

BLESSINGWHITE

Employee Retention & Engagement: Moving Beyond the Facts & Figures

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Study after study shows that high employee engagement delivers bountiful benefits for organisation in terms of return on the investment made in employees. This summary highlights the findings from the **BlessingWhite 2010 Employee Engagement Study**. The Australian data was collected in partnership with **AHRI, AIM Queensland, The Human Enterprise** and **Polson & Co**. It has implications for Leaders and HR professionals in terms of recruiting, developing, deploying and retaining productive people.

HR practitioners need to help the leaders in organisations move beyond the statistics. Managers have a critical role helping senior leaders develop a climate for high engagement, and strategies for addressing disengagement. Individuals too need to identify their own level of engagement; especially if they are leaders – you can't use a dead battery to jump start a car...

The Business Case for Employee Engagement

BUSINESS RESULTS

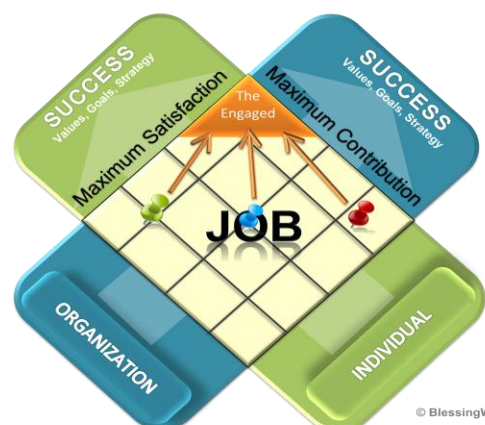
- Towers Watson:** Engaged organisations earnings-per-share growth rate of 28% compared to an 11.2% decline for low engagement firms.
- JC Penney:** Stores with top-quartile engagement scores generate about 10% more in sales per square foot than average.
- Comm. Bank:** Higher employee engagement led to increased customer satisfaction.
- Hewitt:** The high engaged are 78% more productive than the low ones.
- Gallup:** Lost productivity from disengaged employees as much as \$32B in Aust.

The Engagement Equation

The term *employee engagement* means different things to different organisations. Some equate it with job satisfaction. However, happiness is hygiene, not motivational factor. If one is unhappy one is unlikely to be productive.

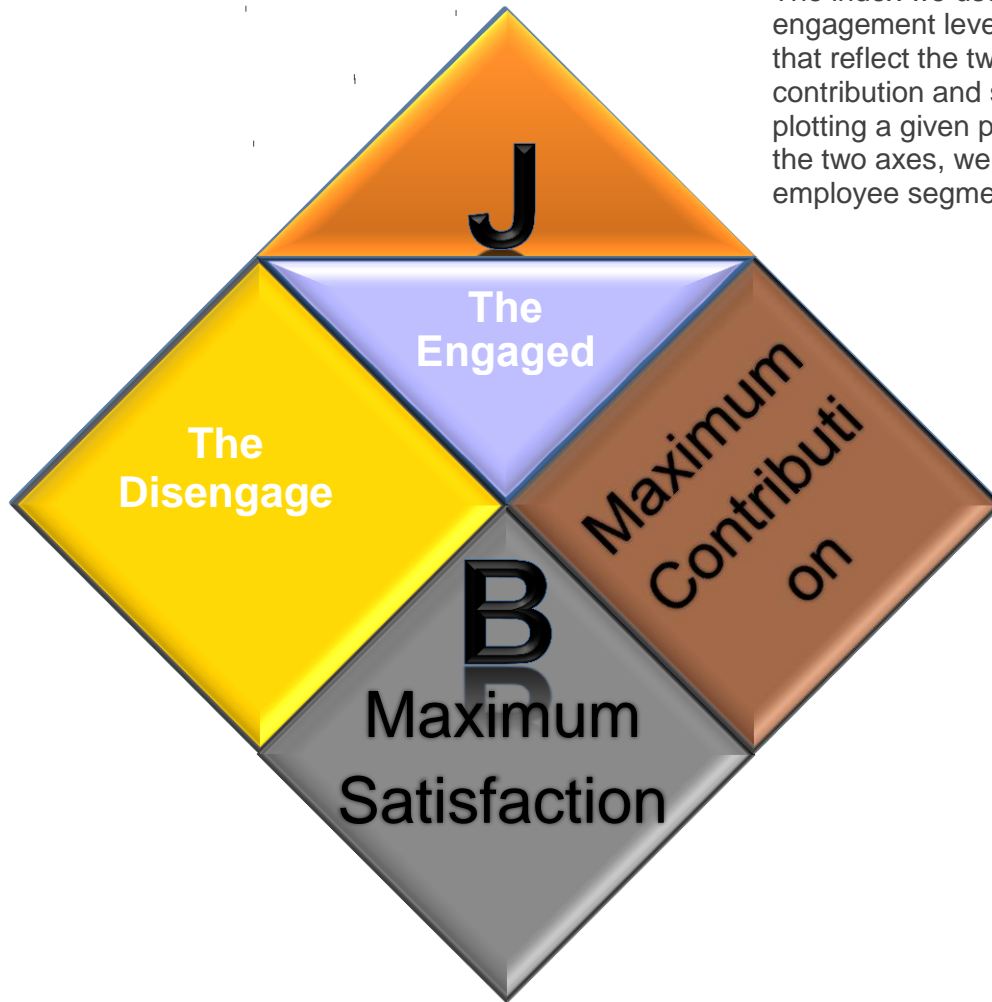
Blessing White's engagement model focuses on an individual's:

- **Contribution to the company's success**
- **Personal satisfaction in the role**



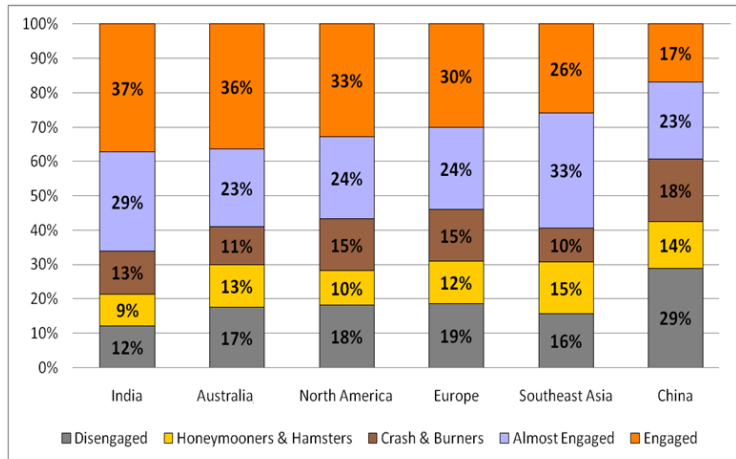
Five Levels of Employee Engagement

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
	Engaged	They are known for their discretionary effort and commitment. When recruiters call, they cordially cut the conversation short. High contribution and High Satisfaction.
	Almost Engaged	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. Medium to high contribution and Satisfaction
	Honeymooners & Hamsters	Honeymooners are new to the organisation or their role and yet to clearly understand how they can best contribute. Hamsters may be working hard, but are in effect 'spinning their wheels,' working on non-essential tasks. Medium to high satisfaction but low contribution
	Crash & Burners	Disillusioned and potentially exhausted, these employees are top producers who aren't achieving their personal definition of success and satisfaction. Medium to high contribution but low satisfaction
	Disengaged	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. Low to medium contribution and satisfaction

Global Engagement Rates



2010 Data N=10,914

Key Survey Findings

- 31% of global respondents were Engaged – “Enthused & In Gear”
- 37% in Australia Engaged – among the highest in the world
- 17% in China are Engaged – Up from 10% in 2008**
- 78% of Engaged employees plan to stay
- 46% of Disengaged plan to leave
- Opportunity to do what they do well is the highest determinant of Engagement; it is also the main reason Australia employees consider leaving the company
- More resources, followed closely by having a coach or a mentor were selected as the most important motivator to increase contribution
- Executive leaders and Managers play a critical role in employee engagement
- Younger employees are less engaged and are most at risk for flight

** This is not an accident. In Times Oct 18, 2010 edition Chinese Premier Wen makes it clear that their focus is now on the higher skilled areas so they develop human capital. While we have cut funding to our universities, they have poured money into the sector- tripling the proportion of GDP devoted to it over the past few years. In 2011 (Jan 31), Times reported that the average trade balance as % of GDP is 7% (Compared to -6% in US).

Similarities and Differences

Engagement varies across generations, organization size, role/level, and function.

Age:

Older people: 42% one would hope they have worked what they do well and like
Younger people: 23% Not clear on what they want, but know it is not this
 (Hang in there; it is more fun when you have earned your way to the top.)

Profession:

Customer Service: 48% People who like people
HR/D: 33% People who like some people?

Industry:

- Not-for-Profit:** 58% People enjoy making a meaningful contribution
- Financial Services:** 44% One may say, “Laughing all the way to the bank”.....
- Higher Education:** 26% An outcome of spending cuts and under-appreciation?

Size:

Small organisations:40% Employees know owners, can see their impact on the business

Key Implications and Recommendations

Individuals must:

- **Own their engagement**
- **Be clear on what is important to them**
- **Take action**

Organisations must help employees redefine career success to encompass lateral moves, skill development, stretch assignments and special projects – not just promotions or advancement. They need to provide development opportunities and tools to help younger employees, in particular, determine their personal definition of success so they can achieve it at their current employer rather than go elsewhere.

Managers must:

- **Take control of their own engagement (Can’t use a dead battery for a jump start)**
- **Facilitate team members’ unique engagement equations**
- **Align individuals’ passion and proficiency with organisational priorities and projects**

Organisations must ensure that managers have a clear line of sight to organisational goals so they can align employee efforts and talents accordingly. They need to equip managers with processes and tools for building mutually beneficial employee relationships that support effective, efficient coaching.

Executives must:

- **Set a clear direction**
- **Inspire commitment**
- **Build a culture that fuels engagement**

Organisations need to hold executives accountable for driving results and engagement. They need to help leaders develop authentic communication skills, which in turn will increase trust and inspire the workforce to greater heights of performance and commitment.

HR Professionals:

Take the stewardship to influence the leadership to build a culture of employee engagement and to establish the processes and skills to accomplish and maintain this. Measurement is not enough. One must act with support strategy and practice.

If you want:

- **Information on a process that Builds an Engaged Employment Climate**
- **To attend the MPG®: The Success Connection engagement workshop**
- **To conduct a half day Internal Employee Engagement Review for Leaders**

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This summary and interpretation of the BlessingWhite Engagement Study was written by: **Reg Polson & Lisa Pang** from **Polson & Co** (HR/D consultant brokers & recruiters).