

# Making Every Employee Count

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In times of economic difficulty it is more important than ever that each individual left on your workforce is focused on the priorities of their role and making an optimum contribution of their talents. They will not do this unless they are getting satisfaction from their work.

In this paper we will gain more clarity on:

- Employee engagement
- Review some findings from the global study that BlessingWhite conducted last year
- Recommendations for enhancing employee engagement

**BlessingWhite** defines Employee Engagement as “Enthused and In Gear.”

Employee engagement is not the same as employee satisfaction. Just because employees are happy it does not necessarily mean they are productive. To be productive as well as happy, one needs to be doing the things that you are good at and which you enjoy, but which also which contribute to the organisation’s success.

#### HOW ENGAGED ARE EMPLOYEES IN ASIA-PACIFIC?

BlessingWhite, in accordance with other recent studies have show there is a wide difference between how “Enthused and In Gear” employees are in Asia-Pacific:

- **Australia**’s level of engagement for example is **26%**, roughly what it is the **USA** and **Europe**
- **India** was the highest at **34%**
- **China** at **10%** was the lowest in the sample.

This should be of concern to China because it indicates that most employees are compliant in contrast to being motivated. On the other hand, many firms in India can be expect their employees will “Go the extra mile” in tough circumstances. Is it a coincidence that so many Gen Y migrants are from China?

#### EMPLOYEE ENGAGEMENT? - IT MATTERS!

The ill-informed may think that in tough times it does not matter if one’s employees are simply enduring. After all, the argument goes, jobs are so scarce, they are not likely to get a job elsewhere, so one can do to them what one likes. Well, if you want to exploit your employees in the tough times, you cannot expect them to stay with you when growth takes off again. Some strategic companies are actively headhunting talent from their competitors in these times. Some are also taking the opportunity to prune the less productive ones – the very ones that short-sighted companies will have to put up with when the inevitable talent shortage occurs when growth picks up.

To succeed, you need all employees, not just the designated stars, in your organization committed and focused. Sustainable achievement will come from a workforce that is empowered to use their unique talents on what matters most. The various engagement studies are largely consistent in their findings.

## COMPARITIVE STUDIES

- **The Gallup Organization** (2) concluded that actively disengaged employees cost UK business between £39b and £48b a year and disengaged employees cost the U.S. economy \$328b in 2006. Gallup also showed a strong correlation between engagement and creativity on the job – 59% of engaged employees bringing out their most creative ideas compared to 3% of those disengaged.
- **Mercer Delta** research (3) shows, conversely, that engaged employees deliver four times more value to the organization than non-engaged employees.
- **Towers Perrin** (1), correlating employee engagement levels with financial results of 50 global companies, found those with high employee engagement had a 19% increase in operating income and 28% increase in earnings per share, compared to a drop in operating income of 32% and earnings per share decline by 11% for those with low levels of engagement!
- **Watson Wyatt** (4) confirmed that practices widely accepted as achieving higher employee engagement - employee involvement, sharing information and getting feedback – are directly related to a 2.2% increase in shareholder value. Translate that percentage into cash and you have some big numbers!

## BUT WHAT IF THERE'S NO WAR FOR TALENT IN A SLOWING ECONOMY?

Even if, at the moment, you are less concerned about keeping talented people, companies run the risk of people leaving as soon as there is an opportunity. In 2003 when the U.S. experienced a significant economic down turn, **Accenture**(5) found that 48% of middle managers were currently looking for another job or planned to do so when the economy recovered and 64% planned to intensify their search when the job market strengthens.

Commenting on their study of China, Towers Perrin(1) said

*“Both domestic companies and foreign multinationals in China face a host of issues: rising labor costs, more stringent employment laws, a shortage of skilled employees and managers, larger tax burdens, and volatile stock prices and exchange rates. The success of China’s economy over the past decade has been dramatic and unique. However, the country’s ability to evolve smoothly and prosperously toward an efficient and stable economic and political system is in question. The good news? ... Chinese employees are a vast, untapped source of discretionary effort.”*

## WHAT EXACTLY DO WE MEAN BY ‘EMPLOYEE ENGAGEMENT’?

Often, it is used to describe the emotional connection or commitment that employees feel for their work or their employer. BlessingWhite believes that it is all very well to have your people committed and motivated, but this in itself does not ensure that the organization achieves the right results.

