

Strategies To Build Trust And Improve Employee Engagement

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ABSTRACT

In this paper we examine strategies intended to improve employees' morale and highlight specific actions organizations can take to enhance employee engagement and trust in the aftermath of layoffs and significant reorganizations.

Keywords: Employee Morale; Employee Engagement; Employee Trust

INTRODUCTION

As organizations across industries struggle with the recent economic downturn, tactics such as workforce reduction, downsizing or restructuring become cost-cutting strategies. The so-called “survivors” of large-scale layoffs are typically left with heavier workloads and feelings of frustration and insecurity. In recent years, researchers have conducted numerous studies on the aftermath of layoffs and their effects on both employees and organizations. This line of research shows that downsizing diminishes employee morale and often impairs the long term operational effectiveness of many organizations (Cascio, Young, and Morris, 1997). However, managers can adopt specific strategies to minimize the negative impact associated with these cost-cutting approaches. Many of these strategies target rebuilding employees' trust and morale during and after these organizational changes. In this paper we examine strategies intended to improve employees' morale by highlighting specific actions organizations can take to enhance employee engagement and trust in the aftermath of layoffs and significant reorganizations.

WORK ENGAGEMENT

Research on work engagement is fairly recent and the definition of this concept continues to evolve (Macey and Schneider, 2008). For our purposes, work engagement involves “a positive, fulfilling, affective-motivational state of work-related well being that can be seen as the antipode of job burnout” (Bakker, Schaufeli, Leiter and Taris, 2008, p. 187-188). Engaged workers exhibit vigor, dedication, and absorption (Gonzalez-Roma, Schaufeli, Bakker, and Lloret, 2006). Engagement can lead to a host of positive organizational outcomes such as increased profitability, higher levels of productivity and task performance, customer satisfaction, and reduced employee turnover (Harter, Schmidt and Hayes, 2002; Rich, Lepine and Crawford, 2010). Given these benefits, managers should strive to create an environment that fosters engagement. However, this can be challenging in the context of corporate layoffs and restructuring. To address this challenge, we believe managers must emphasize the development of trust, ensure equitable treatment, recognize the positive effort of employees, focus on goal attainment, and continue to develop the knowledge and skills of employees.

FOSTER A CULTURE OF TRUST

We know much about the importance of building trust within an organization. Trust generally involves the willingness to be vulnerable to the actions of another based on the belief that this other actor will perform as expected even if you cannot monitor their behavior (Granovetter, 1985; Mayer, Davis and Schoorman, 1995). Employees who trust their organization's management perform better, are more satisfied, more loyal, and are less likely to resist changes (ACAS, 2012; Dirks and Ferrin, 2002). Notably, trust is also critical to the development and maintenance of workplace engagement. In this regard, research indicates that trust mediates the relationship

between antecedent factors and a worker's level of engagement (Chughtai and Buckley, 2012; Lin, 2010). This is the case because employees need to feel a sufficient level of psychological safety to engage (Kahn, 1990). Yet recent studies have shown that the level of trust between employees and management is at an all-time low (CIPD, 2012). This is not surprising considering the scale of major layoffs happening across the globe. So, the question becomes how can managers build and maintain trust to foster engagement?

Building a culture of trust requires commitment from the top. Nothing destroys trust faster than hypocrisy from management. Hence, to foster trust, managers must lead by example through a commitment to honest and ethical business practices (Trevino, Brown and Hartman, 2003). In addition, within the specific context of layoffs top management must demonstrate concern for employees, display competence and reliability throughout the process, and communicate openly and honestly about the situation (Mishra and Spreitzer, 1998). Of these considerations, open and honest two-way communications throughout the organization is particularly important (O'Neill and Lenn, 1995). The attributions employees make about the restructuring matter a great deal. The top management team must communicate to employees why the layoffs are necessary while also retaining employees' confidence that the existing team is competent and will be effective leading the organization through the challenging period ahead.

