

JULY 2013



Gallup Pakistan HR Newsletter

enhancing performance through
empirical understanding of HR issues

IN THIS EDITION

Page 2

7 Ways to Inspire
Employees to Love their
Jobs

Page 5

Motivating People:
Getting beyond Money

Page 8

Designing Spaces that
Help People Work Better

* Disclaimer: Gallup Pakistan is not related to Gallup Inc. headquartered in Washington D.C. USA. We require that our surveys be credited fully as Gallup Pakistan (not Gallup or Gallup Poll). We disclaim any responsibility for surveys pertaining to Pakistani public opinion except those carried out by Gallup Pakistan, the Pakistani affiliate of Gallup International Association. For details on Gallup International Association see website:

www.gallup-international.com

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

A large, bold red number 7 serves as a section header.

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.

A large, bold red number 1 serves as a section header.

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.

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.

5

Inspiring leaders invite feedback.

They listen to everyone and everything. Not only do they listen but also give people what they ask for. Everything is shared—the good and bad news. Employees are involved in every major decision. Most important, senior leaders make it a point to solicit feedback regularly.

6

Inspiring leaders act as beacons of hope.

Successful leaders are more optimistic than average. They act bravely and speak with courage and confidence about the future. They see the world differently. Where many see gloom, despair, tumult and turbulence, inspiring leaders see a bright, positive world full of hope and joy.

7

Inspiring leaders praise people and encourage them to be their best selves.

Richard Branson once said, “When you lavish praise on people, they flourish; criticize and they shrivel up.” When I spent a day with Branson I noticed that he gave compliments constantly—to his staff, crew, and airport personnel. He walks the talk.

Motivating people: Getting beyond money*

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.

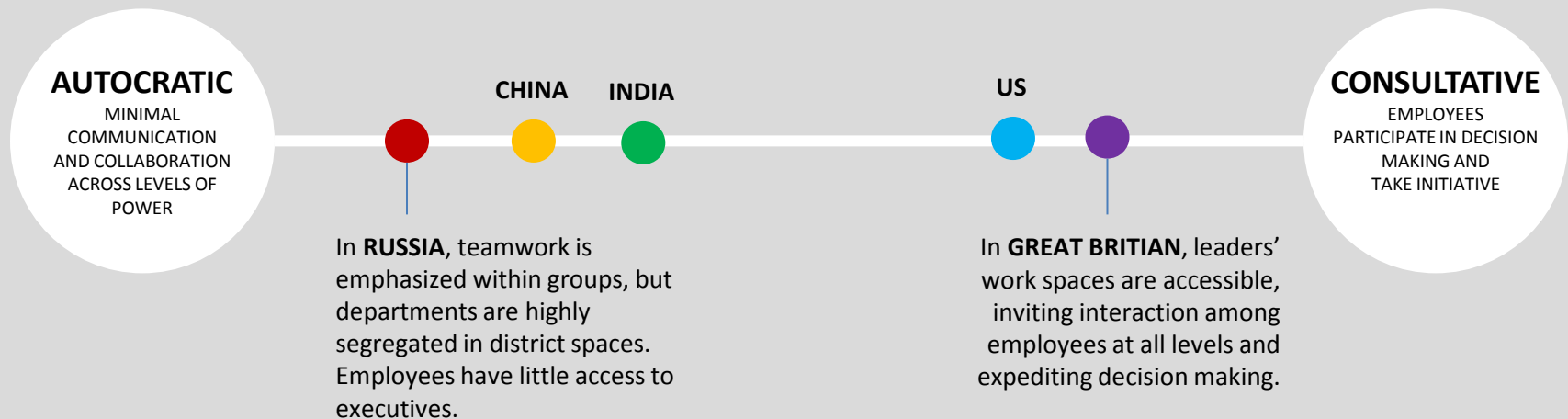
A **chance to lead projects is a motivator** that only half of the companies in our survey use frequently, although this is

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.

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

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

INDIA **RUSSIA**

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

COLLECTIVIST

GROUP COHESION AND
COOPERATION TAKE
PRIORITY

MASCULINE

ACHIEVEMENT
AND COMPETITION
DOMINATE
THE CULTURE

UK **US** **CHINA** **INDIA**

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.

RUSSIA

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

FEMININE

COOPERATION AND
HARMONY ARE
HIGHLY VALUED

TOLERANT OF UNCERTAINTY

CHALLENGES
ARE TACKLED AS
THEY COME

CHINA **INDIA** **US**

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

RUSSIA

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.