BlessingWhite’s position is that we should take the definition a step further:

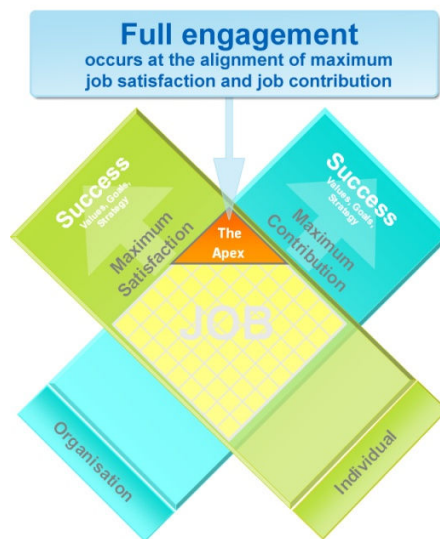
*Employee engagement exists when there is a tangible alignment of **maximum job satisfaction** (“I like my work and want to do it well.”) with **maximum job contribution** (“I am focused on the work priorities that contribute most to the goals my organization needs to achieve.”).*

The “Engagement” they refer to is not the romantic version, it is the mechanical interpretation - engagement refers to gears coming together and turning in the right direction. Things move as energy is transferred from one gear to another.

*Engagement occurs when employees are **enthused and in gear**.*

It happens when both the needs of the organization and the needs of the individual are being met.

This win-win collaborative process is captured in **BlessingWhite's "X Model"**:



We know from our own experience that mutual need fulfillment is a key feature in ongoing relationships.

## The State of Employee Engagement Study Results

The BlessingWhite 2008 State of Employee Engagement research reflects interviews with HR and line leaders, as well as online survey responses of 7,508 individuals.

### KEY FINDINGS

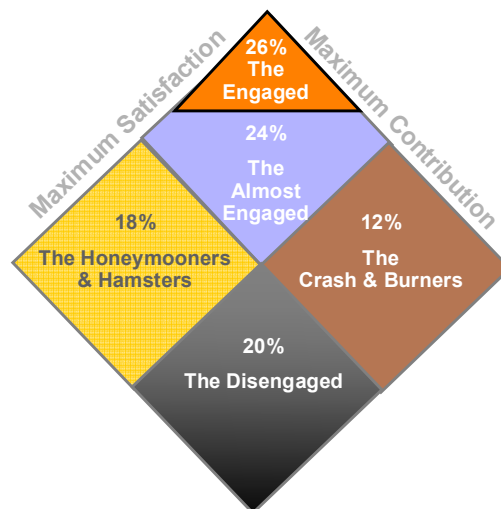
- Globally, 29% of employees are engaged: SE Asia:21%, India: 34%, China 10%
- While only 13% of Indians are disengaged, (not happy, not contributing much) a full third of Chinese employees appear to be disengaged.
- There is a correlation between engagement and retention. 70% of engaged employees indicate that they plan to stay with their employer. Moreover, engaged employees stay for what they give (they like their work); disengaged employees stay for what they get (relationships with colleagues, favourable job conditions, job security and comfort).
- Disengaged employees complain the most and talk of leaving, but are more likely to stay. This is especially true in an economic downturn where underperformers have even more difficulty in finding other jobs.
- Regions differ widely in their ability to engage Gen Y employees (The ones with the new ideas). In SE Asia 35% are disengaged, compared to India at 14%. (So which country would do better with new technology?)
- Employees with high engagement trust their managers. Those with low engagement don't trust their managers.

Below are some extracts from the full Employee Engagement Report.

