

## Concepts and Strategies for Building Employee's Loyalty

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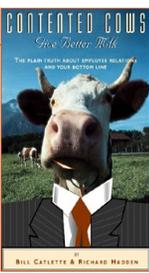
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THEME: "JAZZ AT SUNSET"

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### What Makes People Work Well?

- Motivation
- Like what they do
- Attitude of manager
- Money
- Style of managing
- Criticism
- Rewards
- Find it valuable
- The way managed
- Anticipate difficulty
- Team membership
- Happy at work
- Manager's ability

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## Contented Cows

### Give Better Milk

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### Contented Cows



- Bill Catlette and Richard Hadden
- Make the connection between people and profits
  - If you treat people right, you'll make more money

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### Contented Cows

- Establishes the clear linkage between an organization's employee relations practices and its bottom line
- All areas
  - Heavy manufacturing
  - Distribution
  - Retail
  - Services
  - High-tech
  - Professional sports



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### The Data

- Contented Cows Companies Outperformed Common Cow Companies
  - *during the period 1986 - 1995...*

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**Richard Barrett**

Liberating The Corporate Soul:  
Building A Visionary Organization,  
1998

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**The Seven Levels of Consciousness Model**

- An adaptation and extension of Maslow's model of the hierarchy of human needs

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**Richard Barrett**

The Seven Levels of Organizational Consciousness

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**Distribution of Consciousness**

- Organizations do not operate from any one specific level of consciousness
- They tend to be clustered around three or four levels

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**Most organizations**

- Are focused in the lower 3 levels of consciousness
- Level 1
  - self-interest-profit and growth
- Level 2
  - customer satisfaction
- Level 3
  - productivity, efficiency and quality

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**The Most Successful Organizations**

- Among the 100 Best Companies to work for
- tend to be distributed across the full spectrum of consciousness
- with particular focus in the upper levels of consciousness

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## The Most Successful Organizations

- Level 4 - the common good, learning and innovation
- Level 5 - internal cohesion
- Level 6 - employee fulfillment
- Level 7 - customer/supplier collaboration ethics and social responsibility

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## Marcus Buckingham



Has produced two best-selling books

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## Buckingham

- has helped build a ballooning consulting practice at Gallup
- more than 1,000 clients
- including Best Buy, Disney, Fidelity Investments, Toyota, and Wells Fargo

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## His Mission:

- To create a better marriage between the dreams of workers and the drive of companies to win



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## His Methodology

- Crunch 3 decades worth of data on worker attitudes into actionable insights on human performance and productivity
- Draw on database of more than 1 million Gallup surveys that focused on workers from around the world

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## One Big Question Behind The Interviews:

- What does a strong and vibrant workplace look like?
- Buckingham eventually distilled 12 core issues that represent a simple barometer of the strength of any work unit
  - called the "Q12" in Gallup-speak

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## Next

- Buckingham's team ran massive number-crunching studies to analyze how answers to the Q12 shaped hard-core business results
- The link between people and performance was vivid

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## The Results

- The most "engaged" workplaces
  - those in the top 25% of Q12 scores
- 50% more likely to have lower turnover
- 56% more likely to have higher-than-average customer loyalty
- 38% more likely to have above-average productivity
- 27% more likely to report higher profitability

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## His Conclusion:

- There is no such thing as a corporate culture
- Companies are made up of many cultures
- The strengths and weaknesses of which are a result of local conditions
- Each manager is responsible for the culture s/he creates

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## The 12 Questions That Matter

- If you want to build the most powerful company possible
  - Then your first job is to help every person generate compelling answers to 12 simple questions about the day-to-day realities of his or her job
- These are the factors that determine whether
  - People are engaged
  - Not engaged
  - Or actively disengaged at work

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## The 12 Questions That Matter

1. Do I know what is expected of me at work?
2. Do I have the materials and equipment that I need in order to do my work right?
3. At work, do I have the opportunity to do what I do best every day?

