HOW AMERICA'S

BEST PLACES TO WORK

INSPIRE EXTRA EFFORT IN EXTRAORDINARY TIMES

RE-ENGAGE

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We dedicate this book to our loving families, whose support, encouragement, and love engages, and re-engages.

CONTE

CHAPTER TWO

Crosswind Factors

Why It's Harder Than Ever to Build a Winning Workplace

Kites rise higher against the wind.
—Sir Winston Churchill

ANNA'S JOURNEY TO A BETTER WORKPLACE

Anna was guarded about trusting her new employer.

You couldn't blame her, really. In just over four years she had been through a merger—which cost her one great job—only to be downsized at another financial services company because of the severe recession that hit the industry particularly hard. She told her husband she felt betrayed. She and her team in finance had worked very hard, putting in extra time—far beyond what had been expected, in spite of working for a boss she didn't respect. She had also built several friendships that were difficult to leave behind.

The experiences had left her jaded about the corporate world, so when she accepted a new position with a smaller, family-owned company, she promised herself that she wouldn't get too involved "I'll do what is expected," she thought, "but not get in so deeply with what I'm doing that it will make it easier if the hammer drops again and I lose my job."

After a few months, her worries began to go away. She enjoyed her new team members, many who had been with the company for years. They seemed genuinely happy and committed to doing quality work.

Her new manager has been supportive and friendly. He even came to her a few weeks into her tenure and said, *"Anna, I know you've had some bad breaks with other jobs. Although I can't promise what the future holds for any of us, I promise to keep you and the rest of our team informed about what's going on. Personally, I see a great future for you here, either as a manager or, if you think it would be best for you, growing into a senior financial analyst. It's up to you how far you want to take this, and I'll certainly do what I can to help you."*

Anna is now reconsidering her more reserved approach to the workplace. On the recommendation of her boss, she attended a "lunch and learn" hosted by human resources that offered various ways employees could better themselves, either in their current roles or for future opportunities.

In an e-mail to her sister she wrote: *"After a few bad apples I think I may have finally found a home."*

▶ WANTED: ENGAGED EMPLOYEES . . . NOW MORE THAN EVER

If you are a called to be a leader or manager of people, or have been thrust into such a role, it is important that you not underestimate the challenge you are facing. Even before the economic cataclysm of 2008, the following factors had already combined to increase the complexity and difficulty of leading and engaging employees:

- The corporate downsizings that began in the 1980s and continued through recent years had all but killed off the idea of long-term loyalty.

- The workplace expectations of most Generation Xers (born 1965–1980) and Millennials (born 1981–1994) are so different from those of Traditionalists (born 1945 and before) and Boomers (born 1946–1964), that many long-standing management philosophies and practices are no longer effective.
- The continuing retirement of 78 million Boomers, combined with a limited pool of 44 million rising Gen Xers, is expected to result in a long-term talent shortage that (assuming reasonable levels of economic growth) will give more power and leverage to the employee.
- Leaner organizational structures have continued to fuel the pressure to "do more with less" at the very time when younger generations (and many older workers) are seeking more work-life balance.
- The quickened pace of technological and economic change has made most jobs more complex, requiring greater skill levels and literacy at the precise time when workforce skill levels are dropping.
- Facing higher health-care costs, many companies have cut back on benefits without providing compensatory improvements in overall quality of working life.

These challenges will continue to significantly affect how we engage our employees and ourselves.

▶ CROSSWIND FACTORS: CHALLENGES TO EMPLOYEE ENGAGEMENT

We can now report groundbreaking research into three trends that, in whole or in part, make creating a great workplace more difficult. Because they are so relevant, we will reference them frequently throughout this book (identifiable by three icons) and make note of how they impact all aspects of creating a great place to work. In a sense, they will modify, or alter, how you approach literally every strategy you may wish to implement to create a more engaged workplace. They are:

1. **Diseconomies of scale.** As your ***company grows in employee size,*** it will become increasingly more difficult to create an engaged workplace.
2. **Generational diversity.** As your company ***becomes more age diverse,*** it will become more difficult to create a highly engaged workplace.
3. **Turbulent times.** When an ***economic crisis grows in severity,*** impacting your employer and perhaps the greater community in general, employee engagement will be negatively affected.

A former associate of ours, who is a pilot, speaks often of the challenges the aviator faces when there are crosswinds. Additional planning is required. There is a need for additional conversations with air traffic controllers. Pilots may have to put contingency plans into effect that they would never consider in friendlier weather.

It's the same with these three workplace realities. We can still succeed. We can still have highly engaged employees. We can still enjoy the benefits of greater productivity and customer loyalty. It's just going to take more time and more effort, that's all.

