

Thinking differently about...

EMPLOYEE ENGAGEMENT



Developing Innovation-led Organisations

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It's not rocket science, is it?

1. Belief

A 'Belief' in the organisation, its purpose and more importantly HOW it does things.

2. Relationships

The 'Relationships' between colleagues, middle management and the senior team.

3. Empowerment

A level of autonomy and 'Empowerment' that genuinely allows employees to shine.

4. Communication

A culture of constant 'Communication', warts-and-all and organisation-wide.

The link between high-performance and how 'people-centric' an organisation is, is now beyond question.

Yet in the face of such compelling evidence, recent figures suggest employee engagement is actually getting worse. In general it is down by around 9% and in cases of some top-performers is down by as much as 25%. Even more worrying, 12% of top-performing employees are considering leaving their organisations and 17% confirm they are 'uncertain' about staying.

I think the main cause (when you take the 'it's not rocket science' approach) is made up of four factors; Belief, Relationships, Empowerment and Communication.

Post the Lehman Brothers crash of September 2008 there's no doubt that organisations both public and private have had to think differently about what they do and how they do things. That traditionally means focusing thoughts on operational streamlining and quick-win revenue generation in attempt weather the storm. However, in doing that many organisations have remained static for the past couple of years whilst the world, consumers and employees have petulantly continued to evolve.

In many cases there is now a misalignment between organisations, their people and their customers. In the same way as customers and consumers are now ultra-savvy, employees are also demanding more. But, in the right circumstances they are also prepared to give more. The key to sustainable performance is keeping talent within an organisation and that means building an amazing place to work.

In 2010, CBI & Harvey Nash outlined figures that the number of 'highly-engaged' employees fell to 32%, which is a drop of 10% from the previous year. But, it's the more worrying drop in engagement for high-performers and their potential for leaving that organisations should be really worried about.

“It is not enough for organisations to perform well in the short term; organisations need to sustain their performance over time, even through testing economic periods. The importance of sustaining the organisation’s people, financial, environmental and societal contribution therefore needs to be a top priority for HR and business leaders.”

CIPD Shaping the Future Executive Summary. (2011)

Let's look at the facts!

At the point of global economic recovery, the organisations that successfully embed employee engagement and turn the traditional approach of 'HR' on its head will be the winners. Employees are 'People' not 'Resources' and balancing a customer-centric and people-centric approach that allows employees to shine will see organisations not just survive; but thrive while their less savvy competitors fall!

In the 2009 report by David MacLeod on enhancing performance through employee engagement, organisations with highly engaged employees generated on average 43% more revenue, 12% higher customer advocacy and 18% higher productivity than those with low employee engagement.

Also in 2009, Gallup conducted a study of 152 organisations across 44 different industries, 26 countries and just short of 1 million employees. It concluded that regardless of industry or sector, organisations that scored in the top 25% for employee engagement significantly outperformed those who scored in the bottom 25%.

Here are the five main results for organisations scoring in the top 25%:



So, can it be any clearer that the historic perspective that concentrating on the 'softer' side of business like how employees feel, emotional attachment and their beliefs doesn't have a direct impact on performance and financial return, is not only wrong it's a perspective that's 180 degrees in the opposite direction!

What is this black art?

So, if employee engagement is a crucial, strategic approach, what exactly is it?

There's as much confusion over employee engagement as there is about innovation despite both these being the buzzwords de jour, which is why both these subjects tend to be undervalued by organisations. Many organisations talk about embracing these topics but their actions rarely match their words. Not because they don't want to but because they don't know how to.

Applying the 'it's not rocket science' approach, here is what we think are a few good definitions:

'Employee engagement is essentially about creating a strong, mutually beneficial relationship between the leadership and workforce of any organisation.'

The Culture Consultancy

Employee Engagement - what is it? (2011).

'Employee Engagement is a workplace approach designed to ensure that employees are committed to their organisation's goals and values, motivated to contribute to organisational success, and are able at the same time to enhance their own sense of well-being.'

David MacLeod & Nita Clarke

The MacLeod Report, Engaging for Success: Enhancing performance through employee engagement (2009).

From my perspective, employee engagement is about alignment, alignment of the needs of each employee with the needs of the organisation in relation to its vision, purpose and beliefs.

In some respect, employee engagement is something that doesn't actually exist in real terms. You can't physically see it or apply it so trying to define exactly what constitutes it is somewhat academic. I think it's unique to every organisation so there's no single solution. However, there are elements that common sense tells us are part of, and contribute to employee engagement.

The rest is a bit like being an entrepreneur; it's almost instinct or gut feel. It's one of those things that you know when you've got it!



