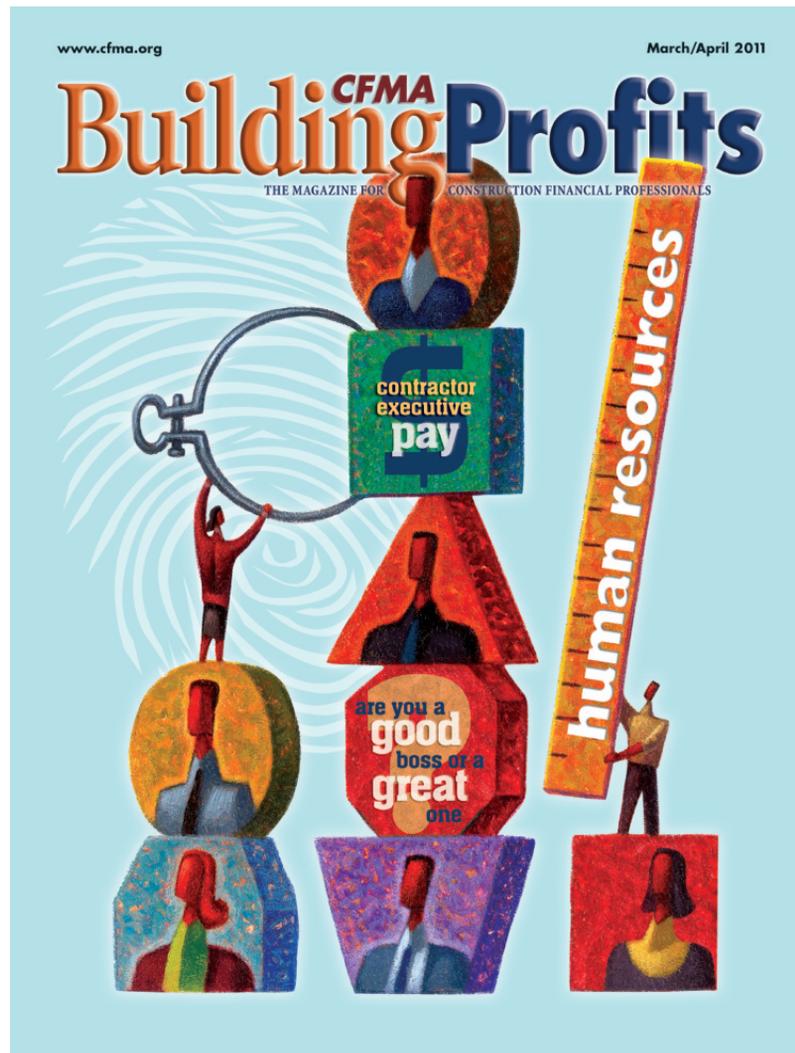


# CFMA Building Profits

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R E P R I N T



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**CONSTRUCTION FINANCIAL MANAGEMENT ASSOCIATION**

*The Source & Resource for Construction Financial Professionals*

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# SUSTAINING EMPLOYEE ENGAGEMENT: *Racing Toward the Future*



Even though growth is projected for certain sectors of construction, the industry overall is still feeling the effects of the economic recession. Contractors that take a realistic approach know that complete recovery is still years away.

## DISENGAGEMENT – THE NEW “NORM”

Over the past several years, contractors have endured downsizing, cutbacks, and uncertainty. Although employees are resilient, even the most optimistic among

them cannot avoid becoming disengaged. This has become the new “norm,” especially when leaders fall prey to the gloom of uncertainty. In fact, disengagement may divert managers’ attention so much that their employees’ immediate needs go by the wayside.

Disengagement is also expensive, costing the economy \$300 billion a year.<sup>1</sup> However, companies that engage their employees have higher sales, productivity, and retention. One study found that over a period of 12 months, operating income increased by 19.2% in companies with high employee engagement and decreased by 32.7% in those companies with low levels of employee engagement.<sup>2</sup>

Your company cannot afford to wait until the economy recuperates to reengage its employees; now is the time to refocus on employee engagement strategies.

Communication, recognition, and training are not new, complex, or expensive strategies, but they deserve revisiting. Your company’s workforce must be energized, productive, and committed instead of tentative, reactive, and disconnected.

## COMMUNICATION: SHEDDING LIGHT ON UNCERTAINTY

Communication methods don’t have to be complicated or difficult. They can be as simple as updating staff on meeting outcomes or sitting down with employees to outline changes in their job responsibilities.

The key is to regularly communicate with all levels of employees to keep uncertainty



at bay. Let's take a look at two running scenarios to see how communication can make a difference.

A nonprofit organization hosted its first trail run. Many participants were excited and enthusiastic, but had never run on a trail before. The race began with twists and turns, exposed roots, and uneven paths. The inexperienced racers felt like the end was nowhere in sight; unfamiliar terrain, limited spectators, and no mile markers made it even more challenging.

By comparison, consider a road race in its 35th year on a familiar course. First-time participants can find out what to expect by talking to previous racers. The course might still be challenging, but at least there is a clearly marked route, spectators for support, and signs to mark each mile.

