DRIVING EMPLOYEE ENGAGEMENT

HOW SOME COMPANIES ARE MISSING THE MARK

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An online survey conducted by Metis Decisions (LLC) via LinkedIn, on the issue of motivation, revealed a curious pattern of human behavior that undoubtedly, has provoked further curiosity. The survey, with 266 respondents was targeted at respondents of Ghanaian extraction with demographics of gender, age, industry and department. Respondents industry included banking, telecommunications, manufacturing, construction, hospitality and others as aggregate category. The often reported labor agitation in the global media seem to validate a certain assumption that adequate monetary compensation holds the panacea for the perennial management-employee rifts. The simplicity of this proposition clearly elicited some healthy dose of skepticism leading to this survey with the intent to appreciate, from an empirical perspective, the drivers of employee engagement and to ascertain whether there is popular market alignment with the findings. Undoubtedly, the survey findings presented a challenge to this widely held view that monetary reward (more money) primarily may lead to employee satisfaction leading to better performance, both per capita and aggregately. If indeed the survey findings is reflective of a wider reality (which we believe it is), then the question of what constitutes an optimal mix in terms of employee reward package, merits a careful inquiry in order to provide policy guidelines for management within private and public sector enterprises.

What the Market is Saying

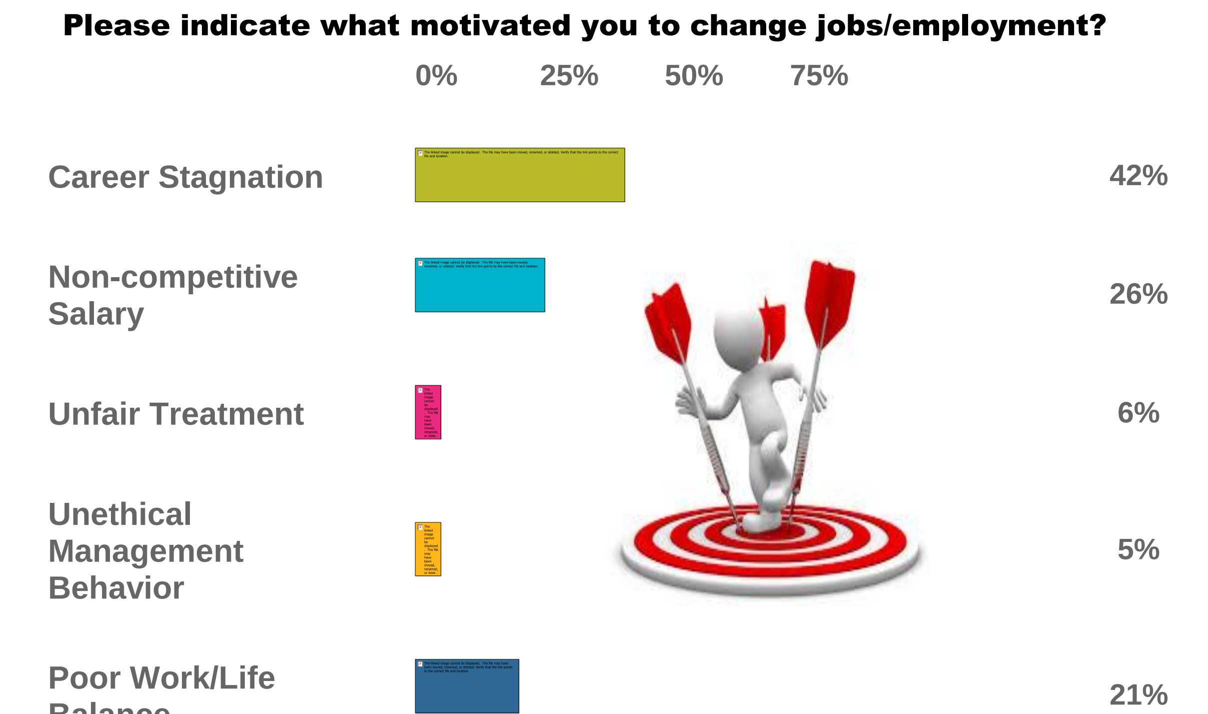
The objective of Metis Decision's LinkedIn research was to investigate, inter alia, the pressing push factors that caused job hoppers to change jobs and to assess whether incentive systems of respondent's company were aligned with market priorities.

