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Building an EMPLOYMENT BRAND

New paradigms, llc

by the author of
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Mark F. Herbert
mark@newparadigmsllc.com

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Building a Culture

Rewriting the Social Contract

CONTENTS

Introduction	1
Chapter 1 – Why do I want an employee brand?	2
Chapter 2 – Defining Employee Engagement	5
Chapter 3 – Laying the Foundation	8
Chapter 4 – Building Your Brand	19

People join cultures, not companies. People leave managers, not companies. Your brand will never be better than the people in your organization.

INTRODUCTION

Employer branding is not an HR function, it is a business philosophy and all functions have a role to play. The business environment is dynamic and moving way too fast for Human Resources, Marketing, and Communications professionals to continue driving the strategy in isolation whilst trying to achieve alignment between people, products, and consumers.

Brett Minchington, Chair/CEO Employer Brand International

> ***"Employer branding is not an HR function."***

PEOPLE-CENTERED ORGANIZATIONS

Do you ever wonder what distinguishes organizations such as Starbucks, Nike, Apple, Les Schwab, Zappos, and others?

They build a "brand" from the ground up rather than bolt it on! Their hiring, training, and communications processes all reinforce their brand!

People join cultures, not companies. People leave managers not companies. Your brand will never be better than the people in your organization.

When you make a commitment to build an *employment brand,* you have fully embraced the concept of employee engagement.

Engagement neither is not just a process or a program nor unfortunately as much of the current literature would suggest can you just "teach to the test"; bring in a consulting firm take a survey and then focus on improving your scores. You must be prepared to make a real commitment to making meaningful changes.

In the course of reading this *book* I hope to answer some questions for you, including-

- Why do I want engagement and/or an employment brand?
- What is involved in creating an employment brand?
- Can a small organization with limited resources create a meaningful employment brand?
- Who plays what roles?

CHAPTER 1 – Why do I want an employment brand?

"How else could companies overlook the well-being of their customers, the depletion of natural resources vital to their businesses, the viability of key suppliers, or the economic distress of the communities in which they produce and sell? How else could companies think that simply shifting activities to locations with ever lower wages was a sustainable 'solution' to competitive challenges? Government and civil society have often exacerbated the problem by attempting to address social weaknesses at the expense of business. The presumed trade-offs between economic efficiency and social progress has been institutionalized in decades of policy choices."

Michael Porter, Harvard Business Review, December, 2010

Let's go further back in time – 1997: Thomas A. Stewart (Chief Marketing and Knowledge Officer Booz & Company. Former Editor and Managing Director of HBR, *"Companies have a hard time distinguishing between the costs of paying people and the value of investing in them."* Fifteen years later, we have seen the proliferation of programs and processes like Total Quality Management, Lean, Six Sigma, and others.

We have outsourced, right sized and tried a variety of technology based interventions and bluntly we don't have much to show for it.

- Employee turnover costs the U.S. economy **$5 trillion** annually.
- We lose **$200 billion** to "presenteeism", $**70 billion** annually in healthcare expenditures!
- U.S economy is operating at about 30% rate of efficiency because of lack of employee "engagement."
- High engagement in 2010 was reported at 21%- down from 30% in 2009!
- 55% of Americans are dissatisfied at work and if you look at the under 25 demographic it grows to 64%!
- Idea of long tenure only exists with the baby boomers.
- Three of every five employees are actively monitoring or looking at external job opportunities.
- Demand for talent- over the next 15 years the demand for "experienced" talent will increase by 25% while the supply will decrease by 15%!
- Employees expectations are changing!

- In today's economy per capita productivity is a critical factor!
- There is a very high correlation between employee engagement and customer engagement!

Let's be honest – Is "rehiring" a new workforce really in our reality? It has been over fifteen years since Stewart identified the issue, what are we waiting for? A recent Accenture study reported that high engagement companies outperform their low engagement counterparts on average by 12% on return on assets and 11% on profitability!

A human resources study conducted in Canada by international consulting firm Towers Perrin reported:

- 84% of highly engaged employees feel that they can positively impact the quality of the organizations product or service versus 31% of disengaged employees.
- 72% of highly engaged employees feel they contribute directly to improved customer service versus 27% of disengaged employees
  And finally -
- 68% of highly engaged employees feel they can directly impact costs versus 19% of their disengaged counterparts.

Another study by national consulting firm showed similar results.