Thought leading perspectives...

It's a simple case of co-creating the HOW!

While researching for my new book on employee engagement, I have been developing case studies about several organisations from different sectors which for me demonstrate what a culture of engagement is all about. That's when more people, more of the time, are willing and able to give of their best and have passion for what they do. Here are just some of the cultural features these organisations have in common.

In terms of results, what works for the business also works for its key stakeholders, customers, staff and directly benefits the community. These organisational cultures are underpinned by a strong vision, values and a purpose focused on customers and society. There is authentic leadership, a genuine belief in the value of helping people to help themselves and great partnering between executives, customers, staff and OD/HR to deliver the big vision.

As a result, short-term actions are informed by what is needed longer term. People have roles in which they can grow and have clear line of sight to how their job delivers the purpose. It's about leaders 'unblocking' the organisation, removing the bureaucracy and other barriers, which clutter the sight line.

In these organisations top leaders provide focus and inject pace, follow through on commitments and 'walk the talk' on values. Leadership communication, so critical to earning and keeping workforce trust is frequent, open and high quality.

It's about two-way communication, consistency of messaging and genuine involvement of staff and customers in co-creating the 'how' if not the 'what' and 'why' of strategy. It's also about leaders having the grace to apologise when they get things wrong. Leadership is not just top-down but dispersed.

There is a genuine sense of community, with many people at all levels taking personal responsibility for proactively driving things forward. Roles allow scope for initiative and individuals experience meaning from what they do. They enjoy and value their work and feel recognised and valued for what they contribute.

Reaching milestones towards the vision allows progress to be celebrated and also aspirations to expand. This provides the rationale for ongoing change, which employees too can initiate. It's also the spur to innovation. Employees are up for the next challenge. After all, delivering an engaging purpose is a journey, not a destination.

In their own way these cases provide evidence that employee engagement is the key to sustainable employee performance, organisational agility and great business results. Even in today's challenging times, or perhaps especially so, could this be a recipe for a more sustainable, 'more from less'?

Linda Holbeche

Co-Director, The Holbeche Partnership & Visiting Professor at Cass Business School

Thought leading perspectives...

A couple of thoughts I'd like to share!

Firstly most employers get that engagement is a good thing, they usually don't know the stats that link to productivity and these can be very compelling but most do understand even intuitively the links between how people feel and their levels of productivity.

The problem they have is creating both the ethos where people can give of their best and the practical steps required to do this. Let me give you an example. Most managers I have worked with are not too comfortable with the nebulous concept of empowerment. They get the theory but will often want to introduce a range of 'motivating' tools, techniques and programmes to bring about empowerment. The first mistake they make is to assume that there is a generic response to motivation i.e. staff suggestion schemes, performance related pay or award schemes.

All can have a place but only if there is a sophisticated understanding of the audience. People come from different perspectives, there are broadly generational differences, cultural and gender difference and sometimes just personal preference, which means that a system that works for one employee in driving up their motivation, will have another person heading for the door.

The individualized approach can be much more effective if companies can resist the temptation to create a procedure around everything and kill any type of spontaneity and flexibility.

The second thought was around communication. Staff will nearly always say we need more communication and managers will always say we communicate enough. My experience of implementing change and keeping staff engaged at the same time taught me a few things. Bad news and the really important stuff has to be delivered face to face by the relevant managers. Not on Skype, not through the internet/intranet, not by text, but face to face in the same office.

The blended approach to communication can pick up a range of different delivery mechanisms and social media can be really popular particularly with the gen x'rs, but it is no replacement for face to face when the going gets tough. So a multimedia approach based on a pretty detailed understanding of the audience is crucial.

Angela O'Connor

Founder & CEO, The HR Lounge

Thought leading perspectives...

It's the choice of the star performer!

In my profession - People and Organisational Development - there are always hot topics to discuss and debate, making my job really stimulating and interesting. Perhaps one of - if not THE - most hotly debated topics is employee engagement (EE).

With so many differing views on its significance to business performance; to organisations' sustained success; and to happier lives for people, this topic shows no signs of disappearing fast.

In fact it is so topical, that the 135,000-strong CIPD member magazine People Management, devoted a recent issue's front cover and 5 pages of coverage to EE. When I decided to draft a short piece for Cris Beswick, I promised it would be a little different, but reading the article, I'm already beaten to it. Here's a quote from the article (reproduced with permission from People Management magazine) by Sir Winfried Bischoff, chair of Lloyds Banking group

"...engagement is an 'employee's choice' and has a direct impact on customer service and personal satisfaction."