We'll introduce you to these three crosswind realities and then discuss how we can face and overcome them as we seek to engage, re-engage, and build better workplaces.

Crosswind Factor #1: Diseconomies of Scale

In his best-selling book *The Tipping Point,* Malcolm Gladwell offers a number of remarkable theories about how little things can make a big difference in our lives, in our work, and even in how products can be marketed. One of those theories has direct application to this work

of employee engagement—that the number of employees in the organization can make a big difference in how effectively people relate to and work with one another.[1]

Gladwell cites the research of anthropologist Robin Dunbar, which indicates that we humans may have a limited capacity to effectively work in groups. Dunbar's theory—called channel capacity—suggests that our brains have a channel capacity of roughly 150: "The figure of 150 seems to represent the maximum number of individuals with whom we can have a genuinely social relationship, the kind of relationship that goes with knowing who they are and how they relate to us. Putting it another way, it's the number of people you would not feel embarrassed about joining uninvited for a drink if you happened to bump into them in a bar."[2] Dunbar found many instances where societies that had, without necessarily understanding this dynamic, worked to maintain a group size below this number.

The Tipping Point offers examples of this theory that have likely impacted the design of military units as well as other organizations, including a religious order called the Hutterites, whose communities split as they neared that magic number of 150. In the latter case, a leader in one of the communities indicated that "when things get larger than that, people become strangers to one another."[3] He continues: "If you get too large, you don't have enough things in common, and then you start to become strangers and that close-knit fellowship starts to get lost."[4] Aside from relationship building, Gladwell also suggests that knowledge can be more easily transmitted, shared, and stored in smaller groups.

In the world of business, Gladwell turns to the W. L. Gore Company in Newark, Delaware, as an example of an enterprise that has applied this rule of 150 to its workplace. W. L. Gore is a very successful business that has been recognized as an employer of choice by various sources. As Gladwell explains, the company's founder, Wilbert "Bill" Gore, saw the value of keeping things small. Quoting Gladwell: "'We found again and again that things get clumsy at a hundred and fifty' he [Gore] told an interviewer some years ago, so 150 employees per plant became the company goal. In the electronics division of the company, that meant that no plant was built larger than 50,000 square feet, since there was almost no way to put many more than 150 people in a building that size."[5] It appears the company has kept to this standard, reporting 7,000 associates in 45 locations. If you do the math on that, it works out to just about 155 employees per location.

Our Tipping-Point Research

Limiting unit size is one way a larger enterprise can maintain connectivity and defy the tipping point. Our goal was to see if the tipping-point phenomenon held up under the light of a more rigorous scientific study of employee engagement. Figure 2.1 shows the results of *Best-Places-to-Work* employers ranked by size and their overall engagement scores. As you can see, the overall mean score goes down as the average employer size goes up—our data support Dunbar's theory. These results are statistically significant beyond luck or chance; they truly represent a new reality, particularly for those employers that are large or growing in employee population.

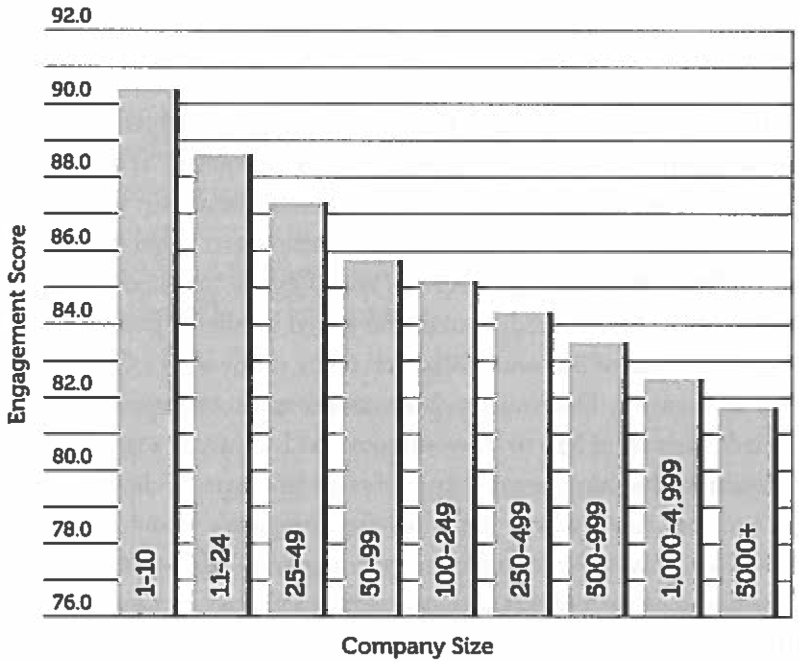

Figure 2.1

But surely, you might say, don't large companies have resources at their disposal to counteract this trend? For example, isn't it common knowledge that employee benefits are better at larger employers? According to our studies, the answer is no—Figure 2.2 shows the total mean score of the two employee benefits survey items on the Quantum Workplace survey. Even in this area, where one might assume larger employers have an advantage, we find this crosswind factor serves to penalize larger employers.