- An average total shareholder return of 24% with organizations with a population of 60% or more of employees describing themselves as highly engaged. Where high engagement is between 40 to 60% of the population the TSR drops to 9.1% and when it drops below 25% the average TSR is negative.
- At Best Buy they were able to correlate a .1 percent increase in engagement on a five point scale to a $100,000 annual profit increase per store.
- JC Penney found that stores in the top 25% engagement scores produced 36% higher per store operating revenues and 10% higher sales per square foot than their counterparts in the bottom 25%.

"high engagement companies outperform their low engagement counterparts on average by 12% on return on assets and 11% on profitability"

CHAPTER 2 – Defining Employee Engagement

In my mind, *engagement* is the voluntary and discretionary effort provided by employees to advance the goals and performance of the organization. Before the vernacular of *engagement* became prevalent, I used *commitment* to describe what we currently call engagement, and I think the definition provided by Ken Matejka in his book, Why This Horse Won't Drink! provides a great description: *"Employees feel physically, psychologically, and emotionally impelled. They voluntarily give up other options."*

Engagement is both a process and a culture. It is based on relationships and trust rather than technology. It is about people.

A 2008 Peppers and Rogers Study provided some additional information I think is very valuable for any organization considering implementing an engagement strategy.

They distinguish between the traditional view of the **intellectual, behavioral,** and **emotional** elements we have traditionally associated with engagement. To describe those a little more fully, the intellectual level is where an employee agrees with your company vision statement and/or a customer values the attributes of your brand. The behavioral level, recommending or purchasing your product or service is where you start to see energy or discretionary effort. The third level, the emotional level, is where you actually see "buy in" and enthusiasm. They go on however, to describe a different more comprehensive model which includes five levels and incorporates critical concepts like satisfaction, quality, and loyalty.

The "new" levels in hierarchical order are satisfied, loyal, recommend, best products and services, and pride. Most importantly they also describe the critical foundation that this system is based upon, a foundation called trust. The point here as I have discussed thoroughly is without a trust-based relationship, the rest of the engagement initiative is a wasted effort; and trust is built at the front line level between the immediate supervisor and the employee.

- Engagement involves the *whole employee,* it is not a purely intellectual model, so traditional explicit memory or learning models will not create and sustain engagement.
- The role of frontline management and supervision is critical to implementing and sustaining an engaged culture. It may be *born* in the Boardroom, but it *lives* on the frontline.

It's also important to talk about the role of Social Media as it relates to engagement. There can and should be a relationship, however Social Media is a tactic, *engagement* is a culture.

A June 2011 Study from Accenture defines engagement and its importance. They define engagement on four different levels:

- *Devoted*- employees who come to work every day and put their heart and soul into their efforts. They strive to improve their own performance and the success of the organization every day. This is what Matejka describes as impelled.
- *Plugged In*- employees who are plugged in contribute consistently. They push themselves to meet challenging goals. *Most of the time* they are willing to go the extra mile to do their job well.
- *Cruise Control*- these employees show up every day, but they only occasionally stretch themselves to provide that extra effort.
- *Checked Out*- these folks represent what the National Mental Health Association describes as operating in the mode of *presenteeism.* They only do what is minimally required to keep their job and will typically only invest more energy under duress and infrequently.

I suspect anybody who has ever managed a department or an enterprise recognizes these four categories of employee. The scary thing is that I wonder how many of us realize that people in the *checked out* category are no more likely to look for alternative opportunities than people in *plugged in* or *cruise control;* they just stick around and put drag on the organization.

Although the *checked out* employee represents only about **17%** of the workforce, their impact is disproportionately large; they consume huge amounts of managerial energy and investment. They are not interested in finding solutions and improving things, and they cost us billions annually.

- U.S. workers reported that they spend two to five hours per **week** resolving personal issues at work, a productivity loss of 5 to 12%.
- 61% of U.S. workers have reported to work while they were ill or dealing with personal matters.
- Of the above group, 62% felt that they were noticeably less productive or attentive to work.
- 46% missed at least one day of work in the preceding six months, with 22% of those absences related to family matters.
- The U.S Department of Labor estimates that employee turnover costs the U.S economy $5 trillion annually.

Engagement is about **clarity, context, and alignment.** It is about performance and execution.

- It is **not** about morale, attitude, tenure or happiness.
- Engagement is the voluntary and discretionary application of employee efforts towards the goals of the organization!

The impact of engagement on key organizational performance indicators or KPI's like sustainability, productivity, performance, and profitability has been well documented by many consultants, academicians, and others including me so I am not going to bore you with a repeat of a lot of statistics.