I couldn't agree more. I am not an HR practitioner seduced by the latest fads, I am more than aware that the conditions that prevail in any organisation impact on employee engagement - of course they do. If organisations don't pay well, don't look after the safety of their employees and provide a meaningful environment for their people, it will be difficult - if not impossible - for employees to be engaged. They may go through the motions to get their paycheck but forget the desire to develop, improve and show discretionary effort.

Nick Isles' terrific book The Good Work Guide sets all this out against the backdrop of how we find ourselves in the work climate we are in, so I'll not repeat any of that but recommend you read that book.

Instead, I'll assert that when conditions are satisfactory in any organisation, there are choices for employees regarding the level of engagement they exhibit to their work. And where your highest performers are found, there is a more pronounced and obvious choice at play here.

It's that choice I'd like to feature some musings on and put in the mix, but before I do let's not forget:

- the rise of expectations in employee conditions;
- the rise of insecurity found in fixed term, temporary and internship positions;
- the volatility of the markets and no such thing as a job for life; and
- increased costs to hire and the competitiveness amongst employers for top talent.

Yet with these conditions at large, those who are choosing to demonstrate the highest levels of engagement are normally those unequivocally performing well, acting as role models and driving change and innovation.

...

And I firmly believe that they are also choosing to demonstrate those features (which are then enhanced by their talent, the opportunity to take on responsibility etc).

We still hear too many stories of clumsy management, imbalances in reward/remuneration and poor talent management. Yet those star performers see beyond that, can put up with less than perfect conditions and in fact, go beyond engagement. They are ambassadors for the organisation, modelled by like-minded colleagues and sought out by high performing leaders to work with.

These 'apostles' make life better around them at work, they are choosing to show positivity and creative intent to the problems others shrug their shoulders or moan about. They infect the art of the possible in others and get a buzz from doing so. They are also clear that they are in control of their choices. Sure, if organisations continually flog the employee and their efforts, they will walk. But that's another choice they will make. They will simply choose to be engaged somewhere else.

When times are hard, these choice leaders show what it takes to be resilient, creative and disciplined. They work on their projects that excite them and line up to organisational priorities. They revel in making cuts to budgets by being creative about their work and time. They rise to the challenge of increased competition and customer demand. Choice leaders are there and need to be supported, endorsed and let loose. They find fun in most everything they do, generate a buzz for others to emulate and show up the prophets of doom and clockwatchers that drag organisations into the abyss of mediocrity and worse, demise.

So don't just measure engagement is my advice, find those choice leaders and work out why they choose to go beyond engagement and how others might take on board that philosophy. There are attitudes, behaviours and ways of working that the choice leaders are displaying that, if replicated across your organisation, could make a huge difference to bottom line profitability/operating costs, customer satisfaction and create a long-term thriving place to work.

For other referencing sources around this topic, check out the Times Top 100 companies to work for, a bank of CIPD research, Dan Pink's 'Drive' book, Henry Stewart's Happy Computers enterprise and some great work from Essex County Council, Birmingham City Council, Dumfries & Galloway NHS Trust and Marks & Spencer for real, live, productive and purposeful employee engagement philosophies. And of course the seminal work of David MacLeod and Nita Clarke from 2009.

Perry Timms

Head of Talent & OD, The Big Lottery Fund

Vision & values...

It's all about what you believe!

I believe that 'Belief' is the most important starting point in transforming an organisations culture and increasing employee engagement.

Employers cannot force people to be engaged, it's a choice and it's their choice. As employers you can bind employees to provide what they are contractually obliged to do but it's the 'stuff' over and above that which creates amazing organisations but that requires an emotional attachment.

So, the challenge is to create an environment and a set of parameters that compels employees to willingly contribute the 'stuff' that really makes a difference like passion, creativity, optimism, agility, resilience, commitment and advocacy.

Getting Emotional

about what we're really trying to
achieve in business...



