

Employee Engagement

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Agenda

- What is Employee Engagement?
- Strategies for Employee Engagement

Defining Employee Engagement

“Level of **commitment** that
an employee has to the
success of the organisation”

Drivers of Employee Engagement

- **Sense of feeling valued and involved**
 - Involvement in decision-making
 - Extent to which able to voice ideas
 - Management listen to and value employee's ideas
 - Extent of organisational concern for health and wellbeing
- **Job Satisfaction**
 - Job Clarity
 - Opportunities to develop their jobs
 - Training and Development
 - Co-operation between teams
 - Pay and Benefits
- **Management**
 - Goal setting
 - Coaching, mentoring, leading
 - Communication (strategy and direction)
 - Development focus
 - Commitment to HR policies and practices

How are Employees “Engaged”?

- Strong relationship with their manager
- Clear communication from their manager
- Clear path set for focusing on what they do best
- Strong relationships with co-workers
- Strong commitment with their co-workers enabling them to take risks and stretch for excellence

Who is Responsible?

Employee Engagement is a
MANAGEMENT responsibility, **not** an
Employee responsibility

Or even an HR responsibility!

Fully Engaged Employees

- Committed to the organisation
- Less likely to leave for other opportunities
- Like what they are doing
- Like where they are
- Like the people with whom they work
- Tell others about the organisation
- Refer good candidates
- Have a sense of pride and ownership in the organisation
- More productive
- Contribute more significantly to the organisation's success

Engaged Employees ...

- Get least amount of focus and attention from managers
- Do what they are needed to do
- Set goals
- Meet and exceed expectations
- Charge enthusiastically toward the next tough task

Employee Engagement - Research

- **Research by Melcrum**
 - 1000 Communications and HR Professionals
 - 40 Case Studies
- **Key Results**
 - >50% improvements in employee retention and customer satisfaction
 - 30% report higher productivity
 - 28% report improvement in employee advocacy
 - 27% report improved status of “great place to work”
 - 27% report increased profitability
 - 25% report improved employee absenteeism

Employee Engagement - Research

- Research by International Society for Performance Improvement
 - 45 existing studies
 - 145 US organisations (using EE Incentive Programmes)
- Key Results
 - 44% increased performance among teams
 - 24% increased performance among individuals
 - Incentive programs:
 - Improve Performance
 - Engage participants and increase interest in work
 - Attract quality employees
 - Longer-term programs outperform shorter-term programs
 - Quota-based incentive measures work best

Impact on “Bottom Line”

- Employees with above average attitude towards their work (Source: Gallup)
 - 38% higher customer satisfaction
 - 22% higher productivity
 - 27% higher profits

Management Challenge

- **First Signs of Disengagement**
 - Want to be TOLD what to do
 - Concentrate on “tasks”, rather than goals and outcomes
 - Know when they are “finished”
 - Someone else to “blame” when things go wrong
 - Don’t have productive relationship with management and colleagues
 - Feel that contributions being overlooked
 - Feel that potential not being tapped
 - Do the least amount of work possible
 - “Lower the bar” for themselves
 - Sow seeds of negativity
 - Mistrust and don’t respect management
 - Undermine the work of others
 - Repeatedly refuse engagement opportunities
 - Damage functioning of organisation
- **Management Challenge**
 - Demonstrate “CARE” for employee
 - Refocus on skills, knowledge and talents they bring to the job
 - Show why job is important
 - Show why outcomes of job are important

Management Challenge

- **Actively Disengaged**
 - Act out discontent
 - Sow seeds of negativity
 - Undermine the work of others
 - Express mistrust and outright animosity
 - **Management Challenge**
 - Explore reasons behind the disconnect
 - Coaching and other interventions
- Or
- Terminate if they don't respond

Disengaged Employees

- **Cost the Organisation**
 - Miss an average of 3.5 more days per year
 - 22 % Less Productive
 - Cost the US economy +/- US\$355 billion pa (Financial News, March 2001)
- **Other costs**
 - Quality
 - Safety
 - Customer Satisfaction
 - Missed Opportunities

What is the Cost?

