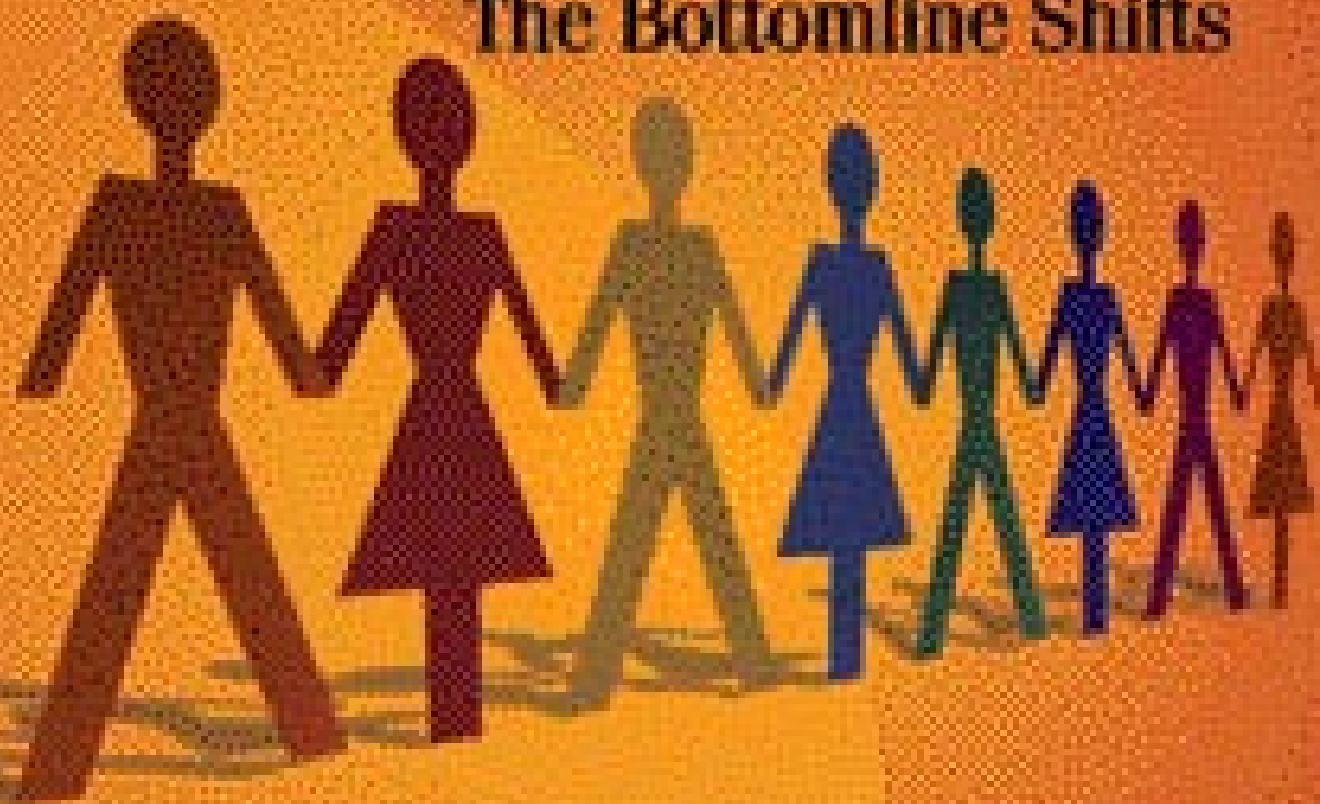


PEOPLE POWER

The Bottomline Shifts



We have heard for a long, long time, and we hear it all the time; At interviews, appraisals, conferences, seminars, luncheons... "Employees are the company's greatest asset." And for a long time it was never taken seriously, probably because it was never meant to be... But that is changing. Technology, contrary to popular fear, has not eliminated the need for people or their skills in an organisation. It has just created a market for people with different set of skills. And more importantly, the era of technology has also strengthened the position of people in an organisation. It has empowered them. It has given them choices and it has rid them of the 'job for life' mentality. Which also means that there is no 'employer for life'. Competition in business is at different levels, and is not restricted to production, service and sales. It is about attracting the best, retaining the best, and allowing the growth within the organisation. In Qatar, as in the rest of the region, movement of labour is restricted, due to the system of sponsorship against employment. This is unfortunate not just for the

employees and the labour force as whole. It is in the long run, detrimental to the company itself, if people are staying behind only because there is no choice (which means lesser engagement) and not because they want to (which would mean greater efficiency).

The challenges faced by companies locally are manifold. While employee turnover can be forcibly controlled, productivity cannot be. Which means, employers are forced to provide reasons beyond the labour law for retaining the best.

Change has already been set in motion... most multi-national companies bring their international best practices to their local operations. Qatar Financial Centre, which has its own sets of visa rules and labour laws, allows free movement of labour. Now it is just a matter of time before these practices become the norm for the rest of the labour market.

But adaptation cannot happen overnight, and companies need to prepare and learn to be 'Good' employers, starting now.

Qatar Today speaks to some of the companies that have grown wise to what is in store, and looks at how they plan to cope with that not too distant future.



PEOPLE POWER

The Bottomline Shifts



Growth and Motivation

Ali Bin Ali Group CEO Peter McElwaine, stresses that employee engagement is what translates directly to bottomlines.

"Happy and motivated people deliver the best results. When you have employees who are involved, they will automatically deliver."

And growth is, without doubt, the most important of all motivating factors.

Says McElwaine, "The predominant philosophy and stated objective is to promote from within. But at certain times, that is easier said than done. The organisation is like a triangle, with each successive higher level having lower numbers than the one previous to it. The career path development of each employee within the organization is well planned. We do our best to train people with an adequate understanding of the business of the company and ensure their vertical mobility. But if after a certain stage they feel that they

need to move out to grow, it is not an issue with us. We firmly believe that the investment that we make towards the development and training of our people, contributes hugely to our growth."

