

Autumn Bulletin 2008

Harsh times ahead, decisive action required!



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In our summer bulletin we commented on the dramatic economic events of the last year - little did we know of the extraordinary further changes that would take place in the next few months:

- Stock prices in decline by a further 20%+ in 2 months;
- Hundreds of billions in governments' bailout of the Financial Sector;
- Oil and other prices falling rapidly - following the most dramatic rises ever experienced;
- Unemployment rising and interest rates falling;
- Confusion and fear!

If what we said then about taking pre-emptive action was anywhere near true, the imperatives for more decisive action now could never be clearer. Elsewhere in this bulletin you can read how we are responding to our clients' challenges through *new rules of engagement, connecting with a multi-generational workforce* and more direct action on driving value from pay costs- *a key issue for employers in the upcoming pay round*. And, never has it been truer that what worked yesterday may not

New rules of engagement

As we face harsh times, what are the learning points from past recessions? For me personally, the most important learning was the need to take action early. The data (falling or cancelled orders, rising costs, increasing debtor periods) is often staring you in the face. Yet you want to believe it will get better next month or next year. Generally it won't and you will have missed that chance to trim down to the fighting weight that you will need to survive. And if you have to make cuts, then go a little further than your comfort zone.

Are there therefore new rules of employee engagement? Rosabeth Moss Kanter talks about the need for confidence in successful organisations - seeing it as the bridge connecting expectations and performance, investment and results. Yet it has been a collapse of confidence that has got us to the point we are at today. What can we do to restore it?

work today or tomorrow. Or as the Red Queen said in Alice in Wonderland, "It takes all the running you can do, to keep in the same place". With uncertain times ahead and the prospect of a very tough environment, it is clear that businesses in all sectors will need to focus very hard to maintain their competitive position.

Within this context and with many of our clients increasingly asking us to help them fundamentally change the way they do business, we are unashamedly promoting our **Performance Improvement** capability. Our aim is to help our clients achieve their strategic goals through more effective design of their core operating arrangements - their structures, processes, systems and people capabilities.

We will do this through the application of our **Performance Improvement** methodology, a highly responsive approach which assesses current business performance against strategic intent and provides a roadmap of how internal operations and capability can be reshaped to better deliver desired results.

For information on the work we have done with clients and for more detail on how we can help your business achieve greater performance improvement, contact **Alan Hurst** or go to **www.qcg.co.uk**.

When things are down, it seems as if they will always be down. What do we have to do to shift the dynamics? Moss Kanter refers to confidence at four levels:

- Self confidence;
- Confidence in one another;
- Confidence in the system (your organisational processes and delivery mechanisms);
- External confidence.



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How does this confidence get built? First and foremost it comes from the top - from the leadership. Leaders need to take control, they need to trust, and they need to be visible. This is often much easier for new leaders than for those who have been around for a while and coming to terms with the changes themselves. Nevertheless the

need to project confidence is a vital component of leadership behaviour in the current environment.

People can be classified along a continuum from 'very internal' to 'very external'.

Goffee & Jones suggest that good leaders invoke three emotional responses in those who work with and around them. These are feelings of significance - you are important and you matter; a sense of community - where there is unity, a high degree of cohesion, a common purpose, feeling at one with the group; and finally energy - where the leaders create a buzz that engages those around them.

External Locus of Control
Individual believes that his/her behaviour is guided by fate, luck, or other external circumstances

Internal Locus of Control
Individual believes that his/her behaviour is guided by his/her personal decisions and efforts.



We are not proposing a detailed OD intervention which requires skilled practitioners working with your organisation for many months. Rather we are

suggesting that your leadership team might consider its members' natural orientation along this continuum. From this position, we can rapidly move to a mind set of trying to focus in the first instance upon those things we are able to control and influence, and then in the second instance upon those things that we can't control but nevertheless can influence. The natural extension of this is that we should therefore accept those issues that we can neither influence nor control - and accept them for what they are.

But with all the bad news and doom and gloom, how do we get to first base? It occurs to me that we might reflect on Julian B Rotter's established hypothesis about our 'locus of control'. This refers to an individual's underlying belief system about whether the outcomes of our actions are contingent on our actions and what we do, or whether these outcomes are outside of our personal control.

Call Richard Jones 07879 635796 if you want to know more.

The Generation Game - engaging with your multi-generational workforce



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We read regularly these days about the importance of employee engagement. If you do it well you will get into the Sunday Times Best Companies list, you will increase productivity and become an employer of choice.

However, we are observing and experiencing directly through our work that engagement is becoming more complex in this age of multi-generational workforces. What one group might value as an engagement programme might not appeal or resonate with another. Mostly, we (us Boomers and X-ers) are finding ourselves exploring and addressing how to engage with and appeal to our Generation Y colleagues. But we must not forget in our desire to empathise with the Y-ers that we must avoid alienating our existing employee engine room and knowledge base.

Like most professions, ours is becoming ever more complex as organisations seek to compete and

succeed in the socio-eco-political minefield that seems to be the norm for the 21st century. Our businesses are fighting to continue delivering and exceeding product and service targets, our function continues to wage the war for talent and our people profiles are becoming ever more diverse. Engagement processes were never more necessary - and yet what is going to work best in this environment?

Like so many of the processes we work with - there is a simple and irrefutable truth - the solution will not be of the one size fits all type. We must develop a deep empathy with our multi-generational colleagues and learn to appeal to each group differently but equally.

