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gallup* HR

Gallup Pakistan HR Newsletter

enhancing performance through empirical understanding of HR issues

IN THIS EDITION

Welcome

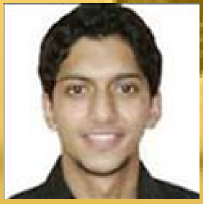
to Gallup Pakistan's 1st edition of a series of monthly HR Newsletter. In this series we principally aim to encourage empirical understanding of HR problems faced by organizations today. **By disseminating international and local research findings, Gallup Pakistan aspires to create a knowledge hub that HR practitioners in Pakistan can benefit from. In this regard, we would be borrowing extensive research from other member countries as well.**

So, starting our journey, in this edition we ponder over intricate relationship between employers and employees and the indispensable ingredient for success- employee engagement. Our first article is borrowed from **Forbes**, which discusses seven ways to inspire employees to love their jobs. Our second article is an extract from **Mckinsey & Company's** Quarterly which sheds light on motivating employees using non-financial incentives. And our third very interesting article is borrowed from **Harvard Business Review**, which explains how design of office space can enhance performance.

Don't forget, your valuable suggestions and ideas are much waited for and appreciated. Also, we are open for partnerships with other teams working in similar domain. We look forward to a successful beginning.

Gallup Pakistan Team


Bilal Gilani


Umar Taj


Taimur Saeed

Forbes

Contributor: Carmine Gallo

7 Ways to Inspire Employees to Love Their Jobs*

Smart leaders take advantage of the fact that some things never change. Take employee engagement, for example. In *Gallup's most recent report* on the state of the American workplace, we discover that only 30 percent of the U.S workforce is engaged in their work. In other words, they love their jobs. Seventy percent are "not engaged" or "actively disengaged," meaning they hate their jobs or, at best, are unenthusiastic about their roles.

So what's the catch?

Most of these disengaged employees are looking for inspiration. They are searching for meaning and they want to have someone or something to believe in. They want to make a difference and they're looking to *you—their team leader—* for inspiration.

1 Inspiring leaders express a passionate commitment to serving their team

When I interviewed Starbucks CEO Howard Schultz, I was struck by the fact that he used the word "passion" constantly. He wasn't as passionate about 'coffee' as much as he was about treating his employees with dignity and respect. Schultz learned very early in his career that happy employees lead to happy customers.

*This article has been extracted from Forbes Online resource and can be accessed at: http://www.forbes.com/sites/carminegallo/2013/06/21/seven-ways-to-inspire-employees-to-love-their-jobs/

2 Inspiring leaders communicate a bold, specific, and consistent vision

Most employees—especially the Millennial generation—want more than a paycheck. They want to feel as though their work has meaning. They need to see how their jobs or projects connect to the big picture

3 Inspiring leaders sell the benefit behind their ideas

Few people care about the “how” until they know “why” they are doing what they are being asked to do. People are inspired when they know exactly how your initiative, product, or idea will improve their lives. Remember, effective communication is not about you. It’s about them.

4 Inspiring leaders tell powerful, memorable, and actionable stories.

Inspiring communicators are storytellers. Incorporate stories in your conversations, emails, and presentations and also invite feedback.

Contributor: Roberta Matuson

Low-cost Ways To Show Employees They're Highly Valued*

Companies around the world are cutting back their financial-incentive programs, but few have used other ways of inspiring talent. We think they should. Numerous studies have concluded that **for people with satisfactory salaries, some nonfinancial motivators are more effective than extra cash** in building long-term employee engagement in most sectors, job functions, and business contexts. Many financial rewards mainly generate short-term boosts of energy, which can have damaging unintended consequences. Indeed, the economic crisis, with its imperative to reduce costs and to balance short- and long-term performance effectively, gives business leaders a great opportunity to reassess the combination of financial and nonfinancial incentives that will serve their companies best through and beyond the downturn.

A recent McKinsey Quarterly survey underscores the opportunity. **The respondents view three noncash motivators—praise from immediate managers, leadership attention (for example, one-on-one conversations), and a chance to lead projects or task forces—as no less or even more effective motivators than the three highest-rated financial incentives: cash bonuses, increased base pay, and stock or stock options**. The survey's top three nonfinancial motivators play critical roles in making employees feel that their companies value them, take their well-being seriously, and strive to create opportunities for career growth.