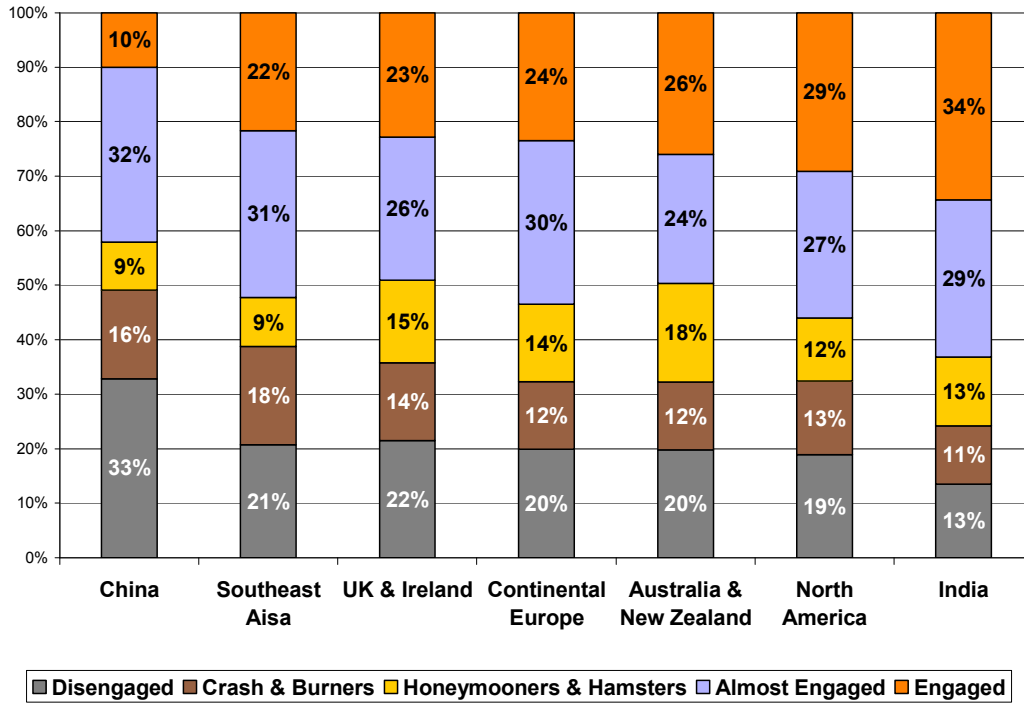
## 5 LEVELS OF ENGAGEMENT

Level	Description
<b>The Engaged:</b> High contribution & high satisfaction	These employees are at “the apex” where personal and organizational interests align. They contribute fully to the success of the organization and find great satisfaction in their work. They are known for their discretionary effort and commitment. When recruiters call, they cordially cut the conversation short. Organizations need to keep them engaged, because they can transition over time to any of the three adjacent segments, a move that would likely impact workforce morale and the bottom line.
<b>Almost Engaged:</b> Medium to high contribution & satisfaction	A critical group, these employees are among the high performers and are reasonably satisfied with their job. They may not have consistent “great days at work,” but they know what those days look like. Organizations should invest in them for two reasons: They are highly employable and more likely to be lured to greener pastures; they have the shortest distance to travel to reach full engagement, promising the biggest payoff.
<b>Honeymooners &amp; Hamsters:</b> Medium to high satisfaction but low contribution	<b>Honeymooners</b> are new to the organization or their role — and are happy to be there. They have yet to find their stride or clearly understand how they can best contribute. It should be a priority to move them out of this temporary holding area to full alignment and productivity. <b>Hamsters</b> may be working hard but are in effect spinning their wheels, working on non-essential tasks, contributing little to the success of the organization. Some may even be hiding out, curled up in their cedar shavings, content with their position (“retired in place”). If organizations don’t deal with them, other employees may grow resentful or have to pick up the slack.
<b>Crash &amp; Burners:</b> Medium to high contribution but low satisfaction	Disillusioned and potentially exhausted, these employees are top producers who aren’t achieving their personal definition of success and satisfaction. They can be bitterly vocal that senior leaders are making bad decisions or that colleagues are not pulling their weight. If left alone, they are likely to slip down the contribution scale to become Disengaged, often bringing down those around them. They may leave, but they are more likely to take a breather and work less hard (“quit and stay”).
<b>The Disengaged:</b> Low to medium contribution and satisfaction	Most Disengaged employees didn’t start out as bad apples. They still may not be. They are the most disconnected from organizational priorities, often feel underutilized and are clearly not getting what they need from work. They’re likely to be skeptical and can indulge in contagious negativity. If left alone, the Disengaged are likely to collect a paycheck while complaining or looking for their next job. If they can’t be coached or aligned to higher levels of engagement, their exit benefits everyone, including them.

