook and the sense of doing meaningful work in a supportive environment are the drivers of personal effort and initiative.

We are undertaking longer-term research to explore the links between people's need for affiliation and independence, and their feelings of engagement with the organisation. What is already clear is the vital link of the immediate manager in building or undermining people's sense of involvement.

Q: What is different about this survey?

The use of the 'Perception vs. Importance' needs gap. Many of the statements in the CMPQ survey ask people to rate both their perception (of how things are) with the importance they attach to that factor. This provides the organisation with additional insight into the gaps between things that are important, but not perceived to be present. Professional management behaviour is one example!

(Continued on page 3)

Consultant Profile: David Sharpley

David is a Chartered Occupational Psychologist and has been working with senior managers in large organisations for twenty years. He has in-depth experience relating to assessment and identification of potential, and has designed and delivered a wide range of coaching and personal development programmes and one-to-one feedback sessions. These have included the assessment of leadership potential and implementing HR Development Centres.

He has run workshops for staff facing mergers - these have included preparation for interviews linked to the restructuring, and has been closely involved in the assessment and subsequent feedback to senior managers post-merger.

David has particular expertise in identifying the factors that contribute to high performance. Workshops that explore people's perceptions, needs and motivation can be tailored to requirements, and are particularly useful in the context of changing role demands.

David's industry experience includes telecommunications, banking and government organisations. His international experience has included managing new business start-ups in Ghana and he has run training programmes in Sweden, Italy, India, Ghana and Australia.



(Continued from page 2)

Q: Does salary have much effect on how engaged people are?

Pay is often viewed as a motivator, but this only works up to a point. Most people become concerned if their pay is not competitive with that of others doing similar work. However, our findings show that pay is not a key factor.

Analysis of demographic data allows organisations to identify if there is a problem in a particular department, or amongst a specific group of employees.

Q: How does the organisation benefit from engaged employees?

There have been a number of studies that show that employee engagement has a direct bearing on productivity. Watson Wyatt (2002) found that high-commitment organisations outperformed those with low commitment by 47%. In a study of professional service firms, the Hay Group found that offices with engaged employees were up to 43% more productive, based on a comparison of revenue generation.

Q: What use could an organisation make of this study?

This research identifies the value of developing

an employee survey that is based on a clear model of the key variables that affect motivation and engagement. This is not based on speculation, as all the factors have been statistically checked and we know that they are reliable measures. Regression analysis shows that they are increasing our understanding of what is required to increase motivation and engagement.

The practical implications are really significant. The information enables organisations to focus interventions far more effectively, and also to build on the 'Management Capability' dimension. This creates the potential to develop 360 degree feedback that incorporates the key aspects of behaviour identified in the survey. There is also scope to run mini 'pulse' surveys that also review key indicators on a more regular basis.

Organisations have spoken for some time about creating 'alignment' and building an enabling culture. Now for the first time we have the tools that will help them achieve that objective. Effective feedback is vital for success, because effective feedback changes people's behaviour.

Contact Nelson Consulting to discuss how we can design 360 degree and other employee surveys to make use of this research.

OUR SPECIALITIES

Organisational Diagnosis:

Quantitative Questionnaires and Qualitative Research - focus groups, semi-structured interviews

Organisational Development and Design:

Advice, consulting and facilitation

Performance Management:

Advice, process design, consulting, education and learning

Management Development:

Development assessment, coaching, learning and development,

including

Personal Development and Coaching Programmes

and

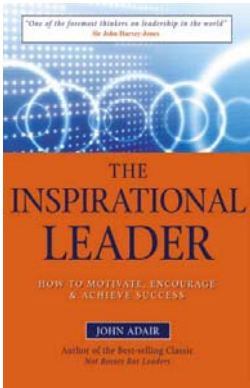
Learning and Development programmes, workshops and seminars.

BOOK RECOMMENDATION

by Kate Harrad

The Inspirational Leader: How to Motivate, Encourage and Achieve Success

by John Adair



John Adair's book is laid out in the form of a conversation between him and a young chief executive who is looking for advice on how to be a good leader. The fact that it is in dialogue form, and very free of jargon, makes it extremely accessible. It also makes it feel rather like a book of Greek philosophy, and indeed Adair refers

to Socrates and Plato in the course of his discussion.

As the subtitle says, the book discusses how to motivate, encourage and achieve success. The basis for these topics is the overlapping three-circle diagram of Task, Individual and Team, and Adair discusses in some depth what these labels really mean and how they interact with each other. The concept of Purpose is described as being central to this interaction: leaders must infuse their team with a sense of purpose, but equally the sense of purpose must come from within each individual in the team, or in the organisation. Doing a task can be just thankless hard work unless you have a sense of purpose to animate it. Adair uses the ideas of 'goodness, truth and beauty' to explain what tends to motivate people.

The book is a journey through the process of becoming a leader. Leadership is compared to the top of a mountain, and the four pathways to the top are explored: what you are, what you know, who you do and what you believe. The dialogue explores the conditions and qualities that are necessary for someone to be accepted as a leader, such as moral authority, faith in people, and enthusiasm. It also takes in broader questions of human nature and what motivates us at the deepest levels, stopping frequently to summarise the main points, and to quote from a range of writers and thinkers for emphasis.

QUOTES AND SOUNDBITES

"If you want loyalty and commitment from your employees, you must show them yours first."

The Guardian, Saturday February 4, 2006

"Researchers asked employees how they felt about their jobs. They also surveyed customer attitudes and looked at how profitable they were to the company. The results were clear. The companies with the happiest and most engaged employees had the most satisfied, highest-spending customers."

...This applies at work, too. According to a study by the Conference Board, the business research organisation, only half of Americans are satisfied with their jobs. A quarter said they were simply "showing up to collect a paycheck". Those earning more than \$50,000 a year were only slightly happier than those earning less than \$15,000."

Michael Skapinker: How to engage your employees

May 31 2005

"Money was never a big motivation for me, except as a way to keep score. The real excitement is playing the game."

Donald Trump

"It is widely thought that wages are the key, if not the sole, reason we work. But... there's no real evidence that cash either motivates or makes us happy."

The Guardian, Saturday February 4, 2006



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