

## Seven Things Good Employees Need to Know

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The days are long gone when employees could simply be told the tasks they must do day-to-day. In the information-rich society, employees want to know much more about the organization for which they work. The best employees are always doing research into the value of investing their life and energy into a company.

Financial investors usually conduct research when purchasing or holding stock shares in a company. They want to know key variables such as Price-to-Earnings, ROI, ROCE, and so forth, which they use as criteria to make judgments about the company and the worthiness of a financial investment in it. In a similar fashion, employees conduct (and monitor) their own research into a company to determine the worthiness of their own “investment” of time and energy. They want to know if the investment of their time, skills, and life-energy will yield an acceptable return both short- and long-term.

Most employees want to gain “personal satisfaction” benefits that are equal to or exceed the value of their financial returns. Few employees are motivated by a simple yearly financial calculus that ignores psychological satisfactions or the long-term future of the company. They want to know that the company they work for matches their vision of the type of company they “deserve” to work for.

For those individuals who feel somewhat “trapped” in their position and their company---and many do feel this way because of their obligations as breadwinners and as a stabilizing force within their families---the clarity of vision, good leadership, and sound strategies can inspire a renewal of inspiration and pride, which can then be tapped for better corporate results.

As associates conduct their research (and they are doing so every day in major and minor ways), they may ask questions verbally or simply harbor quiet wonderings. The following questions are ones that most every employee will want to answer for themselves in one form or another. It is up to executive management to answer these questions if they want maximum effort directed at delivering the value-proposition, rather than wasting time wondering if this company can be good or great over the long-term.

*NOTE: While the following questions are presented in an order, not everyone has the same way to prioritize their questions. For the rigid and inflexible type, worrying about whether they can fit into the culture may be the prime question. Likewise, for the self-serving, finding out “What’s in it for me?” may be primary.*

### **1. WHERE ARE WE GOING?---The Direction and Future of the Company**

- What will the company look like in the future?
- What is the company striving to be in the future.
- Will the company thrive or merely survive?
- Are the leaders aware enough of the conditions in the marketplace to position the company for success?
- Will the company continue to fit my ideals of the type of company that I wish to work for?
- Will I have a “home” amidst the imperative of the business to do whatever it takes to remain competitive in the marketplace?

*Most everyone wants to know what the company is striving to become. This is often communicated with a “vision” statement, though the overall business plan concept is a more accurate representation of the true “vision” of the business. There are many associated*

questions that arise from the “vision statement,” such as questions about leadership, markets, etc. that are best answered through other mechanisms, and that should be avoided in a vision statement. Therefore, it is best if the vision statement is compact and memorable, such as “We want to be the best in our markets at providing financial services across the life-span of our customers, with special emphasis on serving small businesses.” The other questions may be answered through other mechanisms.

## **2. WHAT BUSINESS ARE WE REALLY IN?--- The Differentiation Strategy**

- What separates this business from others in the industry?
- What is our fundamental value-proposition?
- What buttresses our competitive position?
- Behind the obvious (and possibly commodity-nature of) services and products that the company provides, what makes the business unique?

*While it is easy to talk about differences, it is harder to “own them” as true marketplace differentiators. And even if they are true, the question begs: are they relevant differentiators, in other words, do they really make a difference to customers? If so, then the competitive position is improved, and growth is likely based on “getting the word out,” and/or “disciplined execution to exploit the difference.” If the difference is irrelevant and you find that you are delivering a commodity, then the basis of success lies more on delivering the commodity with maximum efficiency.*

*Another way of expressing the strategic differentiator has come about through research conducted by Jim Collins, author of Good to Great. This research indicates that great companies possess finely-tuned answers to three questions, which Collins calls the “Hedgehog Concept”: (1) What are we passionate about? (2) What can we be the best in our world at? (3) What is the key financial measure that drives our success? *What might be the answer that good companies would give to these questions? Perhaps it is that good companies do not have as keenly defined answers to these questions, or have not fully aligned their actions to deliver with focused precision the answers to these questions.**

## **3. WHAT ACTIONS WILL GET US THERE? --- Strategies and Tactics**

- What are the Implementation Strategies?
- What are Our Tactical Priorities?
- What are our Key Objectives, and how do they tie to our strategies?

*People like to do their own “reality testing.” They want to see the “line-of-sight” logic between what they are being asked to do, and the expected outcomes. They want to have their own assessment that the logic of the business is in fact sound, and alternately, that the logic of the business is not irrational or wacky.*

*There is only ONE thing that is more dispiriting to a good employee than to feel that the actions in which he or she is engaging is not helping the business move forward, and that is that they are not listened to when they attempt to inform their boss that they believe that tasks and actions work are wrong or mis-guided. (All too often, executives and senior managers are too sure of themselves, and they shut down attempts to inform them of possible error in their strategies and tactics. And that is the unintended death-knell for motivation.) Faced with the futility of not being able to change something that they believe is wrong, most people will become helpless and hopeless. The mediocre will stay where they are and give just enough to get by. The best people will begin looking for other avenues to contribute their best outside of the current employment situation, and while they may not immediately leave due to financial obligations (like a big mortgage), they have been given the one thing they cannot stand: the opportunity to make a difference.*

