



Engagement Agility

By David Alhadeff, Mercer

In the midst of an arduous, post-recession recovery marathon, the recruiting functions of many public and private organizations are once again actively filling open positions, some of which have been in the queue for quite some time. Most of these targeted requisitions reside in the traditional functions of the business and are, regrettably and indicative of a still-wounded economy, yielding far more qualified candidates than we would all prefer. Other newly emerging roles reflect some of the changing business strategies we see in industries such as energy, health care and manufacturing. Many of these “pivotal” roles, i.e., positions that are critical to the economic success of the business, are more difficult to fill because they require new or more specialized skillsets for which there is a smaller supply of qualified candidates.

We have been down this road before. Over a decade ago, we had just begun a new century and, following the dot-com bust and the attacks of 9/11, were in the midst of a national recession, though shorter in duration than the recent one beginning in 2008. We journeyed through that recovery with a focus on stabilizing our economy and sourcing newly valued organizational competencies, such as the technology know-how to automate processes and implement enterprise software, the financial skills to assess economic risk and drive compliance in a post-Enron, Sarbanes-Oxley business environment, and the global skills to help corporations manage the transition from

multinational to global. Such competencies were identified and secured in mostly traditional ways, either through internal development and promotion from within, or through the acquisition of talent from the outside. The employee value proposition was dusted off and relaunched, and a heightened focus on retaining these newly acquired skills took hold.

Ten years have passed, and as we now work to drive growth in this recovery, we must look once again at the competencies required both today and in the coming three to five years. According to the Oxford Economics Global Talent 2021 paper, the list, as shown below, includes some of the old competencies and some of the new. Leading the pack are digital skills, agile thinking skills, communication and collaboration skills and global operating skills.

Figure 3: Skills in high demand over the next five to 10 years

Digital skills				
Digital business skills	Ability to work virtually	Understanding of corporate IT software and systems	Digital design skills	Ability to use social media and “Web 2.0”
50.6%	44.9%	40.1%	35.2%	29.3%
Agile thinking skills				
Ability to consider and prepare for multiple scenarios	Innovation	Dealing with complexity and ambiguity	Managing paradoxes, balancing opposing views	Ability to see the “big picture”
54.8%	46.0%	42.9%	40.9%	15.3%
Interpersonal and communication skills				
Co-creativity and brainstorming	Relationship building (with customers)	Teaming (including virtual teaming)	Collaboration	Oral and written communication
48.3%	47.4%	44.9%	30.4%	29.0%
Global operating skills				
Ability to manage diverse employees	Understanding international markets	Ability to work in multiple overseas locations	Foreign language skills	Cultural sensitivity
49.1%	45.7%	37.5%	36.1%	31.5%

Source: Oxford Economics

The difference this time around is that the means by which these skills are being harnessed and utilized by the business, coupled with a highly diversified labor pool, have led to perhaps the greatest variety of service delivery models and workforce profiles than ever before. Consider this partial list of the many ways in which organizations are securing the key talent needed to drive the business:

- Training incumbents and promoting from within;
- Hiring full-time resources from the outside;
- Contracting with contingent workers for extended phases;
- Hiring part-time staff;
- Moving resources laterally into key roles as part of their career development;
- Importing or exporting global talent;

- Rotating high-potentials into key roles for finite periods of time;
- Outsourcing roles in-shore or offshore;
- Formalizing alliances or partnerships; and,
- Hiring competitors in the spirit of co-opetition.

The Many “Faces” of Engagement

Beyond the structural formats referenced above, the workforce profile itself has become heavily diversified with a healthy mix of workers spanning several generations (Baby Boomer, Gen X, Gen Y/Millennial), military veterans returning from overseas assignments and moving into the workforce, and other demographic factors that contribute to the “melting pot” of our labor pool.

In such an environment, how does the HR leader shift from a more traditional view of the workforce as a homogeneous group with relatively similar needs to a more progressive view of the workforce as an intricate mosaic of diverse profiles with a far broader array of interests and aspirations?

