

# 1

## What Employees Really Want

**H**ERE'S A SCENARIO that almost any manager, at any level, can relate to. You have a project due and it's requiring a big push from everyone involved. Millions in revenue are at stake. Your career, and your team's success, depend on the project being completed on time and in perfect condition. No problem, you think. You've done this before, but now one of your key team members—a direct report—is threatening to quit. The team member feels undervalued, underappreciated, and underpaid for what's being asked. If you lose this employee at this time, your project is doomed. What next?

Finding a replacement who can do the job on such short notice is out of the question. You need to fix this. You *have* to fix this. The project's success depends on it, and your own career depends on it.

But *how* do you fix it?

This turnover drama is no small matter, and it's one that is played out every day, in every industry, in every country around the world. In nearly

every organization—be it small businesses, non-profit organizations, or multinational companies—human capital costs can exceed 40 percent of corporate expenses.<sup>1</sup> Employees represent a massive investment, one that leaders know needs to be protected. It's not simply about avoiding the cost, distraction, and hassle of finding new employees—although those are valid issues. Making sure employees are fulfilled at work isn't just about simple human decency either, although that's also a great argument.

The fact is that managers and organizations that give their employees what they want *outperform* those that don't. As we'll see in Chapter 2, the evidence for providing employees with what they want is incredibly compelling. Figuring out exactly what it is that employees want can be more challenging, but that is exactly what we've spent the last twenty-five years getting to the bottom of. In the process we have amassed a research database unlike any other, and it all started with this simple question:

“What is the most important thing you want from the organization for which you work?”

Beyond that original and fundamental question we've since added over one hundred additional items that probe topics like leadership effectiveness, employee engagement, diversity practices, turnover and retention, the impact of layoffs, union vulnerability, and job satisfaction. We have answers from all corners of the world, from all job types, from men and women, and from employees who span the working generations. Since we started our research, we've heard from over two hundred thousand employees. In our most recent survey alone, we heard from more than thirty-five thousand employees who work in some of the world's most powerful economies, including Canada, China, Brazil, France, Germany, India, Italy, Japan, Russia, Spain, the United Kingdom, and the United States. The survey's geographic reach actually expands even further, but these countries alone account for an incredible 71 percent of the world's gross domestic product (GDP).<sup>2</sup>

It's not just geographic diversity that we're after. We surveyed employees who work in every major industry, from food to finance, from heavy manufacturing to health care, from retail to pharmaceuticals, and from energy to electronics. We heard from senior U.S. executives in the restaurant business and from construction laborers in Italy. We surveyed retail managers in India and banking managers from the United Kingdom. Our database lets us compare how retail sales associates in, say, Japan match up against those in Canada—or against the rest of the world. How do government workers in Australia feel compared to their counterparts in China? We have that, too.

Not only has this mountain of data been subjected to ongoing and rigorous scientific analysis, but after two and a half decades of compounded knowledge it has allowed us to reveal the basic truths about employee needs and desires.

#### **R-E-S-P-E-C-T: “Find out what it means to me”**



All I'm askin'  
Is for a little respect . . .”

Business books don't generally begin by singing along with the Queen of Soul, Aretha Franklin, but frankly we couldn't have come up with a better entrée—or a more perfectly suited acronym. Your employees are definitely singing this tune, and we don't mean at karaoke night. If you've hired the right people, then you know they have what *you* need. But what do *they* need? The answer can be broken down into seven fundamental desires that include:

*Recognition:* A pat on the back from managers and the organization at-large

*Exciting work:* A job that's interesting, challenging, and fun

*Security of employment:* Job security, you may not want to talk about this, but employees do

*Pay:* Fair compensation for a day's work

*Education and career growth:* Opportunities to develop skills and a career

*Conditions at work:* A workplace that is comfortable physically and socially, and well-equipped