There is much research to help us do this:

- Millennials/Y-ers: want to be connected (literally) to the pulse of the organisation, they want to make an impact in their environment and they want flexibility now ...



people who deliver results

- Generation X-ers: expect organisational honesty and integrity, they want to pursue their own goals and they want to develop and grow ...
- Baby Boomers: are fiercely independent, they demand variety and they expect to be listened to...
- Traditionalists/Matures: respect organisational reputation and longevity, they want to contribute and they want their experience to be valued ...

Your engagement programme will need to respond to specific needs, provide workplace choices and engender initiative and competence. And that's a big ask.

For more information about our engagement methodologies contact Alison Pennington on 0207 462 4842 or alison@qcg.co.uk.

Calling all engineers!

Recruitment and retention in civil infrastructure and rail



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Arguably in business the most valuable commodity is information. And in a buoyant industry such as civil infrastructure and rail, this is especially true if the information is market salary data on key delivery skills.

infrastructure development, the effective deployment of specialist skills such as project management and engineering is probably **the** key HR issue facing the sector. Anecdotal evidence has seemingly abounded of organisations bidding against each other for candidates 'job-hopping' on the merry-go-round. Certainly, employers in the industry have for some time been facing a number of complex and long-term issues - all of which raise challenges for HR. These include:

With the sustained investment of public monies in

HR issues in engineering and infrastructure development

1. High demand in a complex and diverse industry - pre-'Credit Crunch' this included a range of different sectors pulling on the same labour market, and the high demand continues in areas of publicly-funded projects.

2. The long-term skills pipeline - for example, shortages of engineering graduates and a declining trend in the numbers of Chartered, and Fellow, Civil Engineers.

3. Diverse workforce expectations - not a 'one size fits all' in terms of what professionals are looking for in their choice of employer or role.

4. A shortage of robust data to inform HR responses - a dearth of reliable data on pay and non-pay approaches for supporting recruitment, retention and motivation.

Which is where QCG's Project Management, Engineering & Technical Club - or '**PET Club**' - comes in. The *PET Club* brings together a number of the major players in civil infrastructure to share information and intelligence. In terms of managing reward within such an environment, robust and credible market data is key, and the *PET Club* is there to provide that data and, with it, an edge.

'golden hellos', 'project bonuses' and 'salary premia' are real factors in the sector - and what is largely just noise buzzing around a buoyant market. It also looks at precisely which recruitment and retention approaches really are being used by the majority of companies, and assesses differences in salary rates by geography and sub-sector (e.g. rail).



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As a first step the *PET Club* has sponsored a pay and benefits survey, the results of which are currently being finalised. As well as giving hard salary data for over twenty key roles in structured job families, the survey analyses the extent to which the oft-quoted

And what of the Credit Crunch? Amongst organisations participating in the survey, demand still appears strong for suitably qualified and experienced engineering and project management professionals. Looking ahead, views range from 'our projects are relatively fireproof - but ask us again in

six months!' to an anticipation that the long-term R&R situation may be eased as the lure of the City diminishes to engineering graduates.

The advantages of participating in the club are clear: as a regular forum to exchange views and information, members can also have their own roles

tested in the marketplace at a fraction of the cost of independently commissioning a bespoke pay survey. Through the *PET Club* and other assignments, QCG is gathering empirical data to help HR Managers in the sector invest in the right areas and in the right ways - optimising value for money from HR and reward interventions.

If you are interested in joining the PET Club please contact the PET Team: Mike Curtis (mike@qcg.co.uk), Robert Bagnall (robert@qcg.co.uk) or Charlotte Wheeler (charlotte@qcg.co.uk).

A new offering from QCG's Reward Practice

Getting best value from the paybill - a greater ROI and enhanced business impact

This is an event providing highly-focused skills transfer for Senior HR and Reward Managers on the critical elements of successful reward system design - to deliver significant cost and value improvements to your paybill spend while focusing on leveraging improved business performance.

*Based on specific client feedback, we are offering the event in a **flexible menu format** to meet your particular needs as an organisation. The options cover both content and delivery as outlined below.*

- *The different types of pay system - issues arising and relevant applications.*
- *Recent business-led innovations and highly differentiated systems with a major contribution to the bottom line.*
- *Key process tools for systems development and implementation.*
- *Financial modelling and costing tools:*
 - *Complex paybill scenario modelling including turnover and workforce change over a period of years.*
- *Successfully communicating, negotiating and implementing the new arrangements.*
- *Delivery of the event on site at your organisation or other suitable venue.*
- *Delivery either solely to your organisation or to a group of industry peer organisations facing similar HR and reward challenges:*
 - *Where we have used this, the latter approach has provided particular value in terms of sharing 'lessons learned' and networking on the day.*

Our aim is to share with you what we have learned in many years of consulting and line experience, rather than merely give a 'textbook view' of the subjects.

The event also includes practical, interactive exercises giving you the opportunity to apply key concepts and tools in a mock-up, real-life situation.

If you would like to explore how this offering can support you in adapting your reward systems to deliver more in these challenging times, please contact Mike Curtis on 020 7462 4837 or mike@qcg.co.uk.

Contact us



For more information about any of the articles in this newsletter, to express an opinion on them or to find out more about our services please contact one of our CRM team or the consultants identified in the features:

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