Adds Group Human Resources and Training Manager, Amro Rashad, "At the beginning of the year, each employee sets his objective with his departmental head on the basis of the balance score card and that gets measured in terms of the bonus pay-out. Thus, the employee and his superior are both clear as to what is expected of him during the year."

Mannai Corporation, CEO, Peter Rush says, "The certainty that your contribution is valued, and the readiness of the organisation to help in times of need, motivates employees to put the common good ahead of individual advantage. This leads to improved teamwork and productivity, and that certainly adds to the bottom line. You can keep the busi-

ness going for a short period of time without happy employees but not for a longer period of time."

QAPCO, Human Resources Manager, Fahad Ismail Hassan Zainal says the company has realised that employees are the biggest assets, accordingly there has been a lot of re-engineering within the organization. (There are 951 employees currently. Five years ago there were 815. And the anticipated growth is of another 100-150 employees in the next five years due to expansions.)

"Previously there was only a Personnel function assigned to address employee's needs, now we have a whole department, to take their needs into consideration, to work for them, to identify their issues and get them cleared.

"We follow the principle of giving authority to the system and responsibility to the employee. This will ensure teamwork and a certain motivation that keeps the employee engaged in his work. We are work-



“We firmly believe that the investment that we make towards the development and training of our people, contributes hugely to our growth.”

Peter McElwaine, CEO, Ali Bin Ali Group

ing in a multi-cultural environment. So we have tried hard to inculcate a global environment, where there is no centralisation of authority. An Arabic work environment would have a central force that guides and authorises every movement within the company, but we have changed that outlook and decentralised the process.

“To keep an employee motivated he has to feel that he is part of the company. With this decentralised process, the employee feels that he is responsible and hence adding value to the company.”

In a public sector company like QAPCO, there is a Grievance Cell, specifically set up to redress issues. “The employee can write to this cell and we try to solve all issues that come in this. As an example, there have been issues where an employee had a problem with their appraisals. He wasn’t happy with the increment he was given and wrote to the grievance cell and we had another meeting with the department heads and analysed why such a decision was made. We make sure that all the problems are identified and try our best to respond to them.”

With about 1,750 employees, a listed company like Qtel is publicly accountable for cost of disengagement. And probably that is why employee engagement is of



critically importance.

Says Qtel, Group Human Resources, Executive Director, Jassim Al Mansoori, “Especially at this point in time as we are not only continuing to grow here at home but also in consideration of our international expansion. This expansion includes our subsidiary in Oman – called Nawras, our deal with AT&T and most recently with our move into South East Asia with ST Telemedia. To communicate these important initiatives and other developments we have ensured we have a good internal communications network (dual language intranet), regular newsletters, workshops, town hall meetings etc.

“Our employees have a right to expect good and clear communication and particularly in relation to the recent Qtel Board agreement to our corporate vision – to be in the top 20

telecommunications companies by 2020 – we went to great lengths to both explain and engage our people in this important statement. At the same time, this gives us the opportunity to communicate what it is that Qtel expects from employees as we are all in this as one team.

“Our management practice is very much an open-door policy and we have recently completed a company-wide employee engagement survey from which we will produce an action plan to redress the issues and at the same time build on our strengths.”

In fact, Qtel has even created an Employee Engagement and Communications Department. “To drive forward our engagement programmes including an assessment programme that will help employees better understand areas where they need to develop as well as help them build



their careers through further education – whether here in Qatar or at the best, most appropriate location – wherever that may be,” says Mansoori.

“Engaged employees are more motivated and more passionate about their work. They don’t mind going the extra mile – which benefits the company and at the same time provides a sense of fulfilment for the employee. Qtel’s HR team made the commitment to become the Employer of Choice and to attract, nourish and retain the very best talents from Qatar as well as others from the region where necessary. Being the Employer of Choice means less employee turnover, better customer service and the determination to improve to become more qualified and more valued in the company. Happy employees; happy customers; better bottomlines.”

On dealing with low engagement, he says, “Currently, the levels of engagement vary a little within Qtel. Some are exceptionally high (above industry norms) and others need to be worked on. We conduct annual Employee Engagement Surveys against which we benchmark progress. Coming from these surveys, we develop action plans to redress areas of weakness and at the same time use the plans to build on our strengths so that all can learn from and share best practice across the Qtel Group. There are also the simple things that make such a difference in engaging employees in our business – such as easy and convenient feedback channels and managers walking the floors!”

On redressing issues, McElwaine says, “People are generally encouraged to communicate and communicate freely, even with the CEO. But there is a certain framework of doing that and each employee is expected to follow the chain of command. Under

AN AGENT OF CHANGE



The establishment of the Qatar Financial Centre is seen both as an indicator of the country’s economic fortunes and as a vehicle to bring in international best practices to the finance sector.

Equally important and of pertinence to every single resident is the change wrought in terms of laws governing its employees.

Though restricted to its tenant, QFC’s practices will become the practices of the country as a whole, sooner than later.

Qatar Financial Centre Authority, Head of Human Resources, Abdulrahman Al Mannai gives his take.



The QFC was set up as an agent of change in the financial sector... and the fact that we have our own immigration regulations, you are seeing what that means in practice”

How do you ensure employee engagement and what kind of processes do you have in place for this?

Employee engagement has become very important for us for a number of reasons. The Qatar Financial Centre Authority is still only just over 18 months old, and is therefore a “start up”. In my view, engagement means not only employment of staff with the right skills and mentality for the work we do, but also providing them with a proper career structure, a compensation package, and a sense of loyalty and enjoyment from the fact that they work for the QFC Authority. We are planning to conduct an employee engagement survey in the second quarter of this year to identify what the issues are for our staff (now some 69 strong, likely to be around 135 by the end of the year) and to adjust and augment our staff policies in accordance with its findings.



