



Penna

MEANING AT WORK
Research Report

Introduction

Research by Roffey Park in 2003 found that 70 percent of employees are looking for more 'meaning at work'. As we spend more time at work with longer hours and more years in order to earn our pensions, is the workplace the new focus for community in our lives?

Successful communities are formed around shared values as much as a shared purpose. Some argue that organisations need to think a little less like commercial enterprises and more like communities, if they are to offer a sense of meaning for their people which attracts, engages, energises and retains talent. Others maintain that successful organisations' critical role is to provide the salary which enables people to find enrichment outside of work, in their social, family, community or leisure activities.

The likelihood is that the reality falls between these extremes. And if we accept that premise,

then we accept that work has, to some degree, to create meaning if it is to be fulfilling for its people. Put simply, organisations need to provide more than just a job.

If employees are expected to bring more than their core skills to their jobs, they have to be valued, appreciated and have a sense of belonging and congruence with the organisation

The challenge is to balance the company's commercial aims with the aims of their employees. Companies need to consider the 'whole' and not just focus on profitability. As we

all consider and question our position in life, organisations and employees look to work to give deeper meaning to their daily existence.

This led us to question whether organisations understand what it is their employees mean when they say they want more 'meaning at work'? Or do they just assume they know? And what are the rewards for those organisations that get it right?

This research aims to find out.

Foreword

This research confirms that creating meaning at work can add to the bottom line of companies.

We know from previous research that things like feeling you have an important role at work can make a major difference. Just being appreciated, through the odd thank you can be as important as pay and other rewards. 80% of staff feel motivated where they understand both where they and the organisation is going, this figure drops to 30% when the communication from the top of the organisation is poor.

When we reviewed the Investors in People Standard in November 2004 we asked companies to identify some of the important motivational factors. Top of the list were feeling recognised, being able to develop, recognition for good performance and being involved and engaged with work. According to Chris Bones, Principal of Henley Management College, engagement comes from effective line management, so we have to put a great deal of emphasis on growing and developing managers and leaders. We have also included work life balance and corporate social responsibility in our Profile tool because by

recognising values and the responsibilities people have outside work we find there is a higher level of commitment when people are in the workplace.

As we move forward as a country – coping with demographic change, skills shortages, the continuous pressure of rapidly developing technologies there will be an even greater need to connect with people – and to enable them to connect and identify with their employer. By recognising that no-one is one dimensional we will be more successful in stimulating and enhancing the work gene – on which we all depend to create economic well being. We may also genuinely find ways to improve the work life balance through the life cycle. It will no longer be a question of burn out by 40, but flexible careers until 70 or later, thus enabling a continuing high participation level in the workforce and a reducing tax burden.

Lurking beneath this research is a win win for employers and employees provided there is flexibility on both sides.

Ruth Spellman

Chief Executive, Investors in People UK

Who we talked to

We surveyed 1765 British workers via an online survey conducted by Tickbox.net in the summer of 2005. Our questions aimed to identify what created meaning at work for the UK working population, and the effectiveness of employers in creating meaning. We also asked what an employer who created meaning at work effectively could reasonably expect in return.

The sample split is 60% female and 40% male. All levels of seniority and all age groups from 16 to retirement age are represented. The majority (62%) of respondents fall between 25 and 44. Half work for companies with more than 500 employees. Employees from across all UK

Main findings

Meaning at Work is real. Employees will provide increased motivation, loyalty, creativity and productivity to organisations that help them find meaning at work.

The essential sources of meaning at work are found at three levels: individual, organisational and societal. All three sources are important and work together to create meaning.

Meaning at Work has the potential to be a valuable way of bringing employers and employees closer together to the benefit of both. Where employees experience a sense of community, the space to be themselves and the opportunity to make a contribution, they find meaning. And for many people, their job is so important it becomes a significant defining factor of their personal identity.

When people are considering a career move; location, the content of the role, and the package, continue to dominate in the decision making process. However, whilst this survey finds that a values fit is becoming increasingly important, one third of those surveyed say they work in an organisation which has values which do not reflect, or even contradict, their own.

regions responded, with a particularly strong representation from the Midlands (15%), North West (11%), London (21%) and the South East (12%).

We also surveyed 75 Human Resource Directors, asking what they thought created most meaning for their employees, and what they did to create meaning in the workplace.

Finally, we conducted in-depth interviews with a number of specialists and Human Resource Directors to gather their thoughts and examples of best practice.

The highest levels of meaning at work were found amongst managers, women, public sector employees (most notably in the NHS) and employees in media and marketing, and professional services organisations. It is hardly surprising then, that these groups are the most likely to recommend their organisation to a friend as a place of work.

And employers who can unlock the secret of what provides meaning at work can expect still more benefits. 55% of respondents – regardless of age, sex, region, company size or length of time with their employer – said their motivation levels would increase. 42% said they would be more loyal to their employer and over one third said they would take more pride in their work.

Happily, 87% of the employers we spoke to recognised that employees would be more motivated by meaning at work. However, many remain uncertain about how to go about creating meaning.

This report concludes with a list of ideas and tips to help any employer begin to create meaning at work, based on what employees have told us.

Key facts

- Organisations that devote resources towards creating meaning at work can anticipate increased motivation (55%), loyalty (42%), pride (32%) and productivity (20%)
- Younger employees (under 35) will respond most positively to finding meaning at work
- One third of UK employees work in organisations which have values which do not reflect their own personal values.
- 6% of respondents say their organisation's values contradict their own.
- 56% of directors feel that their job is vital to their sense of personal identity
- Work/Life Balance is an important part of meaning at work, yet 25% of employees at all levels are putting in more hours than they did a year ago.
- A sense of community at work is also important yet currently less than a third of UK employees currently enjoy a genuine sense of community at work.
- One in ten employees find more of a sense of community than they do at home or in their social lives.
- Over one fifth of employees find meaning in being able to contribute to society.
- 21% of directors take time out of work for community or voluntary activities.
- 17% of employees surveyed feel no pride in working for their organisation.
- 15% of employees would not recommend their organisation as a place to work to their friends and a further 7% would actively discourage friends from joining their organisation.

What constitutes meaning at work?

An earlier Penna report, 'A Good Day's Work', stated that '[a good day's work]... is not an individual, organisational or societal issue – it is all three. Good work is individually satisfying, organisationally productive and socially beneficial. Only an alignment between these three levels...results in...truly good work'.

Extensive literature searches have revealed that although there is no universally accepted definition of 'meaning at work', a number of common themes emerge. And these themes can be brought together quite naturally in the definitions of a good day's work.



INDIVIDUAL

- A sense of 'self' – and the space to be myself
- Balance between my work and non-work life
- Harmony between my personal values and those of my organisation

ORGANISATIONAL

- A sense of community at work – the opportunity to feel part of something bigger than myself
- The opportunity to interact with others
- The opportunity to contribute to the organisation's success
- A manager or leader who creates meaning for me

SOCIETY

- An opportunity to contribute to society
- Working for an organisation with a strong sense of corporate responsibility

'This model makes a huge amount of sense to me. To work for an organisation that you do not care about and which does not care about you is a soulless pursuit. To work for a company which exists within a community but plays no active part in that community is equally unsatisfying. I believe that as individuals, teams and organisations we have to contribute in all three areas – to do any less is morally, socially and commercially untenable.'