What's more, employee motivation is sagging throughout the world—**morale has fallen at almost half of all companies**, according to another McKinsey survey —at a time when businesses need engaged leaders and other employees willing to go above and beyond expectations.

* This article has been extracted from McKinsey Quarterly, November 2009 edition

Organizations face the challenge of retaining talented people amid morale-sapping layoffs that tend to increase voluntary turnover over the medium term**. Often, top performers are the first to go**. Strong talent management is critical to recruit new ones from, for example, the financial sector, who have been laid off from their employers or feel disenchanted with them.

Yet while 70 percent of organizations have adjusted their reward-and-motivation programs during the past 12 months or plan to do so, **relatively few have gone beyond the direct management of costs**. Two-thirds of the executives we surveyed cited cost reductions as one of the top three reasons for the changes; 27 percent made changes to increase employee motivation; and only 9 percent had the goal of attracting new talent. Regional differences were striking. Forty-five percent of the respondents in developing markets, where economies have proved more robust, cited employee motivation as a key reason for modifying incentives, compared with only 19 percent in the United States and Western Europe, where the crisis hit hardest.

Why haven't many organizations made more use of cost-effective nonfinancial motivators at a time when cash is hard to find? One reason may be that many executives hesitate to challenge the traditional managerial wisdom: money is what really counts. While executives themselves may be equally influenced by other things, they still think that bonuses are the dominant incentive for most people. "Managers see motivation in terms of the size of the compensation," explained an HR director from the financial-services industry.

Another reason is probably that nonfinancial ways to motivate people do, on the whole, require more time and commitment from senior managers. One HR director we interviewed spoke of their tendency to "hide" in their offices—primarily reflecting uncertainty about the current situation and outlook. This lack of interaction between managers and their people creates a highly damaging void that saps employee engagement.

On the other hand some far-thinking companies, though, are working hard to understand what motivates employees and to act on their findings.

The **top three nonfinancial motivators** our survey respondents cited **offer guidance** on where management might **focus**. The HR directors we spoke with, for example, emphasized leadership attention as a way to signal the importance of retaining top talent. "**One-on-one meetings between staff and leaders are hugely motivational**," explained an HR director from a mining and basic-materials company—"they make people feel valued during these difficult times." By contrast, our survey's respondents rated large-scale communications events, such as the town hall meetings common during the economic crisis, as one of the least effective nonfinancial motivators, along with unpaid or partially paid leave, training programs, and flexible work arrangements. While communication is critical, attempts to convey messages about the state of the business often have some spin, one HR director told us.

A **chance to lead projects is a motivator** that only half of the companies in our survey use frequently, although this is a particularly powerful way of inspiring employees to make a strong contribution at a challenging time. Such opportunities also develop their leadership capabilities, with long-term benefits for the organization. A leading company from the beverages industry, for example, selected 30 high-potential managers to participate in a leadership program that created a series of projects designed and led by the participants

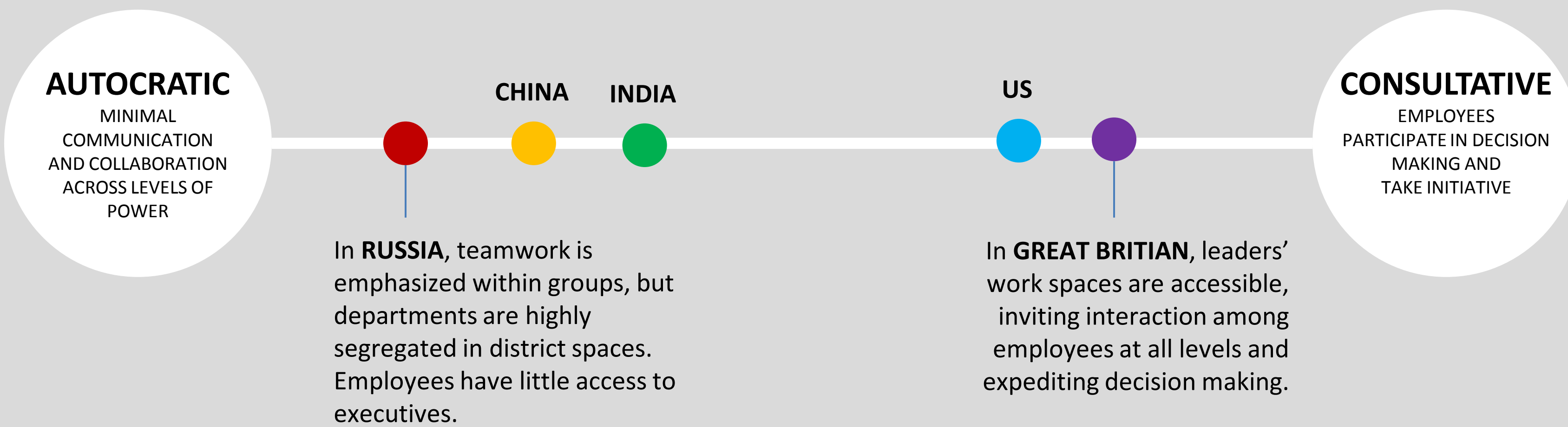
With profitability returning to some geographies and sectors, we see signs that bonuses will be making a comeback: for instance, 28 percent of our survey respondents say that their companies plan to reintroduce financial incentives in the coming year. While such rewards certainly have an important role to play, business leaders would do well to consider the lessons of the crisis and think broadly about the best ways to engage and inspire employees. A talent strategy that emphasizes the frequent use of the right nonfinancial motivators would benefit most companies in bleak times and fair. By acting now, they could exit the downturn stronger than they entered it.

