

Employee Engagement:

Making every employee count: HRD Congress 2009

If your human resources are not giving 100% of their capacity; and if their efforts are not focused on the right things, your organization will find it that much more difficult in challenging economic times. Worse still, you will find it harder to keep them and prosper when the boom times arrive. We need to engage employees now more than ever.

BlessingWhite defines Employee Engagement as “Enthusied 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 make the organization prosper.

In this paper we will gain more clarity on:

- Employee engagement.
- Share some of the results of a number of employee engagement studies.
- Review some findings from the global study that BlessingWhite conducted last year.

This paper provides the background for the interactive presentation at the conference. We will focus on the implications of the research and explore ways in which individuals and organizations can become more engaged during the interactive presentation.

So how engaged are employees in Asia- Pacific? BlessingWhite, in accordance with other recent studies have show there is a wide difference between how “Enthusied 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%**, and **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 hopeful that their employees will “Go the extra mile” in tough circumstances.

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 would like. 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 employ their unique talents on what matters most. Various studies are largely consistent, even if they emphasize differing implications:

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. For example Mercer(3) when talking specifically about employee engagement in China defines it as *the employee’s commitment to the organization and motivation to contribute to the organization’s success.*

Enthusied and In Gear

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. It is a good start that people are ‘motivated,’ but motivated towards what? People may be saying “I love my job, but it’s the work I hate!” An organization cannot afford to just settle for having people ‘happy in their job’.

At BlessingWhite we like to 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.”).*

Engagement has two ‘dictionary’ meanings. The first refers to the state when two individuals announce to the world that they are in a committed relationship and plan to get married. So this takes care of the

'happiness' meaning. We can even assume that there is a lot of energy and commitment in the relationship.

However, a second, 'mechanical' interpretation is much more appropriate - engagement refers to gears coming together and turning in the right direction - as energy is transferred things begin to move.

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

So, engagement occurs 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 any ongoing relationship.

SATISFACTION - THE EMOTIONAL CONNECTION

Satisfaction rests in the mind and heart of each individual employee. Therefore, you cannot satisfy a workforce of individuals with systems such as performance management or talent development. Despite popular trends, paying out more money doesn't do it either.

In reality, after we get a 'pay check', each of us is looking for something different – from our life and particularly from our work.

It is all about "Who I am?" and then "What do I want?" After involving more than 2 million people in a process called 'Managing Personal Growth' (MPG®), BlessingWhite has learned that the majority of people particularly, young people early in their working life, do not know the answer to either of these questions. So if we want to establish a basis for 'motivation' and 'job satisfaction' we need to start by helping people discover what matters. We know that:

'Personal Values' matter. Employees who are clear on their own personal motivators are able to talk about and define 'job satisfaction' because they understand 'who I am' and then consider 'What do I want from my job?' People do not leave their personal values at the door when they come to work. They

cannot compartmentalize work and bring only part of one's self to the job. So, employees who satisfy their personal values at work are more committed because they are more satisfied.

'Work' matters. BlessingWhite's engagement research revealed the factor that would most improve job satisfaction and this was basically the same around the world.

It was more opportunities to do what I do best.

It seems that people in Asia are no different from the rest of the world - the vast majority of employees do not want to just want money (even if this is what they say is all they want). They also want interesting, challenging, and meaningful work and they want to make the most of their unique capabilities each day.

EMOTIONAL CONNECTION IS NOT ENOUGH

Employee engagement requires more than highly committed employees who are doing the work they like to do whilst satisfying their personal motivators at work, having a great relationship with their manager and enjoying their colleagues' company. Organizations strive to secure the type of heightened success that comes from dedicated action towards a common goal. For this type of success every individual must be connected to the organization's strategy by being focused on the right work and by knowing how the tasks that satisfy their values can also satisfy the organization's need to drive forwards towards its desired outcome.

EMPLOYEES ARE MOTIVATED BY A DESIRE TO CONTRIBUTE

The exciting news is that most employees already want to contribute. The engagement research says that the majority of employees actually like their work and are willing to do more than expected. So, what is important for organization success?