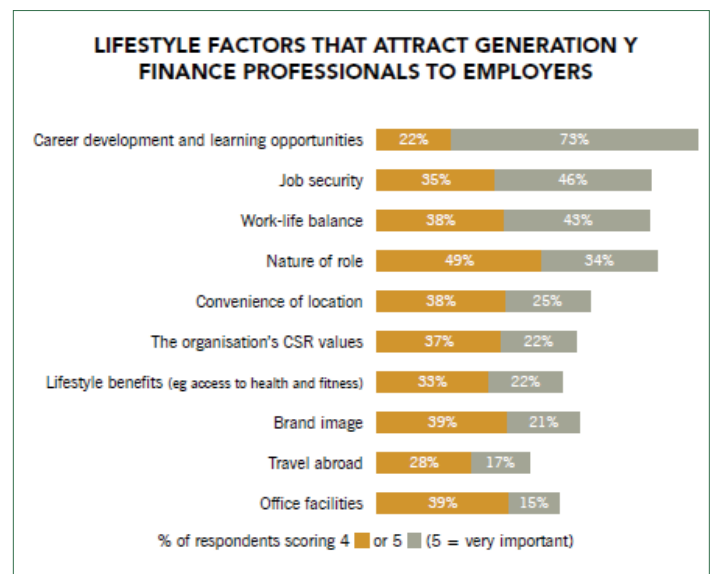
The different scenarios cited in the previous bullets suggest an entirely new level of complexity to the question of *employee engagement*. The relationship, of course, is pretty simple – increase employee engagement within key talent pools, and you will affect economic results in a meaningful way. While an organization in the year 2003 had a fairly good handle on the basket of criteria that defined engagement at that time, the varied audiences in our modern economy add complexity and variability to the engagement equation. How does the modern day organization navigate the engagement waters of a more heterogeneous workforce? What are the levers that apply across the board and those that appeal to specific talent pools in particular? What strategies should be put in place now to set the stage for an overall world-class approach to employee engagement?

Although it is fairly easy to define engagement and its value to the organization, the challenge to increase engagement has proven to be more difficult for most organizations. Cracking the code on employee engagement – learning how organizations can win the hearts and minds of their employees – remains a complex, yet critically important, challenge facing organizations as they strive to reach the highest levels of performance in changing and competitive environments. This challenge has become only greater with the increasing breadth of sourcing options open to leaders as they fill key positions, as well as some of the variables below that have introduced a broader array of engagement criteria to the worker and engagement levers to the HR leader.

Workforce

The ever-expanding diversity of the global workforce has changed the priorities that many workers place on their employment experience. While we want to be careful not to assign “labels” to a workforce generation, it is probably safe to say, for example, that most Millennials will

prioritize their list of job attributes differently than would a boomer. Similarly, the engagement factors of contingent workers who reside on-site and are dearly committed to the economic success of their client will not be quite the same as mid-level 5- to 10-year employees who are looking to move their careers forward internally. Finally, a team of expats deployed overseas as a part of a career rotation program may engage differently in the host country than, perhaps, that same level of employee already residing and planning to remain in that location. Figuring out which levers to pull to drive the productivity of different resources becomes an important responsibility of the HR leader, as well as the workplace programs necessary to inspire the workforce at large. In the following graphic, you see one example of research completed in a Finance function indicating preferred *lifestyle factors* and, in particular, the importance placed on career development and learning.



Source: Generation Y Report: A joint research paper by ACCA and Mercer.

Even the senior team of a company might be comprised of a retiree coaxed back into the business, a rising star recently promoted, expats transferred overseas, and incumbents who have risen from within, all with varied interests and engagement levers in play. The HR leader must be able to understand the motivators for each and implement thoughtful programs that move that senior team forward together.