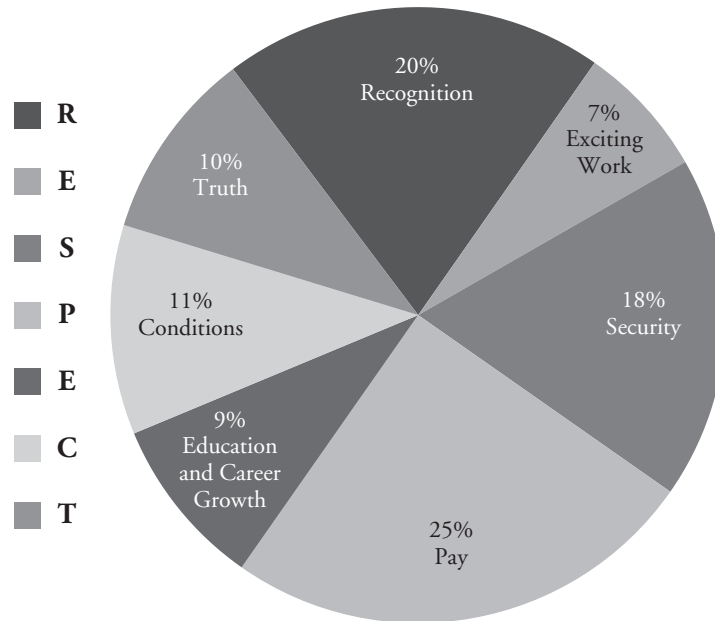
*Truth:* Frank, honest, and transparent leaders

RESPECT means a job that offers employees something they enjoy doing and a chance to shine. Employees are looking for stability and security now (financially and otherwise), and a clear path for their occupational futures. They want the truth—to know what is going on so they can make the best decisions for themselves and their families. Build this organization—one that offers employees the whole package—and employees will work harder, stay longer, and help the organization outperform its competitors.

It's important to realize at the outset that it's not all about the money. Before we started this project, we assumed that the vast majority of employees would primarily want one thing: more pay. The small remainder, we suspected, would be sprinkled across the other categories, but the results, shown in Figure 1.1, indicate that this is definitely not so. It's true that pay comes out on top, with 25 percent of employees saying it is the most important thing to them. Yet, recognition comes in a close second—with 20 percent citing that as their foremost want—and security is right behind, with 18 percent saying it's their most important work need.

This is, frankly, nothing short of incredible news. Think about it. That means 75 percent of what employees want is not directly tied to a fatter paycheck. It means that executives, managers, and organizations have powerful solutions other than salary and benefits to motivate, engage, and retain employees.

Figure 1.1. Global Results: What Employees Really Want



In Chapters 3 through 9 we're going to explore each area of RESPECT individually. We'll show you ways to diagnose your organization's current state of RESPECT, offer you some guiding principles for improving RESPECT, and, finally, give you some concrete actions with proven examples that you can use to increase RESPECT. For now, let's take a quick look at the seven RESPECT principles. For managers who are highly in tune with their workforce, many of these will immediately resonate. What's different today is that we now have the research and the tools to accurately measure, explain, and understand these employee needs and to create a better, more productive workplace.

## Recognition

It is so simple really: just tell employees they've done a good job. When we pore through the responses in this category, employees typically say they want things like: "to be appreciated for the work I do,"

## FINDING SELF-RESPECT: THE CASE OF THE BATTERED TRAINEE

On a recent road trip I stopped in at a fast food restaurant. It was about 2:00 p.m. and there was only one other patron there, and he was reading the newspaper while his French fries got cold and clammy. As I approached the counter, a ponytailed skinny girl of sixteen or so glanced up and offered me a tired, "pity-me" sort of smile.

Her badge announced that her name was Amy, and tacked on underneath, "trainee." Poor Amy; in an effort to elicit compassion from the customer, the organization had branded Amy as slow and dimwitted. I wondered how long she'd have to wait to qualify for her credentials.

Typically, when I see that badge, depending on how hurried I am, I either (a) pretend I forgot something and step back fifteen feet so I can covertly change cashiers or (b) revert back to my coaching days and offer unsolicited feedback: "You're doing a great job!" However, on this particular day, my choice was forced—there were no other cashiers, and I was the only person ordering. *C'est la vie*.

I purposefully approached the counter and ordered a Number 3. She pressed a button. It beeped. Apparently, this was not the response she had hoped for. She tried again—beep. And again. She muttered an apology and I said, "It's ok." She glared at the cash register for quite some time, although I was sure that the stink-eye and a hard stare wouldn't convince it to do her bidding. As Amy held her finger poised above the button, I held my breath for the sake of her dignity, but no—beep. Defeated, she called Glenda over.

