

The impact of behavior management

Executive summary

The difficulty of having access to a workforce is a problem which is increasingly present in our economy. Either you are located in an urban area or in a rural setting, you will find it there. Now we can notice restaurants which are closed on Mondays and Tuesdays, due to this hard reality.

As a feasible solution, we turn ourselves to immigration. Hooray! A great avenue, however, be careful. Do we have a problem of labour scarcity or rather a lack of engagement from the latter?

Many indicators show us that this last dilemma is very present in our economy and causes serious harm to our competitiveness. Our future immigrant colleagues will be, just like the vast majority of local workers, motivated from the get-go but will lose their steam as the years go by if we do not change our ways in obtaining this infamous engagement.

There is a labour shortage!

Not one week goes by without that comment being made. Today, the quick solution in the short term is to turn ourselves towards immigration. That's fine and essential but are we making the mistake of applying a solution to a symptom or are we looking at a permanent and lasting solution?

In our opinion, we are not addressing the root of the problem. And that is what we wish to discuss in this document.

We are far from pretending that the arrival of immigrants does not contribute in appeasing the labour shortage crisis. But what worries us, if the real challenge is not addressed, we will always have this issue.

Because immigrant or not, it always deals with a human being with emotions, with basic needs at work. If these needs or emotions are not addressed, the problem remains whole.

The basis of this document is based on many findings and our combined team experience. Let's start with a Gallup study published in June 2013. It stipulates that 70% of American workers do not produce to their full potential.

Thus, it results in a downturn in the country's economic growth. A different way to read this study's results is that only 30% of American employees are engaged in their work. Some could say that this study primarily focuses on the American workforce, however we can conclude that the situation is similar in Canada by the token that our two economies being closely related.

Of these 70% of employees who do not work to their full potential, 52% are not engaged and 18% are actively disengaged. Which means that if we look at a company which is comprised of 50 employees, 35 amongst them are not engaged. A very significant ratio. Allow us to clarify the definition of an engaged employee versus disengaged still according to the same article

Engaged: Work with passion and have a deep connection with the company. They contribute in furthering the cause of the company.

Not engaged: Essentially sleepwalking at work. Do what they need to do, put in time and not the energy nor the passion in their work.

Actively disengaged: Are not happy at work. Are only there for the pay, will have a negative impact on your engaged employees.

Therefore, the question is asked: Are the immigrant employees more engaged than the local workers? In our opinion, no. How so? Engagement is dependent on the management/leadership style in place within the organization. On how many occasions have you witnessed or even went through this situation, very motivated at the start of his new job, notice this motivation extinguish as time goes on due in large part to the way in which we manage our employees. The motivation comes before the engagement. The latter is developed over time in a workplace. It will culminate from small actions.

In our view, here is the big challenge which managers face today. How to motivate the employees in order to eventually obtain their engagement? But here is an affirmation which could throw a bucket of cold water on certain managers.

According to an article by Nison Napolitano, Beyond the clock: the benefits of highly motivated employees, which also refers to the Gallup study, the manager accounts for up to 70% of the factors which will influence employee engagement.

And so, my manager friends, if that pleases you or not, you have a crucial role to play in obtaining engagement from your employees.

The reality is as follows: engagement cannot be won, it is earned. It doesn't appear by chance, it is worked on to deserve the benefits which, it goes without saying, are huge.

It's like the law of the farm. We sow in the spring, but the quality of the fall harvest will depend on the attention given to the maintenance of the land done before the seed is sown and before the harvest, meaning a good part of the year.

Can we hire an engaged employee? We believe it is possible with the help of a vigorous selection process. The candidate's individual values would need to be perfectly parallel to yours. We believe in the reading of the different studies and, based on our experience, it would be easier to find someone who is motivated in order for the engagement to follow suit.

Therefore, we could legitimately ask ourselves the following question: I am addressing this to those who are skeptic as to the benefits of an engaged employee. We don't really enjoy making this analogy, but what is the ROI (return on investment) ? Yes, you should invest, but not necessarily money, but definitively some time.

Then, let's put some reasonable hypothesis in place and the impact that could have on a company with 50 employees.

1. There is a consensus that a motivated and engaged employee will be more efficient for an organization. We do not think that anyone can deny this affirmation.

The big question is, more efficient to what extent?

Can we make a direct correlation between engaged and productivity? According to the Customer Think website and an article which bears the title The Productivity and Payback of employee engagement by Chuck Schaeffe, here is some interesting data:

The engaged employees obtain the following results

- 20% more sales
- 21% more profitability
- 17% more productive
- 40% fewer mistakes
- 41% less absenteeism
- 24% less turnover
- 70% less accidents in health/safety

Impressive, isn't it? And I skipped a few

Bain & Company, another firm who regularly measures employee engagement, found in a recent survey that:

- * Engaged employees contributed 20% more to the revenue
- * Satisfied employees are 40% more productive than unsatisfied ones
- * Engaged employees are 44% more productive than satisfied ones
- * These inspired employees are 125% more productive than the satisfied employees

Wow! Imagine the impact on your organization.