Using the “Maximum. Contribution, Maximum Satisfaction matrix (*Australian/NZ Sample*):

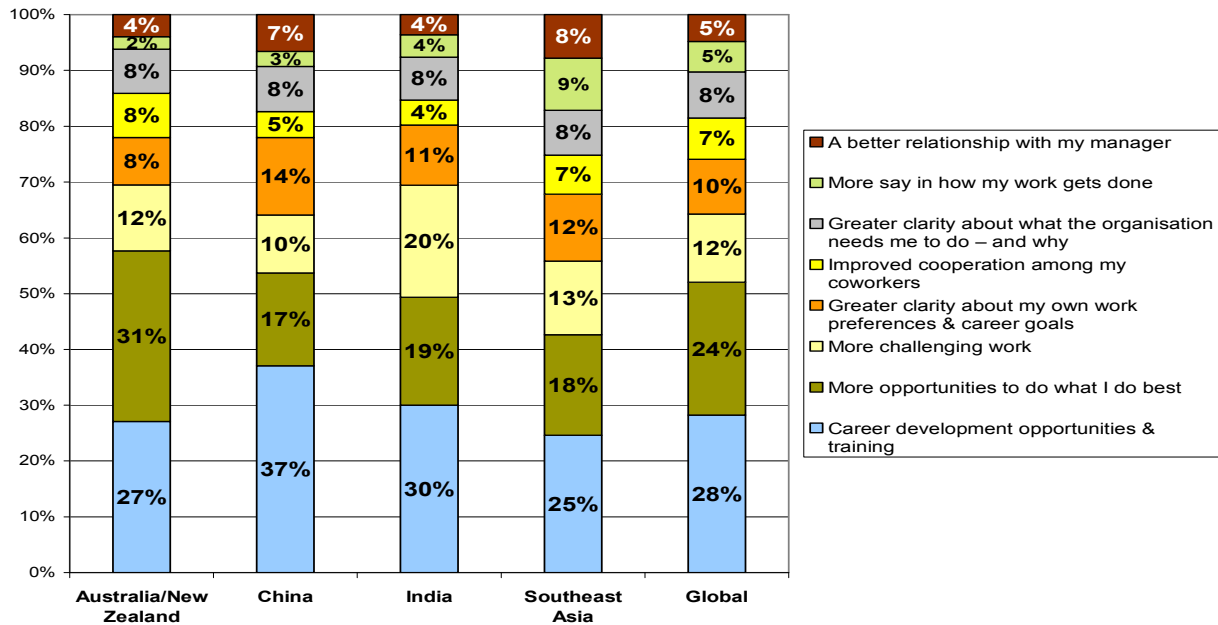


## Engagement Levels by Global Geographic Region



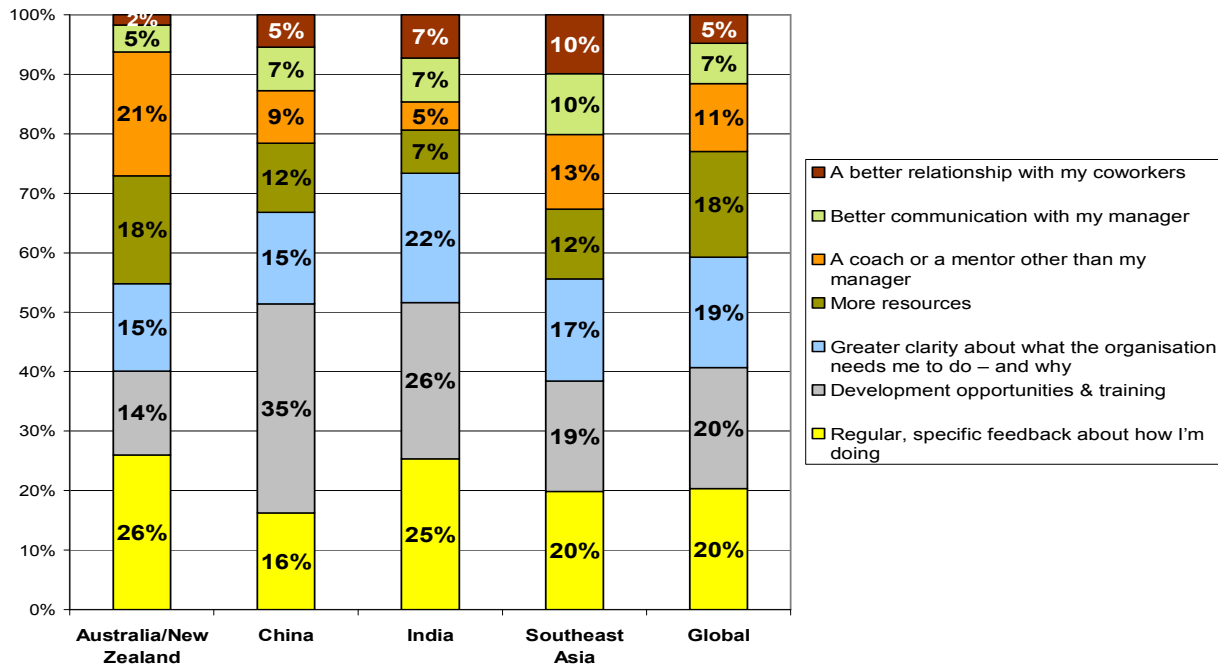
Full details on the global findings and regional comparisons are available in *The State of Employee Engagement 2008 Global Report*. Available for download [here](#)

**“Choose the item that would most improve your satisfaction”**



In other words, if you want more job satisfaction, provide developmental opportunities and give people work they enjoy doing and do well.

**“Choose the item that would most improve your performance”**



i.e. If you want more contribution from employees, give them more feedback and provide developmental opportunities.

## APPLYING THE STUDY RESULTS

There is a wide range of actions managers and HR professionals can take to help organisations get higher contribution and higher employee satisfaction.

### 1. Survey and Act

It is difficult to know what your employee engagement levels are if you do not have the data. Moreover, without data you will only be guessing what to do to improve engagement. Data also gives you a comparison with other organisations. Surveys raise expectations, so one needs to act on the findings.

### 2. Foster Contribution by Creating Meaning & Purpose for Employees

Employees need to know why their job exists, what they need to contribute and get feedback on the progress they are making in their contribution to the organisation.

### 3. Foster Employee Satisfaction

Find out what people enjoy and are good at, then give them more opportunities to do this at work. Most people, especially Gen Y, derive immense satisfaction from growing their talents at work. This is a good selling point when next you are fighting for a training budget.

