

Performance Management Company

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Issue One

Stuff

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This newsletter Wow!

It feels like I have been at this improvement thing a long time! This is most realized when formerly new things become old then, suddenly, are new again, this time under a different name or anchor. Good ideas will go out of fashion, then make a comeback if it's something that works well.

A lot of examples come to mind. Once, when sitting in the lobby of a client, there was a bookcase with a lot of old books. I picked up Fredrick Taylor's *Principles of Scientific Management*. I thought his comments were spot-on regarding how to manage people for performance. Simple, clear thinking is on page after page. Yeah, you can see his book with a 1967 date, but Taylor died in 1915, and published it in 1911!

Another example was me in the 80s learning the use of Gantt Charts to outline project management tasks – the guy died in 1919! And I took the name Performance Management Company from the work I was doing with Ed Feeney and Tom Gilbert and Ken Junkins back in the late 70s. This was Skinnerian Behaviorism, repackaged as Behavioral Engineering and Performance Management. So, that was a logical choice and I just cannot wait until it loses its connection to Performance Appraisal. I believe in communicating and not appraising, much like Deming did so enthusiastically. Deming would rant and rave if someone in his session would say something about measuring individual performance or having annual appraisals!

So, what is this all about? Well, a few months ago, I realized that I was just starting to do something now called Engagement! Yeah, the new buzzword for asking people to share their ideas about what might be improved and helping them align to the company or organization's goals and objectives.

Yes, Dorothy, alignment is now a hot topic again, as is mission statement development, trust, and all these new things

about involving people in the improvement of profitability or productivity. It seems that there is new, hot research that proves that people are not involved and engaged and that, by getting them involved and engaged, it makes the company more money! Surprise, surprise.

So, now with these 30 years of playing with involvement and engagement under my belt, I guess I am all set to start publishing a lot of these ideas about people and performance that come from the use of the illustrations and games.

Since so many of the readers of this newsletter are already customers and clients, some of what I say will come as no surprise. At the same time, this might represent a "new" opportunity to jump onto this downhill rolling wagon since you already have your toolkits on your belt and available.

My goal is to produce one such newsletter a month, filled with useful content, ideas, tools, and links. We will of course promote some of our products and services, but my underlying goal is to share some practical and effective tools that you can put to use immediately.

You will see useful quotes, useful statistics and information, links to other useful content.

I also want to give readers the opportunity to share some of their ideas and experiences, so do not be shy about connecting to me with things that need distribution.

And when topics are hot, they are hot! With this in mind, Dr. Johnny Chung and I are outlining a Square Wheels book that will set up with the Square Wheels illustrations and information on engagement and then build around his materials on roll out and implementation. Johnny is working with me to develop the Asia marketplace and build on some of our strengths there and will be the push I need to get this book done. My goal is to develop a fun and memorable front end focusing on Square Wheels illustrations as communication and involvement tools and make the book really simple and readable.

It is nice to see this "old stuff" on involvement and ownership reappear as new stuff called "engagement." Makes my job of communicating easier in many ways!



Scott Simmerman

Engagement Statistics

There are lots of statistics out there on the theme of engagement that back up how important this is to business environments.

Two large free reports come to mind. One is the TowersPerrin (now Towers Watson) global workforce survey that reported on engagement levels and impacts. Another is the BlessingWhite “The State of Employee Engagement 2008” survey, I was able to download pdf files of both these reports. Gallup has more information on this. There is a lot of data, but not many quotable statistical factoids, which I plan to summarize shortly.

I could not find links to the two pdf files I downloaded a few months ago. But I just bought a copy of the Towers Perrin book, *Closing the Engagement Gap*, on half.com for \$3.99 (cheap!) which should so some of those stats and other information.

Some of the stats I used in my November Asia presentations were these:

- Only 1 of 5 workers is giving full discretionary effort on the job. We often call these “exemplary performers” but they are simply engaged
- Almost 4 of 10 are disenchanted or disengaged - they are not performing to their capability
- Only 1 of 10 workers in China is giving full discretionary effort on the job. We often call these “exemplary performers” but they are simply engaged (16% PRC, 5% HK)
- Almost 1 of 3 are disenchanted or disengaged - they are not contributing much nor getting satisfaction in their jobs

There are strong connections to company results:

- Companies with high employee engagement had a 19% increase in operating income and a 28% growth in earnings per share
- Companies with low levels of engagement saw a drop in operating income of 32% and a decline of 11% in earnings per

share (from a TP one-year study of 50 companies)

Moreover,

- Companies with high engagement had a 3.74% increase in operating margin and a 2.06 net profit margin
- Companies with low engagement had a -2.01% decline in operating margin and a -1.38% net profit margin (from a TP study of 40 companies)

Towers Perrin also found:

- The more engaged employees are more likely to stay with an organization, but 40% are “passive job seekers.”
- Fully half of the disengaged have NO plans to leave the company or are even passively looking for other employment!

What was surprising as well as disappointing is that 42% of US HR Execs still have “reducing headcount” as their top priority! “Improving organizational performance” was not even on the list of things to do!

