

Engaging employees

The tricks of the trade



For any company, no matter how large or small it may be, engaging employees is an important and challenging task. Earlier the trend was to employ candidates based on only their merit, but now most recruiters expect them to also be well versed in soft skills. And it is no piece of cake to choose an employee who not only possesses the required skills but also fits into the organisation's culture with ease. Moreover, after smart hiring one has to ensure the employee receives proper and adequate training that will help him carry out his duties and excel in them. This article divulges the tricks of the trade in smart hiring as well as retaining the employees in one's organisation.

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There has been a gradual but an unmistakable transformation of the global economy, and increased globalisation, outsourcing, and the Internet have only hastened this trend. In the US, about 90 per cent of the jobs created have been in service-related areas. One of the reasons countries like India and China have catapulted to the top in the last few decades include strength of their vast human capital. Clearly, this transition to a knowledge-based, service-oriented economy has significantly raised the importance of human capital.

There is a strange irony here though. The society, is at the most technologically advanced stage of human

evolution. Things that were unimaginable before have now been made possible, even commonplace, by technology and automation. Yet, the service-oriented economy is forcing companies to rely on the 'employees', not technology to design, develop, and deliver on the promises they make to their customers and shareholders.

Pharmaceutical, biotech, and life science companies are no exception. Whether it is R&D, API formulation, clinical trials, customer presentations, statistical analysis, or quality control, firms rely on talented and motivated employees.

Talk is cheap

Research undertaken by the Corporate Leadership Council has shown the real business impact of employee

commitment: "Highly committed employees perform up to 20 per cent better than less-engaged employees and are 87 per cent less likely to leave the organisation." Engaged employees consistently go the extra mile and make a commitment to stay with the employer for a longer period of time.

Progressive companies have recognised the fact that to enter the top echelons of most admired companies they need to look beyond employee satisfaction. They need employees who are 'inspired' as well as 'engaged'. Since engaged employees are vital, it would mean that they are more highly valued, correct? Not always. According to a Gallup survey, 19 per cent of the employees in the US are actively 'disengaged', which means these employees are actually trying to sabotage the performance of their organisation. Despite all the chest thumping by leaders proclaiming that employees are their most important asset, the reality is that very little real investment trickles down to frontline employees. Leaders make all kinds of promises that employees are expected to keep. Yet, engaging employees to deliver on these promises remains a rare leadership skill.

More than just a job

Whether in good times or bad, employees want to be connected to something larger than themselves. Having a clear strategy for the company is important so that employees do not feel like they are on a rudderless ship. When it comes to strategy, organisations have to think clearly, focus sharply, and communicate eloquently. As Michael Porter described in his book *Competitive Advantage*, two factors underlie the choice of competitive strategy - attractiveness of the industry for long-term profitability and relative competitive position within that industry. Both these factors can be shaped by the firm.

However, there is more to business success than simply formulating a brilliant strategy. Lou Gerstner wrote the

book *Who Says Elephants Can't Dance?* after restoring IBM when it was teetering on the brink of collapse. Gerstner says, "All of this takes enormous commitment from the CEO to communicate, communicate, and communicate some more. No institutional transformation takes place, I believe, without a multi-year commitment by the CEO to put himself or herself constantly in front of employees and speak in plain, simple, compelling language that drives conviction and action throughout the organisation."

While defining a sound strategy is important, connecting the employees' hearts and souls to that strategy is even more important.

Selective hiring

Translating the broader strategy into hiring decisions is another critical component. It is important to identify the necessary skills from the applicant pool. It so happens that many-a-times these skills are seen solely through the technical lens. Technical skills are obviously necessary, but are no longer sufficient for success in today's globally interconnected world. Jeffrey Pfeffer in *The Human Equation* encourages companies to 'screen for cultural fit and attitude - not for skills that can be readily trained.'