David Fairhurst, VP People, McDonald's Restaurants Ltd

INDIVIDUAL

A sense of 'self' – and the space to be myself

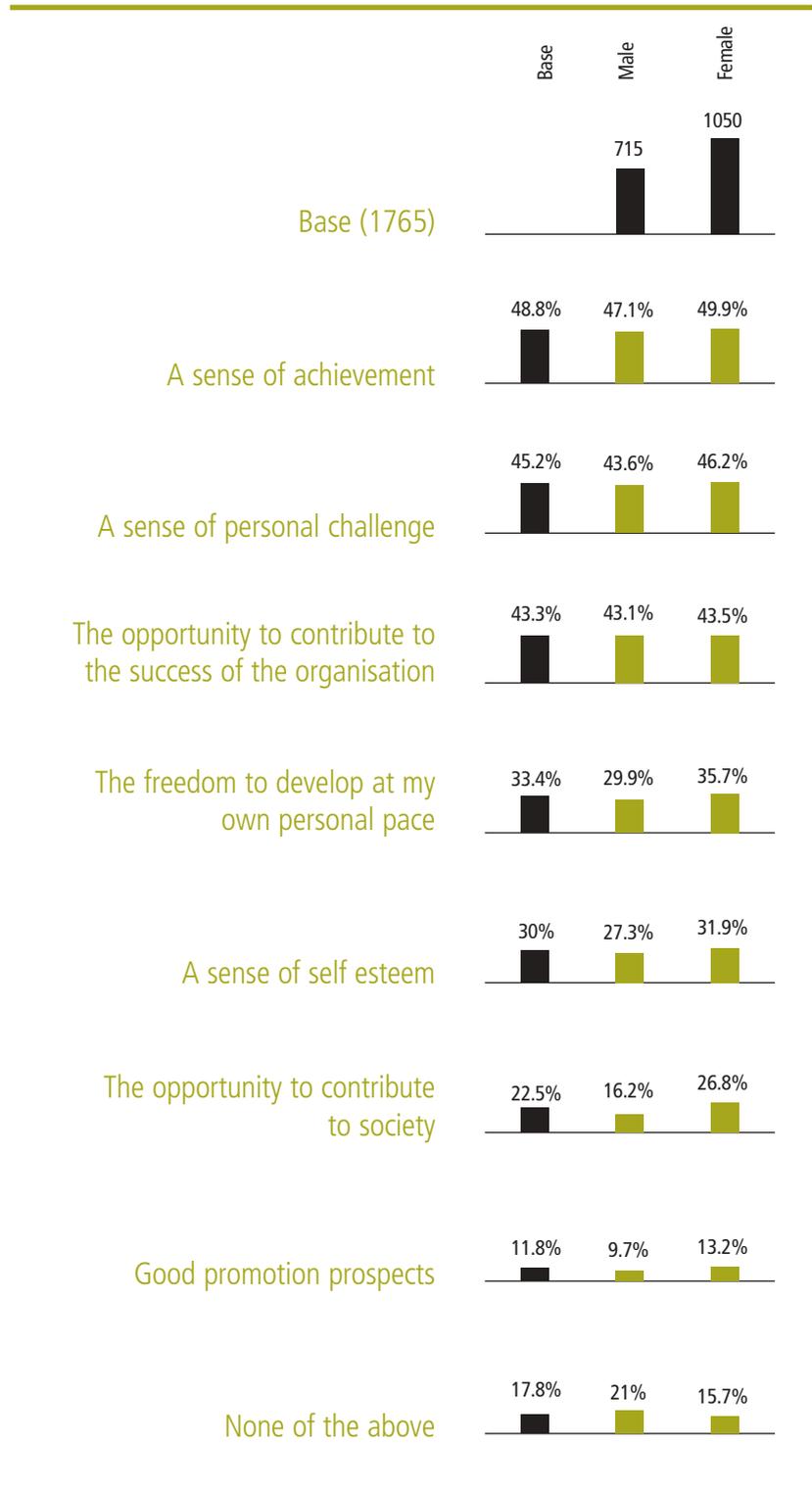
24% of the respondents to our survey said their current position plays a vital part in who they are. This is particularly true of the over 45 age groups, whereas only 14% of the under 25s questioned feel their current role is important to their sense of identity. Those working in healthcare find a particularly strong link (40%).

Perhaps not surprisingly, the more senior the respondent, the more significant their position becomes, with 30% of managers and 56% of directors feeling their role is vital to their personal identity. Respondents who work for organisations with fewer than 100 employees are most likely to say their position plays a vital role (28%).

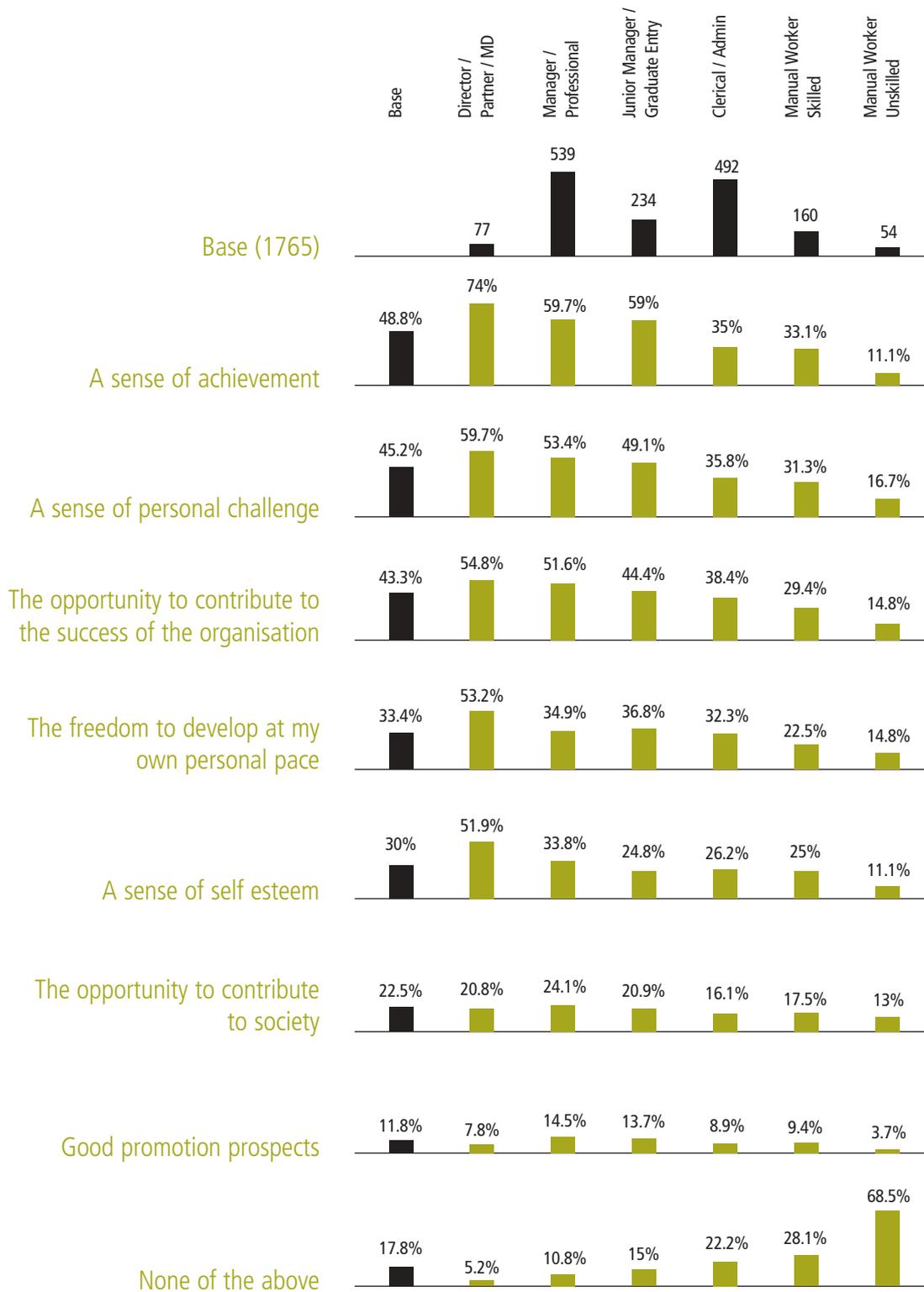
The employers we surveyed have a significantly different take on this, believing that work is vital to the personal identity of 57% of their workforce, irrespective of their level in the organisation.

Jonathan Perks, Managing Director of Penna Leadership Services, comments 'Of course it's important that people are able to be themselves at work – but I stress to all my clients that you are not your job. You are so much more than that. Good leaders understand themselves – they know what makes them the person they are and what motivates them when things go well or badly. This sort of self-awareness helps them to test their congruity within the organisation. Some people who go through coaching leave their organisation and I believe this is a good thing if they've realised they are in the wrong place.'

