



# Newsletter

September 2011

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## Welcome

Welcome to the spring edition of the HC Newsletter!

The past few months have been a busy time here at HC. In June the team travelled to Brisbane to attend the Australian Psychological Society's Industrial and Organisational Psychology (IOP) Conference. We were privileged to hear some fascinating speakers at the conference, and this month's newsletter aims to share with you a taste of what we heard. In particular, we take a look at managing mental health in the workplace and the trend towards non-territorial office layouts.

## Editorial

This edition of our newsletter, more so than any previous publication, reminds me of the importance of considering each employee as an individual. This might seem like an obvious statement, but so often Organisational Leaders, myself included, forget the importance of individual relationships with our staff. We spend our leadership team meetings focused on group-wide initiatives and are often hopeful of "killing two birds with one stone." However, what if some of the biggest challenges that organisations face can simply not be solved using such a paradigm?

Over the last five to ten years, there has been a great deal of interest in generational differences. The idea behind this movement has been that it might guide new practices and systems that will improve retention for groups of employees. At the risk of spoiling your enjoyment of our generational differences article, our most recent research project challenges this assumption. In fact, research into the factors that drive job satisfaction and turnover decisions increasingly point towards this being a particularly personal dynamic.

Being an Organisational Psychologist, I always recommend that leaders adopt an evidence-based approach to organisational strategy. This often results in group-wide, normative interventions that are proven to help organisations achieve bottom-line results. However, there are many instances where the evidence suggests that group-wide intervention alone will not solve an organisation's problem. There are some problems that can only be solved by each individual leader taking the time to get to know their staff, developing close relationships with them and demonstrating that they care and are listening.

Such an approach is not only a ticket to increased organisational commitment and improved employee retention, but it's also a much more enjoyable and fulfilling way to be a manager. A unique responsibility has been vested in those of us who have been given the privilege of leading a team. Let us not waste it!



*Matt Henricks is the Director of HC. He is an Organisational Psychologist with 10 years experience working in HR or related fields. Matt has consulted with many of Australia's largest and most successful businesses across a broad range of industries.*

# SPECIAL OFFER!

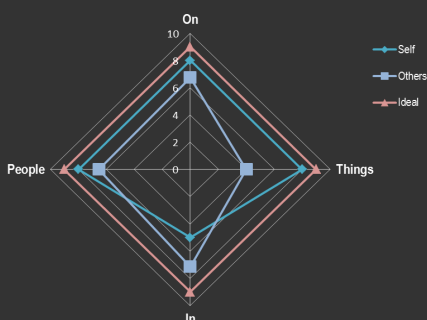
## 360° Assessment Tool

We are pleased to announce the release of our new 360° Assessment Tool, along with a special introductory offer.

### WHAT IS A 360° ASSESSMENT?

360° Assessments are designed to increase an individual's awareness of their own behaviour and performance in the workplace. In 360° Assessment, feedback is obtained from multiple sources, including managers, co-workers, direct reports, customers and other stakeholders. A 360° Tool often proves to be a valuable development tool as it identifies a person's strengths and weaknesses. Although the process can be confronting, it is not uncommon to hear employees say that receiving such an assessment can be a truly life changing experience.

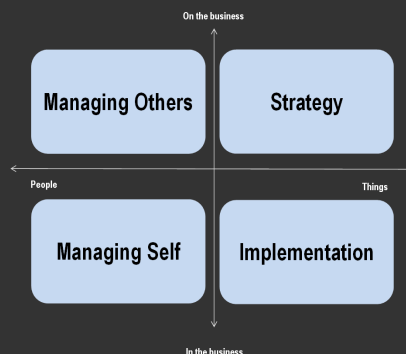
### WHAT MAKES OUR TOOL DIFFERENT?



After conducting extensive research, we are confident that our tool fills a clear gap in the market.

Reporting has been kept purposely simple and provides several different perspectives that are unique to our instrument. Results are organised around four key categories: managing self; managing others; strategy; and implementation. Reports also identify the focus of each individual against standardised "role balance" dimensions and identify clear strengths and weaknesses to be addressed.

