

BLESSINGWHITE

The State of Employee Engagement 2008

Highlights for Australia and New Zealand

Hiring and retaining talented people isn't enough these days. If your skilled resources aren't focused on the right things and motivated to give 110 percent, you may end up like a sports team with a big payroll, a bench of sidelined stars and a losing season. You don't need us to tell you that your business depends on your employees being committed and focusing their unique talents on what matters most to your business.

The Engagement Equation

The term *employee engagement* means different things to different organisations. Some equate it with job satisfaction, which unfortunately can reflect a transactional relationship that is only as good as the organisation's last round of perks or bonuses. Others measure engagement by gauging employees' emotional commitment to their organisation. Although commitment is an important ingredient, it is only a piece of the engagement equation.

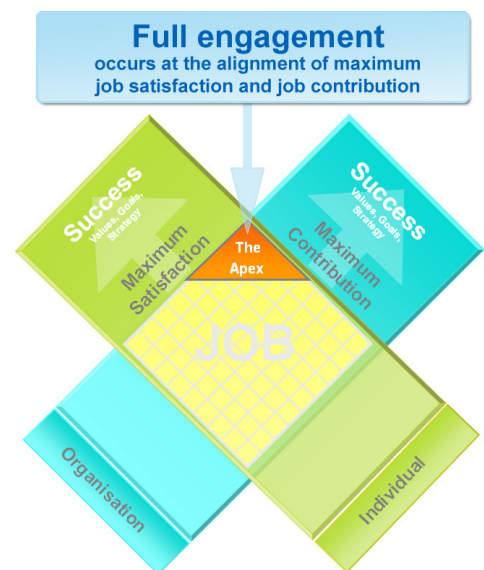
While organisations are keen to maximise the contribution of each individual toward corporate imperatives and metrics, individual employees need to find purpose and satisfaction in their work. Consequently, BlessingWhite's engagement model focuses on an individual's:

- contribution to the company's success
- personal satisfaction in the role.

We believe that **aligning employees' values, goals, and aspirations with those of the organisation is the best method for achieving the sustainable employee engagement required for an organisation to reach its goals.**

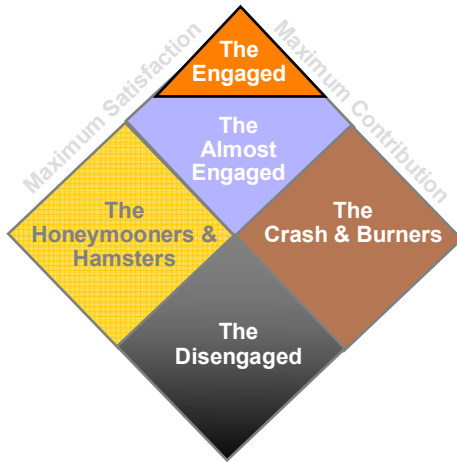
Full engagement represents an alignment of **maximum job satisfaction** ("I like my work and do it well") with **maximum job contribution** ("I help achieve the goals of my organisation").

Engaged employees are not just committed. They are not just passionate or proud. They have a line-of-sight on their own future and on the organisation's mission and goals. They are **enthused and in gear**, using their talents and discretionary effort to make a difference in their employer's quest for sustainable business success.



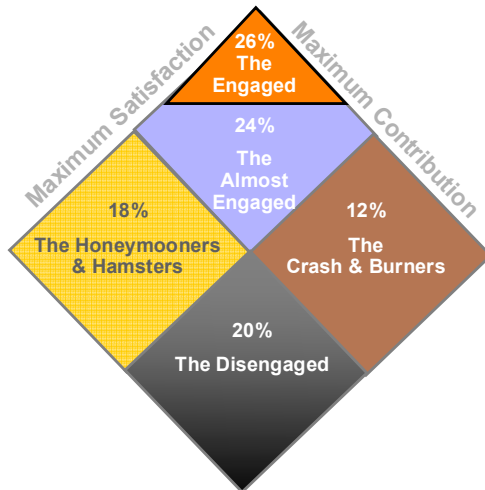
Five Levels of Employee Engagement

The index we use to determine engagement levels contains items that reflect the two axes of contribution and satisfaction. By plotting a given population against the two axes, we identify 5 distinct employee segments:



	Level	Description
	The Engaged: High contribution & high satisfaction	These employees are at 'the apex' where personal and organisational interests align. They contribute fully to the success of the organisation 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. Organisations 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. Organisations 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 organisation or their role – and happy to be there. They have yet to find their stride and 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 organisation. Some may even be hiding out, curled up in their cedar shavings, content with their position ('retired in place'). If organisations 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.
	The Disengaged: Low to medium contribution and satisfaction	Most Disengaged employees didn't start out as bad apples. They still may not be. They <i>are</i> the most disconnected from organisational priorities, often feel underutilised, and are clearly not getting what they need from work. They're likely to be sceptical, and can indulge in contagious negativity. If left alone, the Disengaged are likely to collect a pay check 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.

Key Findings



Only 1 in 4 employees (26%) in Australia and New Zealand are fully engaged and 1 in 5 -- 20% -- are actually disengaged.

There is a correlation between engagement and retention, with **70% of engaged employees indicating that they plan to stay** with their employer through 2008. 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).

The **most common factor influencing the job satisfaction** of respondents from Australia and New Zealand is **'more opportunities to do what I do best'**. 'Career development and training' ranked a close second.

Drivers of increased contribution vary. 'Regular, specific feedback on how I'm doing' was the top factor, followed closely by 'A coach or mentor other than my manager', suggesting that employees are not getting the coaching and guidance they need from their managers.

Nearly two-thirds (64%) of employees in Australia and New Zealand trust their organisation's senior leaders – the people who set the tone for organisational culture and need to inspire high-performance and commitment. This is a more positive response than North America (53%) and Europe (48%).

In contrast, more than 3 in 4 (78%) employees trust their immediate managers. Trust increases with engagement level, not surprisingly, and even the Disengaged indicate relatively high levels of trust in their boss.

Despite solid employee-manager relationships, **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.**

Key Implications and Recommendations

Employee engagement is a complex equation that reflects each individual's unique, personal relationship with work. As such, there are limits to what organisations can do with broad-brush workforce processes or communication programs. At a macro level, you need to provide resources, tools and the overall workplace environment that supports engagement. Ultimately, at a micro level, employees, with their managers' help, need to establish a thriving personal connection with their work and carve out a satisfying future in the organisation.

The most successful organisations make engagement an ongoing priority, not a once-a-year event. They take a multi-faceted approach to address problem areas and improve engagement scores organisation-wide. Those best practices include:

- **Maximise managers.** Ensure that managers are themselves engaged and understand how to help their team members picture what full engagement can mean to them. Hold them accountable for coaching and development. Weed out bad managers.
- **Align, align, align.** Make sure everyone in the organisation understands the bigger picture and how they can contribute to the organisation's success. Start at the top by aligning the executive team, then communicate clearly and tirelessly.
- **Redefine career.** Provide employees with a clear, compelling picture of what 'career' means in your organisation. Help them clarify what they want, then provide them with tools and support for achieving it. Focus on development and opportunities to leverage unique skills through projects not necessarily promotions.
- **Pay attention to culture.** Work with senior management to build a meaningful culture in the organisation, then invest in managers to support and sustain it. Make sure that systems and processes work in favour of – and not in contradiction to – the aspired culture.
- **Survey less, act more.** Develop a measurement strategy that provides actionable insights. Avoid the analysis-paralysis trap and hold leaders at all levels accountable for increasing engagement.

The *2008 State of Employee Engagement* research reflects interviews with HR and line leaders as well as online survey responses of 7,508 individuals from North America, India, Europe, Southeast Asia (including Australia) and China.

To learn more, request the *2008 Asia-Pacific Overview*, or purchase the full *2008 Global Report*, contact us at +61 3 9889 5687 or info@blessingwhiteap.com.