'Clarity of Focus' matters. Employees need clear direction. They need concise answers about 'Why does my job matter to the organization?', 'How is my contribution measured?' and 'What are the timelines and milestones for successful performance?' Without this, enthusiasm may survive for a short time, but 'flying blind' feels the same as 'going round in circles' so eventually employees will wonder why they bother!

There is a huge opportunity for greater alignment of people's energy and talents to connect with the organization's strategy. Our engagement research shows that only 18% agreed that "My organization's strategy is well communicated, and everyone's work priorities support that strategy." Considering, that over half the respondents were managers or above, it is clear that leaders at all levels need to be able to link their team's work with the organization's goals.

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 from China(i), India, Southeast Asia, Australia/New Zealand, UK/Europe, and North America. (For details on methodology and the survey respondent profile, see 'About this Report on page A-2' (6)). The study was designed to revisit and build on themes from past research to provide insights into whether people were focused on making the right contribution to organization success as well as how employees feel about their work, their employers and their managers and also their plans to stay with or leave their organization.

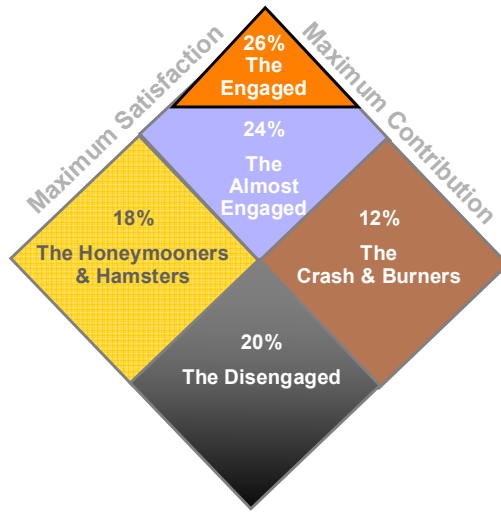
KEY FINDINGS

- Globally, only 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 who would do better with new technology?)
- Managers fall short in encouraging their employees' use of talents. Although 70% of managers overall appear to do this, employees at the lowest engagement levels clearly lack their manager's support in leveraging their unique capabilities. And only 58% of employees indicate that their manager recognises and rewards their achievements.