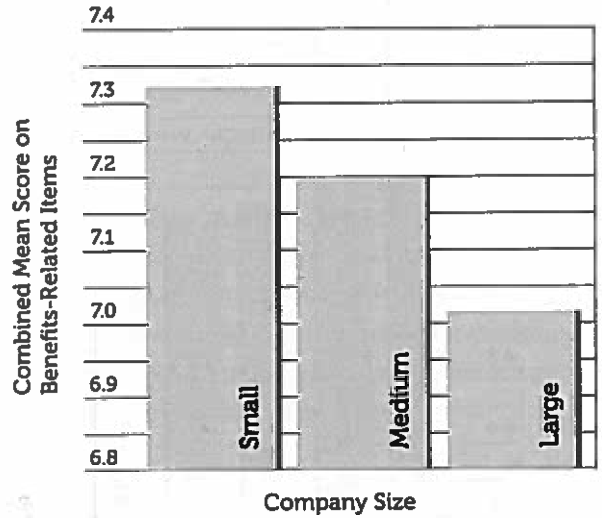

Figure 2.2

This finding goes against what we initially expected. How could smaller employers have an advantage over larger employers when it came to benefits? It turns out that a number of our initial thoughts were off the mark regarding the power of the tipping point.

An additional dynamic that comes with increasing employee populations is the distance between the top leaders of the company and other employees—the layers of hierarchy from the "boardroom to the mailroom," so to speak. Our studies indicate marked differences of employee engagement by position level, as shown in Figure 2.3.

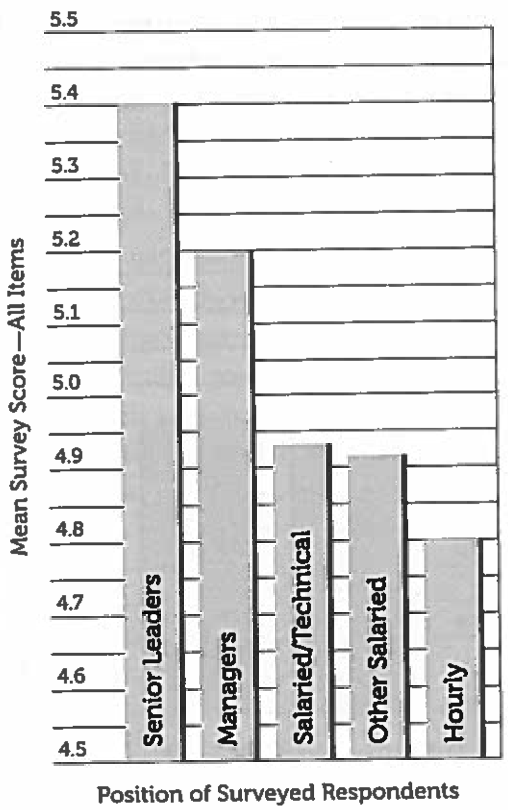

Figure 2.3

As an employer grows, these differences become even more pronounced. There is a greater sense of "haves" and "have-nots" as the distance between senior leaders and other employee levels and groups widens. As an employee of one fast-growing company lamented: "*This used to be a great place to work. Everyone knew each other, and if you had a problem, you knew who to talk to. Now there are so many layers of management that it's a miracle anything gets done around here.*"

Balancing the Diseconomies of Scale

We now consult the comments of employees at *Best-Places-to-Work* employers to gain insights into this business of the tipping point. We wondered if there are winning employers where the pull of the tipping point is being reduced by an equal or larger force, that counterbalances the negative effects of size.

The answer, thankfully, is yes.

We start with a comment or two from smaller employers to get a sense of how the tipping-point phenomenon is experienced in the life of an average employee; and then we move to larger employers, where, in theory, the tipping point should be working to reduce levels of engagement.