Then let's go back to our typical company with 50 employees. If we rely on the Gallup study, 35 employees are not engaged, which equates to 70%.

Let's use the following hypothesis: After much reflexion, you decide to make your employee engagement your battle horse. Your goal is to convert 50% of your disengaged employees, meaning 17 out of 35, which brings the total of engaged employees to 32. Albeit the 15 from the start according to the study and the 17 new ones.

Let's consider a 20% increase in their efficiency. That would translate to your 17 newly engaged employees would now be the equivalent of 20 employees ($17 * 1.2$). Therefore, it's like hiring 53 employees in total, but the reality is that you have 50 salaried employees on your payroll. What would that represent to you?

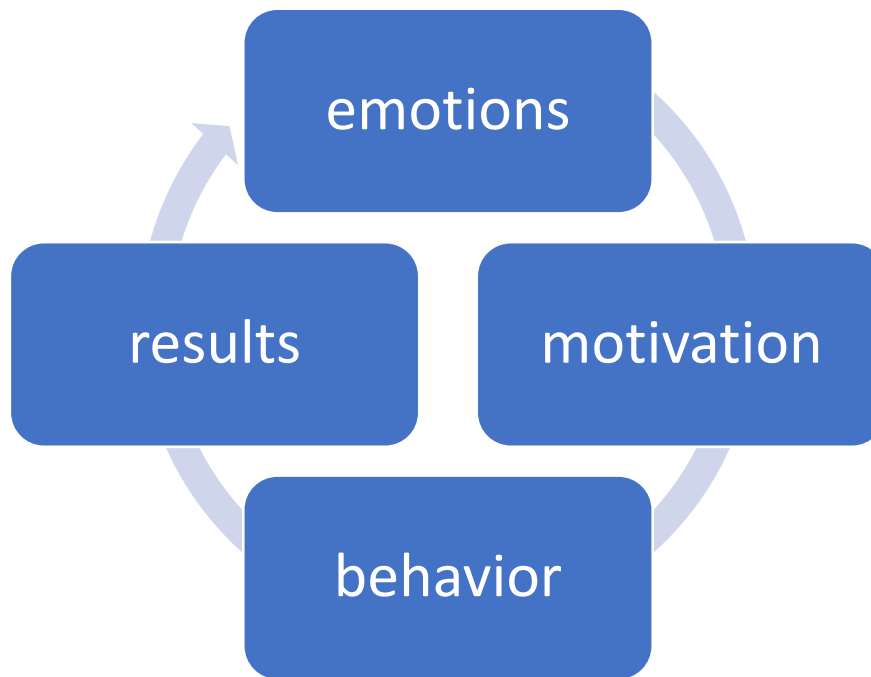
If we were more aggressive in using an 80% conversion rate, this would come out to 28 engaged employees with 20% more efficiency, thus the equivalent of 33 engaged employees. We now have 43 engaged employees working the equivalent of 48 ones.



Do you consider that a good return? You pay 50 employees and they work the equivalent of 58 paid ones. I will let you imagine what that represents for you.

Now this is all fine, but what solution is offered to managers? We will propose an avenue to you, it's certainly not the only one, but it's a start. I will start with a statement that one of my mentors, Darren Hardy, told me: We need to manage emotions at work.

Why? Because the motivation to accomplish a task or to have a behavior, comes from the start of our emotions. This perpetual circle illustrates it