Now, there was no "trainee" apology on Glenda's nametag. With an air of superiority, Glenda emerged from the bowels of the grill area. Glasses blurred with grease, Glenda reminded me of a soldier who has seen a lot of action at the front lines. She was the top dog on this shift.

Glenda clomped over, her gait possibly powered by kinetic energy generated by her fantastic eye rolls. As Glenda instructed Amy on how

to right the wrong, it was clear that my trainee had made an error so egregious that the world might just spin right off its axis. Glenda also drove the point home that Amy may be the most stupid employee who ever graced the front counter with her presence. Amy looked so small that she might have crawled into the cash drawer had space allowed. I considered kidnapping her and taking her with me.

At the very least, Amy was most certainly not getting what she needed from her organization. Relationships don't tend to work if one person perceives they are more important than the other. It's a reciprocal engagement, and one that needs to be in balance. Employees give their employer their time, energy, knowledge, and skills. The employer owes them something in return.

Enter RESPECT. Could Amy's hourly wage be motivating enough for her to put up with Glenda's abuse? Unlikely. Plenty of other places pay minimum wage. If Amy likes her job at all, she must have a value in one of the other elements of RESPECT that provide a strong reason to stay despite the verbal floggings doled out by her half-wit supervisor.

Finally, a note to organizations who brand their newcomers as "trainees"—train them as fast as possible! Nothing like starting out at a new job by being embarrassed all day.

—Brenda Kowske

"true recognition, not a good job postal card," and "recognition for the job I've done, and a valid interest in my concerns."

There are a million ways to be busy and overwhelmed at work, so much so that it can be tough to look back and give someone a pat on the back. We are so quick to move to the next challenge that taking a moment to recognize what went right and who was responsible gets lost in the shuffle. Yet, our data clearly indicate that making recognition happen is important to employees. Managers should *make* the time for recognition and thoroughly integrate it into the normal routine.

## Exciting Work

Exciting work means being driven by the result—a result in which both the employee and the organization are heavily committed. Leaders understandably hope that employees make a personal commitment to an organization’s financial goals, but employees often get excited by more altruistic goals. I want “a job I can believe in and know that I am making a difference in the world” is a typical response we see. To the employee, exciting work also means being good at the job and, in the words of one employee, the “opportunity to use [the] talents and skills I possess.” It includes having a sense of responsibility and autonomy at work so they can satisfy their personal goals for success. An exciting job is filled with assignments that give employees a sense of accomplishment upon completion. Or, as another employee put it, [I want] “the pleasure of working on something that satisfies me.”

## Security of Employment

Let’s face it: working through 2007 to 2011 was a roller-coaster experience for employees around the world. Those who reported that security was their most important desire said they wanted “stable work without threat of downsizing,” to be kept “employed as long as possible,” and they don’t want to “worry about losing [their] jobs.” In the wake of the recent recession, employees are certainly focused on stability and the hope that the dust has begun to settle. Yet, over the past twenty-five years of research, we’ve seen that the desire for security remains high during both boom and bust economic cycles.

## Pay

No one will be surprised to see this category show up in RESPECT. Being paid for time and effort is one of the most fundamental economic exchanges there is. The pay category actually includes not only salary but also bonuses and benefits—the total compensation package. Although



the term “pay for performance” is ubiquitous, in many cases, pay is a “hygiene factor”: an employee needs to be paid *enough*, but beyond that point it loses much of its motivating power.<sup>3</sup> However, stopping short of “enough” deeply affects employees’ sense of good-will at work, striking a severe blow to employees’ commitment to their jobs and organizations. The trick is to identify what employees feel is *fair* pay. As we’ll see in Chapter 6, if employees feel good about what they are paid, then an organization has fulfilled this motivating force. It’s at this point that managers need to address the other factors that influence employee performance. It’s worth repeating: pay is important, but performance is not just about the money.

## Education and Career Growth

Luckily, employees want to learn in their current jobs and also advance in their careers. Promoting this is a no-brainer for leaders. People who noted that education and career growth were important to them said they wanted things like: “continual development of my skills to reach my career goals,” “promotional opportunities,” “career progression,” and “an avenue for advancement.”