Do you think employee engagement is what translates directly to bottom lines?

I think employee engagement is a crucial aspect of getting to the bottomlines. In reality our bottomline is the number and quality of firms that come to be licensed, and the way we provide services to them. Achieving this will largely depend on how engaged people are and how they perform. It will also reflect on our reputation, which will also help us achieve even more success in future.

How do you redress issues raised by your staff?

First of all we listen. We test what they are telling us to see whether it is an individual matter or it is something that might affect the organisation as a whole. If it is something we can do something about we will make (and have made) adjustments. The broad theme of most subjects brought to our attention by staff is really how they can get on in the organisation, so it is career structure, training and seeking extra responsibility, which is a natural tendency in my opinion, especially since we are not a large organisation. It also reflects the quality of the people we have. They are motivated and hungry for more.

What kind of growth structure is in place?

Of course in a smaller organisation such as the QFC Authority there is less headroom. The opportunities for growth and progression are less than in a larger company. But we can still see a lot of opportunity for our staff in terms of competencies, skills and knowledge. Because of our size also we are less able to grow organically and need to bring more people into the organisation from outside. We have a graduate recruit-

ment programme, which has made a good start, and in the summer we will develop that further through attachments to licensed firms where our staff can get hands on experience of other working environments and management styles.

How would you address the low level of engagement within the workforce?

If someone has a diminishing sense of engagement we will pick it up pretty quickly and do what we can to help. But in general our employees have been very engaged and very busy. As mentioned before, we are a start up and everyone is working hard in building the platform of our business.

Environment or incentives? What drives people?

In addition to the compensation and reward systems, we think what drives our staff is meaning and value. So we always try to keep employees well informed of what's happening around them. We also keep them busy with meaningful work. This way, I believe, will make them feel and understand that they are making an impact on the QFCA and what it has set out to do. We don't think a member of staff will leave us for a couple of thousand Riyals. They came to us in the first place because we offered them an attractive package, of course. But this is not the only reason. They were interested in what we do and how they can contribute. We are a pretty unique organisation in Qatar.

The current labour laws are seen to favour management? QFC companies of course are governed by different laws. How would you compare the two practices?

This question illustrates the uniqueness of the QFC. We now have our own Immigration Regulations which mean that our staff and companies that license with us are not subject to the Qatari Labour Law. What this shows is that the QFC was set up as an agent of change in the financial sector, just as Qatar Foundation was set up as an agent of change in the areas of education and research, and through the fact that we have our own immigration regulations you are seeing what that means in practice.

When the labour market does open up, allowing free movement of people between organizations, do you think local companies will be affected?

Yes, of course. But even without any change it is up to companies as to whether they hold on to their staff or not. If they do not treat their staff well, they will simply leave the country and possibly come back under different sponsorship. It makes a lot of sense though for Qatar to move towards a freer labour market, and I believe we are beginning to see signs of that happening.

How big is QFC now?

In the space of a year we have grown from some 12 staff to 69, with the prospect of getting to some 135 by the end of this year. Looked at another way, we had three firms licensed at the beginning of last year, we now have 33 and by the end of the year it is likely to be three times that. So we have to grow our staff to keep pace with the needs of this growing organisation, and our staff will need to be developed in the whole range of skills they will need and services they will be providing to these firms.



PEOPLE POWER The Bottomline Shifts



“You can keep the business going for a short period of time without happy employees but not for a longer period of time.”

Peter Rush, CEO, Mannai Corporation

normal circumstances, it is expected that an individual will address a particular problem to the General Manager of that particular business unit, who in turn will raise it with HR which is the sounding board for all employee related issues. Only issues that address the company as a whole and are relevant are moved up the line in the chain of command.”

As most management gurus stress, understanding disengagement has to come before attempts are made to redress.

Rush says the biggest mistake any organization makes is to think that they are way too busy to listen to small issues raised by their employees. “The pressures on management might hinder the process of an open discussion but the managers should always be aware that an open system would reflect on the growth of the companies. We should firstly listen to employees and then analyse what they want and try to meet their needs, if it is within their parameters to do so.

“We operate in a multicultural en-

vironment and not every culture approaches personal or corporate concerns in the same way. For some the revelation of problems may reflect personal weakness. For others there is no stigma to waving the flag about issues of concern. Decision makers in the organization must therefore be aware of issues and must respond effectively to them. We practice an open door policy in Mannai Corporation but temper that by ensuring consensus when putting solutions in place.”

McElwaine points out, “At each level, whether it is the junior most level or at the middle level, we encourage involvement and try to make him feel that he and his job are very important for us and to the organisation as a whole. We try to organise training in the employee’s own language (with the help of interpreters, if need be) or training after office hours so that he is free to attend them. At all points, we harp on direct communication with the employees.”

“For instance, for the supermarket

staff, we have training managers accompanying them to see their problems and devise training based on those specific problems. This boosts morale since even at that level, we try to communicate that their job is important to us,” adds Rashad.

According to Rush, “There is no universally applicable succession plan, which assures an employee of promotion if he or she keeps their head down and works diligently for a certain number of years. We have extremely varied activities in our group, calling for specific technical and commercial expertise, which may not be transferable to a broader application. We do our best to attract the best candidates for every vacancy, and our policy is to promote from within wherever possible. With the market growth we have experienced, it has not been possible to always fill our needs through internal promotion and reassignment. However, our annual performance appraisal process improves our ability to identify talent and training needs, and also flags the ambitions of our employees in career development. Performance, persistence and personality are still the keys to growth for any employee.”

Zainal agrees. “The growth of the employee depends on his performance. We look at how they have contributed to the company and



“We have tried hard to inculcate a global environment... An Arabic work environment would have a central force that guides and authorises every movement within the company, but we have changed that outlook and decentralised the process”

Fahad Ismail Hassan Zainal,
HR Manager, QAPCO

their proficiency at work. Of course there is a structure in place, but it doesn't necessarily follow the same chart. If the employee's performance has been exceptionally good, we give him a bigger portfolio and more responsibilities than his immediate higher position.”