This first employee works for a company that has 40 employees and that is experiencing significant growth:

> *I love being part of a small, growing organization and feeling like my contributions count toward its progress in some way. I also value getting to see the inner workings of a business gaining its ground. I know working here is a valuable experience people don't get every day, and the company has taken chances on me that other more-established companies would not.*

This next employee works for a larger employer with roughly 90 associates. Yet the positive comments about her work experience still resonate:

> *This is a great company to work for. It is a great environment where everyone knows each other and everyone gets along. It's big enough where you get a wide variety of people, but small enough for everyone to know each other. The management is leading this company in the right direction. This is a place I would like to work for many years.*

Our next employee works for a winning *Best-Places-to-Work* large employer—with over 10,000 employees in various locations. These are the companies that Gladwell believes are at most risk of losing the same connective power that a smaller employer can offer:

> *Our company strives for the small-company friendly and family-oriented atmosphere despite having thousands of employees all over. I was going to only work here for two years and move to another state, but I have changed my mind. I am going to stay with the company now since I am well aware how hard it is to find a job you enjoy and a company you love.*

In the eyes of this last employee the tipping point has been kept at bay, and as a result he is choosing to engage and stay.

And finally, we identified an employee in a larger company (700 employees) that acquired the smaller company where she worked. Surely, you might think, the transition into a larger company would break the spirit of one who had cherished that family feeling with a smaller company. Not so:

> *I joined this company through an acquisition. I was nervous at first about joining such a large company, but I have never regretted it. Despite the difference in size, the company has just as intimate a feel as my former company. The senior leaders know people's names and what's happening in their daily lives and truly care about us as people as well as employees. This really trickles down into the rest of the company, and that makes it a wonderful place to come to work in the morning. Thank you for giving us an opportunity to participate in this survey.*

A story begins to emerge from these comments about what *Best-Places-to-Work* employers are doing to create winning workplaces—they are about creating a sense of family, building personal connections between the senior leadership and employees, and eliciting the feeling that you're part of something special in which you have a significant measure of influence. In later chapters we will explore these

themes that, in total, generate the conditions where engagement and re-engagement can happen.

The Boardroom-to-Mailroom Engagement Gap

And that engagement gap that we spoke of between senior leaders and hourly employees? The two examples in Figures 2.4 and 2.5 show the marked contrast. As you can see in Figure 2.4, when levels of employee engagement are low—in this case from an employer scoring in the bottom quartile—the difference in scores between senior leaders and other employee groups can be quite stark.

Position Level	No.	Mean Item Score	Agree	Neutral	Disagree
Executive Level	11	5.0	100%		
Manager Level	32	4.5	67%	16%	17%
Professional/Technical Level	101	4.0	36%	46%	18%
Other Salaried	39	2.7	33%	67%	
Hourly	276	3.3	22%	46%	33%

Figure 2.4

By contrast, the results in Figure 2.5 show what happens when an employer has very high employee engagement scores, in this case from a winning *Best-Places-to-Work* employer. Higher overall levels of engagement act as a buffer to the diseconomies of scale.

Position Level	No.	Mean Item Score	Agree	Neutral
Executive Level	9	5.9	100%	
Manager Level	57	5.9	100%	
Professional/Technical Level	193	5.9	98%	2%
Other Salaried	107	5.7	90%	10%
Hourly	310	5.7	95%	5%

Figure 2.5

Crosswind Factor #2: Generational Diversity

It is a fact of life that growing up in different eras causes people to see the world (and other generations) differently. Many would agree with the following stereotypes:

- *Traditionalists (born 1945 and before)* are duty bound and hardworking but may be inflexible and resistant to change.
- *Boomers (born 1946–1964)* are ambitious and participative but may be overly political and self-interested.
- *Gen Xers (born 1965–1980)* are independent and resourceful but may be cynical and disrespectful.
- *Millennials (born 1981–1994)* are self-confident and technically sophisticated but may be dependent and naïve.

Of course we all know many people in each generation, including ourselves, for whom these stereotypes are absolutely untrue. *This point cannot be overemphasized: the unique combination of one's personality, life experiences, education, ethnicity, and upbringing trumps generational membership.*

There can be no doubt that the sweeping changes of the last 30 years, such as new technologies, the increasing divorce rate and growth in the rate of single parenthood, and global competition, have uniquely and powerfully shaped the development and character of different generations. Experts have cited the increasing prevalence of video games, computer access, and texting and their effect on the brain conditioning and personality development of large numbers of Gen Xers and Millennials. Stereotypical perceptions, even if they are not applicable to many, are part of the reality we must deal with daily in managing our workplaces.

Employee Engagement by Generation

We hypothesized that if differing generational views about engagement and loyalty are as real as we think they are, they would show up in the survey data. Our analysis produced a clear conclusion:

> **Overall employee engagement levels differ by age group and trend toward older employees being more engaged. Of all employee age groups, Traditionalists generally report the highest levels of employee engagement, followed by Boomers, then Gen Xers, then Millennials.**

Figure 2.6 represents our findings related to employee engagement by age. Although the youngest of employees (less than 25 years of age) report higher levels of engagement, the trend otherwise shows employees becoming more engaged as they age.