At this stage I have either answered two key questions-

- What is engagement?
- Why do I care?

Or not. I am going to assume in the affirmative and talk about how you accomplish the business of building an employment brand.

"employees who are plugged in contribute consistently"

CHAPTER 3 – Laying the Foundation

I believe that engagement and employment brands are built on a number of elements, but two of the keys are a foundation of trust and embracing a *commitment* versus compliance based management model.

I had a chance to listen to a great Webinar on the power of trust presented by Stephen M.R. Covey based on his bestselling book Moving at the Speed of Trust, and I have to tell you it both reinforced some of my ideas and really stimulated thoughts in other areas. It kind of connected as well for me with some points Seth Godin made in a post about Choices.

Godin points out that intentionally or unintentionally we "choose" our customers". We choose them by how we communicate, which customers we focus on or ignore, how we market and a host of other factors. Up to and including the kinds of people we hire and the people we "partner" with as our suppliers in my opinion.

Covey goes even further. He talks about how trust really isn't a social driver or personal virtue; it is a key economic driver, maybe the most critical driver in today's business environment.

When you have a foundation of trust your decision making processes accelerate. You don't have to debate and discuss and re-verify. You move "groups" into teams and vendors into partners. He also says and I agree that trust is the number one contributor to engagement and innovation.

Neither Covey nor I suggest that you "trust" blindly. He talks about trust being built on a foundation of two primary pillars:

- Credibility/Believability
- Behavior

Credibility is based on some critical sub-factors including: character-your integrity and congruency ((perceived shared values), and your competence- your demonstrated capabilities and results. The key is that these need to be integrated and in sync. Character without competence doesn't create credibility and neither does competence without character. You must do both.

Behavior speaks to who you are. Not what you say, but how you act or demonstrate those behaviors. He identifies thirteen key behaviors. I won't go into all of them, but some key behaviors include things like; clear expectations, the extension of trust, practicing personal and professional accountability, and straight talk.

He and I also believe that the ability to build and facilitate trust is a learnable skill; it isn't something you are born with or without.

The "dividends" of trust are huge. They can be measured in almost every key performance indicator from profitability to retention and productivity.

So I guess I would leave you with a couple of questions to ask yourself about the business relationships you have and you are cultivating:

- How am I *choosing* my customers?
- Am I reaping a *trust dividend* or am I paying a *trust tax*?

Covey's contentions have been reinforced over and over again. You can't short cut trust; it is absolutely foundational.

I also passionately believe that engagement can't thrive in a *compliance based* environment which compelled me to create my compliance to Commitment™ model over fifteen years ago.

Compliance is essentially fear-based. When people stay with an organization or support an objective only because they are afraid of the consequences, you will not get their best effort. In so many cases, conventional models are based on "do this or you will be terminated," or compensation or advancement is withheld – a win-lose model. You simply do not get sustained, excellent performance by using fear or sanctions.

Employees who stay with you because they do not see an alternative will ultimately cost your organization millions of dollars annually through healthcare expenditures, absenteeism and other costs. Or worse, they spread their discontent using pseudonyms on blogs! They can also block other employees from achieving peak performance in the workplace. Negativity spreads like cancer.

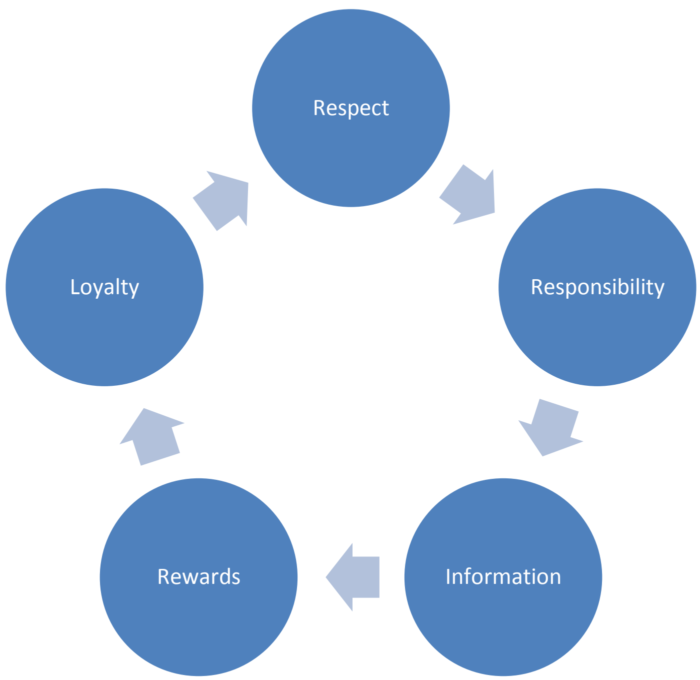
Statistics show that 50% of employees who quit actually leave their supervisor, not the organization. They are not driven by your mission; they are being compelled not impelled!