The reason one does not find a pharmacy graduate working as a lawyer or a chemist working as an architect is due to the fact that the education one receives in college prepares one for the chosen discipline by imparting context-specific skills. But skills that produce subject matter experts like pharmacists, doctors, chemists, and other professionals employed by the pharmaceuticals industry can be quite narrow in scope. This is because context-specific skills are typically not easily transferable.

Traditional thinking is - especially in technical disciplines - all that matters for success are hard, technical skills. Another misconception is that intelligent, well-educated people are naturally endowed with all the



necessary soft skills. Nothing could be farther from the truth! In this context, it is important to remember what Albert Einstein said: "Education is what remains after one has forgotten everything he learned in school."

For example, read the following candidate profile for a scientist - PhD in organic/pharmaceutical sciences position recently advertised: "The candidate should be PhD in organic/pharmaceutical chemistry from an institute of repute with industrial experience of at least 1+ year, preferably on drug discovery projects. The candidate should have leadership qualities and other management skills."

Will all candidates with a PhD who fit the above profile do equally well in this job? Hardly! And what exactly are these generic 'leadership qualities and other management skills?' If one looks at the detailed job description, it becomes clear that non-technical, soft competencies like customer focus, communication, innovative thinking, research, critical thinking, people management, collaboration, attention to detail, etc, are necessary for success.

Further, all PhDs are not equipped with all of these 'leadership qualities and other management skills' in equal measures. Leaders need to clearly define critical skills and competencies consistent with the overall strategy and ensure that they invest in hiring the

right people in the first place. Smart hiring is a time-consuming process, but it pays off in the long run.

Employee development

Investment in employees does not stop after smart hiring. McKinsey researchers placed every job in one of the three broad categories: transformational (extracting raw materials or converting them into finished goods), transactional (interactions that unfold in a generally rule-based manner and can thus be scripted or automated), and tacit (more complex interactions requiring a higher level of judgment, involving ambiguity, and drawing on tacit, or experiential, knowledge). Their research showed that US jobs that include tacit interactions has been the fastest growing segment accounting for seven out of ten jobs created from 1998 to 2004. Also, jobs involving tacit interactions pay 55 and 75 per cent more than those of employees who undertake routine transactions and transformations.

Age-old tactics of standardisation, automation, and consolidation - traditionally used for boosting the efficiency of transformational or transactional activities - have very little effect on jobs requiring tacit knowledge. From a workforce development perspective, tacit knowledge, by definition, is difficult to capture and even harder to impart. This creates a special challenge for training employees as learning now involves less of classroom training and more of experiential learning & apprenticeship.

Despite this reality, training departments have been for decades on the defensive, fighting to get the recognition they deserve. With literally billions of dollars spent on training, why is it not more effective in changing organisations' practices? Here are some common pitfalls when it comes to keeping employees on the cutting edge:

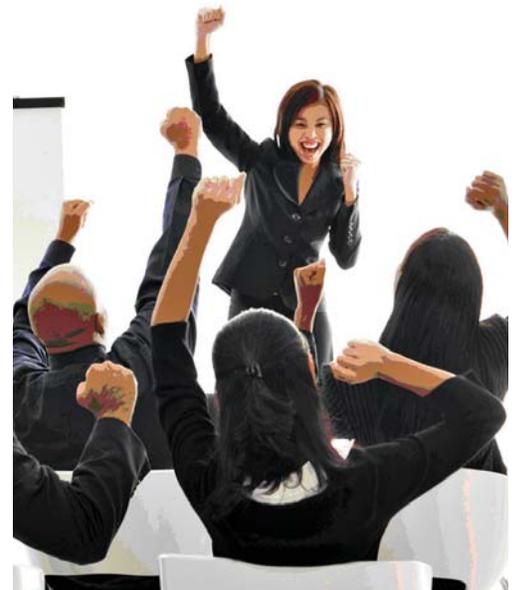
- ❖ The training department does not have a crystal-clear understanding of the organisation's strategy and

direction. The training needs to translate broad strategies into desired outcomes and changes in skills & behaviours. It also needs to get business sign-off rather than just being order-takers, so that the training content and delivery is geared toward delivering tangible value