We've also incorporated an industry first concept... **congruence scores!** These are powerful indices of someone's fit to the unique requirements of their specific role. Specifically, these reflect a person's level of self-awareness, their self-assessed role fit, and their independently-assessed role fit.



### SPECIAL OFFER

For a limited time only HC is happy to offer a special introductory rate of **\$100 per administration** of our new 360° Assessment Tool. Please note, this includes a **tailored report and feedback session** by one of HC's experts.

If you are interested in this offer or would like to receive more information about our 360° tool, please email us at [info@henricksconsulting.com](mailto:info@henricksconsulting.com) or call us directly on (02) 8084 4284.

### HOW MANY ITEMS SHOULD I CHOOSE FOR MY SURVEY?

One of the most common inquiries we receive from clients is "What is the ideal number of questions to include in a survey?" When answering this question we always refer first to what the data states. Recently, we conducted an extensive review of our historical survey data and found that fixed response or multiple choice questions typically take about 12 seconds on average to complete (but can commonly take as little as half this time). We also found that staff most commonly take between 45 seconds to 1 minute to respond to qualitative/open-ended style questions.

#### So what do we recommend?

Naturally it depends on the purpose of your survey. However, generally the shorter the survey the better in terms of response rates. Our data suggest that if response rate is important to you then your survey should take no longer than 20 minutes to complete. Wondering how many questions to include in a 20 minute survey? We would normally recommend including up to 5 qualitative questions and as many as 75 quantitative questions. Wanting to increase the number of qualitative questions? Then just reduce the number of quantitative questions accordingly. Why not try our simple survey length calculator? For a free copy of the calculator, please email us at [info@henricksconsulting.com](mailto:info@henricksconsulting.com)

# Managing Mental Health in the Workplace

A presentation at the recent Industrial and Organisational Psychology (IOP) conference in Brisbane highlighted some interesting perspectives on mental health issues in the workplace. Here we summarise the research presented by the government's Beyond Blue initiative, which targets depression, and the University of Tasmania. We also talk specifically about the implications of managing mental health in the workplace for HR professionals.

Depression is a major health issue in Australia, and is currently the leading cause of non-fatal disability (Beyond Blue, 2011). It is estimated that approximately 20-55% of us will experience an episode of major depression at some point in our lifetime. Given the magnitude of this issue, and the potential for it to increase in prevalence in coming years, it seems particularly important that managers are well-equipped to address this complex issue. However, unfortunately evidence to date suggests that there is currently a significant managerial capability gap in this area.

## Costs of a depressed employee

Depression can be costly for an organisation. According to Cocker et al. (2011), depression directly causes a significant proportion of absenteeism in the workplace for both blue collar and white collar workers. However, a slightly less obvious issue is just as important a consideration. Many people with depression often continue working, meaning that their everyday performance and effectiveness is compromised in a far less obvious way. Research suggests that the costs associated with mental health issues in the workplace are many and varied and some are less obvious than others. The following are some of the most commonly cited costs associated with mental health in the workplace:

- Poor performance
- Reduced productivity
- Increase in accidents, often due to poor concentration
- High turnover
- Early retirement
- Costs of anti-depressants and health service use

## Managing depression in the workplace

Although stress is reasonably well recognised and often well managed, depression and anxiety are managed much less effectively in organisations. Results from a study of Australian managers and how they handle mental health in the workplace indicated that the majority:

- had a lack of confidence in general about mental health issues,
- felt uncomfortable discussing mental health, and
- had a general lack of understanding in relation to the seriousness of the issue.

Poor management of mental health issues has implications for not only for the employee (in terms of inadequate support, stigmatisation, and discrimination), but also for the manager themselves. For example, according to Martin (2010), managers are often left feeling poorly supported, raising the question of 'who looks after the manager?'

## Why are managers so ill equipped to deal with these issues?

It is standard practice for organisations to have Occupational Healthy and Safety (OH&S) policies in place, yet it is far less common for such policies to integrate a robust approach to mental health. Martin (2010) estimated that only about 30% of organisations have a mental health policy in place.

It also appears that there is a clear training gap for managers. In one recent study, managers who were equipped with the right tools to manage mental health issues reported a number of positive implications as a result. For example, the satisfaction gained whilst observing recovery of employees, the improved knowledge acquired during training and new specific skills in relation to managing mental health issues.

