

Information Overload

Issue 78, October 2009

Welcome:

Welcome to the October edition of IEA's e-zine "Information Overload". This month we look at the global economic crisis and how that has impacted on employee engagement in our organisations.

We hope you enjoy reading. Have a great week.

Lorraine Bradshaw
Marketing Coordinator and Projects Manager

In this issue we will look at:

- Is now a good time to be asked to re-apply for your own job?
- The problems with a disengaged workforce
- Engaged workforces are the backbone to future successes
- A Thought to ponder

Is now a good time to be asked to re-apply for your own job?

It could be argued that no time is a good time to be asked to re-apply for your job, but Perth based staff of the Energy giant Shell have been asked to do that as part of its global restructure. With its cost base doubling since 2004, you can perhaps see why – but is it the best way of tackling the problem? Whilst Perth (WA) people have been re-assured that there are no job-reduction targets, it does make me wonder why bother to do it when "Shell has identified Australia as a key growth business area". Given the process will cost the company more than just money, surely there must be a better way to meet its goals in the organisational restructure program than potentially alienating its entire workforce?

WA Business News October 15, 2009 p3 "In Brief"

So what are some of the other methods to reduce your workforce without alienating the remaining staff?

Appraisals:

A good organisation should have good HR processes in place. These will have identified through many appraisals and meetings, KPI's, targets and objectives which of the company employees are meeting their obligations and who are not. Due process can then take place. It does take a little longer than the "pull everyone in and see who gets the short straw" but get rid of too many people as a knee jerk reaction and find the ones you wanted to retain leaving in droves.

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Voluntary Redundancies:

You can ask for volunteers of course, but again you are running the risk of the ones you want to retain – opting for the severance package and walking into a better job tomorrow.

Natural Attrition:

Natural attrition – whereby people are not replaced, essentially leaves the role vacant. Minor problem with that one – the work still needs to be done, and by the people who haven't decided whether to stay or go yet. Too many holes in the workforce due to this kind of decision making and problems can and do start to occur (which we will cover in a later section).

Where staff disengagement starts to occur is when there is discrepancies between the advertised role and the actual role, the management and leadership styles, the “do as I say, not do as I do” crowd as we like to call them and lack of appropriate reward for a job well done. And no, the latter is not just about money, although in today's tighter economy – it does help.

When people start to feel “put upon” by the management, when it is all take and no give - for example – expected to work longer hours without appropriate compensation, when there is no money in the budget for training and development, when the perks start to be removed – then you can start to see the cracks in an organisation appear and the motivated people will start to walk.

Managers reading this may counter by saying – well so what, if people don't want to work, we'll find other people who do. But can you imagine what would happen if half your staff walked out tomorrow, and you essentially lost the corporate memory? Written processes and procedures are all very well, and are essential to the smooth running of an organisation – but it is the personal experiences we have with clients and customers that makes most organisations “tick” so are you still willing to risk alienating your workforce, by having that kind of attitude? In which case – are you the best person to lead the organisation through the lean times?

The problems with a disengaged workforce:

“If you, or your people, or your co-workers are angry, afraid, or resentful, it will reflect in the way customers are served” Jeffrey Gitomer

Bear in mind we are all in the service industry in some way this is a major problem. Customer service is an attitude, it's not just a bunch of words strung together so they look right on paper (and that's basically what most mission statements are), good customer service and the attitude of the people who are “living” those words – not just repeating them mantra like whilst their eyes glaze over. If you have one person who does not believe in the concept of customer service ethic and integrity within your organisation then you have a problem.

These are the people who turn people off when they telephone with an inquiry. They're the equivalent of an un-smiling reception person in the foyer of your office – saying “what do you want” when people walk through the door.

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One of the biggest problems with a disengaged workforce is that it can cost a company money – and lots of it:

- If people can't be bothered to make the calls
- If people turn off the ones who do
- If people leave – not only do you have a gap to plug you also have to re-hire and the downtime whilst the new person gets up to speed in the role. Estimates vary depending on the industry, but it is said to cost an average of 1.5 to 2.5 times the person's annual salary to complete this process. If your churn rate is more than the average (approx 10%) then you could save yourself some money – by finding out why, although the terms “rats” and “sinking ship” do spring to mind.

According to a report from Deakin University, (human resources magazine for 29 September 2009), one of the main reasons why top workers left an organisation was due to poor managers, and their:

- Controlling behaviour
- Lack of social awareness, as well as
- Not being paid for overtime and
- Expected to be on call – even when on annual/personal leave

Sometimes it is not a single decision as to why a person would leave an organisation; rather a culmination of small issues and problems that left unfixed and un-resolved can cause resentment and an overwhelming desire to find another job.

Engaged workforces are the backbone to future successes:

According to Rob West, general manager sales and marketing for Mrs Mac's pies, part of the reason for the company's continued success and growth is the way it treats its staff – the people they are employed are “treated like family, with a number of multi-generational employees with the business for more than 30 years.” *WA Business News, October 22, 2009 p28*

But is it as simple as retaining a sense of family in a business as Mrs Mac's has done? (The Managing Director is the son of the company founder). What of those organisations who are so big, or don't have an original member of the family who created the organisation in the first place, still interested and engaged in the business they founded? How can they retain a sense of an engaged workforce, when all it seems is a culture of “what's in it for me”?

So how do you keep a workforce engaged?

Manage / Lead by example:

People are constantly looking to others to see what is happening. If a worker sees their line manager not doing his / her job then it could be argued, why should they put in the hours?

For the managers and business owners out there – this is directed to you:

Do you still enjoy your job? Do you still take pride in the work you do? Do you still dress in a way that says “I am proud” of the organisation I represent – or have things started to slide in all aspects?

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Do you surf the net, read emails that don't need to be read, pretend you are working long hours, spend all the time on the telephone or holding meetings that don't mean anything other than to you and a way to waste time?

Don't deal in double standards:

- If you need to cull staff, don't do it on the same day you are holding a "warm and fuzzy" function for other people in the same organisation.
- Don't cut staff and then pay yourself a bonus – how many times have we heard that one recently?
- Don't come in late and leave early and expect your workers to still be happy and engaged

Cut back but don't cut out:

If you do need to trim the bottom line when it comes to the perks you provide, make sure they're not too radical, make sure you can't cut the same amount of money from elsewhere, and most importantly - get worker buy-in. If you explain that the choccie biscuits will no longer be bought – because over the course of one year that's the equivalent to a person's salary (or whatever it happens to be) then they are more likely to accept the decision.

With many thoughts

Lorraine

A Thought to Ponder:

“Companies preoccupied with trying to lead from the top risk overlooking the value they're supposed to give customers. People at the top can too readily forget it's the people at the coalface who really know what matters to customers”

Rhonda Brighton
Group General Manager, of Human Resources, Luxottica

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