In the best case scenario, compliance produces poor to average results, never superior results. Think about situations in your own career where you came to work every day because you did not recognize a meaningful alternative. There are numerous studies linking compliance-based models to high turnover, excessive utilization of health care benefits and excessive "sick" time. You have probably seen the statistics and the numbers support common sense.

It makes equal sense that commitment produces better results. Contrast the compliant (or disenfranchised) employee culture with organizations that have employees coming in every day committed to the job with a clear understanding of the mission and motivation to excel. I am referring to organizations such as Zappo's, Apple, Google, and similar organizations that have earned reputations for customer service with dedicated, engaged employees. Without commitment, brand loyalty by employees contributes to the problem.

THE COMPLIANCE-TO-COMMITMENT MODEL

There are five distinct elements to my model, and I believe each to be essential and directly correlated to Deprey's questions. These are the elements, each of which has strategic and tactical value:



Let's examine each of these distinct elements separately, define how they work together, and provide suggestions for achieving a committed group of employees.

Respect

Respect is the cornerstone of any healthy relationship and especially important in the employment environment. Respect means that you describe my job to me in a way that has context, and I can see where my role fits into the bigger picture. It means that there are clear performance expectations and that I receive balanced, meaningful feedback as to how to improve my performance and contributions. If I am not meeting expectations, that information is presented to me in a timely and constructive manner with the objective to eliminate the variance between my expected and actual performance. It also means that I am held accountable for working up to my potential and meeting expectations.

> ***"Respect means a social contract between equals."***

Respect means we have a social contract between equals. I do not expect you to "parent" or take care of me. I'm not just talking about diversity here. This value must be consistently reinforced by every level of management every day. We must be prepared to explicitly state to employees, "I respect you too much to tolerate less than your best performance. I respect you too much to nag you about independently executing your tasks and responsibilities. I will not be co-dependent with you."

Responsibility

Similar to respect, responsibility means that I have clear expectations, periodic feedback and a reasonable level of control over as many dimensions of my work as possible. I am allowed to demonstrate personal curiosity and creativity and that you, the management or executive, measure my work in terms of the results as well as the process. In concert with respect, responsibility means that I carry out my activities independently and competently to the best of my ability. If I need assistance, I ask for it. If I am unclear, I ask for clarification.

I hear a lot about empowerment. I like to say to employees that the flip side of empowerment is accountability. If you "own" the process, you also "own" the result. We should not let employees off the hook for simply appropriate performance. Employees who "own" the process and the result demonstrate higher levels of productivity, lower absenteeism and reduced turnover. All of these results increase the bottom line. This refers again to clarity of purpose: What is my job? How does it fit in the Big Picture? Management owns the responsibility for clearly answering these questions.

Information

Information is critical to creating an atmosphere of commitment. I have often said to employees that I reserve the right to answer a question they ask me in one of three ways:

- I know the answer and it is ________.
- I don't know the answer, but I will do my best to obtain it for you.
- I know the answer, but I am not able to share it with you for reasons of confidentiality or related concerns.

My experience has always benefited by sharing as much relevant information with employees as possible. By providing them with context, they arrived at solutions that were much more effective than what I could design working in isolation. By creating an environment of collaboration, they feel invested in the solution.

Marcus Buckingham, author of First Break All The Rules and other new leadership "bibles", states very eloquently in his book, The One Thing You Need To Know...About Great Managing, Great Leading, and Sustained Individual Success: "Effective leaders don't have to be passionate. They don't have to be charming. They don't have to be brilliant […] They don't have to be great speakers. What they must be is clear. Above all else, they must never forget the truth that of all the human universals […] our need for clarity is the most likely to engender in us confidence, persistence, resilience, and creativity."

Richard Rumelt, professor of Management and Strategy at UCLA's Andersen School of Management, puts it even more succinctly in his article, Strategy's Strategist: An Interview with Richard Rumelt in the McKinsey Quarterly Report:

"The most important role of any manager is to break down a situation into challenges a subordinate can handle. In essence, the manager absorbs a great deal of the ambiguity in the situation and gives much less ambiguous problems to others… In a highly focused organization, the CEO does this for the entire organization by examining the overall competitive environment and providing enough guidance to let the organization get to work. The CEO defines the business problems for everyone else."

