

Enabling Employee Engagement White Paper



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Enabling Employee Engagement

Employees who are not engaged are costing you money. In a 2013 Gallup survey, *The State of the American Workplace*, results indicate that the majority of people working within an organization are not engaged. Worse, some 20% are actively disengaged. Gallup estimates that lack of engagement costs U.S. businesses some \$450 billion to \$550 billion annually.

Gallup is not alone in their findings; many other researchers have found similar numbers. For example, Towers Perrin (now Towers Watson), found that organizations with the highest percentage of engaged employees increased their operating income by 19 per cent and their earnings per share by 28 per cent year-to-year.

Engaged employees work with passion and feel a deep connection to the values, beliefs and attitudes of their organization. They successfully drive the organization forward.

Today, engagement is collaborative and consensual. The leader and the employee need to both agree what the work is. Each needs to come to the table willing to see the other person's point of view. The traditional "boss from hell" who is better at commanding than leading is having a hard time with these two prerequisites. Wise leaders are skilled at both.

Engaged employees work with passion and feel a deep connection to the values, beliefs and attitudes of their organization.

THE THREE TYPES OF EMPLOYEES	
1	ENGAGED employees work with passion and feel a deep connection to the values, beliefs and attitudes of their organization. They successfully drive the organization forward.
2	NOT-ENGAGED employees are essentially 'getting by'. They minimally participate, but don't really invest themselves into the work. There's little energy much less passion for what they do within the organization.
3	ACTIVELY DISENGAGED employees aren't just gloomy at work; they're consciously sabotaging the efforts of others.

Impact of Employee Engagement

Engaged employees are consistently safer, healthier, and less likely to leave their employer.

Employee engagement stimulates an employee's highest productivity, his or her best ideas, and authentic commitment to the success of the organization. Engagement contributes significantly to an organization's performance, leading to improvements in quality, customer satisfaction and long-term financial results. Engagement also serves the individual, fulfilling a basic human need to be connected to worthwhile endeavors and make a significant contribution. In short, engagement is good for the company and for the employee.

Impact of Employee Engagement

Scientifically rigorous research has demonstrated that improving employee engagement affects the organization's bottom line, resulting in increased productivity and profitability while improving employee retention and satisfaction.

Engaged employees are consistently safer, healthier, and less likely to leave their employer.

Absenteeism for engaged employees is significantly less than for their non-engaged peers, saving organizations 86.5 million days per year in lost productivity.

What are the hard numbers?

Research across more than 7,000 organizations indicates that each disengaged employee costs an organization an average of \$10,000 in profit annually. (Aon Hewitt)

Engaged employees are 87% less likely to leave their employer, according to the Corporate Leadership Council. (Buchanan, Leigh. The things they do for love. Harvard Business Review, December 2004.)

Organizations with engaged workers have 3.9 times the earnings per share (EPS) growth rate of organizations with lower engagement in their same industry. (Gallup)

70% of engaged employees indicate they have a good understanding of how to meet customer needs; only 17% of non-engaged employees say the same. (Wright Management)

75% of leaders have no engagement plan or strategy even though 90% say engagement impacts on business success. (ACCOR)

Steps Toward Engagement

Those organizations with a highly engaged workforce improved operating income by 19.2% over a period of 12 months, while those with low engagement scores saw operating income decline by 32.7% over the same period. (Towers Watson)

