

Metis Decisions, LLC

www.metisdecisions.com



HOW GREEN IS YOUR GRASS?

RETAINING YOUR BEST TALENT THROUGH ENGAGEMENT

With an economy that is reeling under the pressure of fiscal consolidation and contractionary monetary policy, the risk to growth outlook of the corporate sector is increasingly becoming difficult to manage. Companies are therefore getting ruthless with their cost structure by cutting waste and reducing input volumes so as to maintain margins and market share. Usually, the easiest cost centre that is invariably targeted in market downturns is labor cost. The dilemma presented however, is this; for companies to stay competitive in their respective markets and to build resilience into their value chains, management must give considerable thought to creating a magnetic work environment that helps retain the best talent. The key challenge therefore is to slash labor cost without throwing out the baby with the bath water, in metaphorical terms.

The most obvious risk to crystallize in a challenging business environments such as Ghana's, would be labor turnover. The reason is that corporate austerity programs sometimes place tremendous demand on employee productivity, requiring output growth for less of inputs. The result is stress, complaints and declining levels of motivation. In a company where the cultural strength is weak and levels of employee engagement low, staff hemorrhage is common place. For some reason, employees

begin to perceive the proverbial grass at the other side as greener than their current station. When these traces of work dissatisfaction are allowed to fester without proactive interventions, trust levels between employees and management deteriorates. The challenge in addressing this issue is further compounded by the Human Resource Department's misunderstanding about causal drivers of disengagement. Simply put, the HR's attitude to an employee's perception of "greener grass at the other side" is, "if the grass is green at the other side, just move without complaints or stay put and water yours". A cursory survey of HR practitioners conducted by Metis Decisions LLC across many sectors, reveal their sympathies with this viewpoint. This mindset and philosophical view however does not reflect the complexity of nuance regarding employee engagement under changing internal conditions. This simplistic approach of attributing dissatisfaction to innate factors such as attitude of individual employees is tantamount to denying the seminal contribution of Frederick Herzberg's two factory theory of motivation to the science of organizational management. Herzberg (1959) essentially argues that employee performance is set within a context of hygiene factors, which reduce dissatisfaction and motivating factors which drives motivation. Herzberg essentially argues that Hygiene factors do

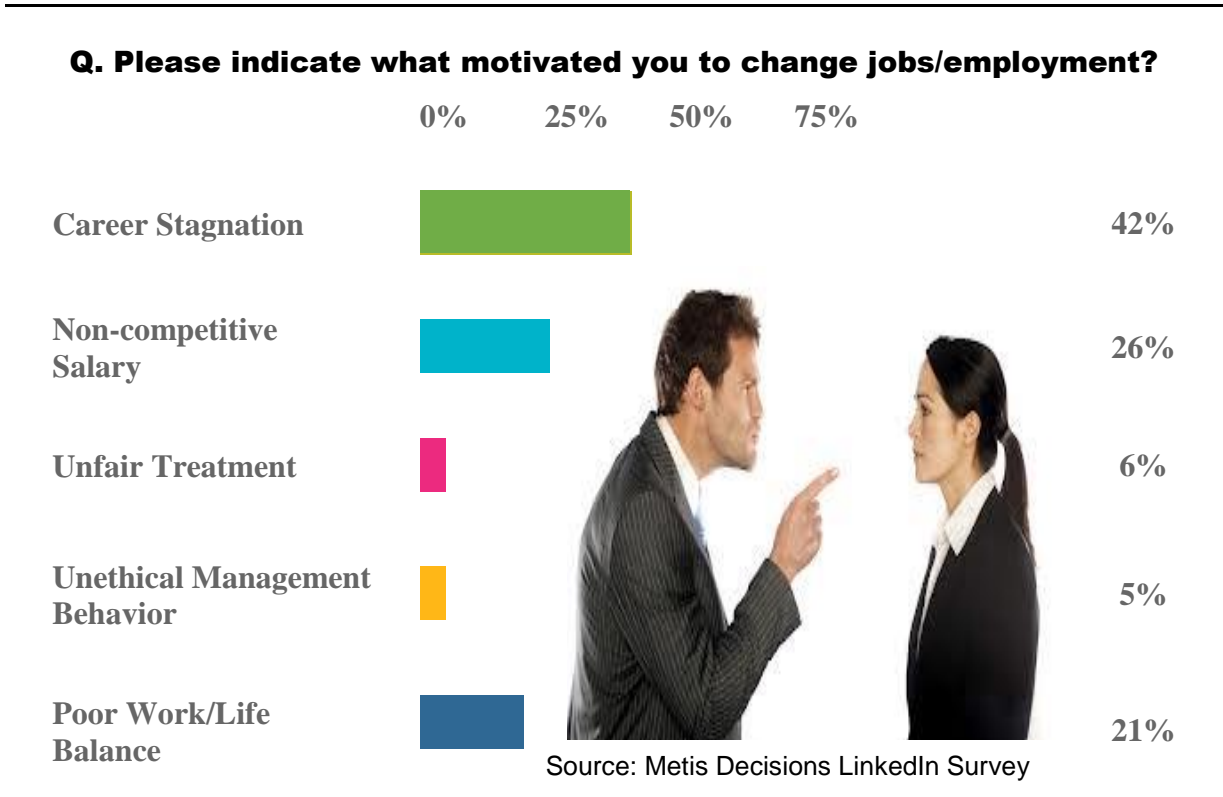
not necessarily impel the drive towards greater commitment as do the motivators but it removes possible sources of job dissatisfaction.