To facilitate effective communication, many companies host open forums that allow employees to share information, post questions to their management teams, and receive feedback. Such open forums, when carried out with genuine honesty and commitment, allow employees to get questions answered to minimize the spread of rumors and mistrust within the organizations (Argenti and Forman, 2004). More importantly, feedback can provide management with a better understanding of the employees' needs, so that improvements can be made to make the restructuring less threatening to employees. This is a means to demonstrate to employees that you both care about their well-being and value their views, factors that as noted above, support the development of trust. To maintain trust during difficult periods such as layoffs, top managers must communicate effectively, provide well developed reasons for the decisions they make, and treat employees in a dignified and respectful manner (Folger and Skarlicki, 1998; Dirks and Skarlicki, 2004).

Trust is also critical between employees and their direct supervisors. Ernest Hemingway once said, "[t]he best way to find out if you can trust somebody is to trust them." Hemingway's point is that trust is reciprocal; if you want your employees to trust you, you must first demonstrate trust in your employees. To trust your employees means to believe in their abilities to do their jobs. According to Dan Strakal, an internationally renowned speaker specializing in workplace issues, one of the seven top causes of workplace stress is "being delegated responsibilities without authority" (2006). When employees are assigned responsibilities without the necessary authority to carry out their tasks, trust is bound to erode. Instead of focusing their efforts on their jobs, they become engulfed in self-doubt, feeling helpless and frustrated. Meaningful control over work is essential to foster the necessary feeling of safety that allows employees to engage (Kahn, 1990). Therefore, show your trust. Support your employees and delegate responsibilities along with the necessary authority. Also, give your employees the benefit of doubt: assume positive intent exists until proven otherwise. Notably, these considerations again become even more pressing within the specific context of layoffs. This is the case because layoffs inevitably increase the job demands on surviving employees. However, employees must feel they have the necessary resources to fulfill their role within the company to engage as well (Bakker, et al., 2008). We argue that the risks associated with resource losses that are inevitable through layoffs can be mitigated by providing surviving employees with the offsetting resource of greater control over their work. In short, people need to trust the system and the people they work for in order to be motivated and engaged. In this way, building and maintaining trust among employees is paramount to success.

CREATE PERCEPTION OF FAIRNESS

According to Deborah Rupp, an industrial-organizational psychologist, the perception of workplace fairness can also profoundly affect employees' physical and emotional health, and thereby impact the organization's bottom line. While a perception of fairness builds "commitment, loyalty, and a sense of well-being at work", feelings of injustice can "spark hostility, aggression, counterproductive behaviors, absenteeism, and even quitting one's job" (Tricoles, 2012). Significantly for our purposes here, fairness is essential to the development of trust since it powerfully signals to employees either "the nature of the relationship with the leader or the character of the

leader.” (Dirks and Ferrin, 2002, p. 614). This implies that an employee’s perception of fair treatment is also critical to the development of psychological safety. In this way, fair treatment also enhances employee engagement. Perceptions of fairness or justice result across the distinct dimensions of distributive, procedural and interactional fairness (Brockner and Siegel, 1996). In essence, employees must perceive that outcomes are distributed fairly, the processes used to make decisions are unbiased and well understood, and that individuals are treated well within specific encounters with management (Brockner and Greenberg, 1990).

The context of corporate downsizing presents real challenges to the perception of fair treatment and can undermine engagement as a result. Within this setting, it is paramount that “the burden of the downsizing is shared across levels of the organizational hierarchy” (Mishra and Speitzer, 1998, p. 575). This means that resource allocations, necessary cuts, and additional work responsibilities must be allocated in a way that are perceived as fair throughout the organization (Brockner and Greenberg, 1990). Also, in order to support the perception of fair treatment, companies must provide employees with a clear understanding of the criteria used to make these difficult decisions (Lind and Tyler, 1988). The evaluation criteria must be unbiased and non-discriminatory, with an emphasis on merit typically helping to support the perception that the downsizing process was fair (Brockner, 1988). Managers should also involve employees in the decision-making process and provide advance notice whenever possible regarding layoffs to reduce uncertainty which also supports the perception of fair treatment (Brockner, et al., 1994; Lazarus and Folkman, 1984). Even within the difficult context of layoffs, it remains possible for managers to maintain employees’ belief that the organization treats people fairly and this can go a long way to support both trust and engagement moving forward.