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## The 12 Questions That Matter

4. In the past seven days, have I received recognition or praise for doing good work?
5. Does my supervisor, or someone at work, seem to care about me as a person?
6. Is there someone at work who encourages my development?

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### The 12 Questions That Matter

- 7. At work, do my opinions seem to count?
- 8. Does the mission or purpose of my company make me feel that my job is important?
- 9. Are my co-workers committed to doing quality work?

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### The 12 Questions That Matter

- 10. Do I have a best friend at work?
- 11. In the past six months, has someone at work talked to me about my progress?
- 12. This past year, have I had opportunities at work to learn and grow?

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# People Do What We Inspect Not What We Expect

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### You Get What You Reinforce



The behaviour employee display at work is the behaviour the organisation reinforce

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### You Get What You Reinforce



■ A company is always perfectly designed to produce quality or problems

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### You Get What You Reinforce

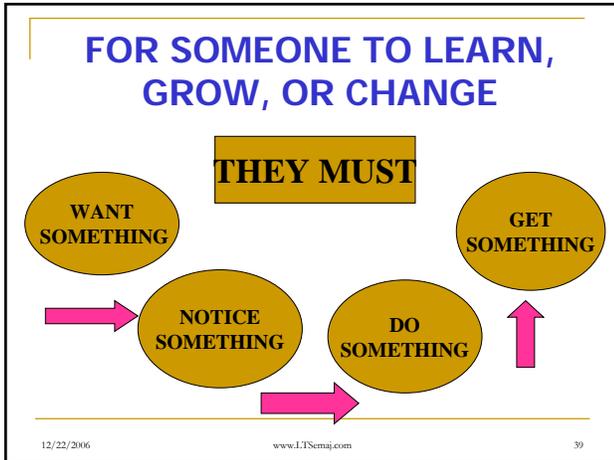


■ The firm is reinforcing the behaviours associated with those outcomes

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**WHAT TO DO?**

- Select persons to fit the culture of the organisation
- Clearly define the "role" they should play
- Reward performance

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**MOTIVATING WORKERS**

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**EXPECTANCY THEORY**

- people will expend effort on various tasks only to the extent that;
  1. they expect such effort to improve performance
  2. they believe that good performance will be rewarded
  3. they desire the reward offered

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**GOAL-SETTING THEORY**

- the process of establishing clear goals for various tasks greatly increases performance

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**Stems From Several Factors;**

- 1. Comparison between present performance and the goal
- 2. Feelings of being efficient and in control
- 3. Clarification and quantification of what is expected
- 4. Improved strategies for task performance

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## Goal setting

- much more effective than merely saying "do better"
- Must be accompanied by feedback
- Gains tend to be long lasting

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## EQUITY THEORY



- people compare the ratio of their own inputs and outcomes to the ratio of inputs and outcomes for other comparable persons

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## GARMENT SECTOR WORKERS



- COMPARE THEMSELVES TO TOURISM WORKERS

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## EQUITY THEORY

- If these ratios are roughly equal,
  - then equity exists
- If the ratios are not equal
  - then feelings of inequity tend to arise
- RESULT IS A DROP IN MOTIVATION

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## WHEN PEOPLE EXPERIENCE INEQUITY

- THEY CAN TAKE SEVERAL STEPS;
- 1. Try to increase outcome
  - ask for a raise or bonus
- 2. Find another job

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## WHEN PEOPLE EXPERIENCE INEQUITY

- 3. Reduce input
  - expend less effort on the job
- 4. Hidden actions to get extra benefits
  - stealing

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### TECHNIQUES FOR ENHANCING MOTIVATION

- Apply principles of goal setting and expectancy
  - Cafeteria-style benefit plans - employee select
- JOB DESIGN - to make jobs more interesting and appealing

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### TECHNIQUES FOR ENHANCING MOTIVATION

- JOB ENLARGEMENT
  - Expand dull repetitious jobs to include a larger variety of different tasks at same level of skills