In both examples, the runners finished the race. However, the amount of information and feedback gathered before and during the race impacted the runners' confidence and productivity. In short, uncertainty decreased as communication increased, which led to a more effective race. Similarly, a company's executives and managers must provide ongoing communication to shed light on its path to success.

### Constant Communication Strategies

According to Jeff VanderLaan (CEO of Kent Companies, Inc., a large concrete subcontractor in Grand Rapids, MI), "Difficult economic times make communication with employees more critical than ever, especially when we're unable to make the most tangible expression of our gratitude by giving bonuses and pay raises."

One of Kent Companies, Inc.'s communication strategies is to hold all-employee meetings twice a year to share its "big picture." At these meetings, the company emphasizes its accomplishments and presents realistic results and predictions.

Another example of constant communication comes from Pleune Service Company (a mechanical contractor in Grand Rapids, MI). Jill Malone, VP of HR and Administration, explains that because of its 100% employee-owned stock ownership plan (ESOP), constant communication is at the forefront of its agenda.

Pleune has a communication committee comprised of non-management employees who work diligently to keep all employees up to date on what's happening within the company on a regular basis.

In addition, no news is *not* better than bad news; the more employees know about a negative situation (including how long it might last and what to expect), the easier it is for them to cope.

### RECOGNITION: CELEBRATING SUCCESSES

Recognition is not only a "feel good" task, but also has direct positive implications. For example, a marathon runner who is struggling through mile 20 desperately needs supporters to hold up signs, ring cowbells, etc., to push on toward the finish line. Without support, the road grows quiet, lonely, and endless; with support, the runner's commitment and effort increase exponentially.

In today's business environment, the road for employees can seem just as lonely. Many have been asked to take on more

### Low-Cost Recognition Ideas

- Greet employees by name.
- Practice positive nonverbal behaviors that demonstrate appreciation, such as a smile or a handshake.
- When you hear a positive remark about someone, repeat it to that person as soon as possible.
- Write a letter of praise recognizing a staff member's specific contributions and accomplishments. Send a copy to senior management and add it to his or her personnel file.
- Send a letter/e-mail to all team members at the conclusion of a project, thanking them for their participation.
- Publicly recognize the positive impact of the solutions employees devise for problems.
- Send a letter of thanks to someone's home when he or she has spent long hours at work.
- Create an *Above and Beyond the Call of Duty* (ABCD) award.
- Ask all staff to vote for top manager, supervisor, employee, and rookie of the year.
- Encourage employees to identify specific areas of interest in job-related skills. Then, arrange for them to spend a day with an in-house "expert" to learn more about the topic.
- Give special assignments to people who show initiative.
- Express an interest in an employee's career development goals.

This list has been adapted from the University of Washington Human Resources [www.washington.edu/admin/hr/roles/mgr/ee-recognition/award-ideas.html](http://www.washington.edu/admin/hr/roles/mgr/ee-recognition/award-ideas.html)

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responsibilities for the same pay and are uncertain about their job security. It's the manager's job to help employees move forward with confidence.

One of the best ways to do that is through recognizing employee dedication, skills, and achievements. Just like a runner is propelled across the finish line by the crowd's cheers, employees who are celebrated and recognized for their abilities will see their productivity and commitment to excellence skyrocket.

While it's easy to put recognition on the back burner during difficult economic times, studies continue to rank it at the top of what employees want from their managers. "A January 2007 survey by staffing firm Accountemps found that 'frequent recognition of accomplishments' was the top nonmonetary compensation named by both full- and part-time office workers . . ." <sup>3</sup> If used consistently, it will keep employees motivated, engaged, and committed to the company.

### Change the Culture & Encourage Growth

Recognizing employees starts with a simple "thank you" for a job well done. Once this is established as part of the company's culture, there are plenty of ways to recognize employee dedication and loyalty.

For example, Kent Companies, Inc. gives years of service and customer service awards to recognize employee longevity and efforts that go above and beyond. Pleune Service Company hosts an annual company holiday party where it gives away prizes and recognizes long-term employees with trips.

Another way to recognize employee talent is to provide growth opportunities. Triangle Associates, Inc., a GC based in Grand Rapids, MI, has taken on this challenge. Norm Brady, VP of HR, explains its approach: "The economic climate has required all of us to do more with less. We have embraced this reality by providing employees with meaningful opportunities to take on more responsibilities and special projects; this has filled a need and resulted in employees who are highly motivated, appreciated, and challenged."

Specifically, Triangle Associates, Inc. chooses to invest time and money to identify, assess, and develop its high-potential employees in a partnership with a talent management consulting company.

First, they identify high-potential employees who then complete four different assessments that address leadership, motivation, personal profiling, and critical thinking. This provides plenty of raw data to create individualized development plans that address strengths and areas of growth. (See the exhibit

on the next page for an individual evaluation process.)

The results are as varied as the employees. In one case, Triangle Associates, Inc. was able to create a unique dual role for a PM after identifying the employee's passion for sales.