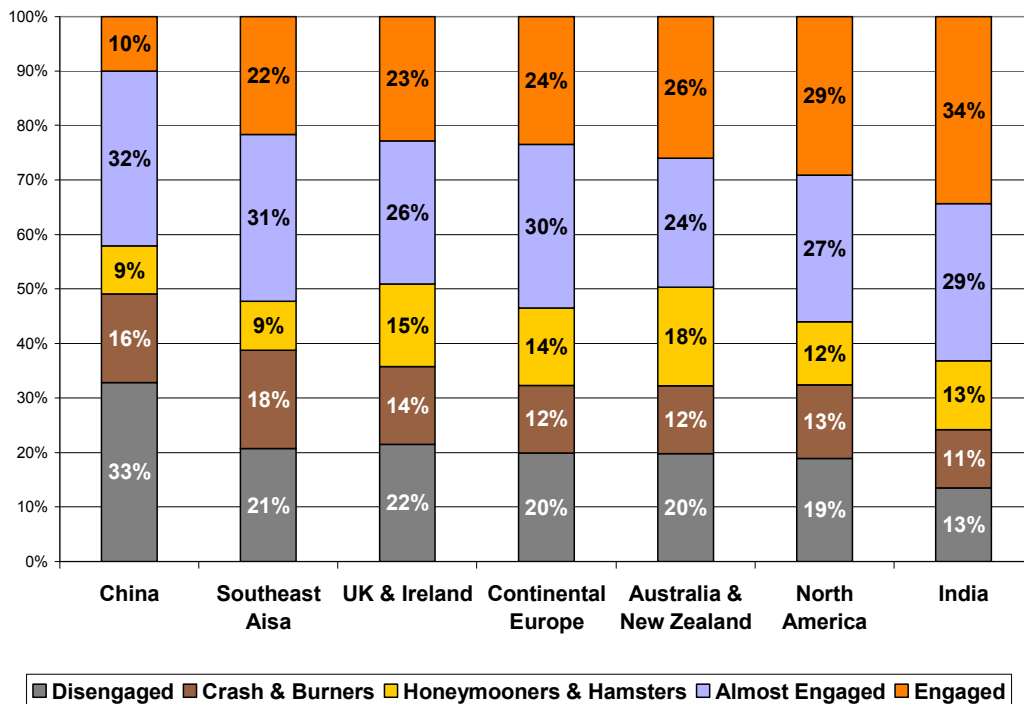
5 LEVELS OF ENGAGEMENT

Level	Description
The Engaged: 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.
Almost Engaged: 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.
Honeymooners & Hamsters: Medium to high satisfaction but low contribution	Honeymooners 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. Hamsters 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.
Crash & Burners: 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").
The Disengaged: 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

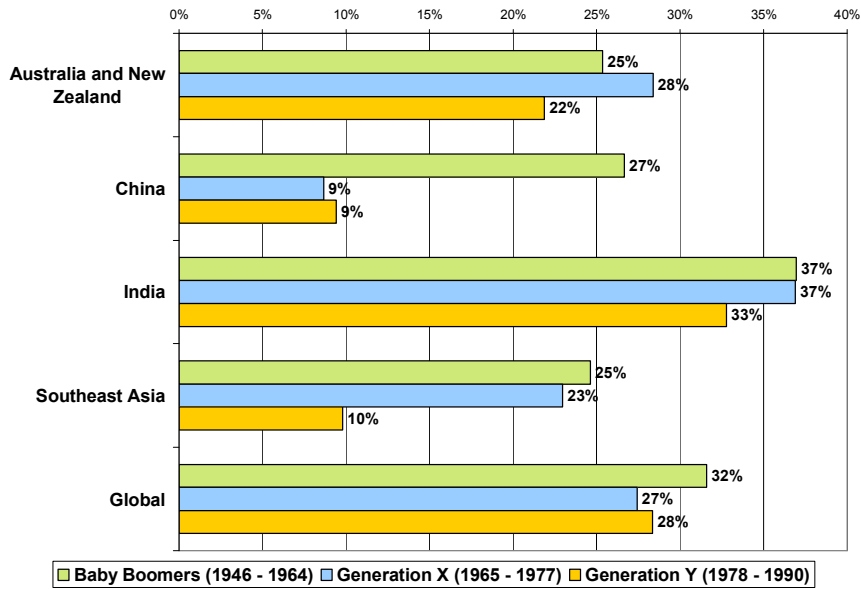


Full details on the global findings and regional comparisons are available in *The State of Employee Engagement 2008 Global Report*. Available for download [here](#)