LOVE,
DESIRE
+ ENVY



LOVE

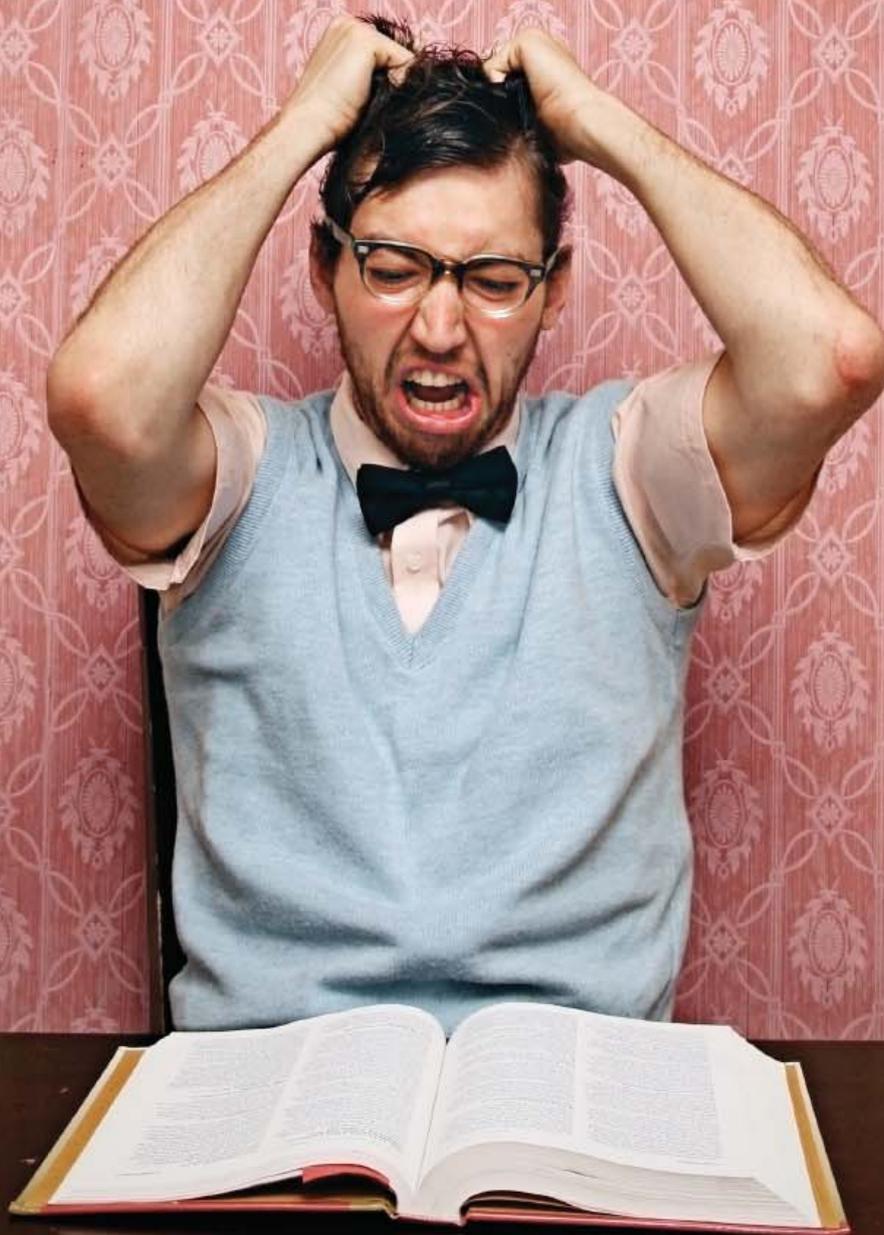
Do our people Love us? Do they love what we're doing but more importantly 'how' we do it and have we created an amazing place to work?

DESIRE

Do our customers Desire us? Do they 'want' not just need our products and services and are we their no-brainer choice?

ENVY

Do our competitors Envy us? Do they constantly scratch their heads and wonder how the hell we do what we do?



Inspiring leadership...

You've got to be on fire!

The first thing to get out of the way is the issue of 'leadership' itself. You can only be bestowed the leadership badge by the people who choose to follow you - Fact!

The truth is, the self-professed leader is someone to avoid, as they are more likely a lone adventurer with little hope of reaching a destination.

For me, the key to leadership is sincerity and belief. When employees believe you have a vision that's exciting, one that they want to be part of, then you're getting somewhere. Added to that their belief that you're sincere and it's not just about getting them to do more, that starts to become inspiring. The next crucial step is showing employees how the vision is achievable, what the strategy is for realizing it, what the journey will be like along the way and how they can contribute. The more sincere and authentic the leader the more belief increases inside the organisation, which increases employee engagement. Key traits:

1. **Actions matching words**
2. **A compelling vision**
3. **Sincerity**
4. **Being yourself**



Amazing management... Worth its weight in gold!

It's fair to say that the majority of organisations have a lack of real understanding of the fundamentals of engagement and how to effectively transform culture.

More often than not this results in organisations that, without even knowing it have a culture of what I call 'Active Disengagement'. It's something Peter Drucker outlines in his book, 'Managing Oneself' when he talks about an employee's belief in what they can achieve and what they can contribute to their organisation.