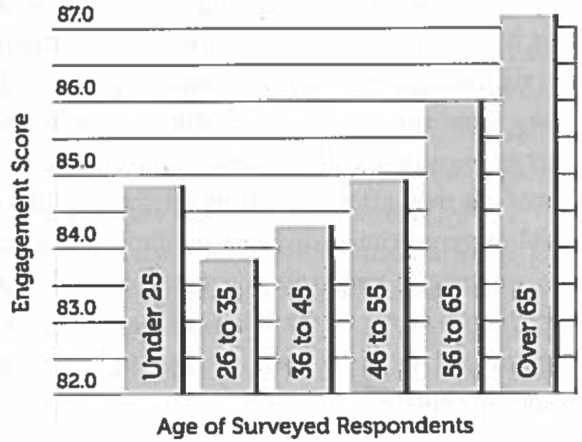

Figure 2.6

The data suggest that younger generations are more likely to say: *"I'm not really crazy about the job I'm currently in, and if I don't find something that fits my career plans, I'm going to get my résumé updated and see what else is out there."* Younger employees, as a rule, don't appear to have the same commitment to their employers as older employees, and are seemingly more willing to pick up and move elsewhere if their current job does not provide a high level of interest and satisfaction.

A recent newspaper article quotes a young woman regarding her lack of work commitment: *"If people don't even go into something like marriage with the thought that they are stuck in it forever, I don't think they are going to enter a corporate institution or some other place of employment thinking that they have to stay there."*[6] Her sentiments mirror the survey results. This general lack of engagement can severely diminish both employee performance and retention.

And as We Become More Diverse . . .

We conducted a novel analysis of the results from *Best-Places-to-Work* surveys to determine whether the more age-diverse employers had lower engagement levels. In other words, we asked: "Does having a broader and more balanced spectrum of ages represented in the workforce reduce an employer's chances of creating a highly engaged workplace?"

The results of our analysis—after controlling for other company characteristics such as age, position type, company size, and tenure—showed us that *greater variation in age within a company actually has a negative impact on engagement.* The statistical results were quite eye-opening. It turns out that, after controlling for the variables described above, the level of generational diversity accounts for more than 25 percent of the variance in employee engagement. Said another way, this single variable, what we call the Generational Diversity Indicator (GDI), is a significant factor in the ability of an organization to create a highly engaged workplace.[7]

Generational Diversity Indicator

How much of an impact does this single factor have on employee engagement? **The greater the age diversity (the higher the GDI), the less likely the employer will have high engagement scores.**

For example, according to our study:

If an employer has a slightly age-diverse workforce (more than 1.5 on our scale), it is three times more likely to have a lower overall engagement score.

If the employer has a moderately age-diverse workforce (more than 2.0), it is five times more likely to have a lower overall engagement score.[8]

If an employer has a highly age-diverse workforce (more than 3.0), it is six times more likely to have a low overall engagement score.

Even the best of *Best-Places-to-Work* employers find generational diversity challenging. The CEO of one winning company, who has primarily hired younger employers at his technology-based services company, has admitted to failures in assimilating older employers into the culture. He states: *"Older employees often have perceptions of work which aren't necessarily wrong, but are very different than our culture. We've had a few who didn't make it because they were rejected by younger employees before they even had a chance to succeed."*

The correlation between greater age diversity and lower engagement applies to employers regardless of average workforce age—in other words, regardless of which generation is predominant in the organization. Thus a relatively homogenous company of mostly Boomers or mostly Generation Xers is more likely to have a higher level of employee engagement than an employer with more generational diversity.

In summary, a company's GDI is a revealing demographic, potentially indicating a significant challenge to its efforts to develop a highly engaged workforce. Most employers aren't going to resist the demographic trend and economic necessity of generational diversity just because it makes employee engagement more challenging. The tide cannot be turned. We all will need to accept this phenomenon while working to lessen any negative effects and turn increased diversity to our advantage where we can.

Narrowing the Generation Gap

We asked the obvious question: "What, if anything, are employers with higher engagement scores doing differently to lessen the negative effects of generational diversity?"

Our research revealed that employers with significantly higher levels of overall employee engagement—recognized as *Best Places to Work*—have significantly smaller gaps in engagement scores among the four generations.

According to our studies, employers who score highest in overall employee engagement have engagement score gaps between generations that are half the size of lowest-scoring employers.[9]

This means that employees in workplaces where overall engagement is high, regardless of age, are more satisfied with the kind of work they are doing, experience higher levels of teamwork, feel more valued and recognized, and are less likely to be searching for a higher paycheck. To be sure, the generation gaps still exist, but creating a great workplace seems to act as a governor on negative feelings about differences of age and perspective.