266 respondents with varied backgrounds and at different levels of their careers were reached with questions that were designed to address the motivation agenda. Armed with a 32-point inquiry, the survey questions were focused on questioning respondents in 4 different areas:

1. Emotional Intelligence
2. Personal Motivation
3. Leadership Perception

4. Cultural Environment

In investigating the area of personal motivation, respondents provided reasons for their job mobility decisions, reasons which, by and large represent their core values and perspective on what is important in terms of reward for their labor.



Source: Metis Decisions LinkedIn Survey

Whilst only 5 percent of the respondents attributed their career change choices to unethical management behavior, 42 percent thought career stagnation had much bigger weight in their decision-making models. A significant number of respondents (21 percent) citing work/life balance as cause, evoked no sense of surprise as 42 percent of respondents were from the Banking sector, arguably a demanding sector due to a range of factors including market competition and intense regulation.

The subordination of salary-related grievances (26 percent) to career stagnation concerns (42 percent) speaks volume to the nuances of human drive and also brings to the fore the immense challenge facing corporate management in their attempt to navigate the complex influences that lead people towards shared goals of profitability, growth and relevance.

What the Experts Say

Over a period of seven decades, management thinkers from Mayo to Maslow have studied human behavior and propounded theories that have shaped the history of corporate development globally. The theories of motivation can be classified into 4 main categories; scientific management, human relation, neo-human relation and cognitive models. Undoubtedly, the human relation school of thought and its neo counterparts have gain wider acceptance and influenced more HR policies across the globe than any other. This is particularly true of Maslow's hierarchy of needs which seem to be a popular favorite in terms of conceptual misapplication. Maslow's assumptions point to and support his hierarchy of basic needs in the following order, (1) physiological needs, (2) safety, (3) love and belonging, (4) esteem, and (5) self-actualization. According to Maslow each preceding need has to be met in order to reach self-actualization, which resembles the type of holistic healthy person.

The challenge for many organizations who rely on Maslow and other content models of motivation is the subtle philosophical argument that suggests that

satisfaction precedes performance. This thought pattern is reinforced by the popular chicken/egg metaphor. The argument has been that if the chicken is fed well (motivated), she would (or just might) lay good eggs (performance). Undoubtedly research has established a link between employee engagement and profitability or improved business outcomes. It absolutely is the case that employee engagement and improved business outcomes accompany each other because they are statistically correlated, however the causation runs from better business results to engagement, not the other way around: performance causes satisfaction. When people are productive, accomplish their objectives, get good feedback on their performance, and are rewarded for being productive, they are happy.

Misplaced Emphasis

Over-monetized reward systems carry an implicit assumption that disregards the power and contribution of other variables to an individual's performance potential. Judging by the spate of labor agitations in the Ghanaian market, it is reasonable to argue, that HR policies seem to place greater emphasis on employee satisfaction rather than engagement. Albeit the difference may seem only philosophically relevant, it's implication for policy design cannot be discounted. Secondly, the nuance between these two concepts may also influence an HR department's selection of motivational model for rewards and compensation structuring. The problem with employee satisfaction is that it does not focus on the things that are important to a company's most talented staff. A happy or content employee might be quite satisfied with a job that requires very little effort. This same employee might be content doing the bare minimum required to keep his or her job. Such employees, although barely adding any real value, are unlikely to leave the company. Any company, that focus attention and resources on increasing the "wrong kind" of employee satisfaction, risk entrenching employees who may be contributing the least value while driving away the highly engaged (high performing) talents. The over-monetization of reward packages at the expense of building systems for greater engagement, runs the risk of provoking such unintended consequence, as the vast reservoir of creative responses are excluded from the policy mix to address the labor productivity question. Another risk of encouraging this misplaced emphasis on monetarism as an intermediate goal to achieving satisfaction, is the tendency of reinforcing undesirable attitudes such as mercenary-mindedness, thereby making it increasingly difficult for any kind of reorientation towards more sensible priorities. It does seem desirable therefore, that the policy goal of any reward and compensation program ought to be engagement. Satisfaction would ensue where there is strong performance, provided all the essential constructs are in place.