Harvard Business Review

Contributor: Christine Congdon, and Catherine Gall

Designing Spaces that Help People Work Better*

Organizational culture differs from country to country, but how does that affect the way offices are arranged? Researchers at Steelcase, the office furniture company, have identified six dimensions of workplace culture that shape an office's social dynamics. By evaluating the trade-offs inherent in each, firms can design spaces that help employees operate more effectively. Here are highlights from Steelcase's five-year, 11- country study.



* This article has been extracted from Harvard Business Review, May 2013 edition

INDIVIDUALIST

SELF-RELIANCE AND AUTONOMY ARE HIGHLY VALUED

UK INDIA RUSSIA

COLLECTIVIST

GROUP COHESION AND COOPERATION TAKE PRIORITY

In the **U.S**. eliminating the cubicle in favor of flexible work environments lets employees choose the space that best suits their current task.

In, **CHINA**, where supervisors exert more control and guidance, alternative spaces are a new concept. Employees are comfortable with densely arranged workstations.

MASCULINE

ACHIEVEMENT AND COMPETITION DOMINATE THE CULTURE

UK US CHINA INDIA RUSSIA

FEMININE

COOPERATION AND HARMOJNY ARE HIGHLY VALUED

In **ITALY**, most firms have assertive, competitive corporate cultures. Visible symbols of hierarchy, such as private offices, are important, collaboration spaces tend to be no-frills.

DUTCH organizations generally feature more fluid spaces that encourage equality and reflect a focus on well-being.

TOLERANT OF UNCERTAINTY

CHALLENGES ARE TACKLED AS THEY COME

CHINA INDIA US RUSSIA

SECURITY ORIENTED

FOCUS IS ON DETAILED PROCESSES AND STRUCTURE

The **BRITISH** are at ease with unstructured, unpredictable situations and prefer work spaces that promote sharing, mobility, and creative thinking.

In **SPAIN**, workers tend to be careful about sharing information and make big changes only after deliberation. Accordingly, the design of spaces should reflect their intended use.

SHORT TERM
FOCUS IS ON FAST RETURNS AND ON MINIMIZING INVESTMENTS

UK RUSSIA INDIA

LONG TERM
EMPHASIS OS ON INVESTMETNT AND COMPANY LOGEVITY

In the **U.S.** , being fast, flexible, and innovative is important. Spaces should allow for quick toggling between individual and group work.

In **CHINA**, spaces embody a company' history, values, and rituals. Executive offices are important symbols of tradition, order, and long-term stability.

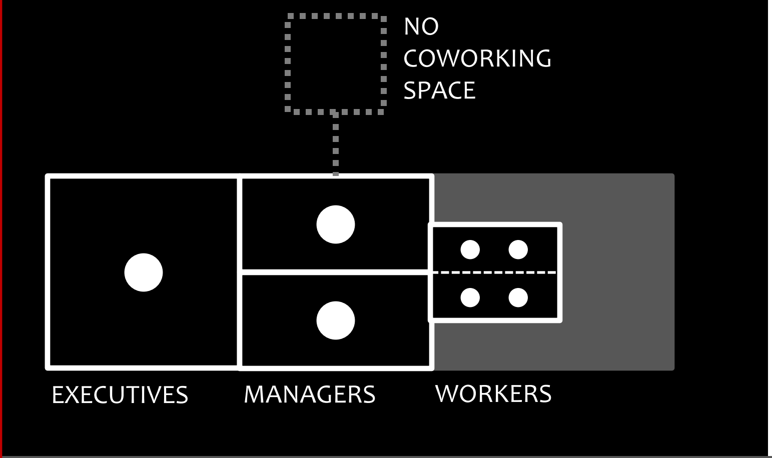
LOW CONTEXT
A DIRECT AND EXPLICIT APPROACH IS KEY TO COOPERATION EETWEEN INDIVIDUALS