## WHAT ARE THE IMPLICATIONS OF THIS RESEARCH?

Although there is some momentum across workplaces to address mental health issues, this research indicates that there is a strong demand for resources and guidelines to help managers cope with this challenge.

A good starting point for managers looking for assistance is to consider the following:

- What is my role in terms of managing mental health in the organisation? For example, is it to raise awareness, support your employees, or promote a healthy and supportive culture?
- Performance management of mentally ill employees - What is fair? How should you factor it in? Is it possible?

- Targeted strategies such return to work plans and workplace modifications
- Participating in a mental health training courses where available.

If you are currently experiencing depression, or are concerned about the mental health of one of your employees, crisis support services can be accessed by calling **Lifeline** on **13 11 14**. Lifeline also provide a range of free resources at their website [www.lifeline.org.au](http://www.lifeline.org.au).

Alternatively, Beyond Blue provide a specialised referral service and a range of resources that can be accessed by calling **1300 22 4636**, visiting [www.beyondblue.org.au](http://www.beyondblue.org.au) or [www.workcover.com/beyondblue](http://www.workcover.com/beyondblue).

## Triggers of Turnover

It is well-known that turnover can be a costly exercise for an organisation. Once recruitment, training costs and lost productivity are taken into account, costs start to add up quickly. This article draws on some recent research that delves into the triggers of turnover, and aims to help managers consider the topic from a slightly different perspective.

Many of us are familiar with a range of literature which emphasises job satisfaction as a major trigger of turnover. However emerging research suggests that such views may have overstated the importance of job satisfaction in predicting employee turnover.

According to Holtom, Mitchell, Lee and Inderrieden (2005), precipitating events known as 'shocks' cause voluntary turnover more often than job dissatisfaction per se. Shocks can be positive or negative, and can be personal events (such as winning the lottery) or events that are work-related (such as being overlooked for a promotion or having a disagreement with a co-worker). However, to understand the role of shocks more completely, a more detailed analysis of their theory is required.

### The 'Unfolding Model'

The factors that drive individuals to leave an organisation will almost always differ from one individual to another. However Holtom et al. suggest that people generally appear to follow one of five psychological and behavioural pathways when resigning. The main attributes of these pathways, which form the "Unfolding Model" of turnover, are as follows:

- **Shocks** – A particularly jarring event that initiates the psychological analysis involved in leaving
- **Scripts** – Predetermined plans of action
- **Image violations** – Occur when an individual's values, goals, and strategies for goal attainment do not fit with those of the organisation or those reflected in the shock
- **Job satisfaction** – Occurs over time as people start to feel that the benefits of the job no longer meet the individual's requirements
- **Search** – Involves those activities associated with looking at alternatives
- **Offer or likely offer** – Whether the offer of a new role is present or imminent

The five different pathways to turnover are detailed in Table 1:

Attribute	1	2	Path 3	4A	4B
Initiating event	Shock	Shock	Shock	Job dissatisfaction	Job dissatisfaction
Script/plan	Yes	No	No	No	No
Image violation	Irrelevant	Yes	Yes	Yes	Yes
Relative job dissatisfaction	Irrelevant	Irrelevant	Yes	Yes	Yes
Alternative search	No	No	Yes	No	Yes
Offer or likely offer	No	No	Yes	No	Yes
Time	Very short	Short	Long	Medium	Long

**Source:**

Holtom, B.C., Mitchell, T.R., Lee, T.W., & Inderrieden, E.J. (2005). Shocks and causes of turnover: What they are and how organizations can manage them. *Human Resources Management*, 44(3), 337-352.

According to the model, being 'shocked' results in the quickest turnover. As shown in Path 1, if a person is shocked and has a predetermined plan of action, they are likely to resign within a short period of time e.g. less than 3 months. For example, if your partner suddenly got offered a job interstate (the "shock") and you had been hoping to relocate anyway ("a plan"), it is likely that you would leave your job and move straight away.

In Path 2, if a person is shocked and they don't have a plan, BUT their values have been violated, they are likely to still leave the company within a short amount of time (e.g. 6 months). According to Holtom et al, a shock combined with an image violation causes a person to reconsider their attachment to the organisation, which reinforces their drive to leave.