Correcting the Misalignment

"If GH75, 000 cash incentive is only "sufficient" to elicit a splendid performance but not a convincing win by the Black Stars, then an alternative argument for finding less cash-heavy approaches to team motivation is not just timely but necessary, considering the fiscal squeeze on Ghana's public sector finances", complained one analyst. The strategic necessity of a system review is equally just as relevant for private sector operators as well, particularly those in competitive markets such as banking, telecommunications, brewery and mining. In order for corporate managers to fully appreciate the wealth of policy options available for staff engagement, a thorough consideration of certain conceptual models and their implications may be warranted. In the interest of space, we shall consider only one of such frameworks; Vroom's Expectancy model. Vroom is considered apt because of flexible and simultaneous application, as oppose to say Maslow's needs framework, which requires fulfillment of "lower order" needs such as physiological and safety before fulfilling social belonging needs. This assumption creates implementation challenges for HR departments as top management is constrained in experimenting with creative programs that satisfy higher order needs (secondment, corporate titles, etc.), albeit lower order needs remain unfulfilled. Vroom's Expectancy framework on the other hand focuses on issues that are responsive to the individual's cognitive process and exert greater psychological influence. The model has three essential constructs:

1. Expectancy – An employee's expectation that effort will lead to performance success.
2. Instrumentality – Expectation that such performance success would lead to reward.
3. Valence – Where reward is given, it should desirable to the employee.

Hence Vroom (1964) theorized that where all of these variables are high, an individual is motivated to give off their best performance in pursuit of a shared goal.

The strategic challenge for most companies is to find that delicate balance between varying "desires" of its employees in order to create a standardized package that has broad resonance with the majority. It is important to emphasize that this discovery process has as much science (employee research) as it has art. This however only addresses the valance bit. The concluding section makes recommendation on how to achieve both effort expectancy and instrumentality from the employer's perspective.

Do these things

An individual's expectation of realizing performance success may be influenced by self-perception and repertoire of skills and competencies possessed. Another key influence may the degree and fairness of the performance management system operated by the company. Perception of equity and consistency is critical if an employee is to believe that his effort would lead to performance success. Thus every company has the power and resources to influence these variables positively through:

1. Effective needs identification and training.
2. Continuous professional development.
3. Giving recognition scheme a greater proportion of the reward portfolio.
4. Minimizing subjectivity in performance evaluation.
5. Continuously obtaining and utilizing feedback on their performance management system for purpose of system optimization.

In order to influence instrumentality, the following recommendations may be considered as part of the policy options:

1. Avoid the "favoritism" syndrome in conferring awards. The tendency for high ticket (cash or non-cash) awards to be given to top management personnel is common practice in most companies. Management is usually oblivious of the subtle signals it sends to lower level employees, that reinforces the refrain "monkey dey work baboon dey chop" thereby causing further disenchantment with the system.

2. Award schemes must exist for every type of scenario where excellence is clearly defined and transparently ascertained.

Assumptions are unscripted logics that underpin every human experience. People in every culture from east to west and every race in between, make decisions based on these assumptions about human nature and other

considerations. It becomes very costly when these unarticulated assumptions exert negative influence on human capital development, private sector growth and public policy. Unveiling such assumptions behind management decisions is not just prudent but a strategic imperative for corporate survival through greater employee engagement.

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