- Gallup Survey
 - 29% actively engaged in their jobs
 - 54% not engaged in their jobs
 - 17% actively disengaged from their jobs
- Average Annual Cost of Employment = R350000
- Cost of unproductivity = R490 per day

Total Staff	Disengaged	Cost of Disengagement
20	14	R 1,509,200
50	35	R 3,773,000
100	70	R 7,546,000
250	175	R 18,865,000
500	350	R 37,730,000
1000	700	R 75,460,000
5000	3500	R 377,300,000

Approaches to Employee Engagement

- **Importance of Job**
 - Regular conversations about expectations
 - View role from broader perspective
- **Employee clarity on what is expected from them**
 - See how work contributes to the organisation's future
 - Show how to fit their unique skills to the role
 - Help to set own goals, targets and milestones
- **Career Advancement**
 - Guide own career
 - Need to see the journey
- **Improvement and Reward**
 - Reward for making improvements to the organisation
- **Regular Feedback**
 - Know when they, the department and the organisation are doing well
 - Or not???
- **Good Relationship with Management**
 - Open communication
- **Clear Values**
 - Values and behaviours looked on favourably
 - Don't want to guess
- **Good Communication**
 - Don't want to be the Last to know

EE Factors and Business Outcomes

	Retent- ion	Custo mer	Safety	Produc -tivity	Profit- ability
Opportunities to learn and grow	✓	✓	✓	✓	✓
Progress in last six months			✓		
“Best Friend” in Organisation		✓			✓
Co-workers committed to Quality	✓			✓	✓
Mission / Purpose of Company				✓	✓
Opinions Heard and Valued		✓	✓	✓	✓
Development Encouraged		✓	✓		✓
Supervisor / Someone at Work Cares	✓	✓	✓	✓	
Recognition in last 7 days					✓
Do what I do best every day	✓	✓	✓	✓	✓
Materials and Equipment	✓	✓	✓		
Know what is Expected of me at Work	✓	✓	✓	✓	

Source: Gallup

What Employees Want

- Focus me
- Know me
- Care about me
- Hear me
- Help me feel proud
- Help me review my contributions
- Equip me
- Help me see my value
- Help me grow
- Help me see my importance
- Help me build mutual trust
- Challenge me

What Good Managers Do

- Provide feedback and guidance
- Make real time to discuss problems
- Seek ideas and input from everyone
- Provide the resources to solve problems or to do a job well
- Give real recognition and/or reward
- Provide opportunities for people to develop their potential
- Keep the pressure to perform and achieve more with less realistic
- Provide opportunities for social interaction
- Train people how to resolve interpersonal conflicts
- Promote joy and appropriate humor within the office
- Be flexible; help people to actively balance work and home responsibilities

Drivers of Business Value (*)

- **Performance Management**
 - More than Performance Appraisal
 - All processes that align, coach, assess and develop people
 - Central to success of Talent Management
- **Coaching**
 - Internal and/or External
- **Competency Management**
 - Job Descriptions
 - Competency definitions
 - Assessment of what drives performance and potential
- **Sourcing and Recruiting**
 - Identify “critical” jobs – most impact on achieving goals
 - Assess skills and identify gaps in these roles
 - Forecast requirement for skills in the future
- **Learning and Development**
 - Function-driven programs
 - Blended learning (collaboration, learning on demand, assessment, simulations)

(*) Bersin & Assoc “High-Impact Talent Management

Leadership

- **Human Capital** = The sum total of all knowledge, experience, and *performance capability* an organisation possesses that can be applied to create wealth
- **It DOES impact on bottom line**
 - Disengaged employees – 28% less revenue
 - Not engaged – 23% less revenue
 - Employee engagement **DRIVES** results
 - Source: New Century Financial Corporation

“Leadership is not magnetic personality—that can just as well be a glib tongue. It is not ‘making friends and influencing people’—that is flattery. Leadership is lifting a person's vision to higher sights, the raising of a person's performance to a higher standard, the building of a personality beyond its normal limitations.”

Peter F. Drucker

Talent Strategy

- **Organisational Strategy, Goals and Activities**
 - Mission, Purpose, Values
 - Goals, Objectives, Projects
- **Organisational Structure and Roles**
 - Functional
 - Product
 - Customer
 - Geographic
 - Mixed
 - Meet organisation and career management needs
- **Performance Management**
 - BSC
 - Aligned with organisational goals and objectives
- **Competency Management**
 - Competency “Inventory”
 - Identify “mission critical” competencies

The “Silver Bullet”