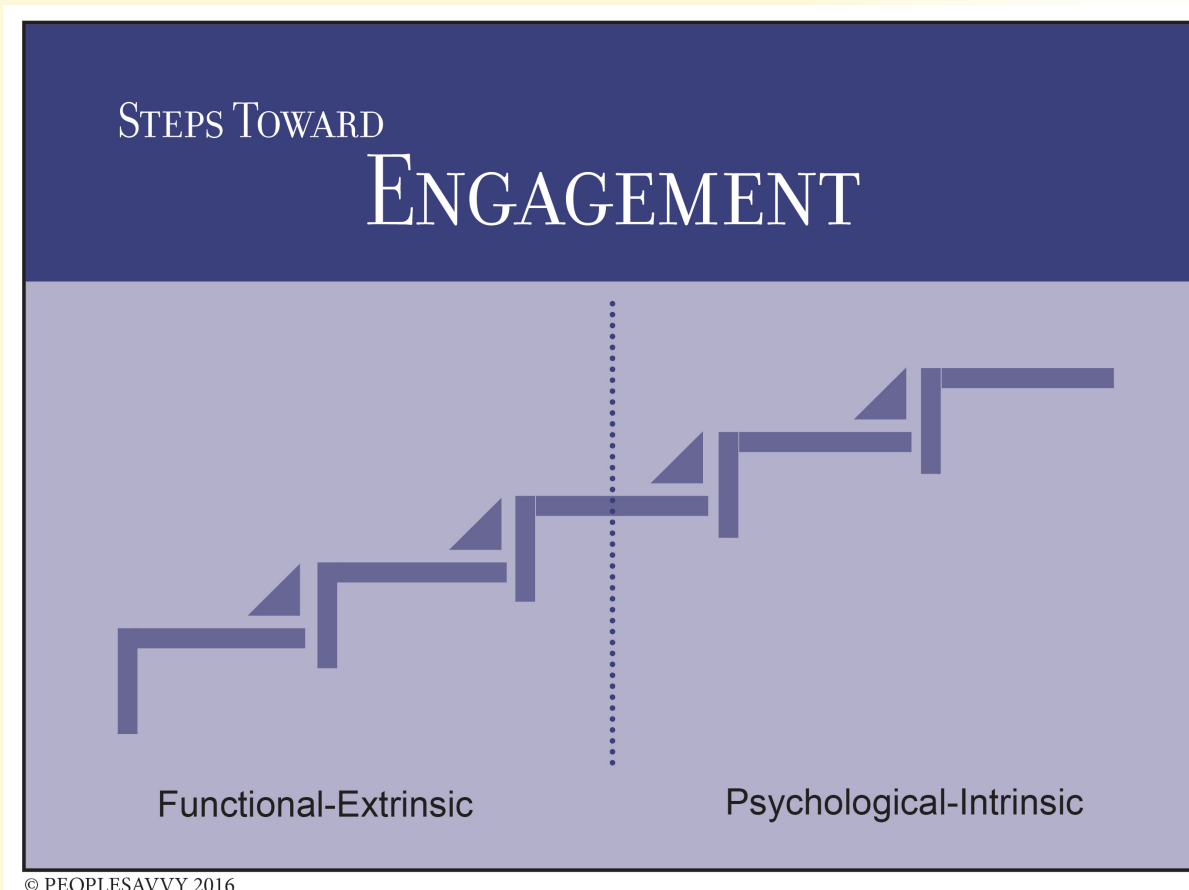
Organizations with engaged workers grew profits as much as three times faster than their competitors. They report that highly engaged organizations have the potential to reduce staff turnover by 87% and improve performance by 20%. (Corporate Leadership Council)

In his book, *Delivering Happiness*, Tony Hsieh wrote about paying disengaged employees \$2,000 to quit Zappos, because it was more cost-effective to do that than allow them to continue damaging the company. Hsieh also explained that bad hiring decisions cost Zappos about \$100 million dollars.

Organizations with engaged workers grew profits as much as three times faster than their competitors.

Steps Toward Engagement

If engagement is in fact an outcome, what causes people to be engaged within their work environments? There are two answers. The first has to do with the functional requirements of the job and getting the job done.