Providing all that is easier said than done. In an ideal world, employees would learn and grow out of their jobs at the same rate, so that a position is always available—a constant shift upward. We all know that, in actuality, each employee has unique motivations, learning styles, and abilities. Employees become bored or advance at different rates. Many organizations lack a talent-management system that can organize employees’ careers and development. In fact, many organizations don’t develop career growth programs because they expect employees to take the initiative as part of their advancement. The result can be a confused workplace in which neither employee nor manager knows how to satisfy the need for education and career growth. What might be a worse scenario? Valued employees take initiative and find career growth at a different organization.

## Conditions at Work

We don't work in a vacuum; what happens around us matters. When employees identify positive working conditions as the most important thing they want, they identify two areas of concern. We expected the first category: *physical* working conditions. This deals with the employee's literal surroundings, and here employees highlight issues like "better ventilation and air quality" or "healthy and safe work environment." Physical working conditions have health ramifications ranging from black lung to less-fatal-but-still-painful carpal tunnel syndrome. We were surprised when a larger percentage of employees made comments highlighting "a friendly work environment" and "real work/life balance" and "less stress"; these issues are what we call *social* working conditions.

This should be good news for managers, since creating a positive social environment can be a lot easier to implement than costly changes to the office or factory floor. However, as any manager knows, repairing interpersonal and team dynamics is a sticky wicket, a difficult task due to the emotional nature of the problem. Chapter 8 explores more about how to improve both sets of working conditions.

## Truth

Truth established between two people comes in one, and only one, form: honest communication. When it comes to this type of communication, employees cited two basic types. First, employees want leaders who are direct, open, and honest, as reported in comments asking for "open communication about goals and direction," "truthfulness," and a "clear direction for the company as a whole." Second, their desire for honest feedback and clear goal setting was expressed in comments like "feedback, both positive and corrective" and "a clear definition of responsibilities and expectations."

Organizations ask employees to be completely committed to their work, but without accurate information about where the company is headed, employees are hesitant to give 100 percent or even believe in

their organizations. Employee perceptions of dishonesty and lack of transparency (even if the perceptions are not true) breed skepticism and distrust. Rebuilding this trust is mandatory for repairing employee engagement and commitment. This is the case in any economic environment, but it is particularly true following the turbulence caused by the recent recession. Truth is foundational.

## How to Use This Book

Leaders and managers reading this book have probably already realized that their organizations have strength areas that align to RESPECT. Most likely, there are also areas that could be improved. Helping companies respond to their employees' needs is why we've written this book. It's the result of a lifetime of work, research, and commitment on our part. We've pursued it because of our curiosity and because we want to help both employers and employees—and, really, we're all employees.

As you will see in Chapter 2, RESPECT is great for customers and business. To help us make the jump from individual employee wants to a stronger workforce and greater business success, we use Chapters 3 through 9 to examine each tenet of RESPECT in detail, sharing our twenty-five years of research in this field. Each of these chapters starts off with a fictional story about a typical employee dealing with a specific RESPECT issue. These archetypes are composites based on our research. Like our employee base, they live all over the world and have a wide range of jobs—from an executive in the U.S. to an operational employee in a bustling Chinese retail grocery chain. Wherever they live and whatever they do, we think you'll be able to identify with them, their hopes, desires, and aspirations. You probably have people who are grappling with similar issues at your organization. Not only will Chapters 3 through 9 enable you to properly identify each area of RESPECT, but we also provide benchmark data and a wide range of tools to help diagnose potential problem areas that may exist in your organization. Once you've identified your strengths and weaknesses, each chapter also has a set of solutions—with real-world examples that can be used to improve RESPECT.

In Chapter 10 we'll take a peek into the future. It may seem hard to believe, given the state of the global economy over the past few years, but as the economy springs back to life there are strong indicators that we're on the verge of an international talent war. Not only will companies be competing with each other in the consumer marketplace, but they're going to be competing for skilled employees. In this chapter we'll lay out our case for why organizations that want to survive and thrive in the future will need to embed the elements of RESPECT into their workplaces or risk being left behind.

Some of you will end up reading from cover to cover, while others among you will cherry-pick based on your immediate needs and interests. Either way is fine with us. At the end of the book you'll also find a RESPECT diagnostic worksheet that can help you determine your organization's areas of vulnerability. We look forward to hearing about your success and hopefully including your story in our next edition.