



EMPLOYEE ENGAGEMENT

THE COMPANY CHAMPION



The image features a dramatic silhouette of two individuals climbing a dark, craggy rock face. The climber on top is reaching down to assist the second climber, who is pulling themselves up. The background is a vibrant sunset sky with warm orange and yellow tones near the horizon, transitioning to a pale blue at the top. The overall mood is one of teamwork and overcoming challenges.

Introduction

Imagine you're managing an Olympic team. You have great sponsors, equipment, facilities, coaches, physiotherapists, and dietitians, but the players' attitudes are all over the place inconsistent, disengaged, distracted and impatient.

Without everything in alignment, the team's performance will fall off, its chances of success are slim, sponsors will vanish, and your staff will become frustrated and look for another team with better prospects.

It comes down to engagement, and it's the same deal in the business game: You can have a great company with an excellent product or service, leadership talent, strong financials and corporate goals, but if your employees are disengaged, you're heading for a bronze medal, not gold.



What is employee engagement?

Businessman and Forbes columnist Kevin Kruse defines employee engagement as ‘the emotional commitment the employee has to the organisation and its goals. Engaged employees actually care about their work and their company. They don’t work just for a pay check, or just for the next promotion, but work on behalf of the organisation’s goals.’¹

This may seem like a throwback to the 20th Century when many people spent their entire career at the one company. Remember when you’d hear ‘He’s a Whirlpool Man’ or ‘He’s a GM man’? Well, everything old is new again!

In the 21st Century, businesses want deep engagement from employees but they understand it might only be for a specific period of time. Their challenge is to elicit mutual co-investment by employees so they can re-recruit them *within* their organisation. Many leaders are suggesting we move away from traditional employment contracts based on ‘loyalty’ toward short-term agreements based on performance and mutual value.²

Why is employee engagement so important?

Engaged employees invest discretionary effort in the right behaviors to achieve future business results. Making engagement happen is the business challenge of the next decade.²

Would your company invest in a fleet of cars that only drove in first or second gear?

According to Gallup's 2013 State of the Global Workplace, 76% of employees in Australia are not fully engaged in their work.

The cost of disengagement and the resulting lost productivity in the Australia is estimated at \$54.8bn per year.³

<http://www.gallup.com/services/176735/state-global-workplace.aspx>



Engaged employees are dedicated, enthusiastic, proud, determined, purposeful, resilient, tenacious, innovative, energetic, find time flies at work, and invest discretionary effort to achieve mutual goals.



Disengaged employees often dread work, find time drags, interact negatively with colleagues, are low achieving, difficult to manage, speak poorly of their employers, have low creativity and may treat customers poorly.

Successful engagement is a two-way street: Employees are happier and healthier and employers enjoy higher profitability, lower turnover, less absenteeism/illness, higher quality products and services and happier customers. Kevin Kruse developed the 'Engagement-Profit Chain' to show how employee engagement leads to higher stock prices:

Engaged employees lead to **higher service, quality, and productivity**, which leads to **higher customer satisfaction**, which leads to **increased sales** (repeat business and referrals), which leads to **higher levels of profit**, which leads to **higher shareholder returns** (i.e. stock price).¹

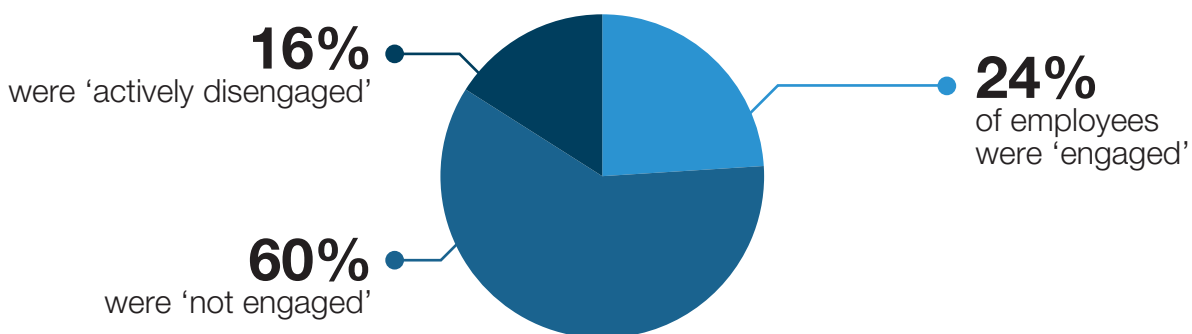
What's the state of play?