Thinking about your current role, which of the following do you feel have created a positive work experience for you: Personal development / satisfaction? – by gender



Thinking about your current role, which of the following do you feel have created a positive work experience for you: Personal development / satisfaction? – by position at work



Whilst many people seek a sense of community at work, individuals still need personal success. 49% of our sample found meaning in their sense of personal achievement, and 45% thrive on personal challenge. Interestingly, directors rated feelings of personal achievement (74%) far higher than contributing to the overall success of the organisation (58%) – although we might argue the two should be synonymous.

‘I suspect this reflects the type of people who are attracted to leadership roles,’ says Jonathan Perks. ‘Many people pursue leadership roles as a route to personal achievement and are very different to the nurturing type. In my experience, truly great leaders tend to be a blend of the two.’

Major steps in giving people the space to be themselves can be made simply by thinking

creatively about the workspace. Kate Griffiths Lambeth is justifiably proud of Lloyds TSB’s track record in creating respectful working environments. Creating prayer rooms in a pressurised business was a bold move but one that has paid off for Lloyds.

Peter Beresford, Chairman and CEO of McDonalds in the UK, advocates the flexible and positive use of breaks to enable employees to participate in personal activities:

‘If there happens to be a certain need that means it might be more appropriate that someone’s break would be at 2 o’clock then the employer – and I can assure you we do this at McDonalds – needs to be flexible to say 2 o’clock is fine, you have a break and you can participate in any activity that you so choose. It’s your private life.’



Balance between my work and non-work life

If work is to create meaning, there needs to be a balance with life away from work. 44% of respondents said that being able to leave work on time and enjoy a work-life balance had created a positive experience at work.

Our survey suggests that leaving work on time is particularly important to those in clerical and administrative roles (54%). Manual workers are nearly half as likely to have access to any form of flexible working arrangement than anyone else. Little wonder that so many (40%) take the opportunity to leave work on time when it is available.

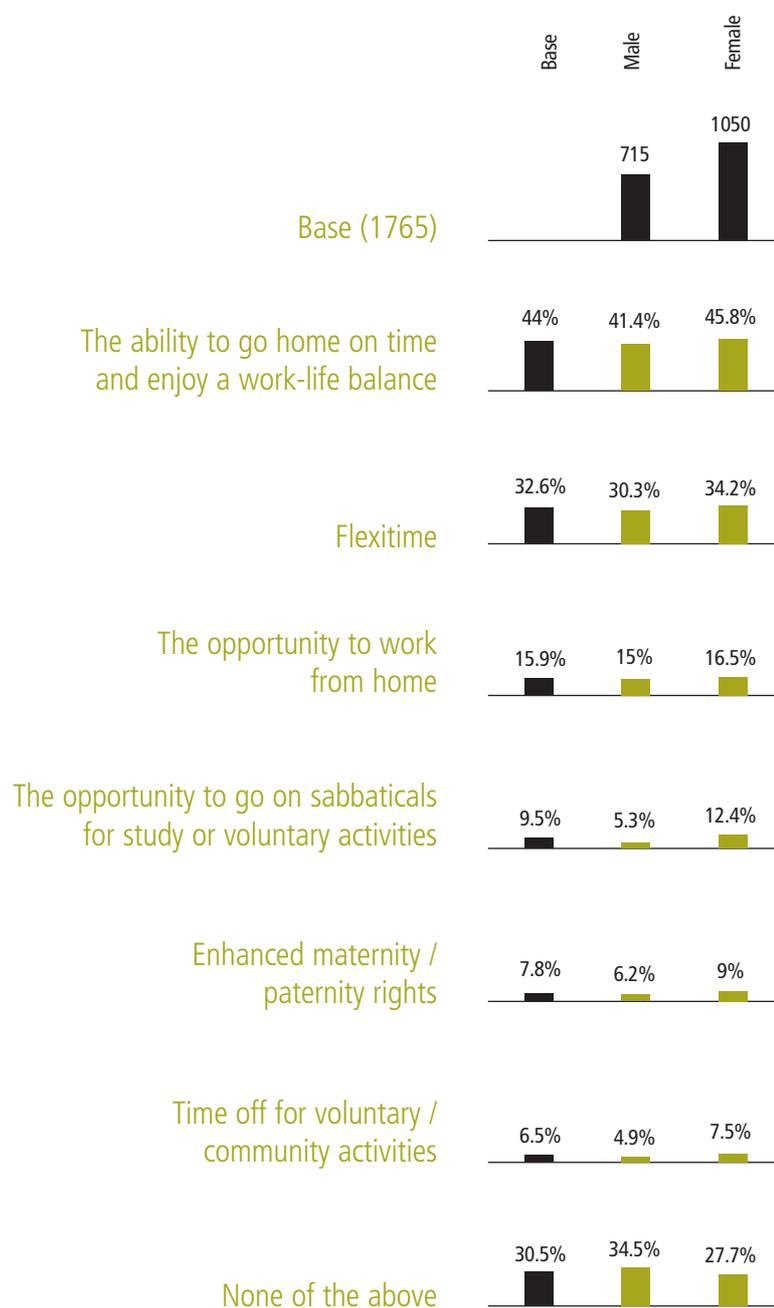
Directors and managers seem to accept that longer hours go with the territory – although nearly 50% of directors take advantage of their organisation’s flexitime arrangements. Directors also particularly enjoy the benefits of sabbaticals, working from home and taking time off for voluntary activities.

It seems that whoever you are work/life balance is an essential part of creating meaning at work, but different groups find it in different ways.

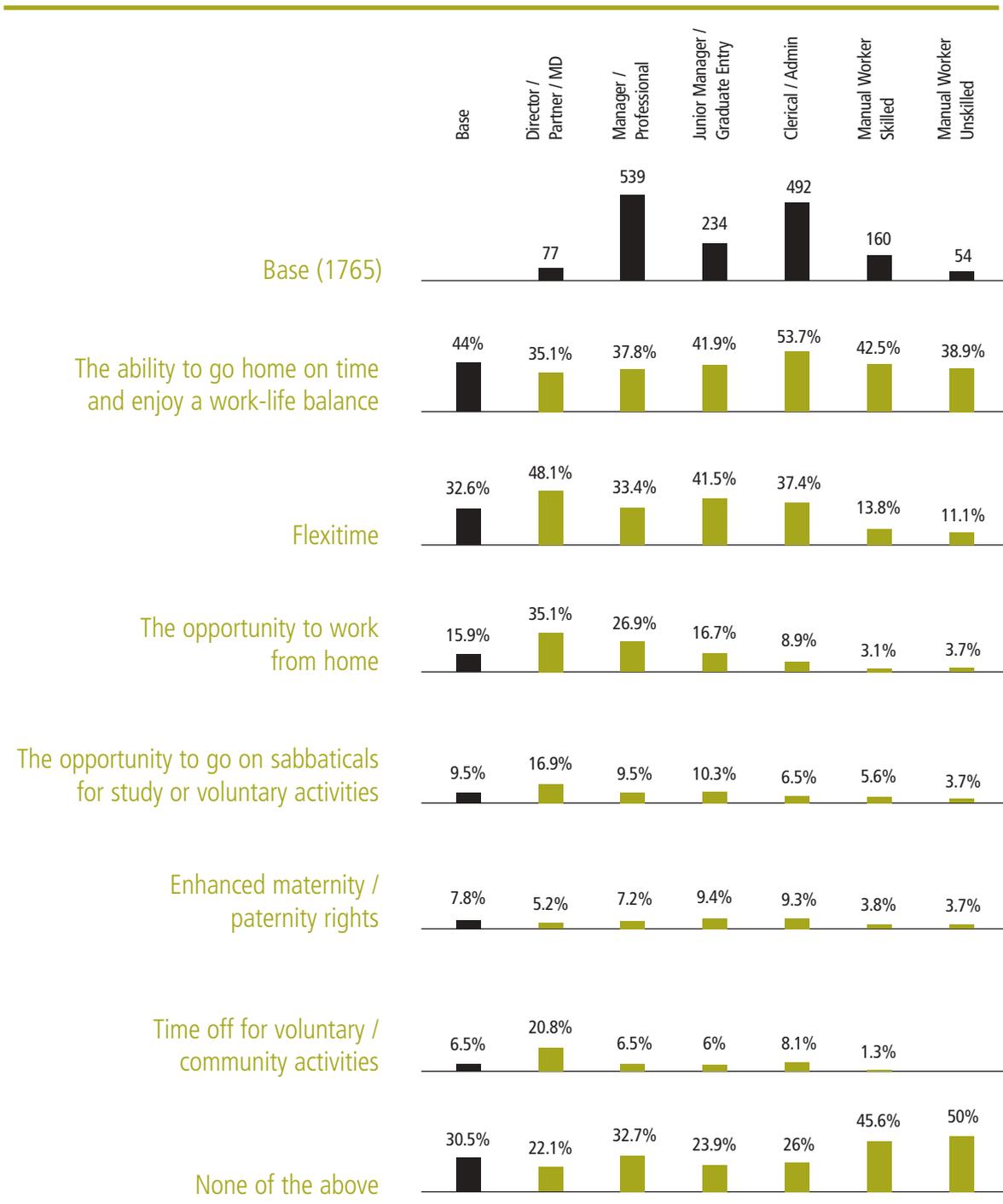
Nevertheless, 25% of our respondents say they are putting in more hours than they did one year ago – a claim recognised by 11% of employers. We still have a long way to go.