Yet 65% of these HR Execs are highly or very-highly concerned about losing high-potential performers in the year the recession ends and many see it now (26%) and many employers have done NOTHING to plan for when the economy recovers and few HR execs seem to understand the negative impacts!

(Deloitte’s Talent Pulse July 2009)

Key Findings of the Blessing-White 2008 State of Employee Engagement Survey are that engaged employees are not just committed and not just passionate or proud. What they have is a clear view of their own future and the mission and goals. They are enthusiastic about using their talents and discretionary efforts to make a real difference in ongoing business success.

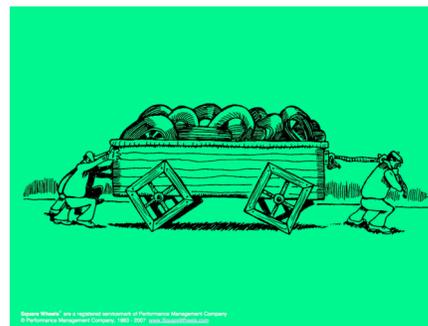
Blessing White also found that *Dis-Engagement* was most prominent in China and Hong Kong, where a third of respondents are not contributing much nor are they getting satisfaction in their jobs.

Asia-Pacific featured both highest and lowest levels of workforce engagement in the global study. In India, 34% of respondents are fully

engaged, the highest score of any region. China / HK trails every region, with only 10% of respondents fully engaged. There is also a strong correlation between engagement and retention, with at least 8 in 10 engaged employees in Asia-Pacific indicating that they plan to stay with their employer through 2008 compared to only 22% to 41% of disengaged employees who plan to stay. (I do not have their US or European stats from the report I got.)

What does all this mean? Simply put, it means that organizations can impact their people by asking for their ideas and generating thoughts on what improvements might be made in the workplace. It is not rocket science and I have LOTS of statistics from over the years to show that most employees are not kept informed about things that are important to them nor do they feel that their ideas are valued.

What we do with the PMC tools is go straight after these issues and opportunities. My approach is to get the managers and supervisors out facilitating workshops and meetings and talking about SWs and Round ones.



Engagement is not a difficult thing, although there are some highly complicated models and methods put forth as The Answer. TowersPerrin and BW and Gallup and all those big consulting firms would love to sell improvement projects.

Me?
I use simple cartoons,
and seem to accomplish a good bit.

Typical Recommendations

Top 10 Drivers of Employee Engagement Globally

(from TowersPerrin, 2009)

1. Senior management sincerely interested in employee well-being
2. Improved my skills and capabilities over the last year
3. Organization's reputation for social responsibility
4. Input into decision making in my department
5. Organization quickly resolves customer concerns
6. Set high personal standards
7. Have excellent career advancement opportunities
8. Enjoy challenging work assignments that broaden skills
9. Good relationship with supervisor
10. Organization encourages innovative thinking

Some Great Quotes

Don't Just DO Something, Stand There!

(Getting perspective and reflecting rather than continuing to do the same thing over and over.)

Put a good person in a bad system and the bad system wins, no contest. W. Edwards Deming

A desk is a dangerous place from which to view the world.
adapted from John Le Carre

Get out of the ditch and up on the road. Jon Linder

It's relatively simple. If we're not getting more, better faster than they are getting more, better faster, than we're getting less better or more worse. Tom Peters

One wheely good idea can lead to more wheely good ideas.

It's all about *Continuous Continuous Improvement* (from the Department of Redundancy Department)

How long can we go mean and lean before we become gaunt and dead.

Your brain works faster than you think. Right?

Catch 22, by Joseph Heller

Many of us have heard the phrase "Catch 22" but I will guess that not all of us have read the book. I reread it a few months ago – fantastic. So, I thought to share the simple elegance of Catch 22, which many of you will see in the working world around you.

Here it is:

There was only one catch and that was Catch-22, which specified that a concern for one's safety in the face of dangers that were real and immediate was the process of a rational mind. Orr was crazy and could be grounded. All he had to do was ask; and as soon as he did, he would no longer be crazy and would have to fly more missions. Orr would be crazy to fly more missions and sane if he didn't, but if he was sane he had to fly them. If he flew them he was crazy and didn't have to; but if he didn't want to he was sane and had to. Yossarian was moved very deeply by the absolute simplicity of this clause of Catch-22 and let out a respectful whistle.

"That's some catch, that Catch-22," he observed.

"It's the best there is," Doc Daneeka agreed.

Nothing made sense, and neither did anything else.

From Catch 22

Words of Wisdom

Bills travel through the mail at twice the speed of checks.

Drugs may lead to nowhere, but at least it's the scenic route.

I'd kill for a Nobel Peace Prize.

Everybody repeat after me: "We are all individuals"

Eagles may soar, but weasels aren't sucked into jet engines.

No one is listening until you make a mistake.

Success always occurs in private, and failure in full view.

The hardness of the butter is proportional to the softness of the bread.

The severity of the itch is proportional to the reach.

To steal ideas from one person is plagiarism; to steal from many is research.

If at first your don't succeed, destroy all evidence that you tried.

Experience is something you don't get until just after you need it.