Interestingly, the model suggests that turnover initiated by job dissatisfaction, as seen in Paths 4A and 4B, will often take much longer to come to pass than turnover initiated by shock, particularly when the employees concerned don't have a plan in place.

**What does all this mean?**

This study suggests that job dissatisfaction may not be the primary cause of voluntary turnover that we all assumed. Rather, it is shocks or sudden events, in combination with other factors, that often leads to immediate turnover. We are not suggesting that job dissatisfaction should be disregarded. It is a proven trigger of turnover and it is clearly important to engage your employees and attempt to maintain high job satisfaction. However, what this study does suggest, is that perhaps the role of shocks should be given more emphasis in leadership training and other retention initiatives.

Interested in exploring the impact of shocks on turnover? Want to integrate an exit interview process into your organisation? Contact HC directly on (02) 8084 4284 or email us at [info@henricksconsulting.com](mailto:info@henricksconsulting.com) for further information.

## Non-Territorial Offices: A Growing Trend in the Workplace

Organisational Psychologist George Mylonas presented his research about the costs and benefits of non-territorial workspaces at the IOP conference. The most common such practice is known as “hot desking”. A non-territorial workspace refers to a shared space in the workplace that no one owns. According to Mylonas, rapid advances in technology, increasing rental rates for commercial property and under-used office space has sparked an increase in the exploration of non-territorial layouts, such as hot-desking or hotelling. ‘Hot-desking’ refers to being a temporary occupant of a work space or station, whereas ‘hotelling’ is reservation-based unassigned seating that requires employees to select and ‘check-in’ to a work location.

The primary motivation for a non-territorial office layout is typically cost reduction through space saving. Non-territorial offices maximise space when there are more employees than there are workspaces. In fact, it has been estimated that organisations can accommodate 20-40% more staff by using hot-desking (SMH, 2011).

However, there are also a range of challenges associated with this new trend. Benefits and drawbacks of non-territorial offices presented by Mylonas at the conference include:

Benefits	Drawbacks
Employees have the opportunity to choose a location that is most conducive to their work task	Loss of personal identity. Research shows that people like to have their own space and to personalise their environment. This is increasingly being recognised as a basic human need.
Ability to mix with a variety of people, and meet people in other teams	Inability to adapt your space to your specific needs such as hearing and sight needs, the height of your chair and/or adjustments to your PC
Better for the organisation in terms of alignment between the type of work and type of space	Issues of noise due to high occupancy rates
Equal access to office spaces	Overall feelings of powerless and job dissatisfaction

In his presentation, Mylonas concluded that non-territorial offices are not appropriate for all companies and all types of work. Such practices are far from risk free and should be considered in the context of each specific organisation. Although an exciting new possibility, organisations should carefully consider whether this type of work environment is right for them before adopting this latest trend.



## Generational Differences in Exiting Employees

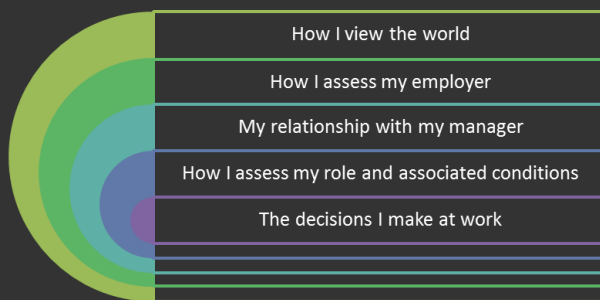
In the next few years organisations will experience a big shift, as Baby Boomers enter retirement and increased numbers of Generation Y's enter the workplace. This notion of a generational shift in the workplace is causing concern for employers across the globe and some of our clients have asked us to investigate.

A key concern amongst our clients tends to be that if a certain cohort of people who enter the workforce have a fundamentally different view of the world to another cohort already established in the workplace, then they are also likely to assess their employers, their role, their manager and their associated terms and conditions very differently as well. The ultimate fear is that such differences will also manifest in employee turnover.