Poor, inconsistent middle management or micro-management often leads to an individual's ability to actively contribute being undermined. Subsequently they feel less empowered and autonomous which lowers their belief that they add value to their organisation. Ultimately resulting in lowering engagement and starving the organisation of their 'willing contribution' of the good stuff.

One of the biggest barriers to transforming an organisations culture is when 'Active Disengagement' results in employees viewing their position as just a job. Their 'belief' has gone along with their willingness to contribute the good stuff. The organisation has now become merely a wage provider. At this point an organisation has an army of robots. I call them 'Asbestos Employees' and try as you might, re-lighting their fire can seem almost impossible.

As outlined above, the quality of middle management in any organisation cannot be underestimated. Look at them like a vein of gold running through rock. They are disproportionate in volume compared to the rock but their value balances out their weight! The majority of levers that drive employee engagement focus on management relationships and behavior and in particular focus on building trust, authentic communication, and being 'hands-ready' not hands-on.



16%

That's how much more profitable an organisation is when they score in the top 25% for employee engagement!



Innovative employees... It's all about team spirit!

As you may have now guessed, unless your employees are highly engaged the chance of you outperforming a competitor who truly focuses on engagement is slim at best. If you're scoring in that bottom 25% for employee engagement then the future doesn't look bright.

One of the key attributes to building an amazing culture is the social side of an organisation. How well do colleagues interact and get on with each other and what does the organisation do to constantly foster valuable, organisational relationships. Communication is at the heart of engagement and it's organisation-wide communication, which is key. Open dialogue between anyone and everyone must be facilitated in order to maintain collaborative networks, interaction and constant challenge to the status quo.

One of the best ways to transform an organisation and make the change sustainable is to enable employees to do the changing. Empowering people to change systems, processes and procedures, in effect the 'HOW' you do what you do is the most compelling reason for employees to step up to the mark. It's also a perfect way for middle management to demonstrate empowerment, mentoring and support in a 'hands-ready' way.

Increasing autonomy and trust in employees is exactly what the good ones want. They want to be challenged and show that they have more to give, that's part, of what engages them. After all, isn't that why we look to employ talent not robots?

Gallup recently surveyed 15 million employees and found that the ones who have a 'best friend at work' are seven times more likely to be engaged. The knock-on effect or by-product in terms of their individual performance is obvious. The secondary by-product is then one of powerful collaboration and team spirit.

Apart from the leadership and management traits already outlined, the environment where all this takes place is crucial. Just like in society, environmental parameters play a crucial part in building communities and fostering the right interaction between people, colleagues, departments and teams.

Like an award-winning gardener growing a giant marrow. You need to create what we call the 'Greenhouse Effect' by meticulously setting the right temperature, combination of ingredients and conditions in order to get an amazing result!



It's not about what you do,
it's about 'HOW' you do it!

1. Engaging Employees
2. Transforming Culture
3. Driving Innovation
4. Sustaining Performance

About the author

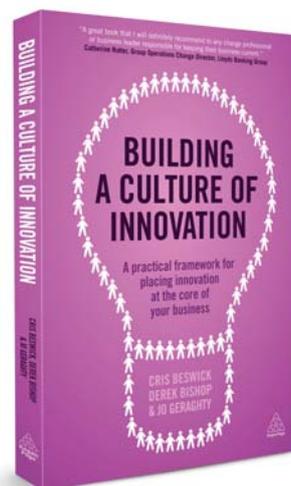


Originally trained as a product & industrial designer, Cris spent over a decade as a successful entrepreneur & CEO building an award-winning design group. He is now recognised globally as a thought leader on strategic innovation and creating innovative organisations.

Cris is the Founder of Thought Leadership Website The Future Shapers, Director of Innovation Consulting at Culture Consultancy and Strategic Advisor on Innovation at Wazoku. He specialises in working with CEOs and senior teams and has coached, advised and delivered keynotes to some of the worlds most successful companies on how to become exceptional by building game-changing innovation capability and embedding it into organisational culture.

Cris has also delivered executive education programmes on innovation for leading UK business schools such as Henley Business School, Southampton Business School and Cranfield University's Centre for Competitive Creative Design as well as international business schools such as Synergy Business School in Dubai and Icesi University in Columbia.

Cris is also the author of the book 'The Road to Innovation' and co-author of 'Building a Culture of Innovation'. As well as authoring numerous white papers Cris has also contributed to articles for The Times, Financial Times and The Sunday Telegraph to name but a few.



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To find out more about working with Cris to build a culture of innovation in your organisation, get in touch for an initial discussion.

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