

# The Purpose of HR

## Work Is Key to How We Evaluate and Experience Our Lives

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### **SYNOPSIS**

Gallup research reveals that productivity and employee engagement at work are tightly intertwined, and the latter has an immense impact on people's well-being. Yet over the past decade, productivity growth has slowed, and only roughly one in seven people around the world are fully engaged at work.

This paper supports a talk given at the Federal Authority for Government Human Resources (FAHR) International Conference 2016 and is a call to action for HR leaders. We examine the link between the quality of a job and a great life; what employees need to be engaged at work and how proactive and capable HR functions are indispensable to thriving and productive companies and societies.

### **LIFE AND WORK IN THE UNITED ARAB EMIRATES**

The United Arab Emirates has set itself an ambitious and worthwhile goal: to be the country with the happiest people in the world. According to the Gallup World Poll (upon which the U.N.'s World Happiness Index is based), in 2015, the UAE ranked 24th in the world with regard to how people evaluate their lives today, tied with Taiwan, Brazil, Chile, Guatemala and the United Kingdom. If the responses were limited to only Emirati nationals, the UAE's rank shifts to 10th in the world: a higher score than the U.S. and Germany. Life evaluations correlate strongly to GDP per capita, giving Emiratis a head start – but the way people evaluate their lives is only half the story.

In addition to asking how people rate their lives now and in the future, the Gallup World Poll poses more than 100 questions to nationally representative samples in 160 countries to get to the heart of how people experience their lives. From this research, Gallup has learned a primary determinant of how people experience their lives is purpose – specifically, enjoying what you do every day and doing or learning something interesting every day. In large part, strength of purpose is determined by people's experience at work, and here the UAE has considerable room to improve: Only 14% of UAE employees are fully engaged at work, a number that considerably lags, for example, that of the U.S. (32%).

## UNPACKING WHAT A GREAT LIFE ENTAILS

Research by Gallup in partnership with Healthways reveals that how people experience their lives is predicated on five well-being facets: purpose, social, financial, community and physical. Worldwide, 17% are thriving in at least three elements. Foundational to overall life evaluations and experiences is purpose well-being or the way people identify with the activities and work they do every day.

In the UAE, compared with the rest of the world, a high percentage (39%) are thriving in their financial well-being, but only 23% are thriving in purpose. A good financial standard of living in and of itself is insufficient for a life well-lived. Brazilians rate their lives higher than what might be deduced from hard data such as GDP per capita, life expectancy and poverty rates. Greeks, who, granted are in economic doldrums, evaluate their purpose well-being lower than Iraqis, whose country has been embroiled in wars and conflict for more than a decade; how people experience their lives isn't purely rational or based on their environment.

### THE LINK FROM ENGAGEMENT TO PRODUCTIVITY AND CUSTOMER SERVICE

Over the past decade, productivity growth has slowed in most major economies, and the search continues for seismic technology breakthroughs, like the washing machine, to combat this. However, few economists espouse the opportunities to improve productivity that result from managing people well. According to Gallup's meta-analysis of studies across multiple companies, highly engaged employees accomplish in four days what the least-engaged



## Gallup · Healthways Well-Being 5™



### PURPOSE

- Interesting and meaningful activities
- Using strengths
- Achieving goals
- Leaders who motivate



### SOCIAL

- Network of friends
- Mentor to encourage development
- Investment in closest relationships
- Planning activities



### FINANCIAL

- Enough money for basic needs
- Making progress on standard of living
- Short-term stability - Money management
- Future long-term financial security



### COMMUNITY

- Safety
- Pride in community
- Ideal housing
- Community involvement



### PHYSICAL

- Daily energy
- Independence - Physical freedom
- Management of health habits
- Self-image

employees take five days to do. In addition, immediate supervisors and managers are the primary reason people feel either on board or lost at work. In a world where less than 2% annual productivity growth is the norm, a 20% jump in output from the same number of employees is achievable for comparatively little financial outlay and risk.

Also, engaged employees and customers drive organic growth, and engaged customers experience positive emotions. Improving customer and employee engagement in tandem can increase the rate of organic growth threefold – more than twice the rate of tackling either independently (*Harvard Business Review* – Manage Your Human Sigma, Fleming et al.).

### **THE NEEDS PEOPLE HAVE AT WORK**

Gallup research into what people need from leaders reveals that employees have four core needs – trust, compassion, stability and hope – and that meeting these needs has a positive impact on how involved and excited employees feel.

- **Trust:** When employees trust their leaders they stand a better than one-in-two chance of being engaged; when they don't, it collapses to one-in-12.
- **Compassion:** When leaders come across as compassionate their people are more likely to follow them willingly.
- **Stability:** When employees feel confident in their company's financial future they are nine times more likely to be engaged compared with employees who are less confident.
- **Hope:** Sixty-nine percent of employees who strongly agree that their company's leadership made them "feel enthusiastic about the future" were engaged; conversely only 1% of employees who disagree are engaged.

These four needs apply to millennials as well, but their requirements at work may be more acute compared with older generations – and they are the future workforce. In the UAE, 60% of the population is currently under 30 years old, and millennials will make up 75% of the workforce in nine short years. The latest research on millennials indicates they want:

- **Ongoing conversations** – "checking in" to reinforce positive behavior and spur them along. An important parenthesis, checking in is seen as supportive and positive by millennials as long as it comes from someone who is trusted and who demonstrates that they care.
- **Authenticity** is vital to millennials and they need to feel their job matters (this goes back to purpose well-being).

