



Employee Engagement



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EMPLOYEE ENGAGEMENT

You cannot buy engagement. Fair, competitive pay and benefits are necessary to attract and retain employees but, to achieve the strategic advantages of sustained employee engagement, a culture of engagement must be created and sustained.

Why should an organization care if their employees are engaged? According to Towers Perrin's *Global Workforce Study* companies with highly engaged employees boosted operating income by 19% and achieved almost a 28% growth in earnings per share. Companies with the lowest percentage of engaged employees, saw their operating income fall 32% and earnings per share decline over 11%. Watson Wyatt research found that companies with highly engaged employees experienced 26% higher employee productivity, lower turnover risk, greater ability to attract talent, and 13% higher total returns to shareholders over a 5 year period.

Unfortunately the tremendous benefits of high employee engagement are not being reaped by many organizations. In a recent article (April 26, 2010) by Nancy Mann Jackson in *Entrepreneur Magazine*, she writes, "The cost-cutting actions employers have made to deal with the economic crisis have left businesses with fractured teams of disengaged employees. Studies show that employee engagement levels have dropped significantly since 2008. According to Gallup, more than two-thirds of American workers are 'not engaged' or 'disengaged' in their workplaces in response to the brutal economic and workplace changes over the past 2 years."

There is a mix of tangibles and intangibles that drive employee engagement. Fair, competitive compensation and benefits and a good workplace physical environment are necessary, but there are many other intangible factors that can improve or re-ignite employee engagement. Here are some thoughts for consideration.

- Leadership's actions and behaviors are an extremely critical factor in driving employee engagement. Many of today's leaders rose to their position by demonstrating an excellence in rational and analytical skills in technical disciplines such as law, finance, engineering, and science. Today, leaders must possess not only a ferocious and tenacious resolve to do what needs to be done to achieve the organization's vision, mission and strategic objectives but also need to possess 'right brain' abilities in such areas as: empathy, coaching, communicating, recognizing, involving, challenging, etc. Leaders must have a good working relationship with their people, communicate where the organization is going and what it will take to get there, build trust by delivering on commitments, and demonstrate a sincere interest in the 'well-being' of their employees.

We should assess, develop, promote and reward potential leaders based on the right leadership criteria. Way back in 1924 Mary Parker Follett powerfully wrote in her book, *Creative Leadership*: "Leadership is not defined by the exercise of power, but by the capacity to increase the sense of power among those who are led. The most essential work of the leader is to create more leaders."

- Stimulating, meaningful, and challenging work has a significant bearing on engagement. For a job to be stimulating for a specific employee there must be a ‘fit’ between that employee’s skills, competencies, interests, and the content and requirements of the job. Fully engaged employees are passionate about what they do. To have passion in what we do, we must enjoy what we do. Aristotle put it this way, “Pleasure in the job puts satisfaction in the work.” Google requires their engineers to spend 1 of 5 work days, 20% of their time, on projects they are passionate about. AdSense, which accounts for about 30% of Google’s revenue, was a product of this policy.

Challenge talent by assigning achievable stretch goals, stretch assignments, job rotations and hold talent accountable for their progress.

Employees should have a ‘line-of-sight’ between what they do and the company’s strategic objectives and how their work impacts these objectives. Management must communicate this.

Give employees an opportunity to provide input on decisions that affect them and their work.

Clearly communicate what is expected and provide constructive feedback relative to performance. Too often employees receive ‘on-the-spot’ feedback when performance is below expectations but praise, recognition, and ‘Thank You’ are, unfortunately, much less common.

- Career development opportunities should be visible and communicated. Management should communicate regularly about the importance of growth and development. Employees put great emphasis on the quality and amount of development they receive. Talented employees want to be coached. Do managers have the coaching skills necessary to fulfill this important responsibility? Are resources available to support development programs and practices? Studies show that engagement levels rise when there is a formal career development process and employees participate in a personal, annual conversation regarding their career.

For career development to be an active, meaningful undertaking, we should hire based on potential. Potential can be an unseen strength. However, when hiring, a professional **Selection Assessment** can be utilized not only to determine a candidate’s ‘fit’ with the job and company’s culture, but also for potential to advance to the next level.

- Pride in the company is a driver of employee engagement. Where there is pride, there is an emotional bond to the organization and a certain ‘self-esteem’ that motivates an employee to commit discretionary effort to help the company succeed. Engaged employees demonstrate a willingness to recommend their organization to others because, ‘they treat their employees and their customers right’ and enjoy a reputation for social responsibility.

Creating and sustaining employee engagement will not be accomplished through a program – it is a process that never ends, but the rewards are great for both the company and its employees.