Amongst the employers we surveyed, 55% recognised their employees’ desire to leave work on time as a critical factor. Interestingly, they ranked enhanced maternity or paternity rights as the second most important factor in this area (41%), something which was mentioned by only 8% of the employees.

Thinking about your current role, which of the following do you feel have created a positive work experience for you: Flexibility? – by gender



Thinking about your current role, which of the following do you feel have created a positive work experience for you: Flexibility? – by position at work



'10 hours a day at 70% performance will always deliver less to the business than eight hours a day at 100%.'

David Fairhurst, McDonalds

Harmony between my personal values and those of my organisation

When our respondents are considering a career move, location (49%), the content of the role (47%) and the package (44%) are the dominant factors that determine their choice. This list of priorities was reflected in the expectations of the employers we surveyed.

Younger workers (32%) are more influenced in their choice of employer by its brand and reputation than older people (21% of those over 45). The age of the employer brand is clearly upon us and the trend looks set to continue.

But this is not about a manufactured image; young people are also the most likely to respond positively to meaning at work. Organisations, leaders and managers need to place more importance on what they stand for if they are to convince a younger generation which ranks values and ethics (14%) above promotion prospects (11%). When you consider that 45% of people under 30 are always looking for their next

job move ('Itchy Feet', Penna 2003) the consequences of getting this wrong become all too obvious.

Values fit is becoming increasingly important, with 14% of all respondents listing it as a key determinant of their decision to join their current employer. People between 45 and 54 felt a values fit was particularly important (19%), as did those working in professional services (19%) and not for profit organisations (35%).

These figures were lower than we anticipated – and lower than expected by the HR Directors we surveyed, 40% of whom thought organisational values played an important part in people's decision to join their organisation. It is possible that they are deluding themselves about the impact of their values. However, further analysis of the employee data reveals far more.

Nearly 50% of directors believe they and their organisations share exactly the same values, with a further 40% believing them to be broadly similar. One in ten directors work in an organisation which does not share their personal values.

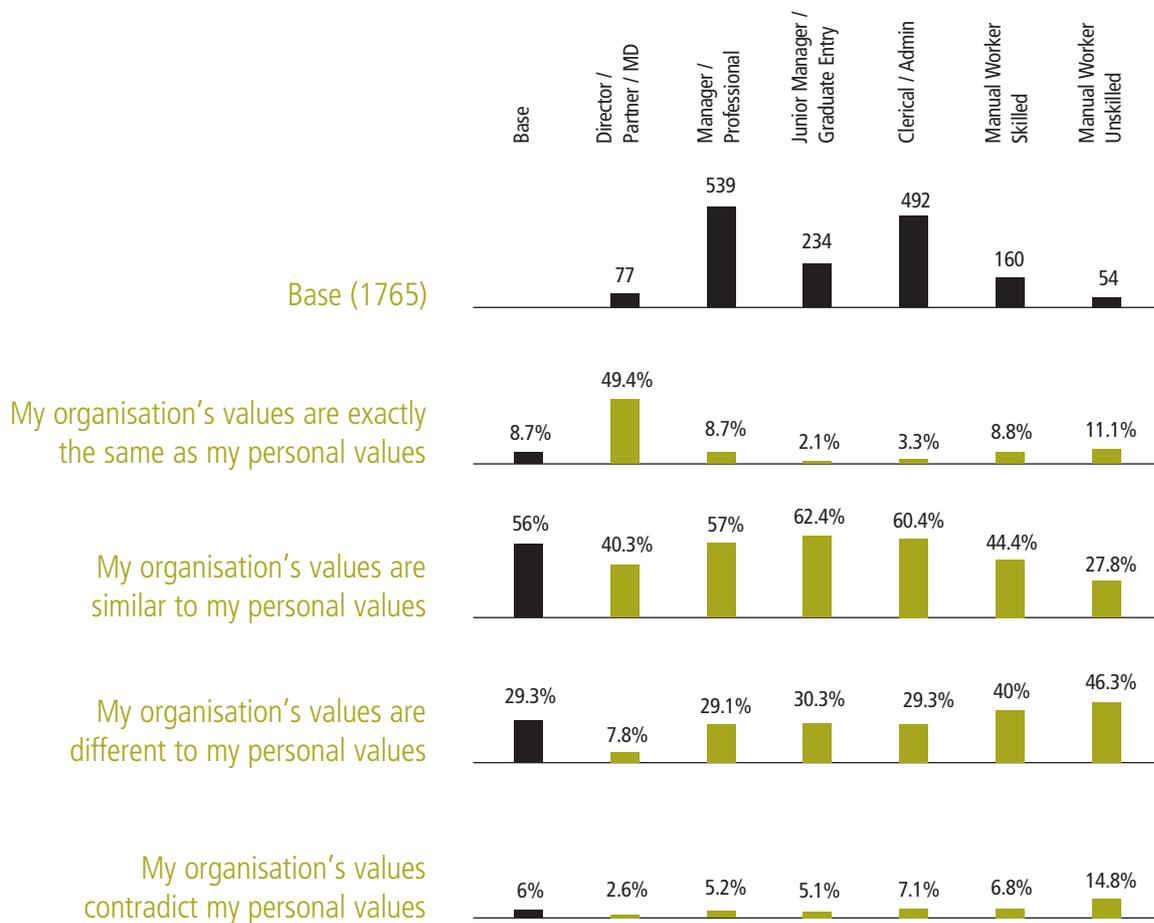
'Orange is a powerful consumer brand and plays an important role in our ability to attract and retain people. Our challenge, in HR, is to translate the brand into something that has meaning at work, and to manage expectations accordingly.'

Annette Frem, Global Culture and Leadership Manager, Orange

We know from our survey that over a quarter (27%) of directors considered company values to be an important factor when selecting their current employer. This leaves a significant proportion who have either been lucky, have adapted their values to match their employer's, or have used their position to shape the values of the organisation.

Whatever the case, it seems they are failing to inspire similar numbers of other employees to share them. Over a third of employees at other levels say they work in an organisation whose values do not reflect their personal values. This will disappoint the 90% of employers in our survey who believe that their employees share

How closely aligned do you believe your organisation's values are with your own personal values? – by position at work



the same or similar values. This was the most significant divergence of opinion between our two populations.

For an astonishing 6%, the organisation's values directly contradict their own. This is particularly prevalent in manual workers (9%) and those working in manufacturing and engineering (14%).

Peter Beresford, Chairman and CEO at McDonalds Restaurants UK, feels this is indicative of organisations which do not listen. 'The senior managers of too many businesses try to impose their values on their people. What we have tried to do as a senior team is reflect and

enshrine the values expressed by our people. And in a company of like-minded people, guess what, these values are consistent.'

In the healthcare sector 70% of workers feel they share the same or similar values to their employer – perhaps reflecting the vocational nature of their work.

Mark Stewart, HR Director of Airbus UK suggests 'You have different types of people with different types of perspectives on values. You have those people who think 'what's in it for me?' and people with a more holistic view of the world in terms of social responsibility and so forth'.