What both of these gentlemen are talking about is providing appropriate information. If you don't provide clarity and remove the ambiguity, you will not get genuine and sustained commitment.

I'm not saying that every employee participates in every decision or needs access to all of the data that goes into each decision, but they should have information that provides meaningful context and directly contributes to their ability to excel at their job.

Rewards

Rewards are always an interesting area to explore. In my definition, rewards include appropriate compensation as well as other areas that directly relate to employees sense of fairness and equity. I include everything from base compensation and incentive programs to awards for excellence and access to specialized training. I recommend to my clients that they ask their employees, "What represents meaningful rewards and recognition to you?"

It is interesting to me how few senior managers, much less employees, can describe with any degree of confidence their organization's compensation and reward philosophy and system. Sibson and Company, an international compensation and rewards consulting organization, surveyed 18,000 employees in 2003:

- While a significant majority of employees surveyed (65%) indicated they were satisfied with their pay level (their salary range compared to other positions) and 71% indicated they were satisfied with their current pay, 57% indicated that they were dissatisfied with the way their employer awarded pay. For the purpose of this study, process means the determination of individual pay increases, promotion decisions and progress through the pay structure.

- Think about today where C-level salaries increased on average over 24% while the average non-management employee saw about 1.5 %. The Associated Press and Equilar reported that CEO compensation at the nation's largest companies exceeded that of 2007, before the crash and recession (when the stock market set a record high and unemployment was roughly half what it is today). Try explaining that one!
- 16% of the employees also indicated that they were highly likely to leave their current employer.

An interesting insight from this survey is that these results crossed gender and generational boundaries. Most important about any organization's compensation and rewards strategy is that it:

- Clearly articulates the compensation and rewards to the stakeholders;
- Describes the process;
- Connects the compensation and rewards to an objective standard.

I have a personal bias towards market-based compensation and performance-based compensation. There are hundreds of salary surveys and other tools to create a sense of objectivity and frame of reference for your compensation decisions. When you can say to an employee that the rate of compensation for your position was determined using information from x sources, it is much more objective.

When you define performance standards before the fact, you have discrete measures to describe how a raise was determined. It provides clarity!

"communicate with employees the specific reasoning of compensation philosophy"

By market-based compensation, I mean that it is "competitive" within the environment where you compete for the skills, abilities and knowledge we "rent" from our employees. I define that market as "from whom do you recruit?" and "to whom do you lose people?"

Another consideration is that you only break-even with compensation and rewards. Rarely will an employee who feels you are "overpaying" them work extra hard because they feel guilty. Employees will, however, withhold personal initiative or potential performance contributions if they feel underpaid.

I believe in communicating with employees the specific reasoning of compensation philosophy (i.e. who we see as our competitors, our "target" market, and other related areas). I also tell employees that "market compensation" is an artificial value that the market imposes on a particular set of skills and abilities based on supply and demand, as well as criticality to the mission of the organization.

Compensation is not meant to represent the value of the employee. Are doctors and professional athletes "better" people than anyone else? If we use the standard of compensation to determine the value of a person, drug dealers are at the top of the food chain and people like Mother Teresa at the bottom.

When I talk about performance-based compensation, I mean that there should be a direct link between organizational and individual performance and their compensation. Employees should have a clear understanding and some dimension of control over actions that differentiate excellent from average performance. Great compensation systems exist where the employee is knowledgeable enough about the pay system that there are no surprises at times for performance review or for the distribution of incentives.

Rewards should also encompass work environment, training opportunities, and other non-cash factors such as recognition. The more personalized, the better. People are very different and your reward systems need enough elasticity to accommodate those differences. Some people like to be publically acknowledged, others would loathe that exposure. The reward system needs to be appropriate to the organizational culture and personalities of the employees.

The most important dimension of rewards is the perception of equity. In this context, I mean equity in terms of perceived fairness, not actual ownership.

One of the most important concepts we grow up with is fairness. Employees have reasonable questions. “Do I feel that my compensation and promotional opportunities are consistent with my contributions? Am I valued? How did you decide to pay me? Can you explain why someone else got the promotion instead of me?” Your wording is critical; explain it rather than justify it.