Environment Vs Incentives

Is a great working environment in itself sufficient to keep the best? Or is it incentives that do the trick?

Rush rightly points out that employee engagement cannot be compelled. “It must be voluntary. That means that you have to motivate your employees. Motivation is obviously two-fold. First is financial, we have to pay our employees what they believe they are worth in accordance with what the company believes is fair and also meets the market level.

Secondly there should also be a certain development for the employee, a certain career path.

“There must be appreciable benefits to the employee in exchange for his or her engagement with the organisation. These benefits can be tangible, in the form of incentives and awards, or they can be intangible, taking the form of recognition, security and support, pride in belonging and even challenge and learning. Only when an employee gets, as much out of engaging within the company, as he or she has to put in will the effect be self-sustaining. The organisational culture must reflect values, which are conducive to an open and fair interaction between the two parties of the employment pact. Our Mannai Way programme is one process, which has identified the key components of productive

relationships and seeks to embed them in the enterprise.”

Surprisingly, he says it is neither “Environment nor Incentives” that drive people. “Anyone who is prepared to work for money alone will not share the values of our organisation, and those who care little for money and the security it gives will not be motivated by the workplace environment alone. Clearly people thrive when dedication and results are rewarded financially, but only if they enjoy what they are doing. This challenges us to provide an environment that encourages innovative entrepreneurial thinking, sharing of information, mutual respect and freedom from personal cares.”

McElwaine agrees in part. “If you do not pay well, employees will not stay with you and if the feel good is not high, people will again not stay – so both (incentives and environment) are of equal importance. It is an adequate mix of both. The company needs to invest in the employees



and they need to feel it.”

Reiterating this, Mansoori says, “It’s a combination. The work environment needs to be right – however, people need to be rewarded for their dedication and hard work. There is no mandate for employees to ‘go the extra mile’ but when they do, it is recognized and applauded. This could be a spot cash bonus, an encouragement allowance or a certificate signed by the CEO (the latter being something that is noted by management and stays in the employees file!). In other incentives, determination to put in more effort and deliver tangible results can help HR and management identify candidates for ‘fast-track’ development – which benefits not only individuals but also the company as it broadens our pool of talented and constructively ambitious people.”

QAPCO’s Zainal has a different take. “As an HR Manager, I believe that the environment plays the most important part. But we are working in a multi-cultural environment; about 75 percent of our employees are expatriates. Keeping that in mind, I would say that both environment and incentives drive an employee. The expatriate who is living away from his country of birth would first be attracted to work for this company through the incentives he is receiving. After the incentives, if the environment is conducive for working, it will tie him to the company for a longer period.”

Law and Labour

The current labour laws are seen to favour management more than the labour force (particular in terms of work permits, benefits, pay structures). Are companies using their discretion to implement practices that the law doesn’t require them to?

Referring to certain recent chang-

es, McElwaine says, “The new labour laws have slid the balance in favour of employees and we have been quick in responding. Various initiatives have been taken. The law has brought in factors like equality of women employees. For instance, women need to be given HRA – it does not matter that her husband, who is employed elsewhere is getting HRA. Since we have employed the woman, we need to give her HRA as well. We have already implemented it. Again, travelling allowances for women employees also has been increased. Gratuity has also been introduced – after one year, one gets three weeks. The working week has been reduced to five days a couple of years earlier, which has greatly improved performance and made a huge difference to us. At the super-market staff level, since it cannot be a five-day week, hours are adjusted to give that number of hours off.”

Says Rush, “Labour legislation is designed to regulate the pact between the employee and the employer. Any regulation is open to interpretation, and usually the employer is better able to represent his case than the employee when there is a dispute. I certainly agree that good employers wishing to build staff loyalty should set their Human Resources practices above the minimum requirements of the law.”

Zainal is of the opinion that labour laws are always in the favour of employees. “In the oil & gas industry, growth has been so fast, that the labour laws are not keeping up with the pace. The Petroleum Industries have formulated their own practice. We have mechanisms and procedures in place to keep up with the pace growth of the industry. As an example, QP and its subsidiaries have formulated and implemented many procedures and best practice according to the market such as pay

scale.”

However, when the labour market does open up, allowing free movement of people between organizations, will local companies be affected?

Zainal says there would be pros and cons to the change. “I am confident that with the kind of packages we have in place, and the environment we have, we will be able to attract some very talented workforce. This will be the challenge for me, to get the best workforce into the organization. But as a Qatari national, I feel this open market will affect the economy adversely. Small companies would be affected more than large ones.

If this does happen, I hope it will be structured and the rules will be set. As an HR person, I will look forward to this, as I am confident that QAPCO will get the best talents in place.”

Rush feels the free movement of labour will affect local and foreign companies alike. “I think it is wrong to suppose that only local companies will face a sudden stream of desertions as people seek the greener grass elsewhere. Those organizations which have well-established human resource policies and systematic remuneration in place have much less to be concerned about than those which rely on the restriction of sponsorship to retain their workforce. If an employee wishes to leave my organisation to go to another then I have failed to respond to his or her needs; the employee is not to be blamed. I do believe that lifting the restrictions against free movement of labour will result in a short term spiral of wage inflation, which will be far from welcome in the wake of the high cost of living increases we have experienced over the past two years. However, it is right to open the labour market in



“Engaged employees are more passionate about their work. They don’t mind going the extra mile – which benefits the company and at the same time provides a sense of fulfilment for the employee.”

**Jassim Al Mansoori,
Executive Director, Group
Human Resources, Qtel**



a gradual way, and this is a cost we must absorb over time in order to be more competitive in future.”

