



IN FOCUS

Everyone is aware that change and uncertainty are now a constant in business life. This places considerable pressure on employees and means that the “resistance to change” mentality is continually present.

Resistance to change easily ripens into pervasive cynicism among employees.

Organisations that wish to avoid this situation and get the best out of their key

people need to actively manage that tendency to resistance.

What creates cynics?

Any changes within an organisation create certain divisions

amongst staff. At one extreme we have the enthusiasts, those who embrace change and welcome the opportunity it provides both for them and the organisation. At the other end of the scale we have the cynics, those who have a high resistance to change and usually a negative view of the company and its goals.

Whilst organisations attempt to increase the number of enthusiasts and diminish the number of cynics, the reality is they often employ practices which do the reverse. A lot of corporate communication is both inappropriate and inconsistent. Inappropriate communication includes videos, newsletters, memos and any form of information transfer other than direct face-to-face discussions.

People wish to be consulted (in groups no larger than 20) rather than informed.

Communication is interaction between two parties. Anything else is not. It is foolish to think that a chairman standing in front of a large group of staff members is face-to-face interaction, or the appropriate environment for discussion. Inconsistency is also a major issue. Whereas organisations preach democracy and consultation for minor operational issues, when it comes to the more difficult decisions management has a tendency to “revert to type”, to get back behind closed doors and hand out uncomfortable messages from the sanctity of their upper floor.

“Corporate improvement” programs

The number of “corporate improvement” initiatives also creates tremendous cynicism. The cynic understands that if he or she keeps their head low, wears a tin hat and rides out the initiative, things will go back to “normal” fairly quickly. Many of these initiatives are also deceptive. They are given glorious names when the reality is they are simply redundancy programs. Perhaps one of the biggest problems with

Converting the corporate cynics

By Peter Fullbrook

all these initiatives (business process re-engineering being the prime offender) is that they seek to look at processes, costs and business effectiveness without ever considering the human element.

That is not to say that the initiatives are wrong. What is wrong is the attempt to carry them out without understanding the three cornerstones by which they are done effectively: involvement, knowledge and understanding.

What are the costs of cynicism?

The business world now accepts that as competitive differentiation narrows there is a constant search to differentiate through the quality and behaviour of the people they employ. If we recognise this then we must also recognise that the inability to achieve high quality, committed employees has a huge impact on customer loyalty, company image and ultimately customer purchases. Business lost through the attitude of uncaring employees can also be tracked through measurable indicators such as attrition, productivity and employee feedback.

What is the way forward?

Our research, as well as contributions by a number of other key thinkers and writers in this field, has come up with a range of components which lead towards enthusiastic employees.

1. Jeffrey Pfeffer, in his book *Competitive Advantage Through People*, talks about a range of practices for managing people. The key ones that affect cynicism (or otherwise) are:

- **Selectivity in recruiting** – many organisations fail to understand that the employees they need to seek are fundamentally different from each other in some critical ways and have different skills and attitudes that enable them to be effective.
- **Incentive pay and employee ownership** – financial remuneration does not just focus people on the task at hand, it also encourages them to understand how they can impact upon the performance and effectiveness of a business.
- **Information sharing** – top organisations have one thing in common, they disclose financial and strategic data that can be understood and discussed with everyone in the organisation.
- **Training and skills development** – the capabilities and qualities required and the interventions that will help people to retain these attributes are intelligently investigated.
- **Promotion from within** – systems which recognise and develop the competence of people naturally lead towards the promotion of those people.
- **Symbolic egalitarianism** – a number of organisations make the mistake of signalling unhelpful, us-and-them divisions to their staff, through symbols of status. As far as is humanly possible these should be removed.

2. Charles Handy, in a recent article in the *Financial Review*, stated that what we are now doing with employees throughout the world is “squeezing the pips”. We are attempting to get more out of people.



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If we put people under such pressure then we must recognise that we have to treat them differently. It is interesting that the Harvard Executive Program focuses purely upon lifestyle, health, diet, exercise and the reconciliation of life and work goals. Health screening and the provision of exercise facilities have been proven to have an impact on motivation, absenteeism and employee loyalty.

3. Management effectiveness – SEARS, the major U.S. retail group, recently shifted the bulk of its management development away from the more traditional subjects and has focused exclusively on interpersonal skills and personal integrity. They feel, quite rightly, that how managers are perceived and how much they are trusted has more effect on employees than their technical competence.

4. Clear communication ie face-to-face of the expectations organisations have of staff. This needs to be accompanied by clear measures which show whether staff exhibit the expected attitudes and beliefs in the workplace.