Tracing the Source

It is our contention at Metis Decisions that perception of greenness could be motivated by the lack of hygiene factors. These factors could be employee-management relations, career progress, and poor work/life balance and off course competitive compensation. The apparent disconnect between these two variables as revealed by practitioner behavior is made nonsensical by the work of researchers such as Harter, Schmidt, & Hayes (2002) who associate engagement

with organizational outcomes such as high turnover, customer satisfaction and so forth. We also contend strongly, that the HR Department’s critical posture is predicated on a false assumption that all or most expressions of dissatisfaction with the “withering” grass on the home front is attributable to issues of monetary compensation alone. Available data does not support this view. In an online survey of 266 respondents across several sectors by Metis Decisions in 2014, majority (42%) attributed their career change decisions to stagnation at the old work place. 21% attributed their decisions to poor work/life balance while 26% said it was non-competitive compensation packages that caused them to leave.

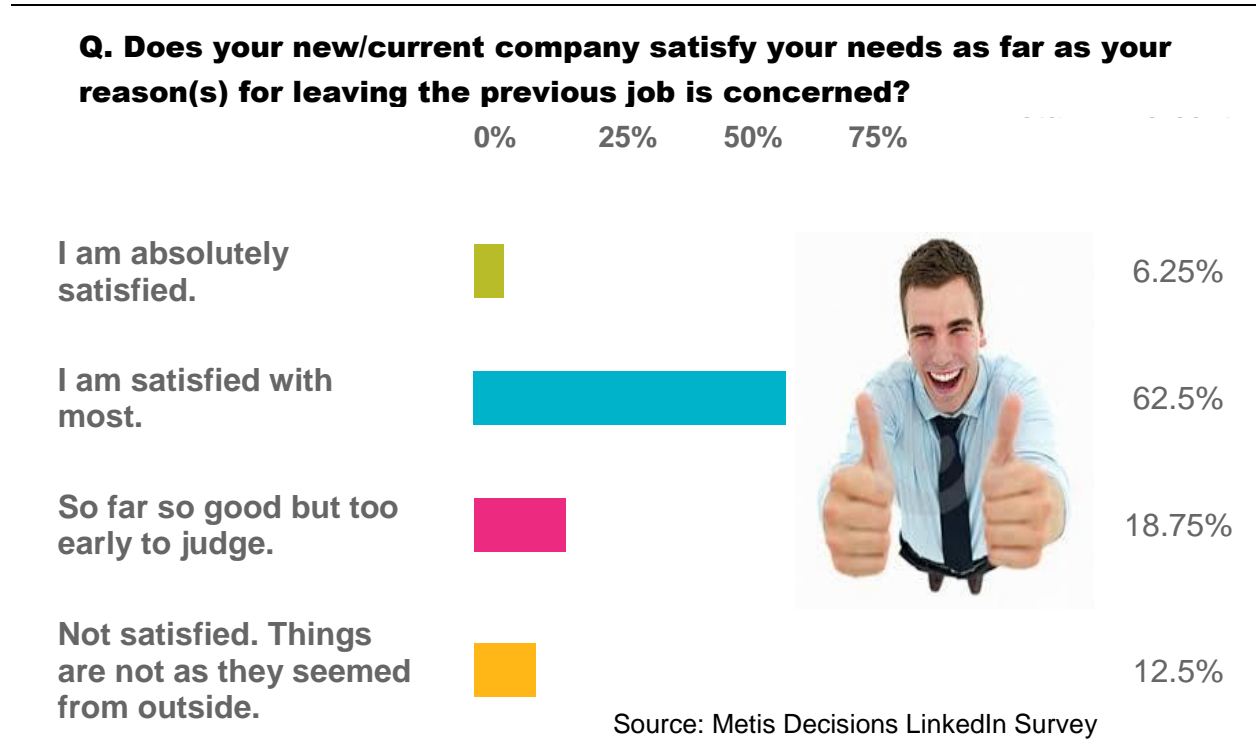
Chart 1- Career Change Motivators.