We present the remarks of three young people just starting their careers in nursing, accounting, and construction, respectively. They all work for employers selected as *Best Places to Work*, based solely on employee survey results. It is clear that their employers have created superior work environments where employees in their twenties can be excited about what they do and feel committed to staying there.

▶ THE YOUNG NURSE

This is my first professional job. I have worked at two other hospitals before I completed nursing school and can say that I feel lucky to start my nursing career here. My nursing orientation was excellent, and now that I am fully oriented, I can confidently say that I am where I need to be. I have intelligent mentors who are approachable and knowledgeable. I have only positive things to say about the hospital and plan on working here for years to come.

▶ THE YOUNG ACCOUNTANT

The firm has provided me with more opportunities to grow my skill set than I would have received at many other organizations. I am allowed to grow and expand my areas of competence based on performance, not age or any other factor.

▶ THE YOUNG PROJECT MANAGER

I have worked for the company just over a year, and I have learned more than in college or graduate school. As a young person in the company, the management really takes you under their wing and they place a lot of trust and responsibility in you. . . . They realize that the best way to learn is through challenges. Every person at the company is open to any question you may have. The company is extremely focused on the development of their young staff. I love my job, and I have grown to be extremely confident in my career. I have no plans to leave because I really feel that it is the best place for me.

There were a hundred more quotes in this same vein that we could have cited, most from respondents whose employers are creating highly engaged workplaces. These three young people are anything but indifferent about their work experiences, and their attitudes stand in sharp contrast to the way many research studies have characterized Millennials:

- Instead of indifference, you hear passion.
- Instead of doubts about staying, you hear commitment.
- Instead of "I'm in this just for me," you hear the embrace of community.

Despite complaints to the contrary among "we with the graying hair," this younger generation *can* be engaged, and the variable that makes the difference is the quality of our leadership. Engaging leadership closes the generation gaps by sowing harmony instead of discord, cooperation instead of conflict, and understanding instead of bias.

We must acknowledge the reality that there is a generation gap in the world of work, one that likely impacts overall morale and productivity. Aspiring "employers of choice" must address and close the gap as part of an overall business strategy.

Margaret Mead, who first pointed out the generation gap in the 1970s, knew that any challenge, including this one, can be solved. She said: "Never doubt that a small group of thoughtful committed citizens can change the world; indeed, it's the only thing that ever has."

Leaders of progressive organizations are creating workplaces where each generation can learn to live and work together effectively. We can choose to be part of that smaller group that is bridging the generation gap, and make our places of work more joyous and productive as a result. Those companies that have created truly remarkable workplaces, and have been honored for their efforts through the *Best-Places-to-Work* program, are showing us the way.

Crosswind Factor #3: Turbulent Times

As a result of a number of misguided business and economic practices, the United States began to suffer a severe economic crisis in the fall of 2008 that sent many companies to their demise, as well as thousands

to the unemployment lines, and provoked a governmentwide struggle to head off a national depression.

The magnitude of this economic challenge can be expressed by a few sobering facts:

- More than 4.7 million U.S. workers lost their jobs between November 2008 and June 2009.[10]
- At the beginning of 2008, the Dow-Jones Industrial Average was over 12,400. By February 2009, it had dropped below 7,200, a net loss of over 42 percent. By October, the national unemployment rate had reached 9.8 percent, the highest in years.[11]
- More than 150,000 layoffs were announced among America's 500 largest companies in January 2009 alone, including cuts by stalwart employers such as Boeing, Starbucks, Target, Caterpillar, Pfizer, Home Depot, General Motors, Disney, Xerox, GE, Motorola, Best Buy, Walgreens, and Google.
- By February 2009, one in four American companies had instituted salary freezes.[12]
- Some industries, such as domestic automobiles, were suffering and nearing collapse. The National Automobile Dealers Association predicted that roughly 900 of the nation's 20,770 new-car dealers would go out of business in 2009, and automobile analysts predicted that the number of failed dealerships would rise into the thousands.[13]
- American stores dropped prices, reducing profit margins and leading to the closure of stores such as Circuit City, Linens 'N Things, and Sharper Image.[14]

We knew on the day of the financial meltdown (September 13, 2008) that it was a watershed moment. In most of our lifetimes, and certainly in the previous five years that *Best-Places-to-Work* contests have been held yearly in dozens of U.S. cities, nothing of this magnitude had happened. We saw the potential that these concussive events could drive down levels of employee engagement across all industries. The research we have conducted into U.S. employers who participate in *Best-Places-to-Work* competitions clearly shows that employers can significantly influence, if not control, how motivated and satisfied their employees are. Still, we couldn't help wondering how such a "tectonic shift" beyond employers' control—the economic crisis—might affect employee feelings and perceptions about their workplaces.