According to McElwaine, if you run your company well with the right strategies and have strategic goals in place, the company should not be affected. “Market forces will operate on certain norms. The key is to hire the right people, give them freedom to operate and, with the right remuneration structures, the company will operate like a well-oiled machine. It is basically how well we run our business.”

Qtel’s Mansoori does not foresee any big change within his organization. “We believe that open markets are good for Qatar, good for business, good for people and ultimately good for Qtel. The telecoms market here is opening up to competition and we are confident that the work we have done since 2002 – when we began our own internal change management programme called Qturn – has put us in good shape to face competition.”

Training and Initiatives

In recent years, employee training has received increasing emphasis, to

not only improve efficiency and productivity, but also to ensure personal development of the employees.

“We have both formal and informal processes for the development and training of people. For the past four years, we have had dedicated training facility, which comprises formal training programmes, with the help of professional training managers, throughout the year on generic subjects and is open to all employees at all levels, in addition to some on-site trainings. Over and above these generic training programmes, we also have some training programmes that we cull out and develop from the appraisal programmes which address the job-oriented development needs of employees. The Training Manager refreshes these needs over the course of the year in coordination with the

Division Managers so that all trainings are made more relevant.

“Third, we have an “objective setting process”, usually at the beginning of the year, which addresses the full spectrum of activities in four different, but interrelated segments – financial, external (customers, for example), internal (processes, for example) and development. When employees are participating in this objective setting process, they spell out a lot of facts which reflect in which of the four segments they have functioned well/not functioned well and why. The “whys” spell the space for additional training programmes.

“Plus, we have an ‘employee satisfaction survey’ every year on a regular basis. In 2006, we covered 547 of our employees in the employee satisfaction survey. This survey covers



a whole lot of qualitative and quantitative issues that may affect one division in particular or the company as a whole. If it affects only one division, the head of the division is usually assigned the responsibility to rectify/redress it," says McElwaine.

An interesting initiative at ABA is the Annual Review in which the top 80 people of the organization meet for review of the previous year and do some team building exercises like "The Big Picture", in which the 80 people are divided into 20 teams. Each member is given small pieces of a bigger picture and each is expected to fill colours to create the total picture – the size of this wall. In the process, each member is expected to interact with the others and arrive at the correct big picture.

"The end result is fantastic and it all depends on the quality of the interactions that the members do with each other," he says.

These efforts are of particular importance, as the company has seen a major growth in the last few years. Says Rashad, "The current size is 1,500. In 2002, we employed approximately 850 staff. Our employee growth has averaged around 200 new staff per year. In five years from now, we expect to see that number around 2,000. In 2006, we had 65 training sessions covering close to 1,200 people. In 2007, we propose to have 50 training programmes since we have extended the duration of the programmes, based on the feedback that we have received from employees who want refreshment and more intensive training, which will cut across both the formal training sessions as well as the customised training that we spoke about in the beginning."

Another interesting initiative is the Mannai Way programme, which was developed over a period of several years, starting in 2002. "Mannai

Corporation is a 55-year old group which had established a record of being among the best private employers in Qatar. Suddenly confronted by uncertainty and change, we developed The Mannai Way to improve communication and understanding of our common goals throughout the workforce. The key precepts of The Mannai Way were the result of consultation and discussion from the bottom up, and not dictated from the top down."

The Mannai Way is defined as a concept where everyone in Mannai is considered to be a leader. Leaders are judged by the standards they set for themselves. Leaders in Mannai, share knowledge and ideas openly, treat everyone equally and with fairness and integrity, motivate and inspire, embrace and adapt change and empower people to take responsibility.

"We took the wishes expressed by everyone from a helper to a general manager and distilled it into a philosophy for dealing and interacting with each other, our customers, our principals, our shareholders and the community. In a series of events, which involved every employee, we communicated this philosophy and illustrated it at work. The challenge for us today is to keep The Mannai Way fresh and participative, and to ensure that deeds and policies which are in conflict with the philosophy have no place in Mannai," says Rush.

Mannai has also seen tremendous growth in its business, but by keeping operations lean.

"Our group has seen significant change over the past five years. From a total of 4,500 employees in 2001 we had approximately 1,600 at the end of 2005, following a reorganization to focus on our core businesses. However, during the same period our revenues and profitability grew

significantly, thanks to the efforts of our employees, the expanding market, and the support of our shareholders. We continue to add to our business activities, and the existing operations are increasing theirs, so that we now have some 2,000 employees."

Qtel is currently finalising its Employee Competency Framework that seeks to identify the specific Core, Leadership and Functional Competencies required for employees to be successful in their roles. Mansoori says, "As might be expected in the telecommunications business, change is a constant. New technologies, new services and applications make our business lives' one long but exciting learning curve. To this end, we are putting in place a very dynamic learning environment that includes state-of-the-art learning, assessment and career planning centres which will allow employees to develop new skills and practices. New charters are also being launched for the above centres that provide a clear indication to employees of what the company stands for, what employees can expect and what the company expects from them.

"As part of our commitment to the workforce of the future, Qtel has established a specialised talent development department that offers a host of programmes for young graduates – whether fresh out of secondary school, college or university. The talent development department includes a special graduate development programme aimed at building future business leaders under the Qtel Scholarship programme. The latter will enable promising Qatari students pursue a higher education (Diploma or Bachelor Degrees) from accredited local or overseas educational institutions in IT, Finance, HR, Law and Telecom Engineering disciplines." ■



The future of jobs as we know them



BY ANTHONY RYMAN

ITHINK that we're all aware and somewhat petrified (for the younger generation read 'excited') at the speed of change taking place in this society we call Earth. Not only does time appear to go faster, but also many of the rules that were sacrosanct seem to be breaking down or disappearing altogether.

Take a job for life: In the good old days after the Second World War, you started an apprenticeship with a company and by the time you got to 65, you got the gold watch and were put out to pasture. These days statistics tell us that the average lifespan of a CEO of a major multinational company is 1-2 years, and job-hopping for middle management is seen as work experience.