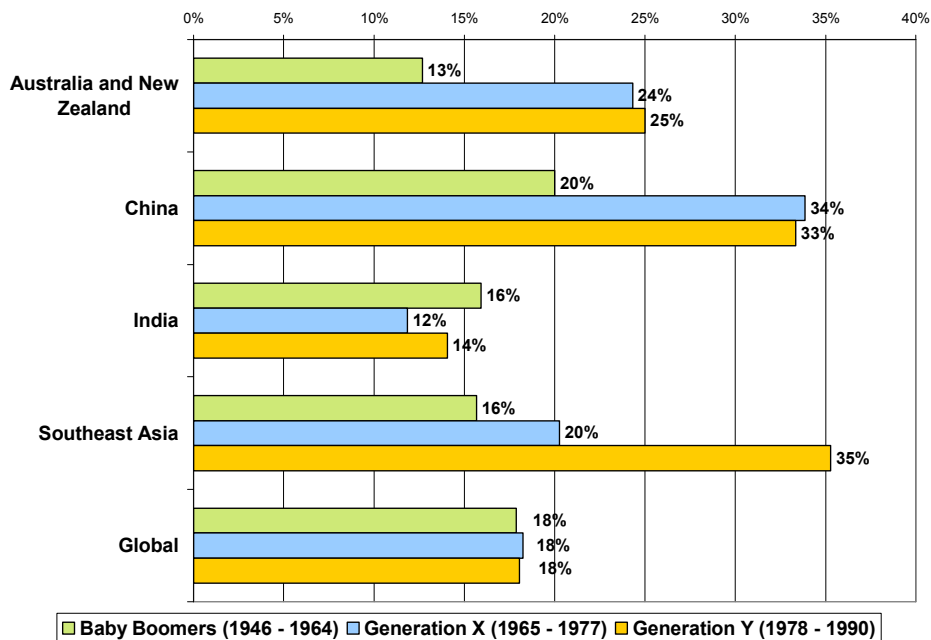
Engagement by Generation

As illustrated below, gaps in *engagement* levels across workforce generations in China and Southeast Asia are larger than they are in Australia and New Zealand or India. Although similar portions of employees across generations are engaged in Australia and New Zealand, younger employees (Generation X and Y) are more likely to be *disengaged*.

% Who Are Fully Engaged (By Generation)



% Who Are Disengaged (By Generation)



Assuming you have a choice, do you plan to remain with your organisation through the 2008 year?

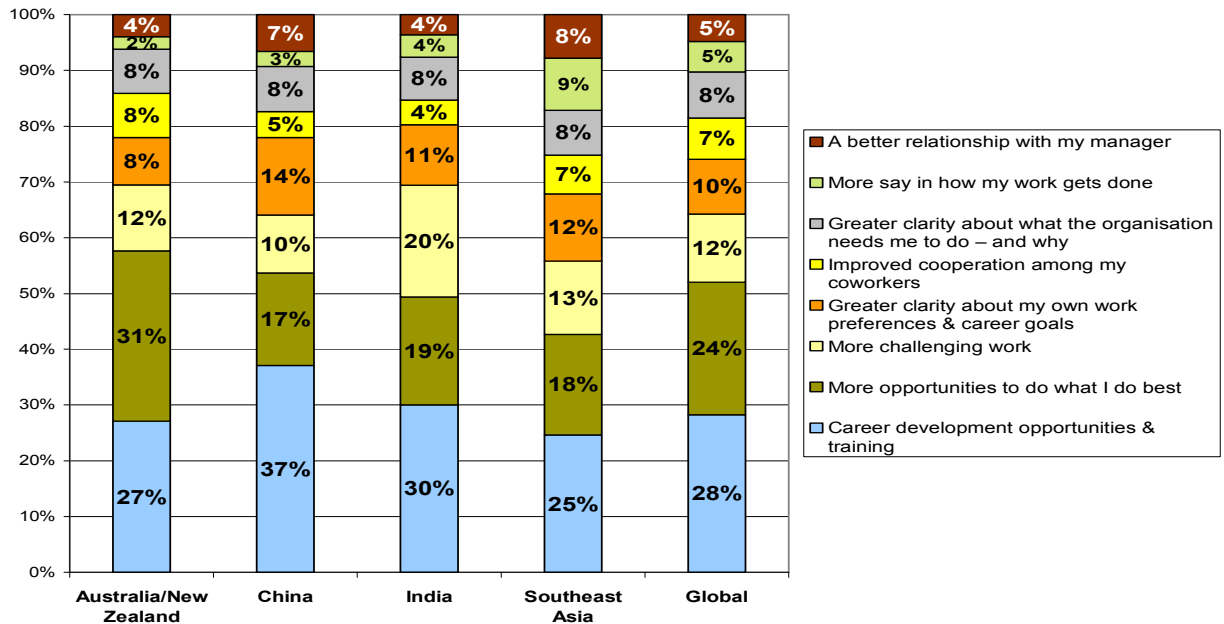
	Engaged	Almost Engaged	Honeymooners & Hamsters	Crash & Burners	Disengaged	Total
AU/NZ						
Yes, definitely	80%	62%	41%	45%	29%	54%
Probably	20%	36%	59%	32%	34%	35%
No way	0%	2%	0%	23%	37%	11%
China						
Yes, definitely	85%	61%	74%	33%	41%	54%
Probably	15%	39%	26%	57%	47%	41%
No way	0%	0%	0%	10%	12%	5%
India						
Yes, definitely	81%	70%	67%	42%	33%	66%
Probably	17%	29%	30%	49%	49%	30%
No way	2%	1%	3%	9%	18%	5%
Southeast Asia						
Yes, definitely	79%	60%	60%	37%	22%	52%
Probably	19%	34%	40%	52%	51%	38%
No way	1%	6%	0%	12%	28%	10%

If **Disengaged** employees left and Engaged employees stayed, life would be great. Organisations would develop a core of passionate, productive employees to drive organisational success as disenchanted and less productive workers self-selected (or were encouraged) out the door.

