

## The Key to Successful Employee Engagement

*"You don't build a business, you build people and then people build the business"*

*---Zig Ziglar*

### Introduction

Recent studies have shown that companies do not operate anywhere near their potential and this is primarily due to low employee engagement. Considering that the large majority of employees touch processes and interact with clients or systems, they undoubtedly have a significant impact on productivity and the level of operational and regulatory risk.

According to the Corporate Leadership Council (CLC), 70 per cent of business leaders now believe that engagement is crucial for the success of their organisation, which coincides with what economist Tim Besley states, is "an increasing understanding that people are the source of productive gain, which can give you competitive advantage."

### Employee Engagement

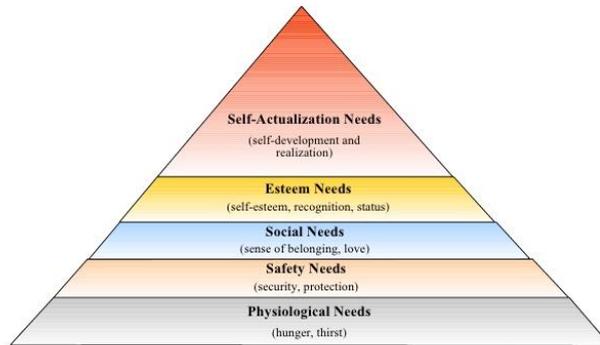
So what exactly is employee engagement? According to Mike Rickheim, Vice President of Talent Management at Newell Rubbermaid, employee engagement encompasses more than just job satisfaction, instead he defines it as:

Giving people the tools they need to succeed in their careers, which in turn drives the outcomes that we're seeking in the marketplace. When you look at it through that lens, when people have the tools they need to succeed, feel good about their personal growth opportunities, and receive the appropriate rewards and recognition for their contributions, it's a win-win proposition.

This win-win situation results in employees willing to increase their discretionary effort to ensure the company's success and the deepening of their loyalty to their employer.

Indeed, Rickheim's definition draws parallels with research carried out by Penna's "Meaning at Work" report (2007), which found that the needs of employees closely resemble that of Maslow's 'Hierarchy of Needs,' the result of which led to the creation of a new employment based model titled 'Hierarchy of Engagement.'

## Maslow's Hierarchy of Needs



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Like Maslow's triangle, the bottom line consists of necessities such as pay and benefits which, when fulfilled, leads to an employee seeking development opportunities, promotions, etc. Finally, when these have been satisfied, the employee seeks to assign value, meaning and purpose to their position.

### Model of Hierarchy of engagement by Penna



Source: [www.vinayravindran.com](http://www.vinayravindran.com)

The results of engaged employees undoubtedly positively impact the performance and retention of any business. Research has shown that engaged employees try 57 per cent harder, perform 20 per cent better and are 87 per cent less likely to leave than employees with low levels of engagement, thereby reducing attrition costs.

With demands on efficiency and productivity reaching their zenith, the importance of high level performance has become a top priority for many businesses, especially as a means to stay one step ahead of their competitors. Indeed, *Harvard Business Review* (2013) found that 71 per cent of businesses feel that strong employee engagement is a determining factor in their future success, behind only excellent customer service and effective communication.

### Employee Non-Engagement

By contrast, employee non-engagement can be summed up in three key terms:

- ✓ Spinning: When employees complete their duties without expending any discretionary effort or fully utilising their talent, resulting in lacklustre performance and poor decision-making skills
- ✓ Settling: When employees do not show their full commitment and are not dissatisfied enough to make a clean break, the result of which can lead to the direct or indirect sabotage of business interests
- ✓ Splitting: An employee's departure which results in the further reduction of a return on investment

Both spinning and settling are costly in terms of value, money and time spent as extra training and over-hiring, in particular, are kneejerk reactions to poor employee performance, while splitting and the cost of replacing employees, according to the CLC (2008), can cost up to 150 per cent of the departing employee's salary.

### Employee Engagement Levels in the UK

So, how do employee engagement levels stand in the UK? Numerous surveys have indicated that the UK has an employee engagement deficit, with only approximately one third of UK workers claiming to be engaged—a figure that ranks the UK ninth for engagement levels among the world's twelve largest economies as ranked by GDP (Kenexa 2009). Unsurprisingly, the UK is also experiencing a productivity deficit with

the UK's output per hour found in an ONS survey (2011) to be 15 per cent below the average for the rest of the G7 industrialised nations.