*Instead of this tragic scenario, managers can listen to their people to understand why they think that a course of action or a task is wrong. Most people want to feel listened to. If, based upon the employee input, management re-considers and changes tasks and actions, then motivation is increased without costing a dime. On the other hand, if the employee's ideas are themselves mis-guided, then management has the opportunity to better educate and equip the employee with the knowledge and understanding that will help them get the job done better, and with more motivation.*

*The sequencing and cumulative effect of tactics into a coherent and rationalized strategy is evidence of effective leadership. Only when people can see that the task that they are doing is really going to help "move the business" in a way that will impact their own well-being can they really contribute their best. Further, the certainty of this logic has the added benefit of greater confidence that executive management knows what they are doing.*

#### **4. HOW WILL WE KNOW WHEN WE GET THERE?---Measuring Success**

- What are our Business Goals, expressed in some form of Metric?
- What are MY Key Priority Measures

*Without some useful goals and measures that connect to the objectives and strategies, there is no way to know if you are winning the game. The simpler the measures, the better. The causal logic must be there: If we do "X, Y, and Z, then we will achieve our Goals, A, B and C." Many managers erroneously believe that simply publishing these goals and measures is adequate motivation. In most cases they couldn't be further from the truth. Instead, what must be done is first making sure that goals are useful and simple measures that each employee can contribute to in some way. "Actionable goals" is an expression for this concept. In other words, "Increasing our share price" is a poor goal, because it is out of the realm of influence of each employee. However, "Keep Overhead to 42% of Gross Revenue" is an actionable goal, because each employee can do SOMETHING to keep costs down. Well-chosen goals will elicit questions, not confusion: "How will my action "X" impact our global goals?"*

*And, of course, good employees want to know how their own "Key Priority Measures" tie into the global measures of the company. The manager of the function where each job resides must work to make this clear, and to communicate it over and over, without demeaning the employee, or using it as a bludgeon. Rather, consistent reference must be made to the connection between Key Priority Measures and company success.*

#### **5. DO I BELONG HERE?---Aligning (and Adapting) Values**

- Values Alignment: "Right of Entry," "Core," "Aspirational"
- Culture
- Code of Ethics

*People are adaptable, and will generally seek to fit into the culture of the companies that they work for. (The socializing influence of American culture makes this easier.) However, each company has different values, and it is the keen alignment of personal behavior with these values that can generate marketplace differentiation, and competitive position. Seeking answers to the culture question is similar to selecting a "neighborhood." What rules must I play by to get along with people, and to be seen as successful? Company and "function" culture answers that question. Finally, the professional or company Code of Ethics represents a minimum threshold of value-behavior alignment, but may serve as reminders for exemplary behavior during "gray times" when there is not a clear black-or-white answer.*

## 6. HOW CAN I SUCCEED HERE?

- Competencies
- Role Expectations, Deliverables and Accountabilities
- Business Practices
- Management / Leadership Style

*What must I do to succeed and to avoid losing my job? People need a “map” of skills that will orient them to success, and they want that map to be congruent and consistent with what they see day-to-day as successful behavior. They want to know what is expected of them, and if they will be held accountable. They want to know what the disciplined business practices are that they must adhere to, just like they wanted to know what they had to do to get good grades in algebra class in high-school. They want to know the acceptable boundaries for management style are, so they know how much they must tolerate from their boss, and how much support they should expect from him/her.*

## 7. WHAT'S IN IT FOR ME?

- Psycho-Social Satisfaction
- Compensation
- Opportunities for career development (not necessarily “advancement”)

*When first entering a company, people assume they will at least be compensated fairly. The calculation they make for the sum compensation is based by balancing monetary reward and “benefits,” and psycho-social satisfaction. That is to say, that people add several non-monetary factors into the equation to determine if the job is “worth it.” People want to know that they will gain psychological and social satisfaction from their work, in addition to making a living. And this satisfaction is very important. For instance, one of the main reasons that people leave companies is because they do not like or cannot respect their boss. Additionally, people want to know what they can do to maximize their earning power, and their opportunity to contribute, within the role(s) they get to play. For many, the stability of place-of-employment is at least as rewarding as compensation itself. The point is that not everyone is motivated by the same things, and there are many good people in every organization who have great potential to contribute but management has not yet found the “right” motivators for them.*

*And it is not always money. Incentivized compensation (performance bonuses) may boost performance temporarily, but the positive motivation that it provides is not as strong or effective as other psycho-social satisfiers, and may in fact be undermined by poor leadership. This is not to say that people don't want incentives. But it is suggesting that what drives people (other than money) is a better overall motivator than money itself. Among these is the opportunity to develop in ones career. This may mean additional skills, or it may mean the chance to use current talents that the current job-scope does not allow. The effective leader will work to gain insight into these motivations, and strive to fulfill them, as they have huge return-on-cost-of-effort.*

## CONCLUSION

In the absence of clear answers to the above questions, people make up their own answers with whatever information is available to them. Should that information be incorrect or inadequate, employees cannot have clarity of vision, and therefore cannot fully commit themselves to deliver for the company. Only when there is a clear cause-and-effect, line-of-sight map between their action and desired company outcomes (that will further benefit their own “equity position”) will they fully dedicate themselves over the long-term to actions that align with the “greater good” of the company.