SECURITY ORIENTED

FOCUS IS ON
DETAILED PROCESSES
AND STRUCTURE

SHORT TERM

FOCUS IS ON FAST
RETURNS AND
ON MINIMIZING
INVESTMENTS

UK



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

RUSSIA



INDIA



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

LONG TERM

EMPHASIS ON
INVESTMENT AND
COMPANY LONGEVITY

LOW CONTEXT

A DIRECT AND EXPLICIT
APPROACH IS KEY TO
COOPERATION BETWEEN
INDIVIDUALS



UK



US



RUSSIA



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

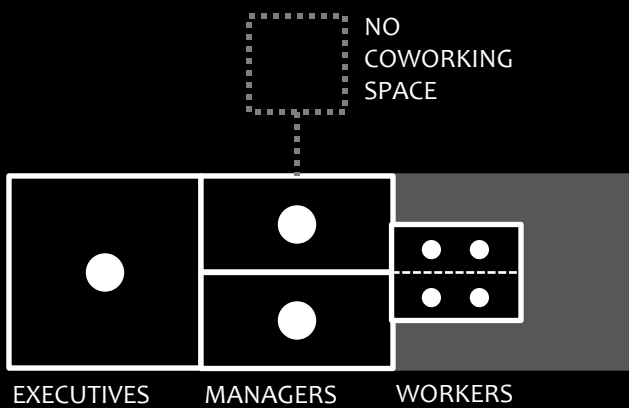
INDIA



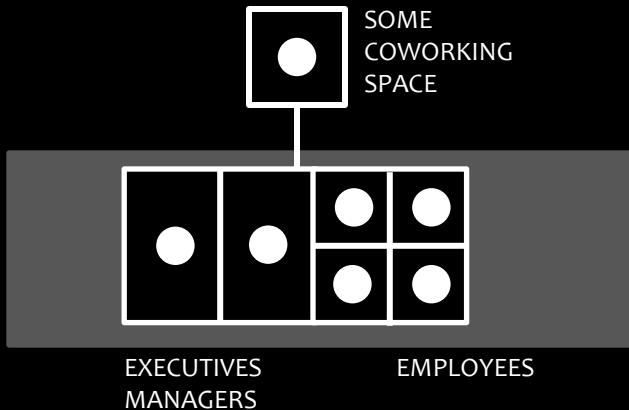
In high-context **CHINA**, tools such as video conferencing allow participants in virtual meetings to see visual cues such as where people are seated and their body language, building deeper understanding.

HIGH CONTEXT

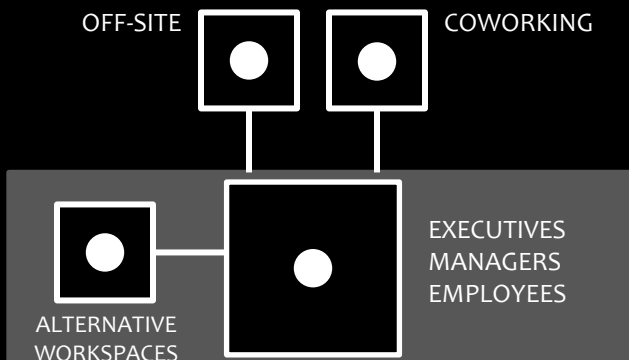
INDIRECT
COMMUNICATION AND
UNSPOKEN SIGNALS ARE
ESSENTIAL IN BUILDING
UNDERSTANDING



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.

Copyright

The materials quoted in this newsletter have been picked from various internet sources. All possible attempt has been made to make sure that no copyrighted material is used in this document. In case if there is an issue relating to Copyright, the publishers of this newsletter will be happy to remove the content immediately.

Disclaimer

Gallup Pakistan is not related to Gallup Inc. headquartered in Washington D.C. USA. We require that our surveys be credited fully as Gallup Pakistan (not Gallup or Gallup Poll). We disclaim any responsibility for surveys pertaining to Pakistani public opinion except those carried out by Gallup Pakistan, the Pakistani affiliate of Gallup International Association. For details on Gallup International Association, see website: www.gallup-international.com

IN NO EVENT SHALL Gallup Pakistan OR ITS AGENTS OR OFFICERS BE LIABLE FOR ANY DAMAGES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS, BUSINESS INTERRUPTION) ARISING OUT OF THE USE OF OR INABILITY TO USE THE MATERIALS.

As a user of this report, you acknowledge and agree that any reliance upon, or use of any information made available through this Report shall be entirely at your own risk. Subject to any implied terms which cannot be excluded by law, Gallup Pakistan and its related entities (including any directors, officers, employees and agents) shall not be liable for any loss or damage, whether direct or indirect, and however caused, to any person arising from the use of (or reliance upon) information provided on and made available through this Report.

Please send all correspondence to

HR Newsletter Editorial Team,

Email: isb@gallup.com.pk

Join us to stay updated



www.gallup.com.pk