Jonathan Perks, Managing Director of Penna Leadership Services, labels the 6% who have contradictory values to the organisation as 'corporate terrorists':

'These people have already mentally left the organisation and challenge colleagues to 'walk the gauntlet of my scorn'. They are disruptive and destructive and the fairest thing for them, their colleagues and the organisation is to help them move to a new organisation where their values do fit, as soon as possible.'

ORGANISATIONAL

A sense of community at work

Few people would question the assertion that a workplace is also a community in the basic sense; it has a place, a purpose and inhabitants. However, to be meaningful, a community needs to have a higher objective than merely existing. This brings particular challenges for employers. Bringing employees together to do a job is not enough. People need to have an opportunity to be themselves, a sense of belonging, a sense of purpose, and a sense of shared values if they are to find meaning.

For more than one in ten workers (12%) the workplace is more likely to provide a sense of community than their home life or social life. For one third of the sample (32%) work creates a genuine sense of community. Two thirds of employers are clearly missing an opportunity to improve motivation and morale by fulfilling a basic human need. This may come as a disappointment to the 43% of employers we surveyed who think they have created a community in the workplace.

'A sense of community is engendered through a team ethos. We need to address this issue as an important element in achieving a real sense of community which shares common goals and behaviours – all important to today's talented people where who you work with is as important as who you work for. It is important to acknowledge and reward team behaviours as well as individual behaviours in corporate culture.'

Bill McCarthy, Managing Director, Penna Career Transition

Mark Stewart of Airbus expands on this point:

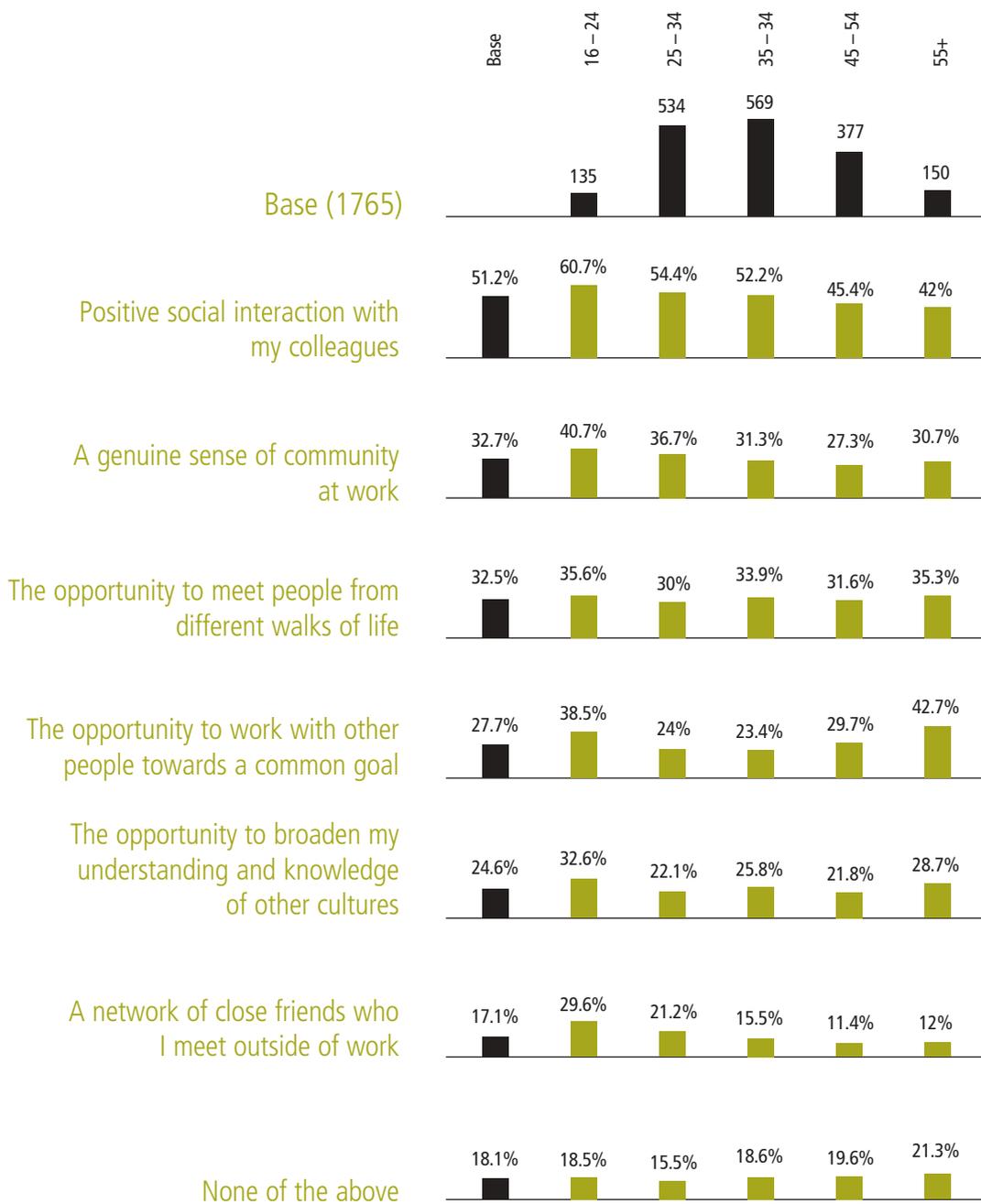
'A community for me is like the layers of the onion. You might start at the department level and work out to the corporate level. And then you think about the communities outside of the organisation, such as organisations in the supply chain, and the wider community. And it becomes about forming links with those communities whether that is for recruitment purposes, for corporate social responsibility or whatever.'



The opportunity to interact with others

Over half of our sample felt that positive interaction with their colleagues helped them to find meaning at work. In general social interaction at work seems to be a little less important the older we become:

Thinking about your current role, which of the following do you feel have created a positive work experience for you? – by Age



Whilst people's needs for social interaction evolve as they settle down and have families, they remain a significant source of meaning at work for all and this was recognised by 65% of the employers we surveyed. A network of close friends who meet outside of work is very important to the under 25s, and organisations which employ a large proportion of younger people need to recognise this.

One particularly interesting trend which emerges from these figures is the importance of work as a place of social integration. A third of our sample enjoy the opportunity to meet people from different walks of life who they might not have met otherwise. 25% appreciate the opportunity they have in their current role to broaden their understanding and knowledge of

other cultures. Only 19% of the employers we surveyed recognised the value employees place on these sort of opportunities.

Directors like meeting people from other walks of life more than any other group, yet they are far less likely to broaden their knowledge of other cultures at work than managers and administrative staff.

Women report finding more meaning from social interaction than men. At 21% they are nearly twice as likely as men (12%) to enjoy a network of close friends from work who they would meet outside of the workplace. They also seem to value their exposure to other cultures more than men (30% against 17% for men).

This is something that Lloyds TSB takes very seriously. Kate Griffiths Lambeth is clearly passionate about the 'respectful environment' the bank seeks to create and describes initiatives such as the women's network, a disability forum and ethnic diversity forum. And Annette Frem, Global Culture and Leadership Manager at Orange told us:

'For Orange UK we have a diversity programme and we believe we have a role to play. On this floor alone there are ten different nationalities although you may not know that by just looking. You do this partly because it is part of being a good citizen, but of course our customer base is multicultural and we must reflect that.'

The opportunity to contribute to the organisation's success

Being able to make a contribution to the organisation's success is a critical source of meaning in the workplace for 43% of respondents.

This becomes increasingly important at more senior levels with 52% of managers and 58% of directors citing this contribution as a source of meaning at work. Whilst higher than the average, these figures are lower than we expected. It appears that directors rate feelings of personal achievement more highly.

People working in small organisations (fewer than 50 employees) tend to value contributing to the organisation's success more highly than their own personal sense of achievement. Clerical and administrative staff are similarly selfless.

'When people see success, when they can recognise it, when they can be part of it, everyone is engaged and involved and they feel good about it. They feel good about their contribution and that's part of the acknowledgement, to ensure that people at whatever level see the contribution that they're making and know that's been identified.'