### 4. Leverage Leaders

Leaders need to sense the environment and create meaning for employees. This is consistent with most current research such as Goffee & Jones's "Why Should Anyone Want to be Led by You?" Leaders create meaning and enthusiasm so people like following them. Managers work more on compliance and position power.

### 5. Ensure You are Enthused and in Gear

If you are not that effective, nor happy in your work, you are not likely to be engendering employee engagement in your team members. You too need to ensure you are not a "crash and burner" hating your work, but "soldiering on". And if you are flying below the radar and are ineffective in your role, find out what you need to do to contribute more effectively, or, consider getting another role – in or outside your organisation. You need to work out what you like doing and are good at, and where this is useful.

As an HR professional, you have a significant contribution to make in creating the environment and systems for higher employee engagement.

## Consider the following BlessingWhite Resources

- On-line Employee Engagement survey
- MPG®: The Success Connection – an employee engagement program which well over 2 million people have completed
- Download the *The State of Employee Engagement 2008 Global Report*, click [here](#)

**If you need assistance with getting your people more productive and happy, or if you want more information on the workshop, "Why Should Anyone Want to be Led by You?":**

**Contact Reg +613 98895687 or email [regp@blessingwhiteap.com](mailto:regp@blessingwhiteap.com)**

**This paper draws heavily on BlessingWhite employee engagement research**

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BlessingWhite is an employee owned global consulting firm founded in 1973.

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