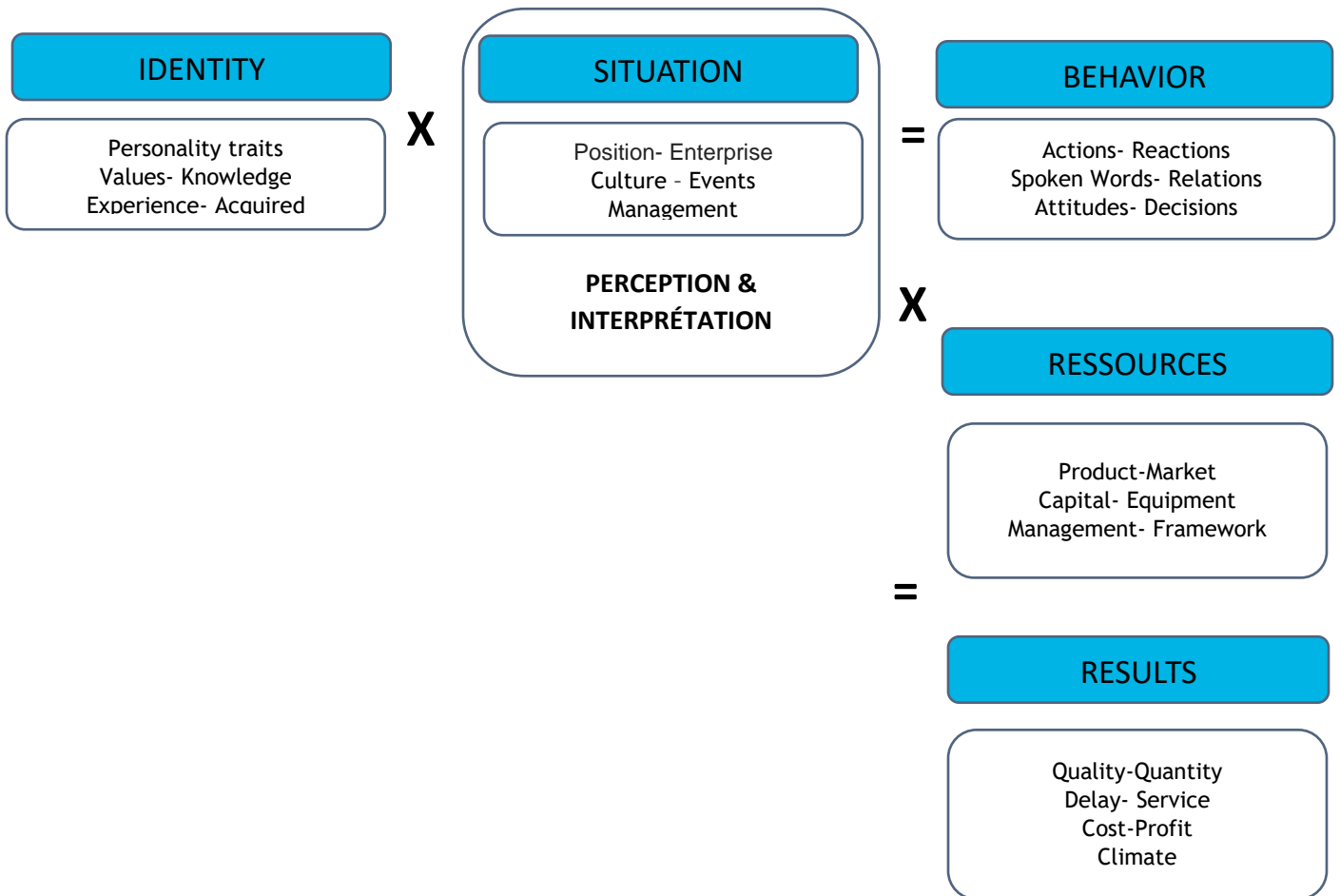


For example, if I want to improve my score in golf, it is highly likely that, emotionally, I am a bit irritated by my performance and wish to improve it. Therefore, what motivates me is to take up golf lessons and to practice the techniques religiously in order to obtain the results and the desire to play better. In a nutshell, to get rid of my frustration.



Now, I am proposing this equation to you in order to make you fully understand the simplicity of the solution, but I admit that its complexity in the implantation remains whole, because let's not forget that a human is at its core.

Here is what we call the performance equation:



What we like about this equation is its adaptability to your reality. Therefore, let's come back to the heart of this article, namely the engagement of your employees.

Let's say that you want your employees to be more engaged. We invite you to relate this engagement to a tangible result which we could qualify as SMARTS

S: specific

M: measurable

A: attainable

R: realistic

T: time prescribed

S: sustainable

Let's say that the tangible result is the reduction in incidents/accidents in your workplace.

Let's say that you had 10 incidents in 2018 and you wish to reduce them to 2 in 2019.

1st step: Identify, choose the available resources which will help you reach this goal. For example, a structured health and safety program, certifications and trainings.

2nd step: Identify the behaviors which are necessary to reach the goal. The behaviors which will have an impact in creating a safe working environment. Here we must identify as many employee behaviors as there are leaders in your organization.

We would not want to fall in the trap of quantity, but rather quality, or if you prefer, the relevance of those behaviors. We invite you to limit yourself to three at first until those three behaviors are mastered, or if you will, they have become a habit.

Do not forget that a behavior must be ideally observable and measurable.



3rd step: Inform and train your employees on the behaviors which are sought after. Provide concrete examples.

4th step: The last one is the most difficult, but the key to success. What do you need to change, modify in the current leadership style in your organization? Do not forget the basic life principle. If we wish for others to change, it's up to you to change first. The opposite does not work.

Therefore, once those four steps are completed, your work only starts from here. In fact, the new behaviors or those you are looking to modify will not appear by magic.

All that will require the following actions on your behalf, as a leader:

1. Clarity of what it is you want
2. Communication (continuous)
3. Repeat oneself, repeat oneself, repeat oneself
4. A good dose of firmness
5. A good dose of empathy
6. Some encouragement

After all, the most important human need at work is recognition or encouragement.

We are convinced that rigorously following these 4 steps as well as exercising patience is the start of a long path leading to the engagement of your employees which will translate into an achievable win/win/win situation. The employees, the managers and the clients.

Let's continue our efforts in attracting immigrants to satisfy our needs of economic growth. But let's not forget that these latter are human beings with their emotions and their motivations. If you wish to tackle the labour shortage problem head on, you need to seriously manage the emotions, or if you prefer, humanize the workplace, because the combination of immigrant



workers, of engaged employees, can only result in creating positive results for you, for your employees and for your clients.

All of this will contribute in making our economy into a beneficial driving force which will be difficult to rival in our world.

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