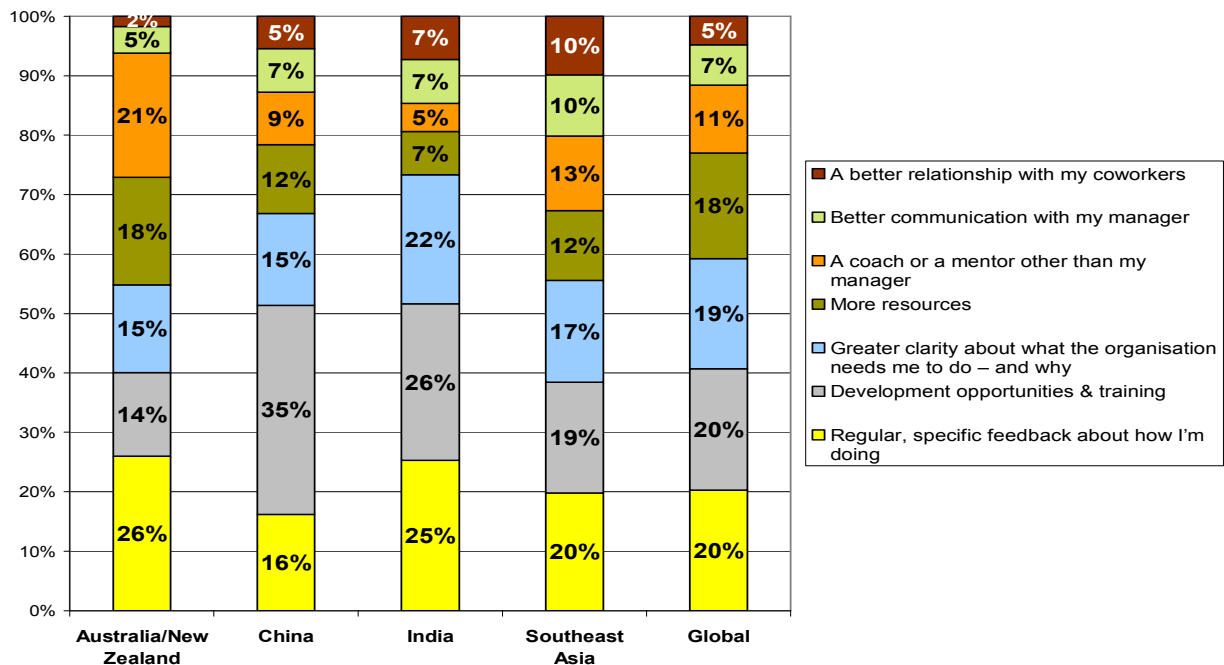
Yet 'intent to stay' is more of a predictor of discretionary effort rather than a predictor of actual retention. Many Disengaged employees won't actually make that move they keep talking about. Instead, they're likely to conduct a casual job hunt on their employer's time or identify a hideaway off the high-performance radar screen.

This raises the question: Is your organisation committed to keeping the right employees? Managers, in particular, need to understand the role of *selective retention* and concentrate on increasing engagement.

Choose the item that would most improve your satisfaction.



Choose the item that would most improve your performance.



