

Workplace Volunteering, Salary and Productivity - - the Link?

An ongoing challenge for an organisation's leadership group is how to generate effective employee engagement.

Why?

Because all leaders know that the game is won or lost in how they deal with their "people".

The leaders need to be committed to having their employees invest emotionally in the organisation.

As the nature of work changes, then leaders need to better understand how to manage employees. There is a definite trending from a reliance on a common one-size-fits-all approach, to treating employees more as individuals and therefore customising the management plan accordingly.

As Josh Bersin, Principal and Founder, Bersin, Deloitte Consulting LLP, explained in his opening keynote speech at IMPACT 2018, ***"companies aren't companies anymore. They're a collection of individuals."***

Bersin also commented: ***"Respect for the individual and his or her well-being is critical. Every employee should be considered a partner. And that's true whether the employee is 22 or 62."***

While remuneration is not the most important employee consideration, it continues to be a vital part of the mix that influences each employee's sense of belonging and value.

An organisation's leadership group needs to consider the well-being of the employees as this impacts directly on both the individual and organisation's performance.

Remuneration can facilitate the reinforcement of an organisation's culture – see the banking royal commission findings; as well as the core values and achievement of strategic objectives.

Remuneration continues to be an important means of motivating an employee's performance and in generating an appropriate level of organisational well-being.

Two key areas of focus for leaders ought to be equitable remuneration and workplace volunteering/giving.

If it is about giving then one way to achieve this is to facilitate opportunities for staff to have a meaningful connection with the organisation's community.

Sometimes the challenge seems to be more about what is the nature of the volunteering and or giving, than if it is worthy of support.

Employees are a rich source of suggestions and this exercise in itself leads to stronger engagement and ownership of the program. It is a positive aspect in itself.

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By involving the employees then employees will have a greater sense of being engaged in their organisation. This is an example of prosocial behaviour and has a positive effect on staff well-being.



Mike Preston Chief Talent Officer Deloitte LLP stated in the 2016 Deloitte Impact Survey – “Building leadership skills through volunteerism”:

“As the battle for talent continues, volunteering can be a strong leg-up on the competition for both prospective employees and

employers. Companies that create a culture making an impact and to tapping into their employees’ sense of purpose have the ability to attract and retain top talent.”

And in the 2011 Deloitte Volunteer IMPACT the comment was made at the outset:

“Many influential business leaders and management gurus agree - the affinity that employees feel toward an employer has the power to create a competitive advantage that can be hard to imitate, and is inextricably linked to organisational performance. Sometimes intangible, its force is undeniable. Without a motivated and engaged workforce, even the most brilliant business strategies can falter.”

Importantly Deloitte did go on and proffer this challenge to all leaders:

“New research from Deloitte suggests a powerful link between frequent participation in workplace volunteer activities and several measures of employee engagement that, in turn, contribute to employees’ perceptions of positive corporate culture.”

Koda Capital identified that the levels of workplace giving had recently fallen; yet found that it remains as an efficient and effective way for individuals to participate in giving to worthy causes.

This emphasises that while there is a sharpened focus on the individuals, there must also be an attempt to integrate many of those same individuals into a sense of being a “collective”; and therefore operating within the organisation as a whole.

It is accepted that productivity is achieved by having more of your employees working together toward a common goal.

This sense of connectedness and belonging is incredibly important; and only happens with specific actions from the leadership group.

What leaders are asked to do is have a dualistic focus, with an individual view and an organisational view.

It is not a question of which is dominant, rather what is the most appropriate under the various circumstances in which the individual and organisation is operating from time to time.

Workplace volunteering/giving can positively foster the right team feeling and this in turn will contribute to delivering improved productivity.

It is the presence of the prosocial behaviour within the organisation that is so powerful and drives the productivity.

It presents as a conundrum in that even having the focus on the individuality, employees still seek to be tribal.

Like workplace volunteering/giving, the leadership approach to remuneration must ensure it has consistency across the organisation's strategic objectives.

This requires that the organisation's remuneration practices are to be aligned with the achievement of those objectives.

For many NfPs cash type bonuses are not either possible or very attractive to employees.

This however does not exclude having non-monetary incentives i.e. regular recognition and professional performance feedback.

Too often the leadership group underestimate the importance of having their remuneration programs competitive enough to attract and retain the right talent.

Companies which do not consciously manage their remuneration programs can easily "wake up one day" only to find there are inherent biases and distortions within the system. This often leads to employee conflicts and mistrust. Another aspect that leads to mistrust is the presence of a policy of 'pay secrecy'. Where employees are concerned or lack confidence in the remuneration decisions especially pay equity, then secrecy is the last thing that is needed. It will only further drive a mistrust of the remuneration program, possibly even contributing to a lowering of motivation and overall organisational well-being.

The presence of an open and transparent remuneration program can be a powerful force of positive well-being in the organisation.

Equity in remuneration will more easily enhance productivity, enhance employee motivation and their commitment to engagement and collective performance.

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It is not too challenging as a leadership group to be committed to a program that compensates employees on the basis of job-related skills. This can lead to employees seeking our opportunities of professional improvement in their gaining of skills, competencies and knowledge. Employees biased to doing this contribute to the overall well-being of the organisation, as well as themselves. It is a win-win situation.

The challenge is therefore to identify and adopt a systematic approach to remuneration as it ensures the best chance of attracting and retaining the right employees.

Finally rewarding employees via an equity remuneration program and offering workplace volunteering/giving ensures the leadership group is using key tools of influence. In doing so it has the best chance of achieving the objectives and experiencing higher levels of productivity compared to its competitors.

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