Peter Beresford, Chairman and CEO, McDonalds Restaurants Ltd

'It's not like working in a mass production car environment here. We produce around 400 aircraft in any given year and there is a lot of product identification amongst our employees. They look on an aircraft and get a huge sense of pride out of seeing the endeavours of their work.'

Mark Stewart, HR Director, Airbus UK

A manager or leader who creates meaning for me

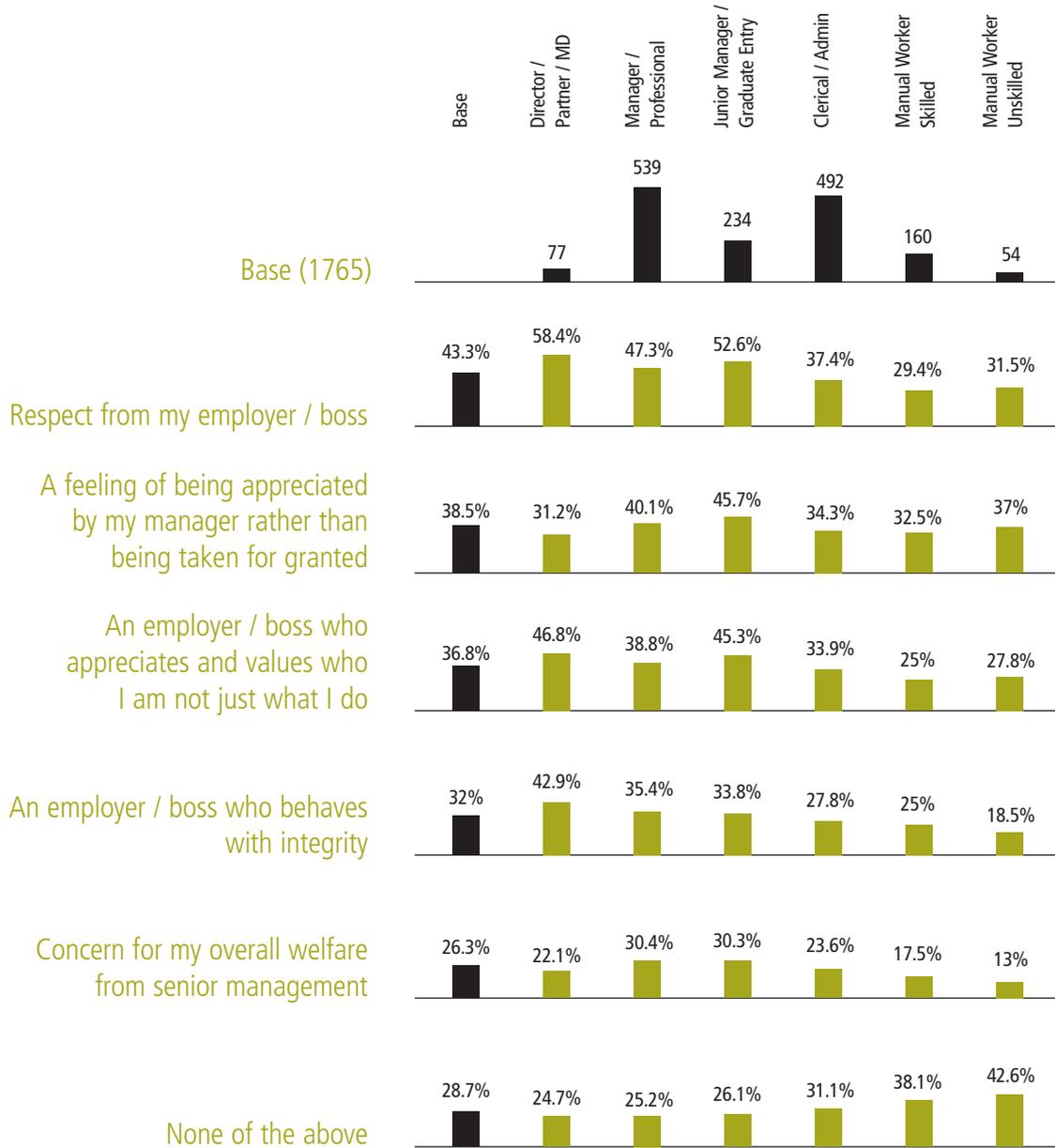
Penna's earlier research report, 'The Manager Matters', demonstrated the crucial role that managers play in attracting, motivating and retaining employees – a finding reinforced by this more recent survey which illustrates the positive impact a good leader or manager can have on an employee's experience at work.

Women are generally more responsive to a more positive management style – although men are slightly more likely to appreciate a manager who behaves with integrity. Management integrity is especially important to the older generation (41% of those over 55).

Thinking about your current role, which of the following do you feel have created a positive work experience for you: Management style? – by gender



Thinking about your current role, which of the following do you feel have created a positive work experience for you: Management style? – by position at work



Sadly, around 30% of our sample – and 40% of manual workers (skilled and unskilled) – say they have not experienced a positive management style in their current role. This is less surprising when you consider that 18% of the middle managers we surveyed reported feeling no pride in working for their current organisation and 21% said they would not recommend their organisation to their friends as a place to work.

The majority of employers recognise the importance of management appreciation (61%), integrity (58%), and respect (50%) and believe they are providing this positive style.

For more details about the crucial role of managers please refer to the Penna report 'The Manager Matters'.

'The cliché that people join organisations and leave managers is absolutely true. As part of our rapid impact coaching programme we ask new leaders to consider how people will experience you as a leader. They'll expect you to honour what you say you'll do. They'll expect you to live the values. You'll need to take your heart, body and soul into the organisation. If you cannot do that it's unlikely your people will go the extra mile for you.'

Jonathan Perks, Managing Director, Penna Leadership Services.



SOCIETY

An opportunity to contribute to society

22% of respondents said that the opportunity to contribute to society had made their current role feel more meaningful.

The over 55s particularly value this opportunity (33%), and women (27%) are more likely to find making such a contribution has a positive impact on their work than men (16%). Unsurprisingly those working in the not-for-profit sector value this opportunity more highly (42%) than those in the public sector (30%) or the private sector (14%).

It is difficult to identify how many respondents do not have such an opportunity in their roles – although we know it to be at least one fifth. We know that people who have an opportunity to

contribute to society find it has a hugely positive impact on their work experience. And, coincidentally, we also know that 21% of the employers we surveyed believe they provide their employees with such an opportunity.

21% of directors find meaning in their day-to-day work because of the opportunity to contribute to society. The same number of directors take time out of work for voluntary or community activities. They are more than twice as likely as the next group (clerical and administrative workers at 8%) to do this – probably because they are more likely to have the option. Nevertheless, the fact that a fifth make time to do so – and value it as an important source of meaning – belies the tabloid stereotype of directors as self-centred fat cats.

'We actively support various charities each year and encourage our employees to raise money for them. They also go out into the community to actively support and participate in that charity, whether that is project managing a new building or simply helping them out with some gardening.'

Mark Stewart, HR Director, Airbus UK



Working for an organisation with a strong sense of corporate responsibility

Our interviews with senior HR Directors revealed a factor untested by our survey, but which intuitively fits perfectly with the desire to contribute to society. HR Directors report strong evidence that employees appreciate the opportunity to work for an organisation with a good track record in corporate social responsibility (CSR).

Kate Griffiths Lambeth of Lloyds TSB told us about the bank's quarterly engagement survey

of all employees. She has noted two consistent factors – the impact that external press about the company has on engagement and morale, and a direct and demonstrable link between Lloyds TSB's CSR activities and employee engagement.

McDonald's encourages all of its employees to participate in RMCC 'home away from home' accommodation for families of children needing in-patient medical care at hospitals and hospices throughout the UK. This provides an opportunity for employees to become actively involved in the company's CSR policy.

'We know from a recent global survey that CSR is a key driver of engagement in many Orange countries'

Annette Frem, Global Culture and Leadership Manager, Orange

Pride and recommendation – the true tests of meaning?

We believe that the pride taken in working for their employer, and their willingness to recommend their employer as a place to work to friends, are excellent barometers of engagement and meaning.

