

Managing Employee Commitment

How to Make Strategic Use Of Human Capital

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Employee Commitment: Making Use of Human Potential

In today's economy, where product offering has become exchangeable and markets are highly mobile, motivated and skilled employees have become the number one success factor. The EFQM model for instance highlights the enormous importance employees have acquired.

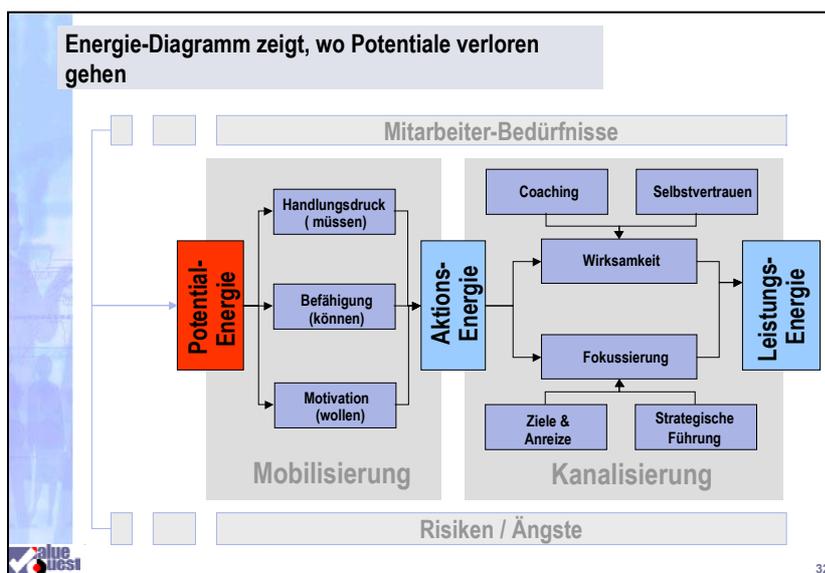
The so called "Human Capital" is the most important asset of many service companies. The "Human Capital" is the employee potential a company can mobilize in order to achieve corporate goals and be successful in the market. It consists of three main elements:

- Existing competencies, skills and knowledge of employees
- The ability to mobilize these competencies
- The ability to direct the efforts

Recruiting, building and retaining skills and knowledge is an important function of operational HR management. Most companies invest heavily in the systematic buildup, assessment and retention of competencies.

The other two components, the abilities to mobilize and direct competencies and potentials are functions of strategic HR as well as strategic management. They decide on how well existing human energy potentials will contribute to the achievement of a corporation's or business unit's goals. They can be summarized by the term Employee Commitment.

On one side, if a corporation does not succeed in mobilizing employees' energy potentials there will not be sufficient activity towards the organization's goals and no changed behavior. On the other side, an organization must also be able to channel the existing action energy towards the organization's goals. If the organization is not able to focus the efforts as well as guarantee a high effectiveness, the desired change will most likely not happen and the efforts of employees will "trickle" somewhere in the organization.



Making Use of existing Potentials

Commitment and Employee Satisfaction

Mobilizing and channeling of employee competencies and energy potentials is not only an essential requirement for successfully achieving corporate success and enabling change, it also is directly linked to employee satisfaction. As the analysis of different employee surveys shows, employee satisfaction is the highest when employees feel challenged and mobilized, as well as when they have clear directions.

Commitment is therefore directly linked to the main needs of employees. In excess of the basic (financial) needs of employees, needs can be grouped into four areas:

- Acceptance: Feeling as a part of a larger community, having a certain status and role. Identification with the written and unwritten rules
- Appreciation: Receiving (positive) feedback and rewards as well as having the certainty of contributing to the overall success of an organization
- Guidance: Having the safety of knowing what to do and how to achieve tasks. Support and help
- Self-fulfillment: Having solid structures and support as a platform for developing own abilities and skills

Strategic HR management means mobilizing and channeling employee potentials, and therefore fulfilling the psychological needs of employees.

Employee Commitment Surveys

Competencies and skills can be measured through assessments and tests. Employee surveys can contribute little information on this aspect of human capital. For strategic HR management it is therefore essential to obtain valid and systematic information on how well existing energy and competence potentials are mobilized and focused on corporate goals, as well as to what extent employee needs are fulfilled.

This requires a methodically sound measurement of employee behavior and attitudes. The most effective way for obtaining valid and detailed information are employee surveys. The focus of such a survey must clearly be on behavior and include cultural and managerial aspects. Such a survey allows to identify where and how employee energy is lost and where employee needs are not fulfilled sufficiently. A well designed survey should also provide information on where the strongest levers for improvement are and how managerial behavior contributes to the results.

In order to make better use of the existing competencies and energy it is crucial that these surveys provide results and answers to the lowest organizational level (team), since actual changes and improvements often can only be achieved in a bottom up process, actively involving all employees. Reporting must therefore yield clear information on how well existing potentials are mobilized and how well they are directed towards higher goals.

Comprehensive, graphical diagnosis tools build an ideal platform for understanding the role and contribution of each individual and each team towards organizational success and corporate culture. These tools also serve as a perfect platform for starting a bottom up change process since they allow a "rational" starting point to emotional and behavioral aspects as well as a great basis for discussing individual needs.