- ❖ As Jeffrey Pfeffer and Robert Sutton point out in *The Knowing-Doing Gap*, "There is a loose and imperfect relationship between knowing what to do and the ability to act on that knowledge." Training needs to challenge the very basic assumption that 'doing' happens through 'knowing'. However, there is ample evidence that it is actually the other way around
- ❖ Adult learning research has shown that different employees learn differently. Employees with different learning styles ask different questions to sort and store information. Training needs to incorporate the needs of all different learning styles so everyone can track along
- ❖ An unequal amount of training is provided to those in the management ranks with the hope of a 'trickle-down' effect, while employees on the frontline are left holding the bag. Mary Walton in *The Deming Management Method* says, "Too often workers have learned their job from another worker who was never trained properly. They are forced to follow unintelligible instructions and cannot do their jobs because no one tells them how"

Culture of execution

It is human nature to want to be associated with winners. Companies need to develop a culture of execution where planned projects actually get accomplished. This is where the rubber meets the road as far strategy is concerned; pharmaceutical, biotech, and life sciences companies bet on their future with huge financial and human investments in projects. When a project



does not live up to its hype, there can be considerable pain all around. A botched project can cost crores of rupees, but the direct financial cost is just the tip of the iceberg. It is accompanied with loss of stature and agony of missed opportunities. The failures also create serious implications for the company's stability, stock price, and future. Most importantly, the leaders lose credibility. And once credibility is lost, like spilled milk, it is very difficult to regain.

In *Execution*, Larry Bossidy and Ram Charan describe the fundamental problem as "the tactical side of the business, something leaders delegate while they focus on the perceived, 'bigger' issues. This idea is completely wrong. Execution is not just tactics - it is a discipline and a system. It has to be built into a company's strategy, its goals, and its culture. And the leader of the organisation must be deeply engaged in it. He cannot delegate its substance."

It is far too common to see a hasty handshake and an ambiguous agreement before launching a project to meet an unrealistic deadline. One cannot plan something that is not agreed on and cannot start executing if there is no plan. When one does not have the time to do it right, one inevitably have to re-invest in doing it over. And, if one wants to protect the investment and avoid the 'ready-fire-aim' syndrome, here are three simple steps to successful execution:

Agreement: Make sure that there is common ground among all key

stakeholders. This can be thought of as a contracting stage in a project. Confirm and clarify assumptions and expectations regarding project scope, constraints, deliverables, dependencies, impacts, timing, and funding.

Planning: A goal without a plan is just a wish. Without a detailed project plan that outlines who is supposed to do what & when and understanding how that is interdependent on all the other tasks, it is impossible to see how all the pieces of the jigsaw puzzle will fit together.

Action: This is where the rubber meets the road - tracking progress, reporting status, controlling change, and managing issues. If the project appears to be going well, something is about to go wrong! The only way to stay on top if it is to be vigilant about it by actively managing the work being done.

In *Who Says Elephants Can't Dance*, Lou Gerstner writes, "Execution is the critical part of a successful strategy.

Getting it done, getting it done right, getting it done better than the next person is far more important than dreaming up new visions of the future."

Good companies also celebrate good overall performance by recognising and rewarding employees.

No shortcut to success

Often, organisations and HR departments wrongly believe that offering more creative benefits will ensure employee engagement. In 'best place to work' contests, there is often a misguided emphasis placed on fancy-sounding perks and superfluous frills. While these extrinsic factors can be helpful in avoiding dissatisfaction, they cannot substitute for motivating factors that are intrinsic to the job itself.

Developing a sound competitive strategy, sharing information regularly with employees so they know how they fit into the overall scheme of things, rigorous hiring, investing in

developing employee skills, creating a culture of execution, and recognising & rewarding great performance is how great companies motivate and engage employees. These are some of the ways used by companies to create a consistent emotional connection with employees. 



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