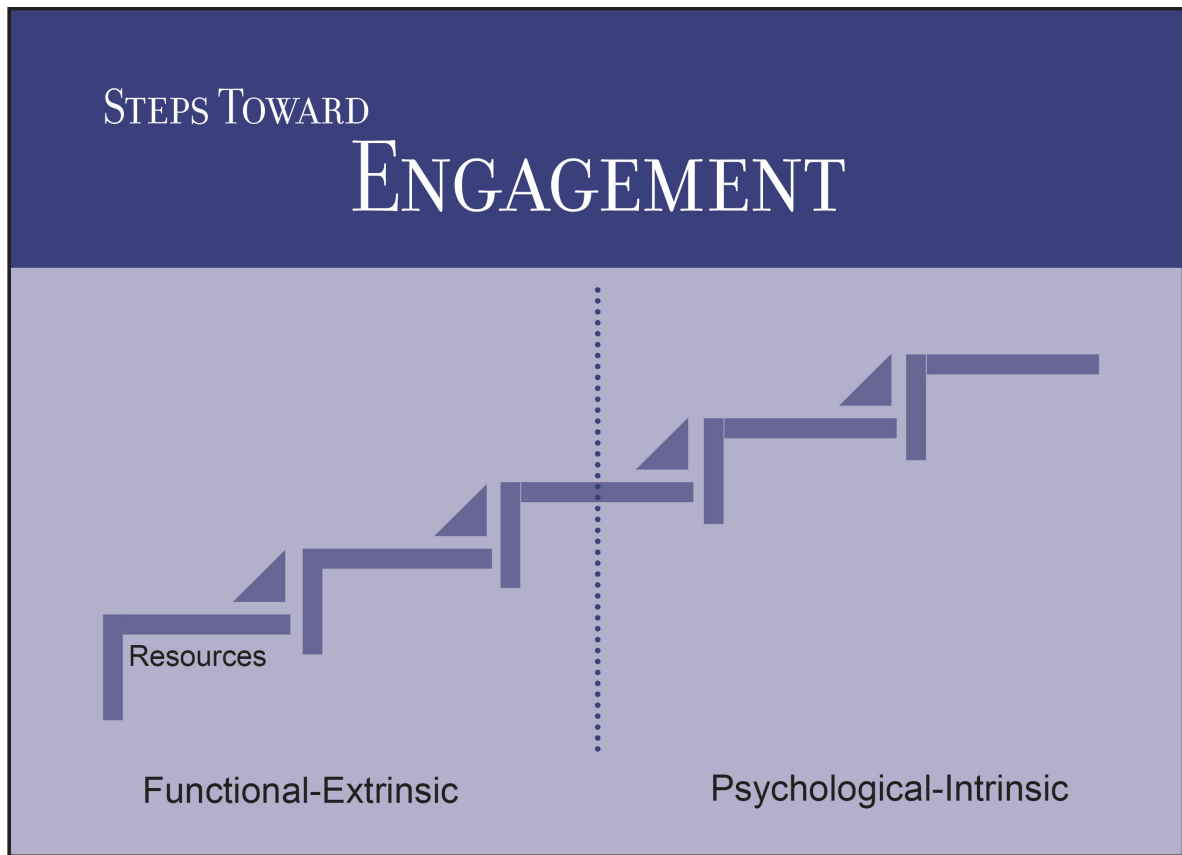


Functional Requirements

The second has to do with the psychological aspect of work; values, beliefs and attitudes. This is where the leaders within your organization can either enable engagement or eradicate it.

Functional Requirements

Resources



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Studies also show that financial and professional security is a major concern for functional requirements.

In *First Break all the Rules*, Buckingham and Coffman said, “. . . pay and benefits are equally important to every employee, good or bad. A company’s pay should at least be comparable to the market average.” Bringing pay and benefits package up to market levels, which is a sensible first step, will not take a company very far. It’s similar to tickets on an airline that doesn’t quite go to your final destination. You may need to supplement your travel plans with a rental car.

Studies also show that financial and professional security is a major concern for functional requirements. Roughly 50% of respondents worry about their future financial state, and 56% agree retirement security is more important today than just a few years ago.

Stress and anxiety are natural outgrowths of these legitimate concerns. It becomes very difficult to focus and replenish ones' energy when chronic anxiety about job security is the norm.

While employee retention depends far more on the quality of an employees' relationship with their leaders, trust in senior leadership and their ability to manage stress on the job is at a low-point. Just under half of the respondents agree their organization's senior leaders have a sincere interest in employee well being. Fewer than half of the respondents believe their direct supervisors have enough time to handle the people aspects of their jobs. Low trust + low touch + high pressure = unprecedented stress levels and growing alienation from role, leader and organization.

Here are some key requirements for enhancing the quality of leader/employee relationship.

Ensure that employees have everything they need to do their jobs. Leaders are expected to make sure that employees have all the resources such as physical or material, financial and information resources in order to effectively do their job.

For new hires to the organization, professional onboarding approaches are now critical for providing and helping the employee gain information and knowledge about what specifically is available to him or her.