- **Define Strategy**
 - Convert into a Strategy Map
- **Define the Values and Behaviours**
 - Convert into Statements
 - Define Measurement Criteria
- **Strategy Map into all major Business Units**
 - Goals and Objectives for each Business Unit
 - Accountable for Reviewing and Reporting Progress
- **Performance Management**
- **Talent Management**
- **Link Remuneration to Performance**
- **Career Planning**
- **Succession Planning**
- **Good Relationship**
 - Job Clarity
 - Objectives
 - Regular reviews (one-on-one)
 - Coaching and mentoring
 - Developmental

Employee Engagement Strategy



Companies with Low “Basic” Scores

Underlying factors:

- Increased problems with pay and benefits
- Increased quality and continuous improvement problems
- Increased problems with product and service quality
- Inconsistent response to Intermediate and Advanced factors
- More vulnerable to union activity

Companies with High “Basic” Scores

Underlying factors:

- More flexible workforce
- Fewer excuses toward change
- Willingness to take on new challenges
- Willingness to improve processes
- More consistent response to Basic, Intermediate and Advanced factors
- Higher service/product quality

Employee Engagement Surveys

- Solicit ideas and opinions
- Communicate that it is important to management and the organisation
- Provide data to understand the organisation
- Provide understanding of strengths and opportunities for improvement
- Provide baseline, historic and normative comparisons

They don't ...

- Create fully engaged or committed employees



Employee Engagement Strategy

1. Set up survey
 - Balanced = Questions at all levels
 - Consensus on categorisation of items between levels
 - Factors affecting levels:
 - Company norms
 - Current policies and practices
 - Cultural orientation
 - Conduct survey
 - Sort by factor / level

Employee Engagement Strategy

2. Review Scores

- Low “Basic” Scores = dissatisfaction in fulfilling basic employee needs
- Low “Intermediate” Scores = dissatisfaction in fulfilling growth and development needs
- Low “Advanced” Scores = need to understand strategic direction of organisation, mistrust of management, poor communication

Employee Engagement Strategy

3. **Prioritise**
 - “Basic” needs > “Intermediate” needs > “Advanced” needs
4. **List Opportunities**
 - List items below acceptable score
 - Priorities items within levels
 - Set action plan (including SMART goals) for each item
 - Get consensus - management buy-in critical!!!!
5. **Implement Action Plan**
 - Review on regular basis

Employee Engagement “Best Practice”

- Research by Best Practices LLC
- Key Results
 - Reduction in turnover by 2% can result in saving of \$3 million annually
 - Effective Performance Management is cornerstone of engagement
 - From goal-setting to reward, recognition and incentive programs
 - 75% of high performing companies hold managers accountable for employee engagement
 - High performing companies cut across “functional silos”
 - Create sense of connectedness – communities of practice
 - Cross-functional teams
 - Create common work area

Employee Engagement “Best Practice”

- Key Results (cont)

- High performing companies recognise employees for their suggestions
 - Group brainstorming
 - Group Listservers
- Employee and customer loyalty attributes reflect each other
- Key factors:
 - Employee alignment toward strategy
 - Enable employees to engage themselves
 - Create sense that individuals are a part of a greater entity
 - Cross-functional teams and councils help employees understand contribution to corporate performance

Critical Management Issues

- Be clear about what you want from employees
- Provide employees with appropriate materials and equipment required
- Give employees opportunity to do what they do best - EVERY DAY!
- Ensure that manager CARES about employees
- Surround talented employees with co-workers who have a similar drive for quality
- Provide opportunities for employees to learn and grow
 - Challenging projects
 - Work outside immediate environment
 - Coaching and Mentoring
 - Learning and Development

"Great organizations achieve sustainable growth and profits because they do what other organizations don't: they *maximize the innate, individual talents of their employees to connect with customers.*

They know that tapping the resources of humans is the only remaining area where significant improvements can--and do--lead to an unlimited source of competitive advantages."

Curt Coffman, Gabriel Gonzalez-Molina, in Follow this Path 2002

TalentAlign Products and Services

- **TalentAlign Online**
 - Repository – create, manage and maintain YOUR IT Job Descriptions and Competency Profiles
 - Over 400 customisable IT Role Descriptions
 - Over 1000 evidence-based Competencies
 - Related tools and training
- **TalentAlign Consulting**
 - Additional resource to drive your organisational performance
 - Research-based – international and organisation
 - Surveys, supported by advice and action projects
- **TalentAlign Workforce Analytics**
 - Distribute and support HCM/ Workforce Business Intelligence tools and services
 - HCM – global leaders in Workforce Analytics

More Information

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More Information

Speak to us about our Employee Engagement Survey and how we can assist you to improve your level of Employee Engagement

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