Technology

Understanding the power, and the constraints, of technology is an important element in determining the optimal engagement approach with such a heterogeneous workforce. While we typically think of the impact technology has had on business operations, we cannot lose sight of the dramatic implications of technology on how employees engage on the job. Engagement is informed both by the access to technology and the operational use of technology. Indeed, technology has reshaped the work day – how and where work gets done, by whom the work gets done,

and when work gets done. Since engagement is so strongly associated with the nature of the job, it becomes incumbent upon the HR leader to understand the implications of technology-related decisions on the engagement of its people. Denying internal access to YouTube, for example, might slightly bolster productivity across a PR firm, but if it constrains and stifles the innovative ideas of the creative department, the associated impact on engagement could be meaningful. Access to a laptop computer for part-time employees in a call center would not matter to them, but what about investing alternatively in the comfort and design of the work station? What must be done to help manage the health and wellness of the human resources in an offshore processing center whose entire day, by design, is in front of a desktop transacting business electronically? The HR leader must recognize both the appetite for and the consequences of technology in the analysis and implementation of engagement strategies.

Globalism

The evolution of business conditions in emerging markets, the sophistication of talent mobility programs to move designated professionals to new locations for both business need and individual development, and the changing locations of global business centers all create yet another complication in our efforts to engage the workforce. Engagement levers for a global workforce now must address a wider range of circumstances. The fast moving future leader may want that global experience specifically because it provides a needed developmental opportunity and new relationships to broaden one's network. That individual may place less of a priority on work/life balance or rewards. Alternatively, an incumbent leader filling a critical business need in an emerging market may have a higher expectation for top-tier relocation support and compensation than, perhaps, the leadership training and executive coaching that will help drive business success.

Health and Benefits

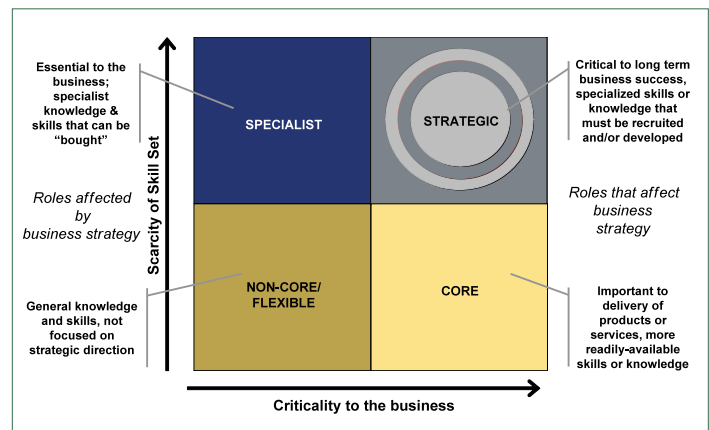
The Affordable Care Act and other legislative forces have set the stage for a more active approach by all employees to understand and make decisions related to personal and family health and benefits. An aging population has elevated the collective focus placed on wellness programs and healthy living. Rising levels of obesity and the productivity consequences of physical fitness neglect have shifted the priority level placed on work/life balance and a commitment to staying fit and healthy. We can see from these and other examples how different talent pools may place varying degrees of importance on health and benefits factors. The HR leader must pay close attention to these real drivers of performance.

Paving the Way Forward

As the HR leader takes a panoramic view of the organization and considers the investments worth making to engage the collective talent of the business, what are

the appropriate steps forward? How can we optimize the *role of* and the *return on* our investment in talent? With so many different types of workers to support and such limited funds to allocate, the following activities represent one approach to ensuring that the complete workforce is considered in the equation:

- **Talent strategy articulation** – Take the time to review and confirm the organization's short and longer-term business objectives. Utilize employee demographic and performance data to study the analytics and circulation of the workforce. Analyze reports that help you better understand the correlation between key workforce characteristics and business performance. Begin to articulate a vision for the workforce related to the sourcing and development of key talent.
- **Identify critical talent pools** – Utilize internal maps of the workforce, such as the one below, to better understand the overall population and those segments or talent pools within the population that are assigned to the more strategic roles of the business. Identify enough segments to cover the core value proposition as defined by the external market, but not so many that it dilutes the value of the discretionary investments that must be made in these areas of the business. Map out the relative importance and the relative scarcity of each talent pool and, as appropriate, specific jobs within those pools. Begin to build a systematic approach to pinpointing those segments of the workforce where the highest levels of engagement are most important.



Source: Mercer's proprietary research on critical talent and employee engagement.