CREATE EMPLOYEE RECOGNITION AND REWARD PROGRAM

In addition to safety, psychological meaningfulness is also critical for the development of engagement. Meaningfulness entails “a feeling that one is receiving a return on investments of one’s self in a currency of physical, cognitive, or emotional energy” (Kahn, 1990, p.703-704). This return of one’s investment can be intrinsic or extrinsic, but it must result for employees to believe their work is meaningful and lead to engagement (Macey and Schneider, 2008). Given this, employees generally need to be recognized and rewarded for doing a good job. According to a recent study conducted by HR Solutions (2011), recognition is the key driver of employee engagement. Employees who don’t feel appreciated at work are also more likely to leave their jobs. A decade-long research project conducted by the New York Times bestsellers, Adrian Gostick and Chester Elton, found that 79% of employees who leave their jobs cite a lack of appreciation as the primary reason (Russell, 2010). Each year, employee turnover costs US businesses approximately \$11 billion, according to the Bureau of National Affairs (Lipman, 2012). Yet despite these findings, many employers still fail to utilize recognition as a motivational tool and driver of engagement. An effective reward and recognition program requires an ongoing evaluation system. Management’s commitment to the system is essential to its effectiveness. Moreover, it must be perceived as fair and not a game of favoritism. Otherwise, the reward system would only create resentment among coworkers and damage trust and productivity.

Additionally, managers must also remember that individuals have different needs they fulfill through work, which means a one-size-fits-all reward program is bound to fail. Rewards must be tailored to individual needs in order to create the perception of meaningfulness. While some employees may crave open recognition, others may be motivated by additional responsibilities, autonomy, flexible working schedule or advancement opportunities. Managers need to understand the factors that satisfy each employee’s unique needs and work to satisfy these needs in the most effective ways.

SET CHALLENGING BUT ATTAINABLE GOALS

Meaningfulness also implies that employees feel a sense of purpose and achievement in their jobs (Kahn, 1990). Regardless of position, most people want to make contributions and be challenged to meet high standards, even in difficult situations such as a corporate restructuring (Cartwright and Holmes, 2006). The most capable managers set challenging yet attainable goals, so that employees are constantly driven to work hard to reach the goals. But in order to be motivated to achieve these goals, employees need to first understand clearly what is expected of them, and how their jobs contribute to the success of the organization. Part of management’s

responsibilities is to communicate the organization's goals to the employees; and to make them a part of the team. This articulation of a corporate vision and the employee's individual role are particularly important in periods of downsizing and restructuring. No one wants to spend a lifetime doing meaningless work. Managers must help employees find meaning in what they do. Once employees believe their work is meaningful, they will be more engaged, committed, and exhibit the drive to do better.

DEVELOP EMPLOYEES' KNOWLEDGE & SKILLS THROUGH TRAINING

Another way to generate meaningfulness involves giving employees the opportunity to develop their knowledge base and skills. As a result, provide employees with ongoing training opportunities to develop their knowledge, promote new skills, build confidence, and reduce fear of job insecurities. According to writer Diane Tracy's 10 steps to empowerment, "the growth of the company is dependent upon the growth of the people who make up the company." In order for an organization to take advantage of new opportunities, the employees must prepare themselves to meet greater challenges through ongoing training to advance their skills (1990). Providing training motivates your employees assuring them that you want individuals to reach their full potential. The key to success is to create an environment where talented employees can thrive.

CONCLUSION

Employees are the heart and soul of any organization. Without a team of engaged and committed employees, organizations cannot succeed. In these tough economic times, layoffs are sometimes inevitable; but there is a choice as to how layoffs are handled. Managers must remember that trust and respect are reciprocal. Always treat your employees with respect and dignity, because once respect is lost, it is extremely difficult to regain. Employees also crave recognition, trust, and responsibility. The success of a business depends largely on its ability to secure the engagement of their employees by tapping into these needs. Start by communicating the objectives and goals to your employees. Make employees feel their work and efforts are acknowledged and appreciated. Provide them with the training needed to reach their potential. Tune into their needs. Be fair and objective. By creating an environment where employees feel supported and valued, they will be empowered and motivated to engage and give their best.

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