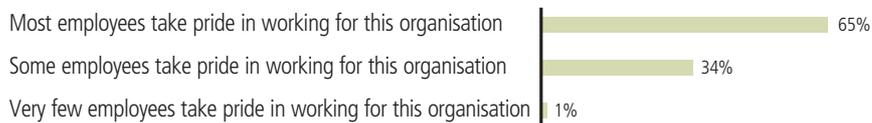
And something appears to be going very wrong. Nearly one fifth (17%) of employees we surveyed feel no pride in working for their organisation:

Pride

Employees



Employers

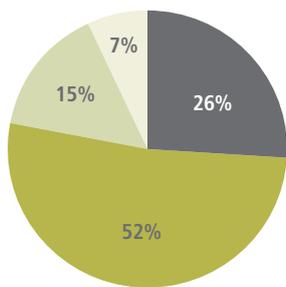


A third of people under 24 and a similar number of the over 55s are very proud to work for their organisation. People in between are more cynical.

Analysis of the pride figures by job role reveals an astonishing 44% of unskilled manual workers who are not at all proud of working for

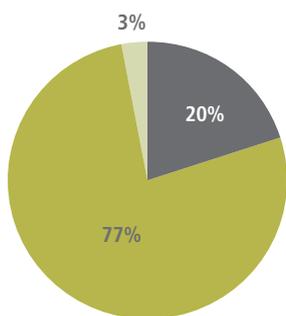
their employer. 18% of junior and middle managers feel the same.

For nearly one quarter of the employees we sampled, organisations are failing to create sufficient meaning to earn this sort of recommendation.



Employees

- I would wholeheartedly recommend this organisation as a place to work to my friends 26%
- I would recommend this organisation as a place to work to my friends but with some reservations 52%
- I would not recommend this organisation as a place to work to my friends 15%
- I would advise people not to join this organisation 7%



Employers

- Most employees would wholeheartedly recommend this organisation as a place to work to their friends 20%
- Most employees would recommend this organisation as a place to work but with some reservations 77%
- Most employees would not recommend this organisation as a place to work 3%
- Most employees would advise people against joining this organisation 0%

An optimistic 97% of employers believe that the majority of their employees would recommend the organisation as a place to work. However, nearly one quarter of those people we surveyed would not give such a recommendation.

Amongst that quarter, there is a small hardcore – the corporate terrorists – who would actively

discourage friends from joining their current organisation. It is likely that these people have reached the stage where their minds will never be changed.

For the remaining majority however, there is still hope and by creating meaning at work organisations can win back hearts and minds.

THE ORGANISATIONAL BENEFITS OF CREATING MEANING AT WORK

People are searching for meaning in life and, for many, the workplace is a key source. But if organisations focused more on creating meaning so many more employees could benefit. The crucial question for organisations is 'would it be worth the effort?'

The answer is a resounding 'Yes'.

We asked our sample what benefits an organisation could expect in return if it put resources and effort into creating meaning at work.

Over half of our respondents said they would be more motivated at work, and loyalty rates would

soar. People would take more pride in their work and many would be willing to put in more hours to ensure the job is done.

'Our employees tell us the same thing,' Peter Beresford of McDonald's told us. 'When we deliver they keep their part of the deal. Since we last surveyed our people in 2004, pride in the company has risen by 14% and loyalty is up 6%.'

Across the board, it is the under 35s who will be the most responsive to increased meaning at work. If organisations are to attract, motivate and retain this generation of workers, they must focus on the individual, organisational and societal sources of meaning and create a fulfilling

working environment in which they can be found and enjoyed.

David Fairhurst of McDonalds comments: 'As we move through life different things become meaningful. For many young people work, and the relationships they enjoy in their work, are highly meaningful. As we get older, children and families move up the agenda and may assume greater meaning. As employers we have to respond to these life stages for every individual within the organisation. One of the ways we do this in McDonald's is to have 'stay' meetings rather than 'exit' interviews to help us to respond to people's changing needs.'

'When I was building up and then running the law firm, and you can't get more people business orientated than a law firm, I used to talk about QED: the Quality of what they do first; the Environment in which they do it second, and the 'Dosh' was third and it was in that order.

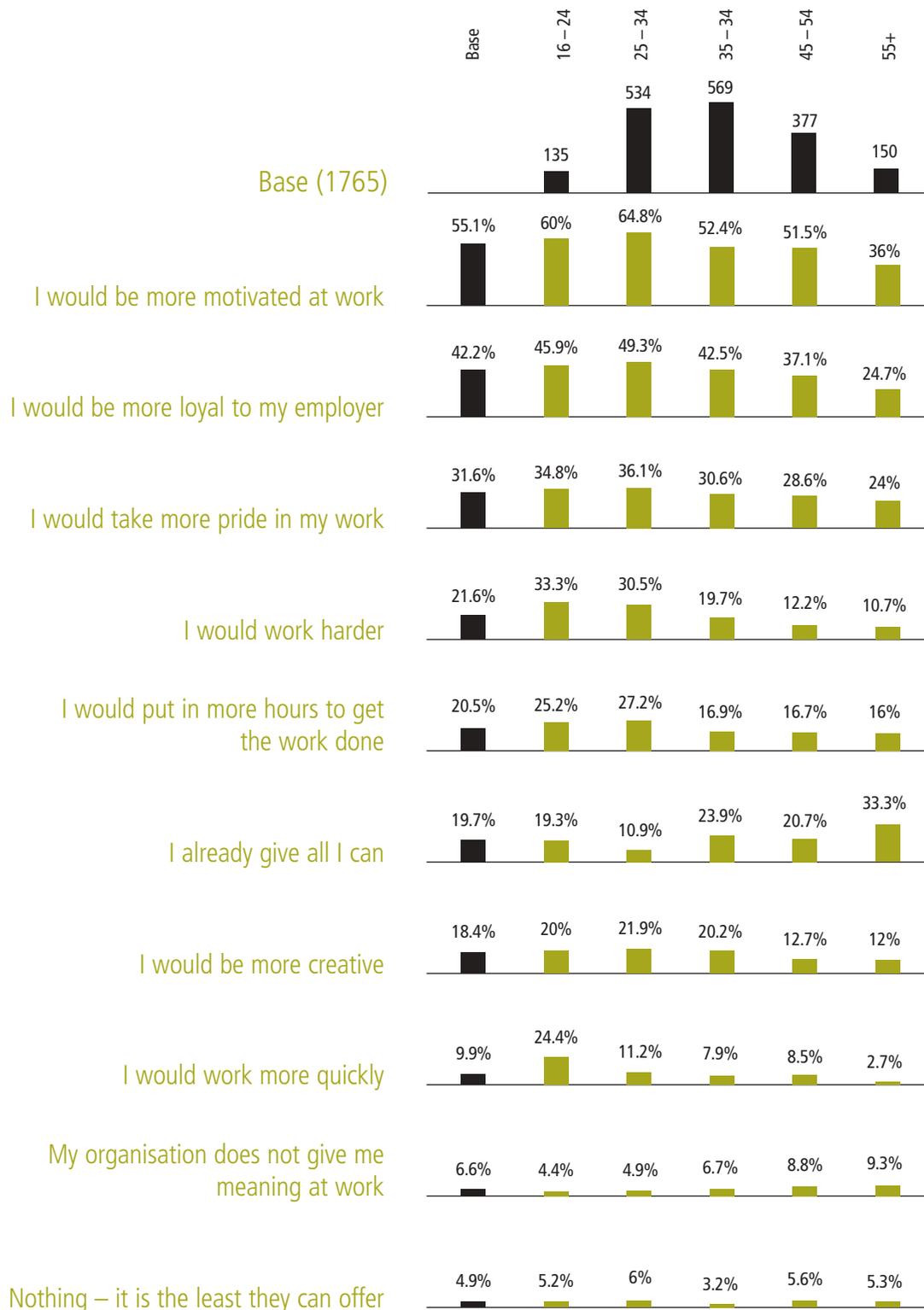
If they go home at night feeling fulfilment and self respect from the nature of the product or service they deliver, if they then go to work in the morning looking forward to the environment in which they're going to do it – their mates, their workable space, feeling good about the fact they walk through a door with a certain name over it – then you'll keep them.