Even more worryingly, the same survey found that on an output per worker basis, UK productivity was 20 per cent lower than the rest of the G7 in 2011, suggesting that employee non-engagement directly correlates to our disappointingly low productivity rates. Indeed, Kenexa (2011) has estimated that if the UK were able to increase its engagement levels to the middle or top quartile where, the Netherlands, for example, currently rank, the GDP would increase by approximately £25.8bn.

Responding to Gallup's 2001 survey which reported similar figures to those issued ten years later, David Fairhurst of McDonald's Restaurants Limited provided an insightful analogy which continues to highlight how employee non-engagement drains resources, talent and profit. Fairhurst told us to consider a manufacturing facility that ran at full capacity on Monday, at half capacity Tuesday to Tuesday and either produced substandard products on Friday or shut down entirely. When faced with the facts so blatantly, no business should or can afford to tolerate the magnitude of this inefficiency.

## Solution

So who do we rectify this problem? While studies focus on how employee engagement affects the performance of the business as a whole, there needs to be consideration of how the resources and training given to an employee affects their engagement levels and thus the business' performance. Here are four easily implementable steps to ensure your business increases its employee engagement to reap its associated benefits:

1. Companies need to be realistic as to the numbers of engaged employees within their business, as a Gallup poll found that the percentage of engaged employees only stood at 32 per cent in 2015 and 31.5 percent in 2014. The axiom, "what you can't measure, you can't manage," is vital for companies hoping to gain the competitive advantage and to improve their overall business performance. While many companies have yet to develop tangible ways to measure employee engagement and its impact, Elephants don't forget measure employee engagement through the measurement of employee's retention of vital, and sometimes legally mandatory, knowledge, of the business' day-to-day operations and output.
2. While it may be obvious, it is imperative that employees develop the necessary skills required for the job as well as have access to training **and** any resources that embed this training. It is scientifically proven that humans have a very poor ability to learn and retain knowledge from a single exposure. In fact, according to Hermann Ebbinghaus' *forgetting curve*, humans will forget 60 per cent of what they are trained within the first 24 hours and this

increases to 80 per cent within 28 days if no interventions are made. Thus, without a doubt, employees can feel overwhelmed and without proper recall of the knowledge of the role and what is required, they can quickly become disengaged.



Source: CGE Academy

At Elephants don't forget we use cutting edge Artificial Intelligence in the form of our app, Clever Nelly, to continually assess the critical workplace knowledge of your individual employees and simultaneously fix each and every gap she discovers. The AI enables Nelly to quickly establish what an individual employee knows and does not know via multiple-choice questions based on training material you have delivered to employees in your workforce. These questions can be simplistic, contain pictures and extend to sophisticated and psychometric questions and scenario ranking questions. Once these are answered daily, Nelly can then tailor her interventions, both volume and subject matter, to favour what employees do not know and work with management to provide the necessary steps and information towards a more knowledgeable and engaged workforce.

3. The importance of communication cannot be overestimated as giving employees a chance to have their say on issues that matter and to seek clarification of what is expected of them is vital in cultivating engaged employees. If possible, this communication should start on the employee's first day of employment with newly hired employees receiving both general orientation such as information related to the company's mission, values, policies, goals and priorities and job-specific orientation such as his/her job duties, responsibilities, goals, etc. This ensures that employees develop realistic job expectations and reduce any potential conflicts that could arise in the future.

At Elephants don't forget, along with providing training-based material, we also provide an on-boarding service complete with psychometric testing which

assesses employee satisfaction, identifies specific issues and through a closed loop of feedback with both the HR/coaching community and the new recruits, enables joint dialogue and raises suggestions on how to resolve any issues. By actively engaging with employees in this way and providing a discreet means of addressing these issues, the early signs of non-engagement can be addressed before they become hardened.

4. The key to successfully engaging employees, similarly to the successful implementation of Nelly, is management's leading by example or what we call the *shadow of the leader*, to create a trickle effect. When management establishes a clear mission, vision and values of what they, and/or their implementation of Nelly, should achieve, it creates and fosters a corporate culture with clear motivations and objectives towards which the business as an entirety can engage.

## Conclusion

As Will Hutton, Executive Vice Chair of the Work Foundation states, "We think of organisations as a network of transactions. They are of course also a social network. Ignoring the people dimension, treating people as simply cogs in the machine, results in the full contribution they can make being lost." Employee engagement, coupled with employee knowledge retention has for too long remained an area sorely underestimated despite its haemorrhage of time, value and money which has caused a significant productivity deficit both in the UK and globally. However, in recent years employee engagement has become a priority for businesses and Elephants don't forget can provide tangible metrics, on both an individual and collective level, on how to improve not only engagement but also employee knowledge retention.

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