Take trust in a company's products and their reputation. In the good old days you had bell weather stocks (IBM, AT&T, Bethlehem Steel) and people trusted these companies to deliver and walk the talk. These days you have downsizing, restruc-

turing, mergers and takeovers and of course, not forgetting Enron and their accountants Arthur Andersen – so you can't believe what companies say or even do anymore (take Shell and their less than exemplary environmental record in Nigeria, or overstating their oil reserves as a case in point). And these days with the all-knowing, all-seeing Internet and its latest manifestation Web.2, people are taking the initiative and the rise of consumer power – blogs, podcasts, video phones and video recorders, text messages and the imminent convergence of telecoms and media mean that the balance of power is shifting. Pressure groups are becoming increasingly more vocal and active and control of the flow of information is passing from those who manufacture and create products and services to those who use them – i.e. you and I.

If you equate this observation to the human population, there is cause to believe that society is moving to a higher level of consciousness, awareness and sophistication. Consumers



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are saying “no” to being constantly sold to by advertising agencies. Consumers are saying “no” to being lied to – witness the demonstrations against the Iraq War in the UK and to the collapse of Enron and the subsequent enactment of the Sarbanes Oxley Act which forces companies by law to tell the truth on their balance sheet or face punitive consequences.

So how is an HR Manager and indeed his boss, the CEO, supposed to react to these fast-changing events and lack of allegiances and trust in companies in general, especially when seeking to attract graduates?

Let’s look at some facts and statistics to see the lay of the land. In a recent study among 1,000 school leavers in the UK, when asked the question: “What are you looking for in a job?”, 82 percent said that they were looking for a job that was “personally fulfilling”. Furthermore, 62 percent said that they were looking for more of a “balance between work and life”, i.e., more time for themselves. So the days of offering more rewards by way of money, status or perks are just not working anymore with an increasingly educated, aware and sophisticated population.

More and more these days the battlefield where companies compete against each other is fought less and less on price and more and more in the hearts and minds of consumers. The most visible manifestation of this is the increasing importance that brands and branding are taking in the boardrooms. Companies are realising that their brand represents everything in the minds of consumers: not only a promise of consistency and quality, but also shorthand and an expression of their needs and aspirations. Brand and branding is now centre stage, not only reflected as a line item in the balance sheet, but also increasing a company’s share price (or vice versa) depending on

whether companies have invested in their positioning and differentiation which is accepted as being believable and true and resonating with consumers’ belief systems and what they deem to be important and relevant as part of their life and lifestyle.

Companies are increasingly aware that brands are the only key differentiator between their offer and their competitors – as the saying goes: “a hotel without a brand is just a bed for the night”.

And more importantly that staff are the brand ambassadors of a brand being the closest touch point to the customer. So the question now is how does one motivate staff to fully endorse and believe as well as communicate the brand values to customers? Not being an HR professional, I don’t have the answer by way of best practice standards and systems. I do however lead a ‘growing the brand’ seminar for companies, which provides the bridge for thought leaders and middle management in organisations between learning about a company’s vision, mission and values and how to live these day to day.

What I mean by “how” is that truly enlightened companies that attract the best people and constantly hit the top ten companies to work for, realise that they stand for something that is more than just about the money or product or service on offer. They have embraced a value system (e.g. Apple – ‘think differently’, or HP with ‘Invent’) that resonates with our desire for “meaning” or “being” – a sense of purpose.

Here we as consumers are looking for honesty, integrity and a value system we can believe in that resonates with our desire for meaning, truth and authenticity.

Companies are increasingly taking over from Governments and the promise of a welfare state is rapidly

“Truly enlightened companies that attract the best people and constantly hit the top 10 companies to work for, realise that they stand for something that is more than just about the money or product or service on offer”

losing its potency as the benefits of mass production and our increasingly ‘global village’ environment take effect. Companies have to be seen to “care” in word and especially in deed. So the all-important “values” are taking their rightful place as companies embrace their responsibility to give something back – whether it is by way of charity, work in the community, adding value to their offer, or providing their staff with training programmes, motivational and team-building events, flexi-time work structures or creches for their children.

How you communicate and indeed ‘live’ your brand both internally, at point of origination, and on its journey to the customer and what it stands for are what makes the difference between ordinary brands and truly great brands. Enlightened companies are seeking more and more to empower their staff so that they not only agree to represent the company in a ‘job’ but, more importantly truly endorse the company and its products or services as co-owners – this is becoming the rallying cry for HR managers. Let the brand ambassadors represent the company. Everything else is process ■



In Praise of Praising Your Employees

Frequent recognition is a surefire – and affordable – way to boost employee engagement



BY JENNIFER ROBISON

In companies around the world, workers are feeling the effects of a highly addictive chemical. When they experience a reduction of this chemical, even routine work is compromised by feelings of frustration, anxiety, and difficulty in learning. Conversely, increases of this chemical stimulate feelings of pleasure and pride. And, this chemical's effects wear off fast. The need for increased doses can cause people to make serious, career-altering decisions just to get another hit. And the only problem is that too few of us have enough.

The chemical is dopamine, a neurotransmitter produced in the brain. Dopamine stimulates the ventral striatum and nucleus accumbens, the parts of the brain that process rewards and create positive emotions like satisfaction and enjoyment.

Evolutionary biologists think dopamine had a hand in humans' ability to learn and survive – if you get a charge of dopamine after a successful hunt, you'll learn to go back for more of the dopamine surge and the prey.

Though modern businesspeople don't track mastodons for lunch, they do have to work hard to accomplish long-term goals bit by bit, and the short-term payoff is still a dopamine hit. That feeling is so important to the human brain that people will go to great lengths to get it, and people who can't produce enough dopamine, such as those with Parkinson's disease, struggle making decisions.