I don’t like “bonuses”. They seem arbitrary and capricious if they are not tied to specific events or behaviors that are within the employee’s control. If the employee doesn’t know why they received it or how it was calculated, it isn’t likely the productive behavior will be repeated. When an employee clearly understands the relationship between how “success” is measured and how it correlates to something meaningful to them, it is almost self-managing.

At the leadership level, you can inject the concept of job security related to enterprise success, e.g. implementing our new strategy increases our market share and competitive strength. This translates into increased job security, promotional opportunities and larger incentive pools. Employees get this!

I read an article a few years ago written by an extremely successful plaintiff’s attorney (representing employees) who indicated that more than 70% of his lawsuits were matters of perceived fairness, not legality. He stated that, in the majority of decisions, the jury used the standard of fairness not law in awarding the verdict. Cultivate fairness and you produce more loyal and productive employees.

Loyalty

I often hear that the Gen X and Millennials are not loyal. I disagree. The new generations have a different view of loyalty. They expect reciprocation. They will give their loyalty to organizations that invest in them. They understand the concept of “at will” employment at its most literal. They stay with an organization as long as they see the relationship as being mutually beneficial. They do not subscribe to blind loyalty or arbitrary authority. Is that wrong?

My definition of loyalty: while someone is working in my organization or in collaboration with me, our relationship has integrity and respect. We hold each other accountable and meet our mutual obligations. I do not measure loyalty in terms of tenure or "obedience".

"employees give their loyalty to organiztionas that invest in them"

Loyalty is a personal relationship. Typically we are "loyal" to individuals or groups with whom we have shared values and trust. To the average employee, his or her direct report is their "world". If they feel that their immediate supervisor has their best interest in mind and treats them with respect and fairness, their loyalty will be earned and authentic (not political loyalty).

I enjoy sharing an unconventional example with groups: Ross Perot and his tenure as CEO of EDS. During the Iran Hostage crisis, a number of his employees were taken hostage.

Some of us remember that the U.S. government failed miserably in their efforts to recover the "official" hostages. Mr. Perot hired former Special Forces operatives who successfully recovered his employees. You can bet that those rescued employees and their families had a bond of loyalty to EDS.

The key to authentic loyalty: you earn it through action and time. I also submit to you that if the organization does a good job of executing on the first four elements of respect, responsibility, information, and rewards, loyalty will follow. I believe that if you examine these five elements, you will see the interrelationship between them and the parallels with Deprey's pyramid.

You see interplay such as the effect of the communication process on compensation. You will notice that the individuals in Sibson's survey didn't have particular issues with the amount of their pay; they simply did not understand – and therefore didn't trust – the decision-making process. No clarity, therefore no trust.

Information that I have garnered on the "emerging" workforce – our future employees, customers, shareholders, and stakeholders – make these issues even more relevant. From an employment standpoint, Gen X and Millennials have stated five requirements for them to form a meaningful relationship with an employer:

- Satisfying work content.
- Association with an organization that they respect and that respects them.
- Mutual commitment to them and their careers.
- Meaningful and timely feedback to help them improve their skills.
- Equitable compensation.

In addition to desiring feedback, they also describe four other elements in an optimal employment environment:

- Maximum delegation.
- Personal responsibility and "ownership" of their projects and tasks.
- Clear boundaries and a sense of the big picture.
- Shared ownership (credit) for end results.

Maybe I was just born too early as a Boomer, but I don't think these expectations are unreasonable. I think that if we are honest with ourselves, we all desire those same things. In addition, the new work environment calls for integrated decisions and more team-oriented approaches. The key difference: these new generations see themselves much more as "partners" and embrace the concept of "at will" employment: "either party may terminate the employment relationship at any time for any legal reason, with or without notice." Gen X and Millennials understand this concept having grown up in households where lifetime employment was a fable, a legacy lost to the previous generation.

My model isn't one size fits all. All of the elements have to be there, but it doesn't mean it will look the same in every organization.

CHAPTER 4 – Building Your Brand

So now that your *foundation* has been laid you can take the next three critical steps of building a successful employment brand-

- Hire Hard – Manage Easy
- Congruency
- The Right Environment

The first concept created by my colleague Joseph Skursky of Market Leader Solutions, sounds pretty simplistic; but candidly I am amazed by how many organizations do this abysmally.

Recall my statistic on the $5 trillion we lose to turnover annually. Much of that is attributable to poor hiring. Poor hiring, not bad people. There is a definitive difference.

With the advent of technology we are spending less and less time actually understanding candidates and the human dimensions of successful performance than in past generations. We use technology to parse candidates and screen them in or out based on buzz words and key phrases.