Today's business environment is continually shifting, and it's doing so at a rapid pace. Whether it's competitive, technological, social or political forces at play, the ability to respond to changing conditions is mandatory for companies' long-term survival. Employee engagement ranks as one of the biggest challenges for the next decade.

Australia was third behind the USA/Canada and The Philippines in the Gallup survey. While it's great to be on the international podium, employee engagement is still only at 24% and companies like Cooper Grace Ward Lawyers, Marriott Hotels & Resorts and Wood & Grieve Engineers show us it's possible to vastly improve this figure.

While the mean level of engagement amongst the 142 countries surveyed by Gallup was 13%, Australia should and could be doing better. While we weathered the global financial crisis better than most countries, Gallup reports that only 19% of employees in leadership positions in Australia and New Zealand are engaged in their jobs. This raises a red flag as the engagement level of managers has a significant impact of those who report to them.

Let's look at the Australian employee engagement data for 2014⁵:



The data also showed, somewhat predictably, that Traditionalists were the most engaged (42.2%) and Millennials were the least engaged (28.9%); and that senior, white-collar workers were more engaged than junior, blue-collar workers⁵.

By generation ⁵ % of employees engaged		
	2013	2014
Millennials	27.5	28.9
Generation X	29.6	32.2
Baby boomers	30.9	32.7
Traditionalists	38.3	42.2

By industry⁵

Engagement in Australia was highest in farming/fishing/ forestry (40%) and lowest in transport (9%)

Worldwide, engagement was highest among managers, executives and officers (38.4%) whereas Australia's leaders recorded only 19%

How do you engage employees?

Technological, economic, political, demographic and social trends have always influenced business; but it's the pace of change that's different. In 2015, companies must be nimble, responsive and armed with accurate intelligence on the state of their workforce. Now, more than ever, it's vitally important to hire people who are qualified with the right education, experience and attitude. If you get this part right and back it up with a mutually beneficial and engaging corporate environment, you have the best chance of reaping the valuable rewards of engaged employees.

Desirable corporate characteristics to encourage employee engagement

- ✓ Solid reputation
- ✓ Dynamic, innovative and exciting environment
- ✓ Rewards for employees' performance
- ✓ Clear career trajectories
- ✓ Culture of collaboration
- ✓ Strong leadership that inspires employees and clearly influences corporate culture
- ✓ Attractive salaries
- ✓ Clear communication of goals, expectations and performance
- ✓ Regular two-way communication and feedback
- ✓ Supportive, consistent and fair management of employees' performance
- ✓ Learning and development opportunities
- ✓ Clear and compelling employee value proposition, i.e. define what you value and what you will provide in return
- ✓ Focus on strengths rather than weaknesses
- ✓ Fundamentals like safety, benefits, holidays

On a micro level, each employee is different and, like any relationship, you should find his or her currency.

Demographics and labour dynamics

- ✓ Baby Boomers (50 to 68 years) work longer hours than previous generations of the same age group
- ✓ Gen Xers (33 to 49 years) are few in number and therefore limited in their ability to lead
- ✓ Millennials (aged 20 to 32) are plentiful and have a significantly large 'vote' and ability to influence change. They also have different expectations of their work life – such as a fast career trajectory, flexibility, opportunities for learning and development, a greater sense of fairness and equality - which will influence older workers.

Leaders hold the key to employee engagement.

Engaging leaders ... have a multiplier effect on engagement in that they effect engagement through control over all the top drivers, in addition to having a direct affect on the engagement of others through their interactions.