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### JOB ENRICHMENT

- give employees other tasks at higher levels of skill and responsibility
- example - work teams can be permitted to decide how they will do the task and even set their hours

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### NOTE THAT

- Improved motivation will not lead to higher performance
- 1. If persons lack some of the necessary skills
- 2. If persons already performing at a very high level

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### JOB SATISFACTION

- Organizationally related factors
- 1. When the reward system is seen as fair and impartial

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### JOB SATISFACTION

- 2. When workers perceive that the boss is competent
- have their best interest at heart
- treat them with respect and consideration

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## JOB SATISFACTION

- 3. When they have more opportunity to communicate with supervisors
- When they feel they can participate in the decisions that affect them

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## JOB SATISFACTION

- 4. SOCIAL STIMULATION
  - A workload and level of variety not so low as to be boring nor so high as to be overwhelming
- 5. PLEASANT WORK SETTING
  - Comfortable temperature, adequate lighting, absence of noise, fresh air, adequate space, privacy

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## Person related factors

- THE PERSON-JOB FIT
  - People performing jobs consistent with their own interest
- Persons perform better when the job fits their personality

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## TANGIBLE REINFORCEMENT

- Should back up social reinforcement
- It's not a substitute for it
- Reinforcers are Personal
- Both types of reinforcement are highly personal
- What appeals to one person may not interest another

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## YOU CAN FIND OUT

- What each person really wants by:
- Trying something that might work
- For example
  - buy lunch for people who finish a job ahead of schedule

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## MOST OF THE TIME

- such gestures motivate because the attempt itself is reinforcing
- People like to be appreciated
  - so choose anything
  - including praise
- shows you value them

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### WHAT YOU CAN DO

- **1. ASK PEOPLE WHAT THEY WANT**
- But note – people might not know what the want
- or they may be suspicious of your motives
- **2. LOOK AND LISTENING**
- You'll uncover lots of potential reinforcers by watching how people spend their time
- listening to what they talk about at work

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### GRANDMA'S LAW



- This law says, "if you eat your vegetables, you can have dessert."
- Watch how people spend time when they have a choice and see which "desserts" they pick as reinforcers

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### The 4 to 1 Rule

- Studies show that you can get top performance by giving four positive reinforcers – or more – for every punishing consequence
- Anything less creates performance problems

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### Check Your Own Ratio

- Keep an index card in your pocket
- Tally all attempts at reinforcement and punishment



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# REWARDING PERFORMANCE

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### ELIMINATE SLOGANS AND EXHORTATIONS



- Motivate by reinforcement

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**DO YOUR SYSTEMS MOTIVATE OR FRUSTRATE?**

- Most recognition-and-reward systems acknowledge behaviour long after the fact and may even discourage people from giving their best
- Two common forms of recognition often miss the mark

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**EMPLOYEE OF THE MONTH**



- 1. This program often neglects to clarify what people have to do to get the award
- 2. It doesn't reinforce performance immediately or frequently
- 3. it assumes every employee wants the same recognition
- 4. there's only one winner

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**Besides,**



- if the "best" employee really got the award each time
- the same few people would win again and again

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**HOW MEANINGFUL IS IT?**



- Create bigger winners' circle by defining what specific behaviour is required
- That way there can be an unlimited number of winners

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**Give Regular Performance Feedback**

- Daily is ideal
- Weekly is good
- Monthly is much too delayed to have any impact
- Annual appraisals are a waste of time

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**Rate, Don't Rank Employees**

- Ranking generate competition to be #1
- Rating against criteria gives everyone a chance to be a top performer
- A company of winners is a winning company

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## Encourage Suggestions

- Evaluate them
- Reward productive ones

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## WORK? FUN?



- Fun can and should be a by-product of work
- Here are two ways:

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## PARTICIPANTS, NOT RECIPIENTS



- Hold more celebrations
- They don't have to elaborate functions
  - with speakers
  - a catered meal
  - gifts

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## WHAT DO YOU NEED?