It was interesting to find out the nature of responses to a question that sought to contrast respondent's post-career change experience with their perception prior to change. The intent was to measure the perception and experience gap. Chart 2 provide further particulars of respondents' views with respect to perception-experience assessment. Only 12.5% reported dissatisfaction with their new employment conditions. 87.5% reported with varying degrees of intensity, their satisfaction with their new employment conditions compared to the immediate previous employment. It is

important to acknowledge the inherent bias in self-reported surveys. That notwithstanding, the data trend is consistent with other empirical studies that affirms the same conclusion; that a narrow gap exists between perception and experience as far as occupational mobility is concerned. This has major implications for talent retention strategies. Brands that are interested in riding out the current economic downturn must begin to build resilience through talent honing. Keeping the grass green at home is a sure bet in building a robust team to help deliver value to your target market.

Chart 2 – Perception-Experience Gap Assessment



If You Are Happy and You Know, Clap Your Hands...

How does a company determine the level of employee engagement and what best-practice metrics are used to measure same? How does a company, after sufficient measurement, begin to intervene in a manner that corrects the employee's misperception of "green grass" while at the same time empowering them with tools and resources to water their own grass at home in order to bring out the greenness? These are the two critical questions that must preoccupy every human resource practitioner and indeed top management of every company in the Ghanaian market.

The starting point is to acknowledge that staff turnover is symptomatic of a larger cultural problem. This worldview is shaped by an internal locus of control. That simply means that HR and other affiliate functions are responsible for people management (Line management for instance) and retain ultimate responsibility for creating a vibrant and adhesive team environment that draws out the best in people and keep them engaged with the corporate mission and values. This paradigm shift is so essential for the simple reason that it forms about 80% of the solution. The rest involves establishing facts as a basis for creating effective interventions. Increasingly, Ghanaian companies particularly in the service sector are beginning to recognize the strategic importance of periodic employee opinion audits. Such audits provide a global view of a company's internal temperature on many dimensions. Depending on what a company may consider as critical drivers and determinants of value, metrics that are measured usually range from leadership effectiveness, clarity of vision and values,

goal alignment, involvement in decision-making and job satisfaction, among others. There is also sufficient literature to suggest that certain core metrics are tightly coupled with engagement.

Intervening

After all facts are established, whether through regular engagement audits or annual opinion surveys, management must create measurable action plans centred around the employee. The goal is to foster a strong cultural environment where shared values and trust find expression in management actions, at the same time affirming the worth of every employee. Rebuilding lost trust is always a challenge. Fortunately, management research have unearthed the mystery of "trust". Now we know that trust, just like any other balance sheet variable is measurable. There are certain core behaviors that build it and there are those that destroy it. We strongly recommend that management teams that lack sufficient clarity on how to measure trust to consider engaging consultants to assist with trust mapping. It is such a critical foundation that without it, all other interventions would not work effectively. Other specific interventions include managing perceptions, providing "hygiene" support and creating incentives for deeper engagement through open, transparent and regular communications about organizational performance. Creating a sense of "we" (your company) and "those" competitors has a far more compelling effect on the psyche than "we" as management and "them" as employees. Institutionalizing line-level coaching and cross-functional mentoring is

one way of fostering this strong sense of unity and camaraderie.

Metis Decisions LLC provides management consulting and training services that enable companies build a resilient people culture to help retain talent. Contact us today.

Metis Decisions Limited is a professional services company that offers B2B value propositions such as; Mystery Shopping, Employee Opinion Surveys, Corporate Training and Strategy Advisory. For further info please visit www.metisdecisions.com or email to info@metisdecisions.com.



"Metis Decisions Limited delivered tremendous value by guiding our management team through a corporate change project that we embarked on in 2013. We particularly found their consultative approach to assessing needs and value chain gaps very satisfying."

Mystery Shopping
Employee Surveys
Corporate Training
Business Advisory

- Client

Metis Decisions, LLC

info@metisdecisions.com

233 303 935 351