Thirdly you have got to give them one of the universal signifiers of their worth, which is namely money and they have got to be able to think "I'm not being ripped off here".

But it definitely is in that order and that's a philosophy I've actually lived with for 20 years, with considerable success. The CBI, as an employer, has to fulfil that. 90% of our people are policy experts in a particular field. Every one of them could go to a merchant bank or a firm of accountants for twice as much money overnight. But you do it for a load of other reasons. And meaning of work is one of the biggest drivers.'

Sir Digby Jones, Director General of the CBI

If an employer works hard to create meaning at work for you (eg by giving you a sense of purpose, community, contribution etc), can they expect any of the following in return? – by Age



WHY IS MEANING AT WORK SO IMPORTANT?

GARY BROWNING, CEO, PENNA PLC

Should organisations be concerned about creating meaning at work? Our research suggests that they must if they are to attract and retain the best talent in the future.

Meaning at work is more than a culture. Organisations who have meaning at work dare to dream of the future: they have a purpose, a vision, and a destiny. They have a soul.

If an organisation has true meaning it must demonstrate these values through the actions and behaviours of its leaders in order to retain talent. But how do organisations attract talent when prospective employees cannot observe these behaviours first hand? The sense of meaning has to be articulated through the

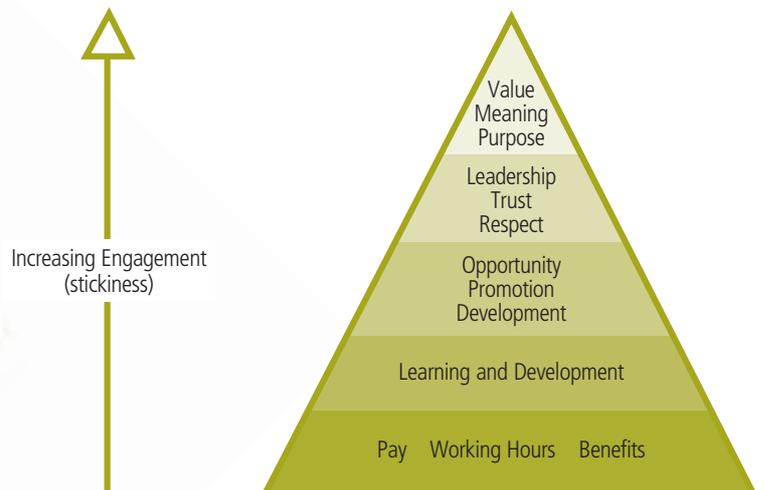
employer brand, the myths and legends of an organisation, and what people say about the leadership. Attracting new talent will be dependent on the corporate reputation.

Like Tichler and Zohar & Marshall before us we recognise parallels between people's search for meaning and Maslow's hierarchy of needs.

We suggest that if employers are to differentiate themselves in a sustainable way – in a way that will increase their retention of talent in the long term – then they have to meet the higher needs of employees and potential employees.

We propose a hierarchy of engagement factors, with meaning at work at the apex.

Hierarchy of Engagement



In this model, the hierarchy of 'stickiness' indicates the impact each level will have on the attraction, engagement and retention of talent. Employees will stay in an organisation for longer if they are paid a high salary – but only for so long. Ultimately a competitor can always pay more – and employees may become more likely to look for more lucrative opportunities as his or her market value rises.

Having satisfied the basic needs of pay and benefits, employees look to development opportunities, the possibility for promotion and then cultural fit and leadership style will be introduced to the mix. Finally when all the lower level aspirations have been satisfied the employee looks to an alignment of 'values-meaning' displayed by a true sense of connection, a common purpose and a shared sense of meaning.

As the hierarchy ascends it becomes more and more difficult for a competitor to tempt talent away. Firstly the research evidence clearly suggests that as meaning is created so loyalty increases and secondly whilst any competitor can match and better the benefits package it is not so easy to replicate the meaning one organisation has. Hence as an organisation

invests in the higher-level engagement factors so it increases its attractiveness to new talent and retention of existing – it becomes more engaging. In short, someone who has found a true sense of meaning at work and has therefore bought into the dream, is far less likely to leave than one who is simply paid a lot.

This concept seems to resonate with many of the people we have spoken to:

'You can pay people upper quartile salary figures and they may still feel dissatisfied and unhappy with the organisation. There's a range of factors which underpin the meaning at work concept and which cement the employee with the employer in the long term.'

Mark Stewart, HR Director, Airbus UK.

Our research has demonstrated that 42% of respondents would be more loyal to their employers if they created meaning at work, 55% said their motivation levels would rise, and 87% of the HR Directors we surveyed recognised that engagement would increase in line with a stronger sense of meaning.

This essential competitive advantage in the war for talent is there for the taking.

Lessons for leaders

- **Don't just set a credible and inspiring vision – communicate it, embed it, and live it.**

Ensure there is clarity in the vision and values of the business – and consistency between the values you espouse and those you pursue.

- **Don't judge leaders on what they say but on what they do.**

Leaders play a crucial role in creating meaning for your people. They will be judged on who they are and what they do, not what they say. Conduct a 360 degree feedback process on your leadership team.

You attract people who are attracted to the values you espouse. Empty talk will soon be exposed and your enthusiastic new recruit could become a damaging corporate terrorist. Be realistic, honest and consistent throughout the recruitment process.

- **Don't just develop intelligent leaders, develop emotionally intelligent leaders.**

Leaders with a high EQ understand themselves, manage themselves and their relationships with others, and are realistic about the environment in which they operate. They are more effective as leaders.

- **Don't assume everyone is the same. Find out what really motivates each individual.**

Show a genuine respect and appreciation for each individual employee and the contribution they make.

Good leaders understand how each individual finds meaning. Ask each person direct questions such as:

- How do you like to be rewarded?
- What creates meaning for you? In work and outside of work.
- What legacy are you going to leave?
- What difference have you made today? This week? This year?
- If you couldn't possibly fail what would you do?
- How can I as a leader help you?

- **Don't ask without listening.**

Use psychometrics, surveys and above all conversations to understand what your people value in work and in life. But you must be willing and able to act on the results. If you ask and don't act you create more damage than if you don't ask at all.

- **Don't ignore unpalatable truths. High employee turnover suggests a lack of meaning at work.**

Analyse your employee turnover figures. Retention is your weathervane of meaning at work. If your churn rate is greater than 10% conduct an employee engagement survey as soon as possible to find out why.

- **Don't just have exit meetings. Catch people before they have decided to leave – with regular 'stay' meetings.**

Too many organisations meet with people once they have announced they are leaving. That's far too late. Follow the McDonald's example and have 'stay' meetings before it becomes necessary to have 'exit' interviews.

- **Don't just hire for competence. Hire for attitude and alignment with your values.**

Attitude and behaviour are essential. The most qualified candidate will not always deliver the best results. Identify those people who are not in the right place to add value to your organisation. If you can, find a role which makes full use of their talents. If you cannot it is time to have a courageous conversation with that individual.

Identify your 'corporate terrorists' and actively encourage them to seek a role with an employer whose values they share

- **Don't assume money creates meaning. Developing your talent can make them feel more valued than a bonus would.**

Create an environment which delivers challenge, enjoyment and development of skills in the workplace. This makes such a positive difference in showing you care about and value your people.

- **Don't just have formal company socials. Support and encourage informal communities.**

Encourage and support informal communities and networks which naturally emerge – whilst recognising that any attempt to bring formality to such groups will kill them. Often this is simply about creating the space to let these communities flourish.

- **Don't be inflexible about flexibility.**

Create flexible working environments which are conducive to adult/adult relationships – eg flexitime, sabbaticals etc – recognising that different people seek different forms of flexibility. Be clear about the level of flexibility and trust in your organisation and think creatively about what flexibility means for your people.

- **Don't pay lip service to ethics. Establish and follow ethical business policies and practices.**

Have a clear policy on Corporate Social Responsibility – and do something about it.

For more information

If this report has inspired you and you would like to discuss its contents, or how you can create meaning at work in your organisation, please contact trevor.lambert@e-penna.com.

www.e-penna.com
Email info@e-penna.com



Our network
extends across:

Europe
USA
Canada
South America
The Far East
Asia
Australasia