

Engaging Your People

by Naomi Simson

Engage generously and receive the best from your people



“ *If you don't capture the hearts and minds of your people, no amount of cash will keep them long-term.* ”

Being clear on our organisation's values and recruiting and aligning our team with those values is the main reason that RedBalloon has had such fast growth success over the past ten years.

At RedBalloon, one of our values is generosity. Yet generosity in the workplace is often viewed as a misnomer. 'Unselfish concern for the welfare of others' or 'selflessness' isn't often taught in an MBA.

Following a webinar on employee engagement last year I was accused of leading a 'namby-pamby revolution' by one attendee who said: "People go to work to be paid, very few want any so called 'thanks' for doing what they are paid to do."

Of course, people go to work to be paid for performing certain tasks. This is the basis of western economies. It puts Wheeties on the table, keeps children in school shoes and provides all the essential things that we are able to have because we work. But something as simple as generosity in the workplace can lift this from a purely economic transaction to something far bigger.

What's at stake is the discretionary effort an individual brings to their job role. The difference in the level of effort one is capable of bringing to an activity or a task, versus the effort required only to get by or make-do.

As an employer, what would you prefer? Engaged employees who go the extra mile? Or the disengaged, only doing enough just to get by? Employ – or worse, create the latter – and the negative economic implications for your business are huge. Companies with high percentages of disengaged employees show year-to-year declines of 33% in operating income and 11% in earnings per share.

It's frightening how easily a disengaged employee can be created. Hays Group research shows that 70% of engagement is determined by the employee's direct

manager. Conversely, it's just as easy to create engaged employees – just so long as you're willing to bring your generosity gene to the workplace.

Companies that raise employee satisfaction by 20% will increase financial performance by more than 42%. How? By harnessing that discretionary effort that lifts a business from so-so to superb. Satisfied employees use their initiative, recommend their workplace to others – build your brand – and continue to learn, grow and develop, so they add more to their employer and themselves.

Generosity in the workplace starts with an authentic thank-you. Recognition is a manager noticing a job well done, then leaving a thank-you card and coffee/tea/chai voucher upon the employee's desk. Putting a structure around gratitude – like a rewards and recognition program – doesn't make the gratitude less authentic. Instead it brings it top of mind. It creates a value that's valued.

Giving cash, however, is rarely remembered as an act of generosity, with little impact on discretionary effort. Google's 10% global pay rise, announced last year and widely touted as a way to stem the Facebook brain drain, is a short-term fix. The employee 'feel-good', generated by a pay rise and shifting annual bonuses into pay cheques, will only last as long as it takes for the extra cash to be swallowed by the mortgage or credit card. Cash rewards don't inspire employee loyalty. In fact, cash as recognition can be damaging.

In his book *Drive*, Daniel Pink specifically outlines the short-term 'high' of cash rewards causing long-term disincentive. Keeping people engaged is not about their pay packet – if you pay people fairly. Of much greater importance is their autonomy, mastery and their sense of purpose – are they contributing to something when they work?

Loyalty in the workplace is never about the money. It's about

generosity shared. Respondents to the 2007 Incentive and Rewards Study in Australia and New Zealand, when asked how they wanted to be recognised, gave a resounding answer. They wanted "time to spend with those people important to them, creating memories and sharing experiences."

If you don't capture the hearts and minds of your people, no amount of cash will keep them long-term. A shared sense of purpose is what we all want. Most people now consider themselves 'Generation Why?' eg: Why do I do what I do every day?

If a team member knows their purpose, and someone generously notices what they do, then that team member goes home feeling like a winner – and as a result is likely to be a highly-engaged employee.

Put generosity at the heart of your workplace. Notice people, love them, value their contribution and make them heroes. Make their dreams come true and they will be with you forever – and at the same time they will also give you their valuable discretionary effort.

Naomi's top tips to improve employee engagement

1. Earn Trust

Leadership needs to earn trust constantly and a great way to do this is to simply notice what people contribute.

2. Change your culture and focus on non-financial rewards

I recommend all leadership teams to read Daniel Pink's fantastic book *Drive*. In his book he outlines that short-term cash rewards cause long-term disincentive and reduced creativity. Remember, you don't balance culture with KPIs, you create and reward the culture that leads to great performance. Achieving great KPIs requires an engaged, committed workforce willingly giving their discretionary



QUOTES

"If you have built your castles in the air, your work need not be lost; that is where they should be. Now put the foundations under them."

— Henry David Thoreau

"What we have to learn to do, we learn from doing."

— Aristotle

"Rhetoric is not important. Actions are."

— Nelson Mandela

"There is a secret to winning. You have to go out and actually do it."

— Denis Waitley

"Anger is a temporary feeling – you soon forget it, particularly if you are involved in positive activities and attitudes."

— Nelson Mandela

"I don't want to get to the end of my life and find that I have just lived the length of it. I want to have lived the width of it as well."

— Diane Ackerman

"We must always change, renew, rejuvenate ourselves; otherwise we harden."

— Goethe

“Achieving great KPIs requires an engaged, committed workforce willingly giving their discretionary effort.”

effort. For example, our target for last Christmas was to reach 54% year on year growth by December 24. We achieved 73% year on year growth. That didn't happen because our team had KPIs to meet. It was achieved by our culture, our values of generosity, of wanting to play a big game.

3. Make your values valuable

Get clear on your values and recruit on them. From the start any new 'RedBallooners' are pre-disposed to be attached to our organisation, simply because we know they share the values we stand for. An essential element in RedBalloon's culture is having a shared purpose to 'give people meaningful experiences'. Every RedBallooners genuinely believes in giving people great memories,

allowing people to experience what they've always dreamed of doing and reducing 'stuff'.



Naomi Simson is founder of fast-growth experiential gifting retailer redballoon.com.au. An employee engagement advocate, RedBalloon is named as one of only six Hewitt Best Employers in Australia and New Zealand with an engagement scorecard of over 90 percent. Comments and questions can be sent to Naomi via her blog at www.naomisimson.com