In another case, it was able to meet an organizational need in its quality department by giving an employee increased responsibilities that matched his skills and experience. It was a positive experience for everyone involved, motivating employees and adding value to the company.

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### TRAINING: RACING TOWARD THE FUTURE

It might seem ludicrous for inexperienced runners to line up at the start of a marathon. While they may run a couple of miles on pure adrenaline, they would probably have to seek medical attention before long.

The training regimen required for marathoners begins months before a race and requires commitment and focus. Training is not effective if it's sporadic; it must be done regularly and include other types of exercise, as well.

### Creative & Targeted Training Strategies

It might seem equally ridiculous for a company to send its employees out on a job without adequate training. However, in a struggling economy, training is one of the first line items to be downsized or eliminated completely. Regardless, companies must find ways to educate their employees using creative training sources and targeted training strategies.

Training does not have to be expensive; there are plenty of creative, low-cost training options. Managers can work together to provide cross-training opportunities. This is especially relevant as employees are taking on multiple roles. Web-based resources (e.g., e-learning, Webinars, and online discussions) are cost-effective ways for employees to keep their skills current.

Another option is to ask your company's professional partners to answer questions, share knowledge, and provide tangible steps to improve processes.

For example, our company offers free seminars to our clients on such legal topics as contract language, bonding, and liens. CFMA also offers its members free monthly KnowledgeNOW Webinars that provide online learning with industry experts on such topics as revenue recognition, federal tax updates, and IT management strategies.

Identifying targeted training needs is another way to stretch a small budget. Instead of offering one solution for the entire



workforce, focus on individualized needs to increase the organizational impact.

Triangle Associates, Inc. used this strategy as part of its talent development program. Development plans were created to address the growth areas identified during the assessment process. Solutions ranged from external training and mentoring to suggested reading materials. The key was that each plan was designed for specific employee needs.

Spending valuable time and money on employee training is an investment in the future, whether it's a departmental update or a company-wide initiative. This mindset is already reflected in many companies, as demonstrated by a recent study by Accountemps: "... more than 1,400 CFOs from a stratified random sample of U.S. companies with 20 or more employees ... were asked, 'What perks, if any, is your company offering or planning to offer in 2011 in an effort to attract and retain employees?'"

The top response (29% of respondents) was "subsidized training/education." So, it's evident that companies want their employees to be well equipped to tackle growth so they won't stumble when recovery hits.

### ENGAGEMENT IS WITHIN REACH

Denis Waitley said, "Learn from the past, set vivid, detailed goals for the future, and live in the only moment of time over which you have any control: Now."

Just because the road has been gloomy and stressful does not mean it has to stay that way. Small steps taken today can make monumental differences for employees in the future.

Communication can transform uncertain steps into confident strides, simply because employees will know where they're headed. Recognition can invigorate plodding progress through daily acknowledgement of a job well done. Training can provide the skills necessary to help the recovery process and move the company into the future.

Employee engagement is within reach; do not miss out on the opportunity to make a difference. ■

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Rachel previously worked in HR Development in the banking industry and has five years' experience teaching theory and business-focused communications courses.

Rachel earned a BA in Communication Arts from Cornerstone University, Grand Rapids, MI, and a Masters of Management from Aquinas College, Grand Rapids, MI.

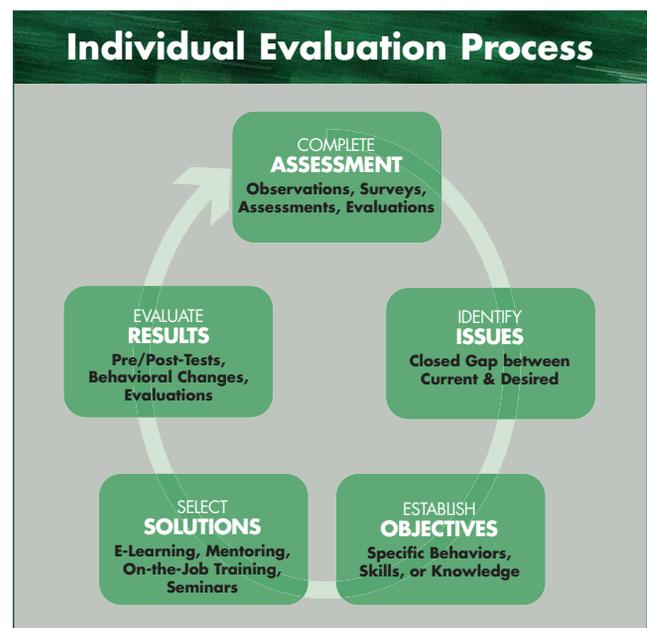
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### Endnotes:

1. [www.gallup.com/consulting/52/employee-engagement.aspx](http://www.gallup.com/consulting/52/employee-engagement.aspx).
2. "Closing the Engagement Gap: A Road Map for Driving Superior Business Performance," Towers Perrin Global Workforce Study 2007-2008.
3. [www.hrworld.com/features/25-employee-rewards](http://www.hrworld.com/features/25-employee-rewards).





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