There are several ways to get dopamine flowing. Some are more or less illicit – alcohol and drugs, for instance, increase dopamine production. Other methods, however, are perfectly appropriate for the workplace, and among them

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is receiving praise.

Recognition for good work releases dopamine in the brain, which creates feelings of pride and pleasure. Better yet, that dopamine hit cements the knowledge that more of that behaviour will create more praise, resulting in another dopamine drench, and so on. This is why positive reinforcement works so well, even among animals.

People who play solitaire at their computers all day are trying to get the dopamine hit that comes from positive reinforcement – winning is winning, and the brain feels the same whether the reinforcement comes from the boss or a freebie software programme.

Praise be

The drive for dopamine is biologically preordained, and humans' attempt to get it is inevitable. That makes the human dopamine need incredibly useful for managers. So it's surprising that more of them aren't aware of the positive effects of dopamine – and aren't doing more to leverage those effects.

Fewer than one in three American workers, according to Gallup research, can strongly agree that they've received any praise from a supervisor in the last seven days, as measured by the Gallup Q12, a 12-item survey designed to measure employee engagement. Variation in response to the Q12 item "In the last seven days, I have received recognition or praise for doing good work" is responsible for a 10 percent to 20 percent difference in revenue and productivity. Employees who report that they're not adequately recognised at work are three times more likely to say they'll quit in the next year.

"When people don't get enough recognition, they ask themselves, 'What am I doing this for? Nobody

cares,'" says David Grazian, the Director of corporate taxation at Granite Construction, Inc, a \$2.6 billion civil construction company. "It's not just about money. People want recognition; they want to be noticed and appreciated."

One of the benefits of praise is that it helps create employee engagement. Workers won't be engaged if they feel, as Grazian put it, like nobody cares. A manager who praises is one who's paying attention to the work and the worker. That personalised attention is crucial for the creation of an emotional bond between employees and the organization. And the strength of that bond, in turn, is behind higher productivity, lower turnover, fewer mistakes and accidents, and ultimately, higher profits.

It's important to note that Gallup's Q12 assessment asks if the employee has received praise in the last seven days. That may seem like a short time frame, especially when many businesses struggle to make the time for an annual awards banquet for their stars. But the dopamine bump people get from praise doesn't last very long, and it takes repeated exposure to build the reward/repeat loop. An annual pat on the back doesn't feed emotional engagement.

"Recognition is a short-term need that has to be satisfied on an ongoing basis – weekly, maybe daily," says Jim Harter, Gallup's Chief Scientist and co-author of the book 12: *The Elements of Great Managing*. "We can draw on our big accomplishments, but we reframe each day, every day."

And when expected praise doesn't materialise, dopamine levels drop, which leads employees to avoid thankless tasks. "Food, drugs, even good experiences – they all give us a surge of dopamine, and so does recognition," says Harter. "We're all ad-

dicted to dopamine to some extent. Whether that's good or bad depends on how people manage it."

Furthermore, lack of praise plays into a problematic, but absolutely human, psychological response: the negativity bias. The brain is set up to notice the negative first, says Harter. Negative campaign tactics get more attention than positive ones. People even spot caricatures of negative faces more quickly: Several studies have found that people noticed pictures of "frowny" faces more often than "smiley" faces.

It's another survival technique – people may live longer if they pay more attention to the threatening mugger rather than to the pretty flowers. But it's also one more obstacle managers have to work hard to overcome. In the office, the negativity bias means that even neutral can be bad.

Faint praise

So dopamine is a very real human need, yet too few people feel they receive enough praise. Praise builds employee engagement, but workers are quick to see negativity even when none is meant. And praise for a good job doesn't cost money, time, or much effort. So obviously, managers need to start slathering on the acclaim, right? Not so fast. There are more and less effective ways to praise workers, and unearned praise can do more harm to an individual and a workgroup than none at all.

Scheduled recognition ceremonies can be effective, but they don't provide all the recognition employees need. "Formal praise exercises only work so long – they have a short shelf life," says Grazian, who is one of the top-performing managers in Gallup's global Q12 database. "They're good, and they need to be done, but in my opinion, appreciation and interest have to be exhibited



on a regular basis in normal interactions. People need a day-to-day feeling of being appreciated and recognised for what they do.”

Grazian has an extra incentive to recognize his people: Tax work isn't glamorous. "People think of us as the guys hunched over our papers in a back room who only come out when there's a problem," says Grazian. He realized that although he appreciated his team's work, it wasn't as noticeable as, say, the sales department's efforts.

So Grazian decided to make the team's work more conspicuous. When one of his workers does something especially praiseworthy, he notifies the CEO. Then Grazian writes up a document specifying the employee's accomplishment and has it signed by Granite Construction's CEO, CFO, and the HR director. He calls his workgroup together, reads the citation, and presents a cheque to the recipient.

This is only one of Grazian's recognition methods, and it works well in his department. Others may not find it as suitable, however. Some companies never use money as a form of recognition. Simon Cooper, Ritz-Carlton Group's President and COO, for instance, feels that such recognition can easily degrade into a form of bribery. Whatever the case, a good manager knows when, and if, recognizing with money is appropriate, but no supervisor should assume that money is the only form of recognition that employees value.

All hail

In fact, there is no "best" form of praise. Different employees have different preferences. All of them need frequent pats on the back from the boss, and some need no more than that. Others want to be praised publicly, in front of the workgroup or the whole company. Still others crave

recognition from the peers they most respect, while some desire nothing more than a quiet word of praise in the privacy of the manager's office. But how can managers determine the right sort of praise for each employee? Harter says the best way to find out is to ask.

"Great managers are extremely effective in figuring out the best form of praise for each person," says Harter. And those managers, according to Harter, aren't worried that extending praise upsets the balance of power. "Some managers worry that they can give employees too much recognition. But the research shows

"Recognition is a short-term need that has to be satisfied on an ongoing basis – weekly, maybe daily"

that it's extremely difficult to do that, as long as the recognition is right for the person."