UK US RUSSIA INDIA

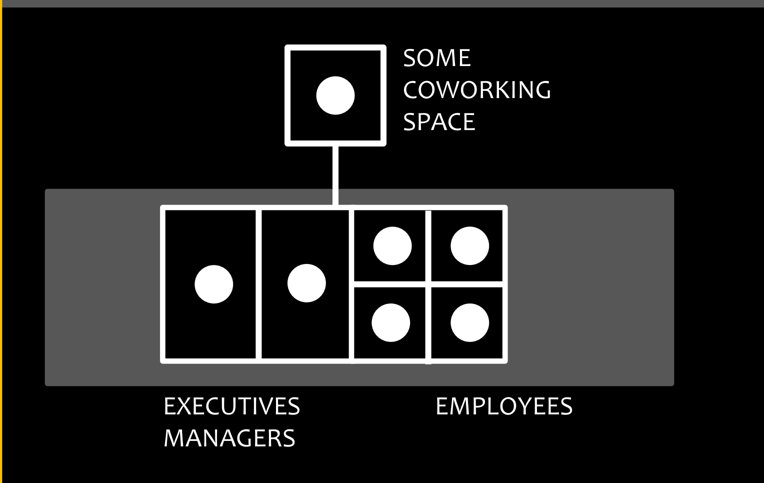
HIGH CONTEXT
INDIRECT COMMUNICATION AND UNSPOKEN SIGNALS ARE ESSENTIAL IN BUILDING UNDERSTANDING

In low-context **GERMANY**, communication is expected to be honest and straight-forward. How a message is delivered is less important. Here, office spaces should be outfitted with whiteboards and other information-sharing tools.

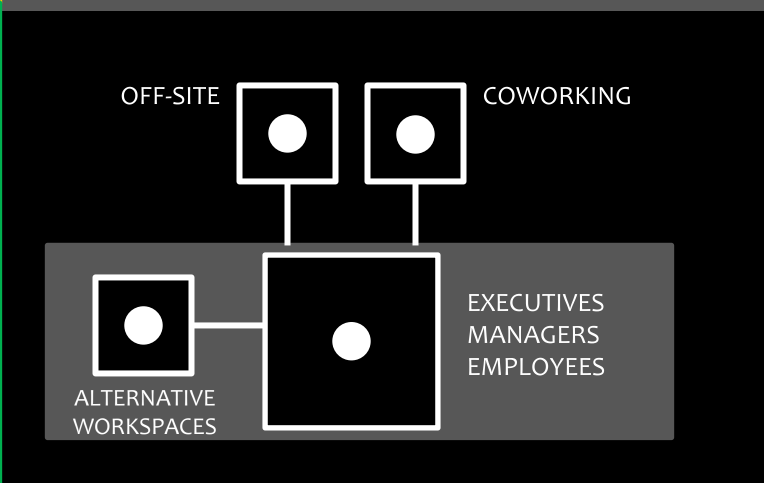
In high-context **CHINA**, tools such as video conferencing allow participants in virtual meetings to see visual cues such as where people are seated and their body language, building deeper understanding.



In **CHINA**, **INDIA**, **RUSSIA**, and **MOROCCO**, firms share a high tolerance for density and are extremely hierarchical. Many employers optimize their office layouts by reducing workers' space and giving managers and executives plenty of room.



In **FRANCE**, **SPAIN**, and **ITALY**, where space allocation is more egalitarian, firms tend to optimize by reducing the size of both private offices and open work spaces. Firms there are beginning to explore alternative locations, such as coworking facilities and satellite offices, to address overcrowding.



In the **U.S.**, **UK**, **GERMANY**, and the **NETHERLANDS**, spaces reflect a progressive view of work, with all levels of employees sharing spaces. At the same time, workers don't like to feel crowded, which has led to the liberal use of "hotel" spaces and telecommuting.

Please send all correspondence to

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