Engagement Scores Up . . . Until Mid-2008

One of the unique aspects of the *Best-Places-to-Work* surveys is that the annual awards events are conducted in 45 different cities at different times of the year, but at the same time of the year in each location. In Omaha, Nebraska, for example, *Best-Places-to-Work* polling begins each February, while in Kansas City, Missouri, survey responses are collected in August. We had access to year-over-year survey results for hundreds of employers, allowing us to compare what employees said about their employers in the fall of 2008, in the midst of an economic "perfect storm," with their responses in previous, calmer years.

Most previous employee engagement research had focused on internally stimulated employee engagement drivers and had not considered externally influenced factors. In a survey conducted by Hewitt Associates early in 2008, the Conference Board sought to find out if the economic conditions at that time were having an impact on employee engagement. Among the questions asked was "Is there a recession?"

"The short answer is that, based on Hewitt research on employee engagement and motivation in more than six thousand organizations, we don't see a psychological recession overall. During the last five years, overall levels of engagement have remained relatively stable, at just over 50 percent globally."[15]

So the general consensus, at least through the first half of 2008, was that employee engagement in the United States was stronger than in most countries and apparently immune to the reports of a coming recession. Economists later reported that the recession technically began in December 2007, but as we now know, the worst was yet to come.

In September and October of 2008 the economic conditions in the country and worldwide began a dramatic decline. That's when we asked ourselves, "Would the shock-and-fear-inducing economic news make it harder for *Best-Places-to-Work* employers to retain their premier-employer status?"

Can Employee Engagement Withstand a Severe Recession?

In November 2008, Quantum Workforce collected data from *Best-Places-to-Work* employers where surveys had been conducted during the fall of both 2007 and 2008. Out of the hundreds of employers that participated in several events across the United States, 210 of them had participated in both years. Among those 210, a sufficient percentage of their employees completed the survey to establish that overall results were reliable within a margin of error of plus or minus 3 percent.

Figure 2.7 shows how the 210 employers' engagement scores fared from the late third quarter and early fourth quarter of 2007 to the same time period of 2008. By an almost 2-to-1 margin (134 to 76), more employers received lower overall employee engagement scores in 2008 than in 2007. This result was a definite departure from the previous five-year trend and strongly suggested that the external circumstance of the foundering economy was negatively influencing employees' attitudes about their jobs and workplaces.

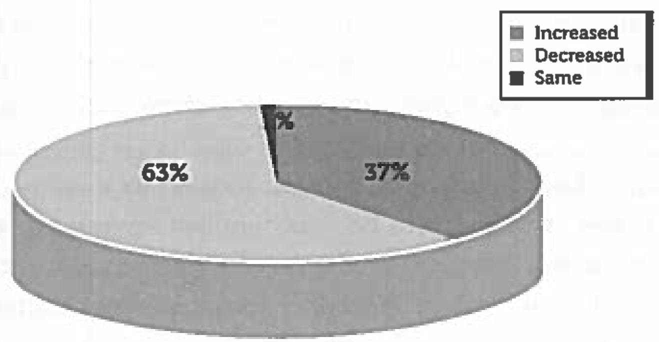

Figure 2.7

Another study documented that survivors of layoffs have difficulty staying productive, again revealing the clear loss of engagement brought on by actual layoffs or by doubts about how the economy might affect one's own employer. Three-fourths of 4,172 workers who have kept their jobs say their own productivity has dropped since their organizations let people go. The findings were based on a Leadership IQ survey of workers who remain employed at 318 companies following corporate layoffs conducted since June 2008.[16]

Thankfully, employee engagement began to stabilize in the first quarter of 2009 (Q1 2009 average engagement score was 86.68 compared with Q1 2008 average score of 86.58). One employee reflected the sentiment of many who were caught in the midst of this crisis:

> *In this economy, you can't find yourself putting all your eggs in one basket. It's not the company's fault entirely, but I do feel that [the company] is doing everything they can to protect not only the interest of their company but also the valuable and skilled workers that are here. In the end, who knows what will transpire? I have qualms with certain practices, but overall I am happy with the effort of the organization; I am impressed with the dedication to uphold their philosophy in these tough times; and I am delighted to walk down the hallways in the morning.*

The object lesson, however, is quite clear: if a crosswind, such as an economic recession, suddenly shifts across an employer's glide path, it can have a predictably negative impact on employee engagement.