5. Understand the relationship between employee satisfaction and employee productivity. Many organisations have taken huge strides in this area and now use regular employee satisfaction surveys in order to determine how well they are treating their staff and how the staff view their job, the company, their work environment and their management.

Jack Welch, the CEO of General Electric said, “measure three things: employee loyalty, customer loyalty and cash flow. Everything else will follow”.

6. Underpinning employee involvement and understanding is the component of knowledge. Much is spoken about

How much managers are trusted has more effect than technical competence.

participation, empowerment and moving decision-making to a lower level. Organisations that struggle with these things do so because of the business literacy of their staff. We find that business literacy is the common cause of a whole range of problems. People

have only a hazy understanding of the industry they are in, how the company makes money, how it loses money, who the competition are, what customers they want, what customers they don't want, and the commercial basis on which business decisions are made.

Summary

In order to prevent cynicism, or to remove cynics if they do exist, we must educate them to understand the business they are in, provide them with an active and energising role within it and communicate effectively. Communication must ensure there is a clear, mutual understanding between management and workers about what is happening. It is then important that managers respond to staff feedback in an intelligent and open manner – cynics have little room to manoeuvre if they have nothing to genuinely criticise. ■

IN PRACTICE

Keep your word and keep your workers

A British study on the strength of the psychological contract between workers and their employer has found that a

significant factor is whether or not what happens in the workplace matches the promises that managers make to employees. The researcher, Dr David

Grant, looked at the effect on the psychological contract (a measure of worker loyalty) of managers' promises to workers over a period of 18 months.

Where managers were seen to have failed to deliver on their promises, workers were less loyal.

The concept of the psychological contract is that over and above the legal contract, consisting of pay rates, hours, job titles and general job duties, there is an understanding between the employer and the employee about the loyalty and commitment of the parties to each other.

The study was carried out at a new factory in the north of England, a consumer electronics factory which had Japanese owners. It had a dual management structure, employing both local and Japanese managers.

At the beginning of the study the managers were seeking to reduce the "them and us" attitudes that prevailed in that industry. They talked about

creating a cooperative, participative work environment, where workers could make suggestions, work as a team and solve production problems together. The promise that went with this message was that if these things were achieved then the workers could rightfully expect job security and ultimately some financial gain.

The initial attitudes of the workers towards the company were very positive. Nearly 80% of workers saw it as a friendly place to work, and 62% thought that the company "was good to its workers". There was a willingness to work hard in order to overcome any start-up problems with the factory.

After 18 months, however, the attitudes of the workers had changed. The company experienced difficulty establishing its place in the European market. But another significant factor was the management style of the locally appointed managers. They did not take well to an open, cooperative and communicative management style, and before long they had reverted to what workers saw as "traditional British management" – autocratic, bullying and blaming.

Workers were dissatisfied with their lack of participation in decision making. Although 84% thought that they frequently had ideas about how to improve the way they did their jobs, 56% of them believed that management would not be interested in their ideas. ■

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leaders, and each culture had an impact on the individuals who were a part of it. It influenced their perception of what constitutes a successful organisation, how much and in what way they are required to participate in it, how they should interact with others, how their contribution is measured and how it should be rewarded.

Now the individual is ready to move into another organisation.

But not just any organisation – this time it is yours. Do their perceptions and expectations, based on their experience and their own values, correlate with your own? Can the skills, knowledge and behaviours that were exhibited favourably in one environment be successfully transferred to another? Is it possible that people who did not fare so well in a previous position can flourish in your organisation because the cultural match is better? When everything else tallies up, the crunch comes with the “soft stuff”.

As you move down the long and winding road of recruitment, ask yourself:

- will our organisation’s culture support the candidate’s best performance and in the way they expect?
- what will the person bring to the organisation that we welcome?

Do their perceptions and expectations, based on their experience and their own values, correlate with your own?

- in what ways might the person need to adapt?
- is the person able to learn in the way that we learn in this organisation?
- will the person promote and/or support the values we subscribe to?
 - how will this person fit with my management style?
 - can this person and I work together?
 - are our styles and skills compatible?
 - how will this person fit with his or her immediate work group?

These factors are more elusive than determining whether a candidate has the requisite technical knowledge and experience to do the job. In addition, you do not have an unlimited amount of time to examine these factors, and invariably there are numerous candidates for the position. It may be useful to break the filtering process into two or more stages, so that the more time-intensive questions are explored with a smaller pool of candidates.

It’s also necessary to remember that there are very few “ideal” candidates. You may have no candidates who seem to embody the “right” answers to all of the above questions. But if you keep in mind that the new employee is not just a set of required skills, but will form part of the organisation’s cultural recipe, you’re more likely to enjoy some good meals with them. ■



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