- **Learn about these talent pools** – As you fully map out key talent segments, better acquaint yourself with them. Invest time to understand, for example, the contingent workers who have become an extension of your Finance or IT team. Learn about the kind of work environment in which they are most productive. Become aware of those workers who have moved laterally into their current position in order to advance their long-term careers. Build better relationships with mid-level managers in remote locations as they share with you their career aspirations and their concerns

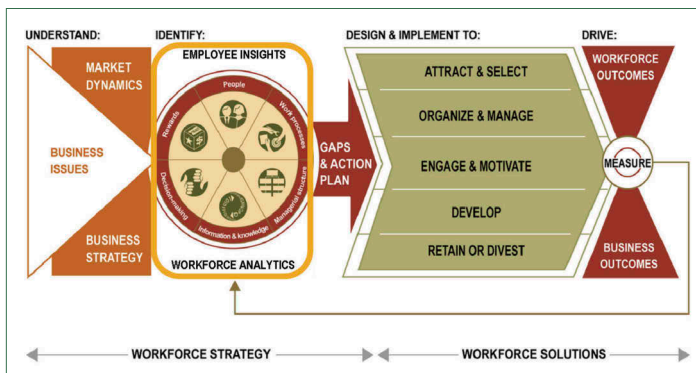
around relocation, benefits or labor relations. Study targeted segments as intently as a high-performing sales professional might study targeted customers in order to understand how to sharpen and optimize the employee value proposition provided to them.

- **Survey the workforce to identify the top engagement levers** – Build out and conduct a multidimensional engagement survey and analysis that allows you to capture those aspects of the work experience which correlate most strongly with engagement, both across the general population and within key talent pools. Capture findings that connect engagement drivers to other business performance metrics such as net income and attrition and customer satisfaction.
- **Build out a talent strategy and a talent management program** – Recognizing that you cannot afford to see a lift in attrition from key talent groups and, at the same time, invest beyond your means, build out a journey map that plots key engagement milestones over time against both the workforce at large and, in particular, against the most important workforce segments identified. As illustrated in the following graphic, design and implement the talent initiatives that move the collective workforce forward and provide discretionary support for key segments of the population.

of resistance, and put in place a robust change management program to manage such a transition. Finally, view the engagement work as dynamic and ongoing, particularly as the demographic and structural profiles continue to change and the levers of engagement take on higher or lower value. Commit to an ongoing audit of both the audiences targeted and the levers addressed throughout the business year.

Conclusion

The remaining years of this decade and beyond will test the ability of the HR leader to manage a workforce that has become increasingly diversified both in “how” work gets done, e.g., utilizing part-timers, contingent workers, expats on rotation, as well as “who” gets the work done, e.g., Millennials, former retirees, and fast-trackers. Such diversity provides the organization with a unique opportunity for innovation and market success, but it places a higher level of responsibility on the HR leader, who must be thoughtful and strategic in maximizing performance of the collective workforce. Success will depend largely on how well the discipline of employee engagement is understood and measured. But, it will also depend on how well segments of critical talent across the workforce are recognized and supported in order to get the targeted contribution from them that will help drive collective growth and success.



Source: Mercer’s proprietary research on critical talent and employee engagement.

- **Execute, measure and reassess** – Implement the programs with the sponsorship of leadership and with unbridled enthusiasm. Define and commit to a meaningful set of metrics that are sufficiently correlated with the programs underway, and share the results with the organization at large. Recognize that with newly conceived talent strategies, there will be pockets

About the Author



David Alhadeff is a partner in Mercer’s Talent Business. He is based in Chicago and brings 11 years of experience in industry and 18 years of experience working in business and talent consulting. His leadership role is to design and deliver solutions to clients related to talent strategy, leadership and organizational performance. His work has spanned a variety of industries, including pharmaceuticals, health care, insurance, manufacturing, and consumer products, among others. Alhadeff’s prior work experience includes leadership roles at Pricewaterhouse Coopers, BearingPoint, Arthur Andersen, The Forum Corporation, and MeadWestvaco. He has also written and spoken globally on topics related to the economic recovery, generational workforces, leadership and succession, and the future of work. He has a bachelor’s degree in Biology and Economics from Duke University and an MBA from Northwestern University. He can be reached at david.alhadeff@mercer.com.