### WHAT DID WE DO?

We investigated exit interview data from 492 exiting employees. Data was drawn from 10 different companies to ensure that our findings could be generalised across multiple industries. Gen Y (<30 years old) represented 52% of the respondent pool, whilst 42% were from Gen X (31-50 years old) and 6% were Baby Boomers (>51 years old).

Any generational differences in the “reasons for leaving” were investigated in detail. We further looked at generational differences in the way that outgoing employees tend to assess their past employers in general (not just their reasons for leaving).



### WHAT DID WE FIND?

Contrary to what we expected to find, our research indicated that there were no significant generational differences in terms of the reasons for leaving that outgoing employees nominated. This contrasts with popular opinion that there are many and varied differences between generations. We simply did not find evidence to support this .

Our research also showed that out of 50 general questions about past employers, only 3 showed significant differences between generations. These questions were:

- **Working at this company helped me fulfil my career goals.** (Gen Y most likely to agree, Baby Boomers least likely to agree)
- **I felt that the pay and benefits I received were fair.** (Baby Boomer's most likely to agree, Gen Y least likely to agree)
- **The remuneration system was open and transparent.** (Baby Boomer's most likely to agree, Gen Y least likely to agree)

Each of these differences make intuitive sense when you consider the career phase that employees from

each respective generation is likely to be in. However, from a statistical perspective, every time you conduct 50 separate analyses (as we did here) you would expect to find up to 3 spurious statistically significant results. Without going into too much detail about technicalities, 3 significant results is hardly overwhelming evidence in this context. It is also clear from our “reasons for leaving” research that different generations are unlikely to choose to leave organisations for different reasons, even if they do assess their employers in different ways.

Continued over the page...



## Generational Differences in Exiting Employees *continued*

### WHAT DOES THIS MEAN?

- Firstly, generational differences may NOT help us predict employee turnover. Although considering such differences may continue to be a part of a broader strategy, this study suggests that caution should be exercised prior to realigning your entire retention strategy around a generational paradigm.
- This does not mean that the generational distinctions described by other theorists are complete nonsense. It is entirely possible that generational differences do exist when it comes to analysing other forms of employee (or consumer) behaviour.

### SO... IS A PERSON'S GENERATION MEANINGLESS?

Absolutely not! No doubt some of the individuals that participated in our study identified strongly with certain generational prototypes. However, what this study perhaps reminds us is the need to treat everyone as an individual with their own unique background, sense of purpose, personality, capability and potential. Once again, this research reminds us that when it comes to preventing turnover, there is no single solution and the most important variable of all is the strength of each employee's relationship with their manager.

Of course there are limitations to this research. There is also a lot more detail available if you are interested. A full copy of our research paper on this topic can be obtained by emailing: [info@henricksconsulting.com](mailto:info@henricksconsulting.com)

### BACK BY POPULAR DEMAND:

### Free Online Exit Interview hosting for 12 months!

Following the success of our exit interview special offer earlier this year, we are pleased to announce that we are again offering free hosting of our online exit interview (for new clients that sign up prior to 31/10/11).

This offer will enable you to begin collecting valuable feedback from your outgoing staff immediately at no cost. It will also give you access to all of the features that are included within our premium service packages without having to commit to ongoing services.

#### Key features of our online Exit Interview include:

- Compare your organisation's results against robust internal and external benchmarks
- Include a balance of quantitative and qualitative questions
- Assess the impact of significant company initiatives on your employees
- Analyses trends in data over time
- Compare results across divisions or demographic groups

If you are interested in this special offer please email us at [info@henricksconsulting.com](mailto:info@henricksconsulting.com)

### Our blog library

From time to time we publish stories and articles as standalone blogs on our news site. Since the release of our last newsletter, we have published the following articles:

- *Managing Resistance to Change* (including a free downloadable change management checklist)
- *Values and Organisational Change*

View these articles on our website at

[www.henricksconsulting.com/news/category/general/](http://www.henricksconsulting.com/news/category/general/)

### Call for Contributors!

Here at HC we are always looking for guest contributors to provide our readers with insights into their area of expertise.

If you have something you would like to share, and are interested in submitting a short article for our next newsletter or news site, please email [info@henricksconsulting.com](mailto:info@henricksconsulting.com)





**If you have any further queries:**

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