But no matter what form the praise takes, it should only be given when the recognition is warranted. That's why so many "employee of the month" programmes may not stimulate better performance. Often, one of two things happens – the same handful of stars will get their picture on the wall month after month, or well-meaning, egalitarian efforts devolve into a game of "Whose turn is it this month?" If everyone wins, no one wins. This approach breeds resentment and, ultimately, cynicism. There's another way praise can accidentally cause ill feelings. In a workgroup starved for praise, the first applications of it – no matter how deserved – may cause acrimony in the rest of the group. A good way to insert recognition is quietly, one on

one, with perhaps a word to higher management. Then start the dopamine drip in the rest of the team.

In addition, teams as a whole should be recognized for sterling performance. According to Grazian, this has a subtle sociological effect. "The individuals in my group should identify with the group – it builds a bond that makes them feel good about the team," he says. "It's a huge thing to feel connected. And one of the ways of doing that is to get recognition as a group." Publicly recognizing whole departments for the value they add to the organization increases employee engagement, raises the department's stock in the organization, and provides the surge employees get from recognition. What's more, adds Grazian, "It helps you get more resources when you need them."

Let the dopamine flow

Last June, *The New York Times* ran an article by author Amy Sutherland. It was a huge hit, at or near the top of the newspaper's "most e-mailed" list for weeks. In the article, the writer discussed how she used animal training techniques – praise being chief among them – to steer her husband's behaviour.

The writer was condemned in other publications for being patronizing and a little underhanded in dealing with her spouse. But the reason so many people forwarded the article was probably the familiar accuracy of its central point – positive reinforcement works. Though the predictable effects of a chemical neurotransmitter on neurological structures such as the ventral striatum and nucleus accumbens may be rather obscure information, we all learned about positive reinforcement as toddlers. It would be a waste to pass up the opportunity to use such an effective, efficient, and inexpensive way to increase employee engagement ■



Don't Mislabeled Your Employees

Do you manage someone who is too “bossy” or “opinionated”? Those seemingly negative traits may actually provide clues to that employee's talents and strengths.

BY BRIAN BRIM

In considering the relationship between two colleagues, let's use the analogy of an intersection. When we approach an intersection that's clogged with traffic, we can't pass through. The same is true for the intersection between two people. If it's blocked by a tangle of negative labels and unflattering perceptions, then effective communication is severely impaired.

How can managers eliminate the use of negative labels among employees in their workgroups and improve the flow of communication? I recently tackled this question with an executive group. We were discussing the Clifton Strengths-Finder, an online assessment that measures a person's 34 themes of talent and reveals his or her top five – or Signature – themes.

As I was talking about some of the theme names, such as Achiever, Competition, and Empathy, one executive raised his hand and said, “I'm not so sure it's a good idea to be labelling people.” My response was, “I bet a lot of labelling already occurs in your organization. And I bet it's not the positive labelling we are describing here.” He chuckled and commented, “Sad, but true.”

Managers know that labels can

be good or bad. I call the bad ones “barrier labels.” These negative terms are used when an innate talent is devalued or dismissed as a weakness. A barrier label, left unquestioned, can prevent managers from discovering employees' talents and building on them to create strengths. But when managers learn to recognize barrier labels, they can do more than avoid using those terms – they can use them as clues to understanding an employee's talents.

Doctor versus nurse

Let me give you an example. The first illustration shows how two colleagues, a doctor and a nurse, had described each other. They were clearly using barrier labels: The nurse called the doctor “inflexible,” for example, while the doctor called the nurse “bossy.”

Not only did these barrier labels hinder their communication, they also had a negative impact on their levels of engagement. How could these two people work together productively when they described each other in such disparaging ways?

Let's see what happened after their supervisor asked them to learn about their Signature Themes. The terms below describe the doc-

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PEOPLE POWER

The Bottomline Shifts



tor's and the nurse's Signature Themes. They realized they both were exceptionally talented in the Self-Assurance theme. They also learned that their talents in Focus and Adaptability are quite different – but also quite complementary – when applied effectively.

The doctor and the nurse dug deeper than the initial barrier labels they had placed on one another, and they began to understand the talents that had been hindered by those negative perceptions and words. The second illustration shows how much more potential there is for communication, a stronger working relationship, and higher levels of engagement when these positive terms are used.

I've used this example many times to explain the concept of barrier labels and the ways in which they block effective communication. Recently, while I was conducting a session on this topic, one employee looked at another and said, "Now I know why you act that way! You really aren't doing it just to drive me

crazy!" The two went on to have an incredibly positive discussion. The lines of communication were suddenly wide open.

It's important to point out that in the case of the doctor and the nurse, their newfound mutual understanding didn't mean that the doctor was going to stop being "opinionated" or that the nurse would cease to be "bossy." Now that they had a positive way to describe those character traits, however, both the doctor and the nurse could recognize the value of those natural patterns of thought, feeling, and behaviour and use them productively.

In fact, once the doctor understood the talents within his Self-Assurance theme, he could use them more effectively to help others see him as decisive instead of opinionated. The nurse also succeeded in helping her co-workers understand that what could be seen as "bossiness" is actually a manifestation of her Command talents.

By gaining a deeper understanding of their greatest talents, the

doctor and the nurse became more sophisticated in their approaches to using them. They also began to interact more positively with each other based on this understanding.

Managers have a big role to play in situations like these. A strengths-development approach can help managers learn more about the powerful talents of their employees. So if a manager has a "bossy" employee – like the nurse – she can understand that the employee is perhaps driven by Command talents. She can also help that person tap those talents more effectively. In fact, a good manager might even help that employee go from being seen as "bossy" to being seen as a future leader of the organization.

If managers understand the talents that lie behind the barrier labels that are placed on their employees, they can change the dynamics of workplace relationships for the better. They can clear up the "traffic jams" that block workgroups from reaching their full productive potential ■