

Engaging People through non-financial rewards

by **Chrysanthi Danou**



“Employee engagement” refers to an employee’s level of positive or negative emotional commitment to his/her organization, job and co-workers. It includes notions like organizational commitment, job satisfaction, discretionary effort, going the extra mile, being passionate about your job.

According to the CIPD (Chartered Institute of Personnel and Development), employee engagement includes three types of engagement:

- Intellectual engagement, which refers to thinking hard about the job and how it can be done better,
- Affective engagement - to feel positively about doing a good job and strive for the best result,
- Social engagement - to actively seek opportunities to discuss work-related improvements with others at work, and make procedures and policies practical and productive for everyone.

According to research, positive relationships between employers and employees have been linked with staff retention, productivity, revenue growth, innovation, profitability and customer satisfaction. Happier employees deliver an improved business performance. Engaged employees are stronger advocates of their organizations and help protect the employer from reputational risks associated with poor service levels or product quality. So there seems to be a business case for companies to keep their employees engaged. That’s easier said than done. An organization must have a clear strategy to enable employee engagement.

Such a strategy must focus on **leadership**, so that it is clear for everyone what the targets of the organization are and where it is heading to, **employee voice** so that employees can question the status quo and participate in decision making about issues that concern them, **organizational integrity** which refers to the values of the organization that are embedded in the culture and a common set of principles that the employees must abide. Equally important factors are **line managers who motivate, empower and support** their teams, and **employee well-being**, which refers mainly to work-life balance and levels

of stress at work. Employee well-being can be considered as a hygiene factor, for otherwise, it may be impossible for an employee engagement strategy to work.

Stating the above, it seems that employee engagement was never about financial rewards. How well can our management team comprehend that? As HR professionals, I am sure most of you have come across complaints from your management team, especially after last year's salary decreases. Managers often claim that their team members are demotivated, whilst, their employees cannot be as productive as they were with reduced salaries and lower benefits. It is the good managers who realize that there are other things at stake which can make all the difference, things that are definitely a manager's job to do.

However, financial rewards are and will be a hygiene factor. If an employee cannot make ends meet every month, then all other actions will be in vain. Some companies in the UK, as soon as the crisis started and salaries had to be decreased, offered employees access to financial consultation so that they could adjust their monthly budgets and expenses, and learn how to live with less. This action shows an organization that understands the difficulties an employee is facing following the decisions of the business, providing suitable guidance and support for difficulties to be surpassed.

So what are some examples of non-financial rewards that a company can offer? These may be tangible recognition for a job well done, flexible working arrangements, opportunity to engage in volunteer work, career development, mentoring schemes, work on innovative projects that are not core business, attention from top management/leaders, and much more. Depending on each person, the aforementioned examples will carry different weight. It is a manager's job to recognize what each team member needs in order to be engaged.

Employee engagement is the key to a loyal and productive employee, and without it, the best salaries and benefits in the world will not be effective, at least not for long.

Biography:

Chrysanthi Danou is the Human Resources Manager of Cyprus Trading Corporation Plc for the past five years. She has a BSc in Business Administration from the University of Cyprus and an MSc in Human Resource Management from the London School of Economics. She is also a Chartered member of the CIPD.