On many occasions the most junior people in the HR function are responsible for staffing because of the over reliance on technology.

When I look to hire people beyond the base competencies I look for key attributes in everyone I invite to join the organization:

- Commitment To The Team
- Ability To See The Big Picture
- Ability To Learn And Share New Skills
- Listening For Key Information

If they don't have these attributes they don't get hired, period.

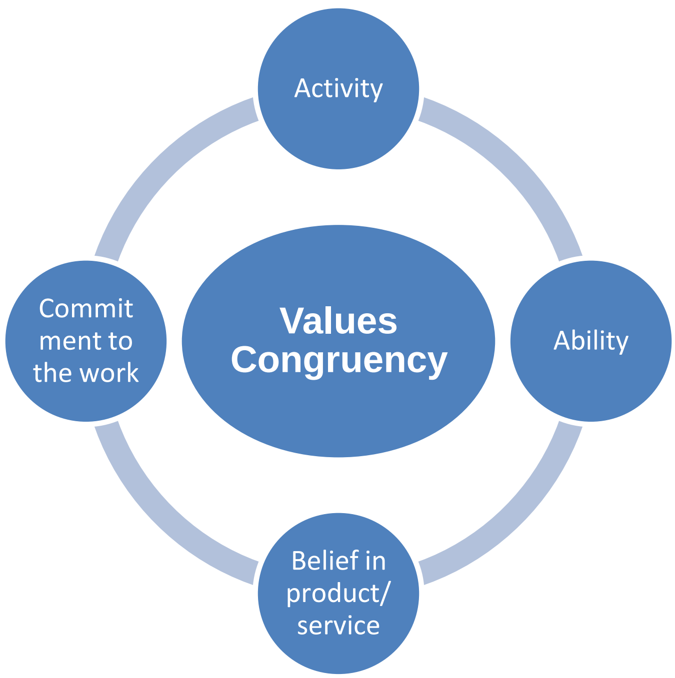
I don't want non team players. I don't want people who feel they have nothing further to learn or share. Some traditional compliance oriented human resources professionals don't like my model. They find it subjective and get concerned about discrimination issues.

I have used this model for over thirty years. I have yet to see an individual from any protected class excluded from consideration by applying it.

Congruency is the foundation for alignment. **Congruency**™ a model developed by Dr. Ron Willingham as a sales process includes the following elements:

- Our view of an activity
- Our view of our ability to perform the activity
- Our view of the activity as it relates to our values
- Our commitment to do the work
- Our belief in the product or service.

Dr. Willingham believes that if we ask employees to perform an activity or task that is *incongruent* on any level we are putting them in conflict with their values.



If we are *incongruent* with any one of these elements the chances of engagement diminish significantly.

Let's be brutally honest with each other, how many of our hiring and change management processes even take congruency into consideration?

That leads me to the next premise which is sustaining or changing an environment that reinforces your brand and engagement.

If we have not hired for *congruency* we have a change management challenge ahead of us.

Most change management processes rely on a model my colleague Reut Schwartz Hebron describes as *explicit* or storage memory. It is the basis of most of the education and training we do in the United States. It also tends to fail miserably.

- *Implicit memory is the '**know how'** memory and explicit memory is the '**know what'** memory.* Cohen and Squire
- *Implicit memory is 'change memory' whereas explicit memory is 'storage memory'*
- *Communicating with explicit memory leads to **knowledge.** Communicating with implicit memory leads to **change.***

We need to engage people at the emotional and behavioral levels to create meaningful, sustained change! Most of our change efforts rely on this "old" model:

- The "Intellectual" Level
- The Behavioral Level
- The Emotional Level

You can see the inconsistency between this and Willingham's Congruency model. Research tells us that when your *intellectual* self finds itself in conflict with your *behavioral* and/or *emotional* self the behavioral/emotional will prevail *85%* of the time. It is basic Maslow!

The last part of creating and reinforcing your brand is the environment you build or reinforce.

An engaged environment includes the following elements:

- A management team that is competent and skilled in fundamental human relations skills
- Satisfying work content.
- Association with an organization that they <u>respect</u> and that respects <u>them</u>.
- Mutual commitment to them and their careers.
- Meaningful and timely feedback to help them improve their skills.
- Equitable compensation.

I put the competent management team forward as the first dimension because the impact of front line and middle management is huge!