- opportunities to sit down
- relive successes
- share the challenges that were overcome to meet some goal
- reminisce about workplace triumph

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## EMPLOYEES AS STARS



- Make your employees active participants in these celebrations, not just recipients of the company's benevolence
- Let them tell their own stories about their on-the-job successes

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## Listen and encourage your frontline performers from the sidelines



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### GIVE TANGIBLE, MEMORABLE REWARDS



- Choose symbolic, tangible rewards that anchor positive behaviours to success:
  - A knife for being on the "cutting edge"
  - a pair of scissors for "cutting costs"

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### CHANNEL ATTENTION AND ENTHUSIASM



- Relive
- Discuss
- Celebrate the accomplishment

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### FOR EXAMPLE

- An employee who gets a cap with the company's logo as a reward for a suggestion that saves \$500,000 a year is going to feel victimised
- "For that I get a lousy hat?"
- This reward's value is way out of line with the annual savings

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### IF YOU MUST FOCUS ON TANGIBLE REWARDS



- make sure their worth reflects the worth of the achievement

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### MIX SPORTS AND BUSINESS

- Sports aren't fun because of the behaviours required
- They're fun because of the reinforcement participants get from coaches, team-mates, and fans for doing something well, improving their skills, or setting new records

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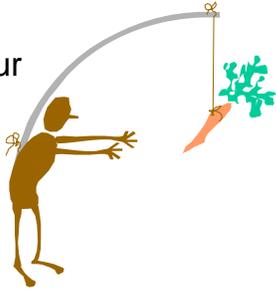
### LET'S GET RID OF MANAGEMENT

- People don't want to be managed
- They want to be led.
  - Whoever heard of a world manager?
  - World leader, yes
  - Educational leader      Political leader
  - Religious leader          Scout leader
  - Community leader        Labour leader
  - Business leader          Gang Leader
- They lead, They don't manage

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### THE CARROT ALWAYS WINS OVER THE STICK

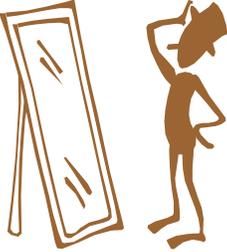
- Ask your horse.
- You can lead your horse to water,
- But you can't manage him to drink



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### IF YOU WANT TO MANAGE SOMEBODY,

- Manage yourself.
- Do that well and you'll be ready to stop managing
- And start leading



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### DO THIS WELL

- And you will see positive results in the **attitudes** and **performance** of your workers
- Another JobBank Presentation



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### Spiritual Management

#### Give And You Will Get

- **Give** to others and God will **give** to you...
- The measure you use for others is the one that God will use for you
  - Jesus
    - Luke 6:38

- **Give** employees what they need
- **Give** customers what they want
- And great shall be your reward
  - The JobBank

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### The Work Values and Satisfaction Inventory

- A diagnostic tool
- **Measures Work Values of Staff**
- **Measures Work Values of the company as perceived by staff**
- **Measures Job Satisfaction levels**
- **Measures Synchronization of staff and company values**

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### The Questionnaires

- All have the same core 43 items
- **Can be edited to suit the specifics of the organization**

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## The Satisfaction Index

- **Company Satisfaction Index (CSI)**
- This value is obtained when each item is rated according to its perceived importance to the company
  - multiplied by the Job Satisfaction rating given to the same item
  - then divided by 100

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## The Satisfaction Index

- **Personal Satisfaction Index (PSI)**
- **PSI** is the value obtained when each of the items is rated according to its importance as a personal value
  - Multiplied by the Job Satisfaction rating given to the same item
  - Then divided by 100

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## The Way Forward

- **Selecting workers with appropriate values**
- Changing company values
- **The process of negotiation**
- Creating Healthier Organizations
  - More productive & profitable work environments

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