Engaging Leadership in Turbulent Times

In the course of writing this book we profiled several outstanding organizations that have consistently shown themselves to be a cut above—the best of the best. We'll offer a more in-depth treatment of their mindsets and associated actions later, but first we'll look at how they've dealt with crisis. How do winning workplaces go about helping employees keep sight of where the business is going? Meet Nalley

Automotive, an Atlanta-based firm in an industry (car dealerships) that has seen its share of ups and downs:

> *We have asked our 80 service advisors what they are noticing with customers, and we will be hearing back from them soon. We have had to lay people off since the economy started its downturn in December 2007. But we know we are going to make it through tough times because we do things right. We are also very open about the business and what's happening during times like these,* ***and we paint a very vivid picture of what the good times will look like after we get through this.*** *We ask our associates, "How would you like to be a competitor of ours at that point in time?"*[17]
>
> —Ryland Owen, Trainer/Recruiter, Nalley Automotive, October 2008

And what about recognizing and celebrating employee successes? Surely such practices must suffer when times get difficult, right? The budget might be trimmed a bit, but one of our featured winning companies, Joie de Vivre Hospitality of San Francisco, sees recognition as a critical component of its success, particularly in difficult times:

> *We decided this year not to pony up to reserve the nightclub where we had held our big holiday party for 1,000 associates as we had done in past years. We chose to have it at one of our own hotels instead. It will be a more conservative party, but it is still a big deal because* ***it's where we recognize our associates for all their contributions during the year and hand out a few awards that are very important to us as a culture.***[18]
>
> —Jane Howard, Chief People Officer, Joie de Vivre Hospitality, November 2008

And from Kemp Gallineau, General Manager of Gaylord Resort Hotel and Spa in Orlando comes another creative way to help employees through tough times, using one of the natural and readily available assets of the hotel—food:

In 2008 we saw that the economy was starting to change, and we realized we had to find ways to give back to employees in less costly ways. ***So we started asking ourselves how we could focus on helping employees save time, which is increasingly precious to them.*** *So we came up with the idea for what we call "Star-mart" in the hotel, where we give staff . . . whom we call Stars . . . the opportunity to buy food staples on their way home rather than have to take the time to stop at a grocery. So every day we have a site where people can buy the quality grocery items that we buy in bulk—meats, milk, cheese, pizzas, roasted chicken, turkey for Thanksgiving Day, and so on, all at reduced rates. This has helped them save gas money as well. They can also order meals to go from our restaurants at cost.*[19]

Postscript

We contacted Kemp Gallineau a few months after our original interview to ask him how the deep and continuing recession had affected the hotel and the engagement of employees. His response: *"It was a tough call, but because of the severity of the recession, we had to reduce our workforce by 10 percent. We provided career transition services for them, and we held several meetings with remaining employees to address their insecurities. We were simply honest; we let them know that we did what we had to do because of business realities. Since then, because of staff reductions, we have had to do some work sharing. For example, because we have fewer front-desk people, we found out that some of our employees in other departments, like catering, setup, and room service had front-desk experience with other previous employers, and they now cover the front desk during their less busy times of the day. The interesting thing is that our guest satisfaction scores and percentage of profit are both up. We believe that's because our Stars have responded to the challenge with an all-hands-on-deck mentality. They have stepped up like good athletic teams do when a star player is injured. We think they are more engaged than they were before. They also know we're doing everything we can to bring in new business. One way we do that is to have a map showing where our salespeople are traveling on any given day to call on corporate customers. The locations light up electronically, and there's a small photo of that salesperson, so our people can see that they, too, are on a mission."*

We'll offer more practical tips for managing in difficult times as we present each of six key engagement drivers in later chapters. For now we want to be clear about one thing: a highly engaged workforce is important when business is going well, but your efforts will be doubly rewarded in a crisis.

▶ WHAT'S NEXT? HOW THE BEST EMPLOYERS ADDRESS THESE REALITIES

So now we have an understanding of the depth of these crosswind realities—how employee size, generational diversity, and economic turbulence can throw us off-course. We also know that some employers are trimming their sails, plowing head-on into these crosswinds, and continuing to succeed in our ever-changing business and social landscape.

But how do they go about doing this? What approaches have they found most successful in dealing with these challenging realities? What principles, practices, and practical actions do they take to attain and sustain their elite-employer status? What do they avoid, knowing certain actions can be very harmful to maintaining an engaged workforce? And what can we do to more effectively engage ourselves where we work?

We now turn our attention, and devote the rest of this book, to answering these very questions.

▶ CHAPTER T

What Separates the Best from the Rest?

Six Universal Engagement Drivers

The effect of sailing is produced by a judicious arrangement o
the direction of the wind.

—William Falconer

▶ ARMAND'S DISCOVERY: "BEST PLACES" *REALLY*

Armand was proud that he and his family had gained citi
the United States after coming from Mexico 12 years ago.
insisted he get his high school diploma, and after graduatic
secured an entry-level position at a local manufacturing c
good friend of the family who had worked there for severa
couraged Armand to apply and sang the company's praises: