



NEWSLETTER

MAY 2010 – ISSUE 21

EMPLOYEE ENGAGEMENT FOR SUCCESS – THE TIME HAS COME

From a business point of view, employee engagement means profit on the bottom line and competitive advantage. There is a huge amount of evidence that organisations with a highly engaged employee workforce have better return on capital and competitive advantage, delivering excellent customer service, high levels of creativity and exceptional innovation.

— Eric Peacock ¹

As business, government and economic leaders increasingly talk about an economic recovery in North America and elsewhere, one is hearing more and more about the importance of employee engagement within organizations. Never before has employee engagement and disengagement been so important as it is today. Organizations cannot afford to lose skilled and productive workers if they are to fully participate in the recovery.

Too many companies are still relying on the tangible, easy-to-implement solutions that revolve around pay, benefits, and trendy perks, when we know the most powerful solutions revolve around the more challenging intangibles, such as good management and a healthy corporate culture. — Leigh Branham ²

Hats off to the United Kingdom's [Department for Business Innovation & Skills](#) (BIS) which recently delved seriously into the whole matter of employee engagement. BIS developed a Web site dedicated to providing practical advice to businesses concerning the ins and outs of employee engagement.

A recent independent survey commissioned by MidlandHR found that 92 percent of companies in the UK agreed that employee engagement is important, showing that firms recognise engagement as a strategic objective in its own right. However, the research also showed that almost half of the business leaders questioned did not understand the level of engagement within their respective organisations. It was suggested that this discrepancy could be explained by a general lack of awareness, or perhaps the perception that employee engagement is difficult to measure. ³

What do we mean by employee engagement?

According to the BIS, employee engagement is a workplace approach designed to ensure that employees are committed to the organization's business goals and values. By involving employees in its business, the organization will motivate them to contribute to its business success and at the same time improve their own sense of well-being.

The most practical definition of engagement is whatever it takes to convince someone that their job is worth doing, so that they enjoy doing it and want to do it. — Ian Luxford ⁴

¹ *Engaging for success with Eric Peacock:* Charlie Duff, HR Zone, March 23, 2010

² *The 7 Hidden Reasons Employees Leave:* Leigh Branham, AMACOM, New York, NY, 2005

³ *Why bother engaging?:* HRZone, Posted by Karen Bull in [Strategies, Managing people](#), March 30, 2010

⁴ *Top tips: Employee engagement:* Ian Luxford, [Strategies, Managing people, Pay & benefits](#), March 30, 2010

The BIS notes that employee engagement starts with managers showing a clear and collective commitment to making employee engagement part of the business culture. This means sharing information on business plans and performance, making sure the organization lives its business values and seeks its employees' views and ideas on how to improve its business. Moreover, employee engagement is a two-way street. Organizations must encourage their employees to play their part by sharing their feedback, raising concerns and supporting the way the organization does business.

For example, as Leigh Branham further notes, employee turnover is not an event. It is really a process of disengagement that can take days, weeks, months, or even years until the actual decision to leave occurs.⁵ There are a number of strategies by which an organization can maintain and strengthen employee engagement. The strategies companies use to engage their workers depend not only on their business strategies, but also on the size and complexity of an organization and its workforce.

According to Ian Luxford, there are four basic ingredients to successful employee engagement:

- ☞ **Communication** – Is it absolutely clear what is being asked and why? Many managers and team leaders fall into the trap of issuing instructions without setting them in context or conveying how the work to be carried out fits into the overall picture.
- ☞ **Education** – Does the person have the requisite skills and competencies? If not, how can any necessary training be obtained?
- ☞ **Measurement** – Are there well-defined goals and evidence of progress towards them, in any given project as well as in the individual's overall career?
- ☞ **Reward** – How will success be recognised? This is absolutely key. Read almost any employee survey and a cry for greater recognition is invariably high up on the wish list.⁶

Employee engagement issues continue to surface in North America, so much so that employers are seeking clarity on whether there is an effective way to measure employee engagement, and whether the same set of survey questions can be used from one country to another. Using a cross-cultural perspective, [The Conference Board](#) surveyed employees from around the world to re-examine empirically all of the prominent employee engagement measurements currently employed by companies. The result was the construction of a robust measure of employee engagement with just eight basic questions—termed *The Conference Board Employee Engagement Barometer*.⁷

What are the early warning signs of possible employee disengagement?

Obvious early warning examples of possible employee disengagement are absenteeism, presenteeism, tardiness, aggressive behaviour, or behaviour that indicates withdrawal or increased negativity. Leigh Branham in his book (see recommended reading) notes that there are numerous stimulus events that can trigger an employee's disengagement. Among the examples given in his book are:

- ☞ Working for a boss or supervisor who is disliked, but protected by senior management
- ☞ Lacking mentoring, support or training
- ☞ Realizing a job is not as promised or is beyond one's capabilities
- ☞ Being asked to do something unethical
- ☞ Being passed over for an anticipated promotion
- ☞ Suffering from continuous supervisor or co-worker harassment
- ☞ Having an unexpected low performance rating without sufficient explanation
- ☞ Being pressured to make unreasonable family or personal sacrifices
- ☞ Being subjected to petty and unreasonable enforcement of authority

⁵ Leigh Branham: Op. Cit.: p. 11

⁶ Ian Luxford: O. Cit.

⁷ *A Global Barometer for Measuring Employee Engagement*: Report by John Gibbons , Russell K. Schutt, The Conference Board, Inc., 12 pages, January 2010

“Healthier organizations mean more productive employees.”