- Millennials love self-expression, so much so that experiences – even in the workplace – become a part of their personal brand and are a way to gather likes and retweets in their social network. Every interaction a manager has with a millennial employee will resound with that employee’s friends and peers. It is up to that manager to make the experience positive.
- Above all, millennials want to see their careers progress and have opportunities to learn and grow.

Gallup’s studies have shown that when employees feel their opinions count and feel a connection to their organization’s mission or purpose, their lives are better.

### **THE VITAL ROLE OF HR**

The best HR people have a gift for influencing, teaching and holding executives accountable – this is important because many executives rise through the ranks in spite of not being very good managers. HR experts teach leaders and managers to stretch and develop employees in accordance with each individual’s natural capabilities. Strong HR functions support, hold to account and educate leaders and managers about how to manage their teams in a way that increases engagement and productivity at work. The existence of great HR functions ultimately strengthens the relationships these employees have with friends, family and their communities.

HR can be the catalyst, through leaders and managers, to improve people’s purpose well-being by focusing on three priorities:

- strengths-based performance management
- measure and improve the few things that matter to people’s engagement at work
- teach leaders and managers to be coaches

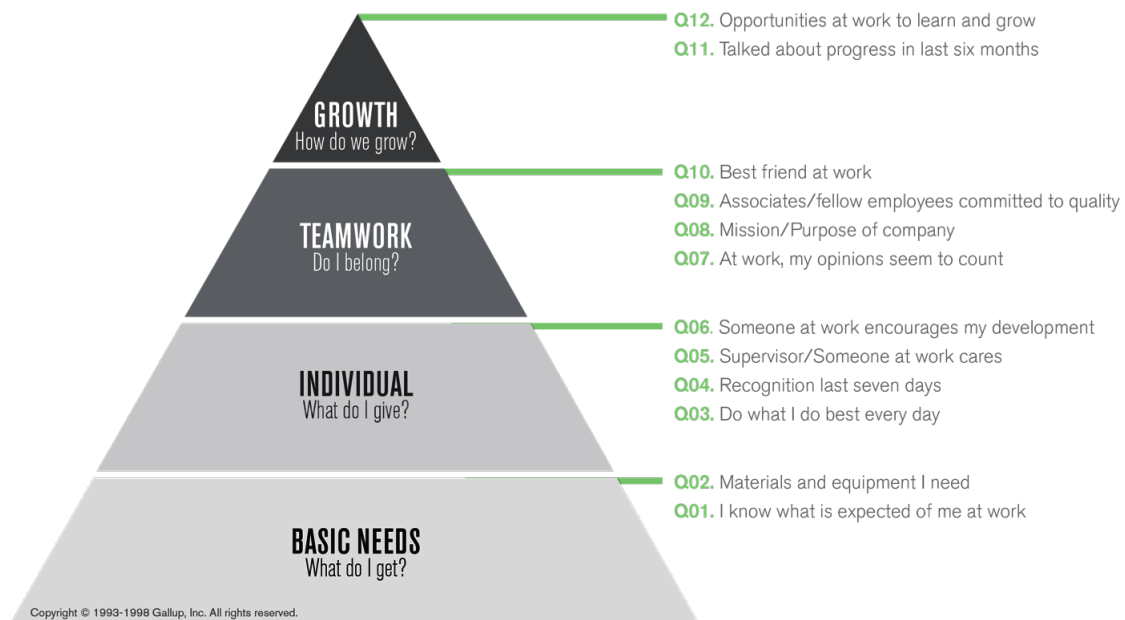
#### **1. Strengths-based performance management:**

A strengths-based approach to performance management is straightforward, appealing and decisive. Managers conduct performance reviews that encourage and make use of employees’ talents and offer recognition and development in line with their strengths. They set demanding, achievable goals and provide clear performance expectations. The result is that employees feel their manager knows and respects them.

When it comes to dealing with weaknesses, managers following a strengths-based approach use three broad strategies. First, they can reshape the role to fit the person rather than vice versa. Second, they send the message that it is acceptable for employees who lack strength in an area to seek support from someone with complementary strengths. And last but not least, these managers have a firm grasp on reality: if the core requirements of the role do not match what the person is naturally good at, then that person should be reassigned. Trying to fix people's weaknesses when they cannot change is demoralizing and drains their confidence and self-esteem.

2. Measure and improve the few things that matter to people's engagement at work:

Gallup's Q<sup>12</sup> engagement survey has been completed more than 31 million times across the world and is also asked annually of representative samples of employees internationally. The 12 items serve as a guide to leaders and managers of the things their people need to perform. The Q<sup>12</sup> offers robust benchmarking, has proven links to business outcomes and, most importantly, is part of a performance management system that has transformed the cultures of many organizations.



### 3. Teach leaders and managers to be coaches:

Traditional ways of managing performance imply that the marketplace is static and employees are happy to implement the goals set for them by others. This approach is inflexible, disempowering and kills engagement. Moreover, it can inadvertently cause employees to start second-guessing managers and lose sight of what the business and customers need.

A better way to manage performance is for the manager to move beyond judging performance and instead become a coach by:

- empowering employees and holding them accountable
- eliminating obstacles to high performance
- showing compassion
- stretching employees to be better than they were last year
- making growth everybody's business
- being a content-sparring partner or ensuring that someone else is

## **CONCLUSION**

When employees have their basic needs met at work by leaders and managers, they become engaged; the best HR leaders and teams make leaders and managers better. Engagement has universal benefits: It increases productivity, underpins great customer service and contributes to how people experience their lives. People who are engaged in their work and have high well-being are 42% more likely to evaluate their overall lives highly. A direct line can be drawn between the capability of HR functions and the UAE realizing its happiness ambitions.