Help employees increase their knowledge and skills through appropriate trainings. Generally it is understood that when employees get to know more about their job, their confidence increases, enabling them to work with much less supervision from their immediate leaders which in turn builds their self-efficacy and commitment.

Employees need to feel well-informed about what is happening in the organization. Only through having formal and open two-way communication between leaders and staff, such as having opportunities for upwards feedback without fear of repercussions, can employees access this information. A sense of ownership emerges when employees feel they have been heard in the decision-making process.

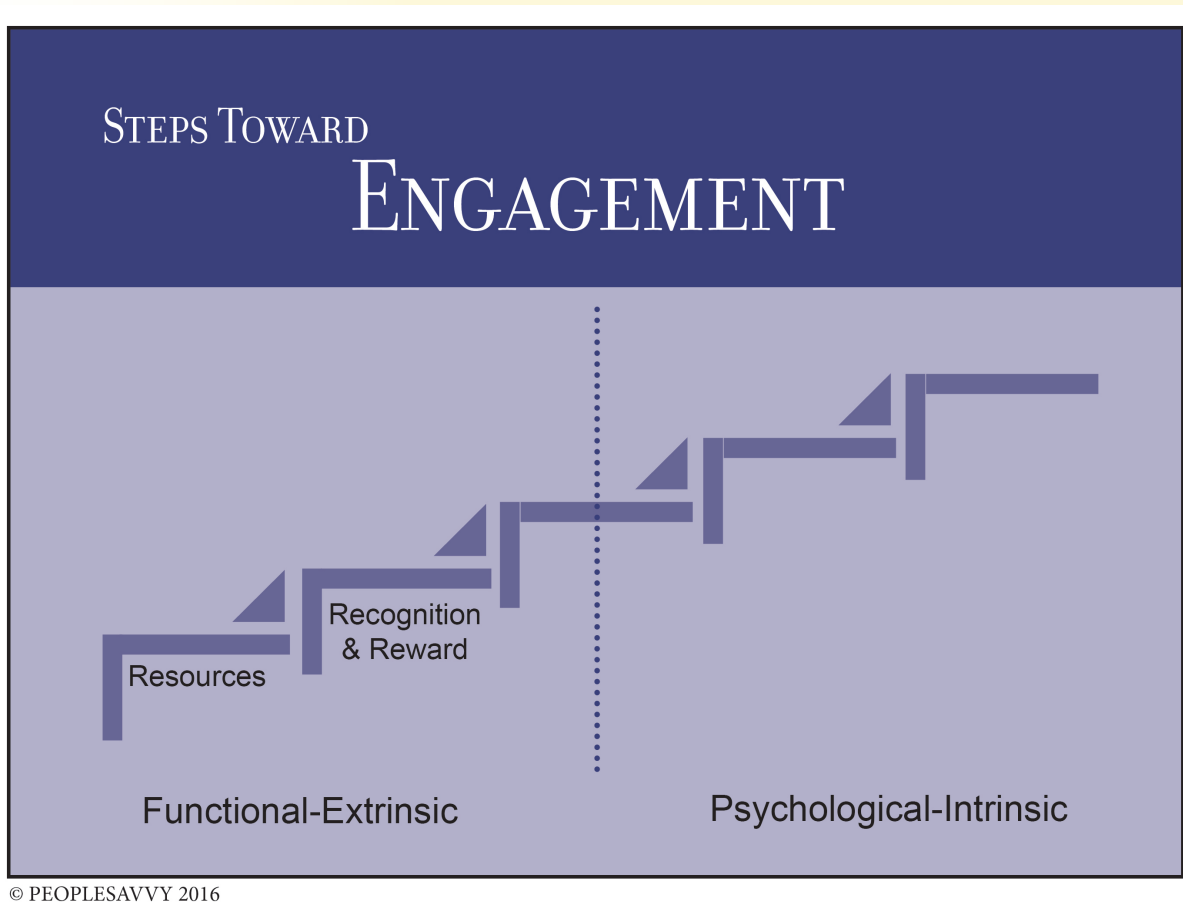
In line with many of the definitions of engagement, the nature of the employee's work has a clear influence on their level of engagement. This is what is referred to as, "engagement in the work." Much of the research has spoken of the importance of having challenging and varied work that utilizes old and new skills. Employee respond more positively if the work is perceived as creative and exciting. Employees also need to feel that the work they are doing is important for themselves and for others.