Rhoads and Whitlark in their 2008 study put it this way:

> *"We also agree on the single biggest impediment to creating and sustaining engaged cultures- management. They state, "One bad manager can pollute multiple levels of an organization, and poor managers bring down employee morale, which spills over into the engagement level of customers."*

From his book *The Service Profit Chain,* James L. Heskett is even more explicit:

> "*The hardest concept is the deployment of the culture change …which requires that organizations identify values, behaviors, and measures that help reinforce the service profit chain relationships. But it also requires actions. That is when managers are not managing by the values and cannot be admonished or retrained to do so (which rarely works), they have to go."*

Most employees don't interact daily or even monthly with senior management or the C suite. Their boss is their world. Your brand lives where your employees interact with your customers….

There are of course other factors like the role of the human resources function, training models, etc. that effect your brand as well, but those are topics for another day and another book.

I want to reiterate two core thoughts:

- There is nothing in this model that requires you to be in a *big company* or organization
- I have answered the questions I posed at the beginning of this book…….

So where do you go from here? Suggestions:

- Define your culture. As leaders creating the culture and ensuring clarity is your key role.
- Hire hard- manage easy. My colleague Joseph Skursky uses this motto to describe his technique of investing the time to hire the right people, don't try to "train" them to be right.
- Hire for congruency. The more alignment you have between the employee's values and the elements described in Dr. Willingham's model the more likely you will have alignment and engagement.
- Ensure managers have the "tool kit" and that they reinforce your values. Leadership and management are different skills, but there are an essential set of management competencies that <u>all</u> managers must have and be able to demonstrate. I would submit the closer to the frontline the more critical those skills become.
- Give employees a chance to **commit** rather than comply. The numbers work. The model works.
- Be flexible about process and ruthless about principle. People who cannot or will not embrace your values will never be engaged. You owe it to them and yourself to "free up" their future.

The great thing about this approach is that properly applied you gain a competitive edge that supersedes any business environment. Organizations that are in the "spillover zone" will weather recessions and come out stronger. A recent study reported the ROI from a well-developed employment brand/engagement strategy:

- *A 16% increase in profitability*
- *An 18% increase in productivity*
- *A 12% increase in customer retention, and*
- *An increase in quality of* ***60%!***

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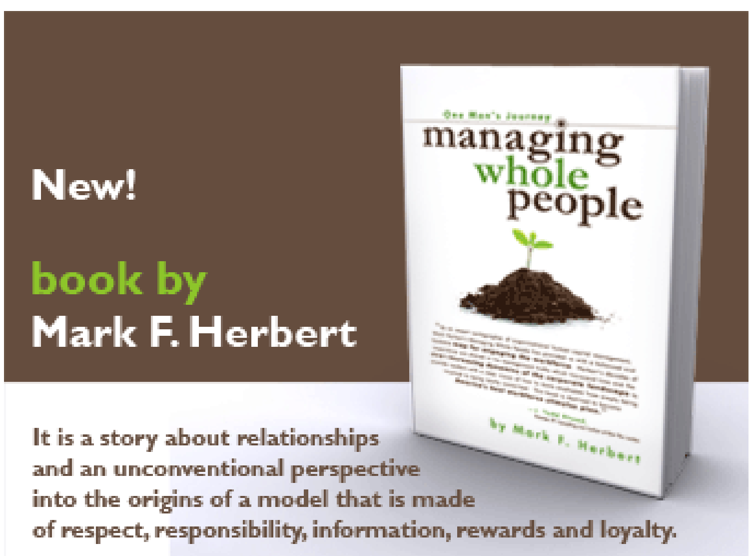
Mark F. Herbert is a Principal in the management consulting firms of Mark F. Herbert & Associates, Inc and New Paradigms LLC. Mark is a Certified Facilitator for both the Achieve Global and Integrity Systems suite of programs. He is the primary author of the blog *Creating Paradigm Shifts,* and a frequent contributor to BestThinking, BankMarketing News, and Small Business Edge. He is a featured expert in areas including organizational development, employee engagement, employment branding, and change management on LinkedIn.com, Bestthinking.com, Focus.com, and HRiQ.com and has a monthly podcast, on HRiQ .com.

Mark has been a speaker and facilitator on executive development, strategic human resources, employee engagement, and employment branding on a regional, national, and international basis.
CONTACT: Mark@NewParadigmsLLC.com

Other eBooks: Compliance-to-Commitment: a Foundation for Employee Engagement; Re-Writing the Social Contract; and Building Your Culture!

Visit www.NewParadigmsLLC.com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