- ☞ Being poorly compensated, particularly for increased work load and job responsibilities
- ☞ Being denied a request for transfer
- ☞ Learning indirectly about the organization's viability and future plans

A substantial number of managers believe that their employees voluntarily leave an organization for better opportunities or more money. However, exit surveys have usually shown that the majority of employees leave because of non-monetary factors leading to their eventual disengagement from the organization. In some cases, exit surveying and interviewing may be helpful to determine which corporate elements may have contributed to employees' decisions to leave. The responses of departing employees may also uncover certain common concerns or engagement issues that could be dealt with at both the corporate and immediate supervisory levels.

What is the role of immediate managers/supervisors in potential employee engagement?

... , there are actually several sequential and predictable steps that can unfold in the employee's journey from disengagement to departure. ... Not that it's only the manager's responsibility to take the initiative in this (disengagement) process—employees also need to understand they have a singular responsibility to find ways of addressing their concerns and re-engaging themselves in the workplace. But many managers are just too slow to observe the telltale signs of employee disengagement until it's too late to do anything about it. — Leigh Branham ⁸

With the economic downturn, senior managers frequently have circumvented an employee's immediate supervisor in order to deal directly with layoff notices, budgetary cutbacks, general HR policies, promotions, reassignments, etc. Unfortunately, intermediate and line managers were also directly affected by a reduction in their own numbers as a result of organizational belt tightening. This left line staff with fewer direct means of communication with senior management at the corporate level.

Recognizing early warning signs of employee disengagement is clearly an important role for immediate supervisory staff. However, sometimes it is the very conduct of a manager that acts as an incentive for an employee to disengage and eventually seek other employment. This is why it is of the utmost importance that an organization ensures that a manager's handling of staff relations and employee engagement is constantly monitored and evaluated.

What are the consequences of employee disengagement?

Ever since the first boomers entered the workforce in the late sixties, the labour supply has always exceeded the demand. However, around the mid-nineties there came a tipping point. For the first time in recent memory, the number of jobs started to exceed the supply of workers, especially knowledge workers. As various experts have noted, the so-called "war for valued talent" has begun in all earnest. Millions of boomers are now in a position to retire, and Generation Xers are too few to fill the available jobs. The current recession has only complicated what was already a growing trend in the workforce.

The recession has seen workforces slashed, external recruitment halted, central services cut, whilst at the same time a more driving need for organisational excellence to create competitive advantage, key to survival in these times. This causes enormous churn in the workforce, roles have to change, there is a far greater emphasis on performance and there is a complete re-evaluation of what the organisation's core skill requirements are. This drives the need to engage an insecure and often disillusioned workforce and organisations which fail to address employee engagement may suffer a skills drain as the economy recovers, damaging the business at the precise time when it should be looking to capitalise on the improving economic outlook. — Karen Bull ⁹

⁸ Leigh Branham: Op. Cit.: pp. 11-12

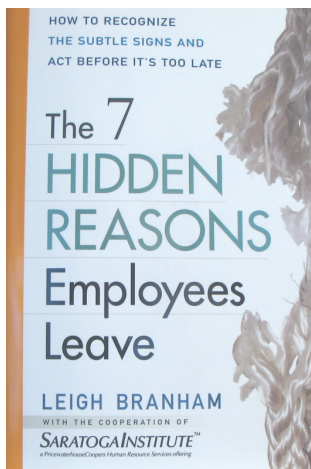
⁹ *Why bother engaging?:* HRZone, Posted by Karen Bull in Strategies, Managing people, March 30, 2010

"Healthier organizations mean more productive employees."

Recent surveys have shown that, despite a tight labour market, Canadians and Americans are some of the most satisfied workers in the world when it comes to their current employer. Indeed, a survey released by the international staffing company Randstad in April 2010 indicated that over one-third of Canadian employees were "very satisfied" with their current employer. (The survey records worker confidence and expectations about the likelihood of changing jobs during the next six months.) The survey also revealed that 78 percent of Canadian workers indicated that they were not looking for another job. Nevertheless, the majority of Canadian respondents said they could jump ship if they wanted to, even with the country's unemployment rate at the time of the survey at over eight percent. Furthermore, in this economic climate, about two-thirds of the Canadian employees surveyed indicated that they were confident that they would be able to get a comparable new job.¹⁰

There is little doubt that there has never been a better time and reason to strengthen employee engagement. The competition for knowledge workers has never been greater, especially with the forecasts of skill shortages predicted in the near future. Organizations need to revisit their business goals and values, and their views on employee engagement. In particular, organizations should review recruitment, retention, retirement and general HR management policies in order to adjust accordingly to labour force changes. Managers will have to take a much more hands-on approach when dealing with potential employee disengagement. Employees in turn must be encouraged to engage at all levels of the organization. Such initiatives should help to avoid the consequences of employee disengagement and ensure enhanced employee engagement for success.

Recommended Reading:



"The 7 Hidden Reasons Employees Leave"

(How to recognize the subtle signs and act before it's too late.)

by Leigh Branham with cooperation of Saratoga Institute
(AMACOM, New York, NY, 2005)

Recommended Web Sites:

- ◆ Employee Engagement Guidance - U.K. Department for Business Innovation and Skills: <http://www.businesslink.gov.uk/bdotg/action/detail?itemId=1083721380&type=CAMPAIGN&urlName=employeeengagement&urlParam=employeeengagement&ref=&domain=www.businesslink.gov.uk>
- ◆ Randstad Canada – Jobs & Staffing Solutions: <http://www.randstad.ca/>
- ◆ MidlandHR Newsletter - Employee engagement is key to performance and retention: <http://www.midlandhr.com/news/08-10-2009.html>
- ◆ Conference Board of Canada - Global Barometer for Measuring Employee Engagement: <http://www.conferenceboard.ca/documents.aspx?DID=3388>

¹⁰ Canadian satisfaction with employers among the world's highest. Randstad News Release, April 13, 2010
"Healthier organizations mean more productive employees."