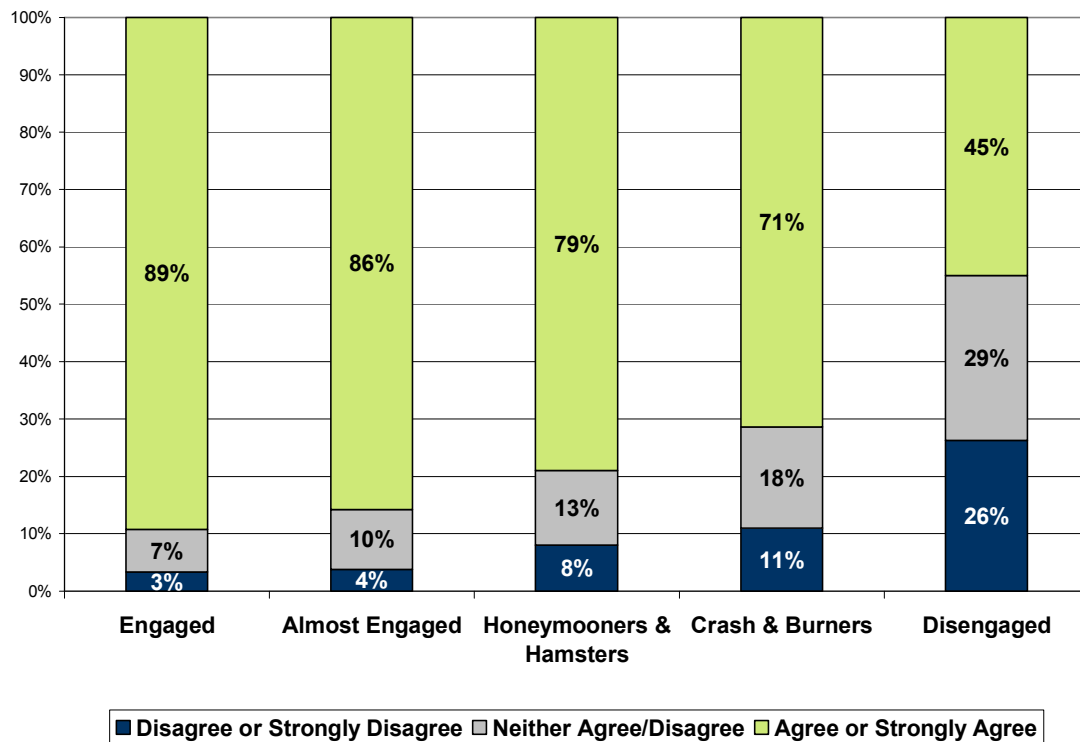
Trust Is a Start

More than two-thirds of respondents from Asia-Pacific regions agree or strongly agree that they trust their manager. As is illustrated below, trust is strongest in India and in Australia and New Zealand.

Trust Correlates with Engagement

Consistent with our findings across all geographic regions in this study, employees with high levels of engagement in Asia-Pacific are more likely to trust their immediate manager. The chart below provides a representative illustration. It presents the correlation between engagement levels and trust in India.

“I trust my manager.” (By engagement levels in India)



Talent Utilisation

Talent utilisation and career development are not something that most employees can figure out on their own. If they do have ideas for ways they can contribute or build their skill set, they need permission and support.

The table below illustrates the *contrast* across engagement levels for Asia-Pacific as a whole. The large majority of Engaged and Almost Engaged employees clearly benefit from managers who demonstrate these three critical behaviours. This pattern is evident for each region of Asia-Pacific.

Management Snapshot by Engagement Level (Asia-Pacific Total)

	% Who Agree or Strongly Agree				
	Engaged	Almost Engaged	Honeymooners & Hamsters	Crash & Burners	Disengaged
My manager understands what I do well (my talents).	88%	79%	60%	61%	34%
My manager encourages me to use my talents as much as possible.	87%	81%	62%	62%	34%
My manager recognises and rewards my achievements.	75%	65%	49%	45%	27%

Application of talents is an issue that cuts across the interests of both the organisation and the individual. Organisations are paying for workforce talents. They cannot afford underutilised – or misdirected – assets. Meanwhile, employees want fulfilling work that uses their unique characteristics and skills.

IMPLICATIONS OF EMPLOYEE ENGAGEMENT FOR ORGANISATION PERFORMANCE and WHAT CAN BE DONE ABOUT IT

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

The implications of the Employee Engagement research for organisations leaders will be covered in detail at the conference presentation. Participants in the conference session will also receive an electronic copy of the full conference paper – including the actions they can take to raise employee engagement. *Should you not be able to attend this session, but want to know more about how to raise employee engagement, see below:*

If you want the full BlessingWhite research report and recommendations upon which this article is based, go to www.blessingwhite.com

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**Adapted by Reg Polson
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BlessingWhite is an employee owned global consulting firm founded 35 years ago.

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