One Mississippi, two Mississippi ... eight Mississippi

A recent study by Microsoft revealed that since mobile phones became commonplace, the average human's attention span has fallen from 12 seconds in 2000 to 8 seconds in 2013, less than a Goldfish which can manage 9 seconds! That's a 25% drop over 15 years!⁶

However, the study also showed that humans are getting better at multitasking, i.e. processing and encoding information to memory. As the Statistic Brain Research Institute explains: Whatever environment humans are in (from the African plains to the New York jungle), survival depends on being able to focus on what's important — generally what's moving. 'That skill hasn't changed, it's just moved online.'⁶



Measuring employee engagement

Now that we understand the why and how of employee engagement, how do we measure it?

The information is all around you. It's found in the 'collective brain' of each organisation, which is simply the combined strength of everyone's brains. Generally, the collective brain is already aware of most trends, problems and opportunities within an organisation at any given time – the information just needs to be extracted properly.

To quote Lord Kelvin: 'If you cannot measure it, you cannot improve it.' Traditional surveys aren't brain friendly. They're usually lengthy, burdensome and infrequent, perhaps every one or two years. Employees report there's no point giving up their time to complete these surveys and employers get hit with 'information overload' and often fail to effectively close the feedback loop with employees. They either take too long to communicate the results back to employees or fail to report back at all. This means organisations are unable to implement any workable solutions or strategies from the results.

EmployeeLife overcomes these obstacles by providing simple, short surveys that are easy for employees to complete and are more effective than long surveys. These simple, short, regular check-ins about the things that matter can help keep an organisation on track, and quickly identify problems and opportunities.

Long surveys also fail to take into account the distracted nature of the workplace and the increasingly short attention span of humans. Between traditional distractions like co-worker conversations, open workspaces and personal issues, workers now have to contend with smart phones and other electronic devices, email and an ever increasing amount of online contact. 'Snack culture' is the norm as we all try to process and digest vast amounts of information flying at us from all angles.

Confidentiality is another issue with traditional employee surveys. If conducted in-house, they may not provide the level of confidentiality that 'honesty' requires. Guaranteed anonymity, on the other hand, can usually draw the real issues out of the woodwork.

Qualitative Vs Quantitative techniques

Traditional quantitative surveys generate a compass that points to areas where an organisation is performing well and areas where it needs to improve. But to establish context and generate a depth of understanding that flows through to actionable results and workable solutions, qualitative techniques 'deep dive discussions' must also be utilized in tandem with any survey.

EmployeeLife's short, regular online surveys spend energy and effort on the qualitative techniques that will properly define problems and opportunities. In-depth research techniques provide greater understanding of the emotions that drive behaviour.

EmployeeLife enhances productivity within the context of today's snack culture by applying the following tactics:

- Taking regular employee pulse checks through continuous short question surveys that employees can answer quickly via desktop or mobile with results managers can access in real time.
- Providing employees with an independent feedback channel that is anonymous and trusted. This allows organisations to get closer to the truth.
- Supporting organisations via regular in-depth discussions to assist in goal setting, and developing workable strategies to address opportunities and problems identified through research findings, before it is too late.
- Working closely with each organisation to foster an aligned collective brain, striving towards a unified goal.

EmployeeLife offers each employee access to a personalised interface where they track their success and career within the organisation, also assuring the organisation that they are aware of their role within it and how it contributes to business outcomes.

The EmployeeLife system is designed to engage the entire organisation – from the top floor to the shop floor and from Baby Boomers to Millennials.

What do you do with that one employee who won't engage no matter what?

Even successful leaders with great teams occasionally have a team member who can't or won't identify with what everyone else sees in the company.

No one enjoys firing anyone, but sometimes you're just flogging a proverbial dead horse.

But first, take time to go back to the beginning. Engagement starts during the hiring process. Did you accurately represent the role in the advertisement and in the interview process? Did you and the applicant ask the right questions at the interview? Did you perform adequate reference checks? Did you deliver on the promises you made in the interview?

If you answered 'yes' to these questions, then it's fair to say the issue is probably with the employee. Maybe they've made the wrong career choice. Perhaps they're having personal issues. Whatever it is, speak with them and determine if their lack of engagement is due to internal or external factors.

If neither of you can see a future of mutual engagement, it's time to let them go. Hopefully there's a perfect role for them elsewhere in the company, otherwise they'll need to find a job elsewhere that will meet their and hopefully their new employers goals.

References

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