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Recognition and Rewards

Recognition and Rewards

Receiving timely recognition and rewards is a key driver of engagement. The degree of formality of such recognition is determined by circumstances and what is appropriate. Employees respond positively when they feel valued and appreciated in the work they do.

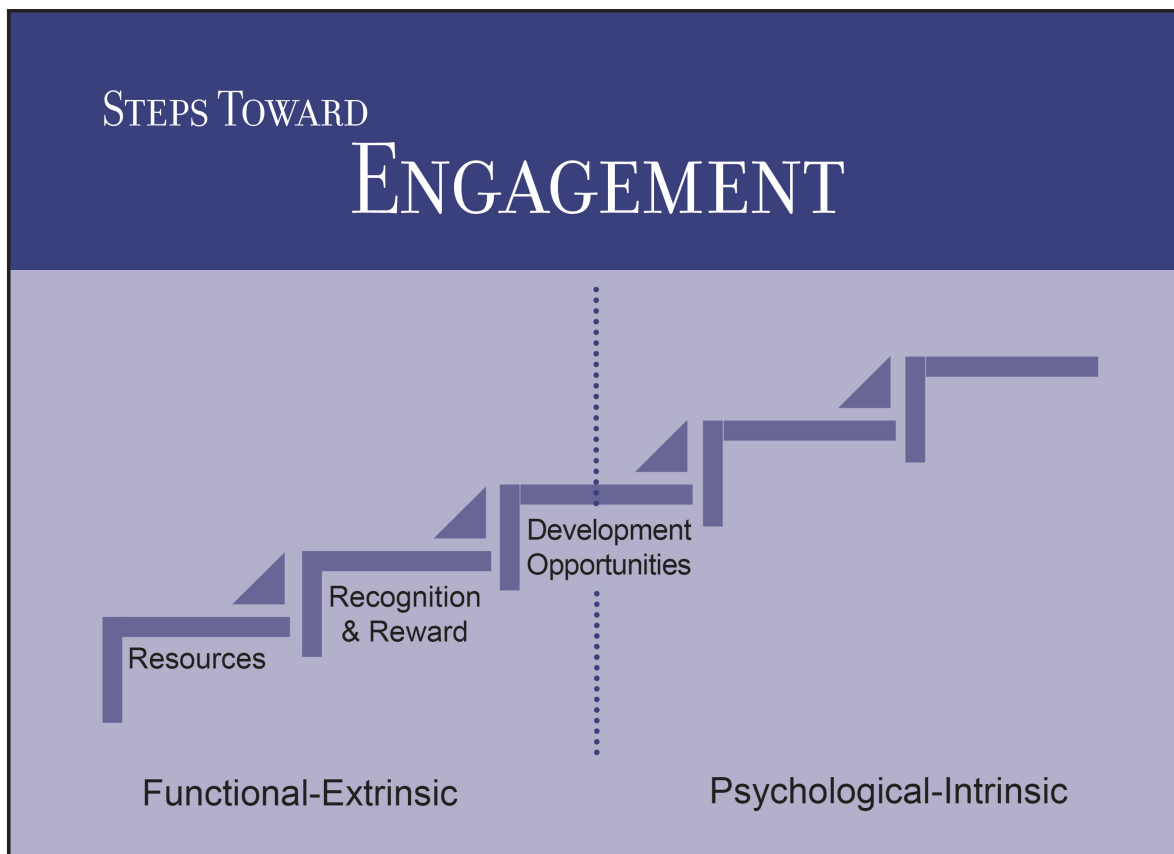


Employees respond positively when they feel valued and appreciated in the work they do.

Leaders should work out both financial and non-financial benefits for employees who show more engagement in their jobs. Several management theories have indicated that when employees get more pay, recognition and praise, they tend to exert more effort into their job. There is an upper limit to how much pay, recognition and praise results in more effort. This upper limit is different for each employee.

Dividing Line

Development Opportunities



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Having equal opportunities for, and access to, career growth, development and training opportunities is important in enabling employees to engage with the organization. For employees to perform well they need to have the right skills for the job, and their roles need to encompass work that the employee knows how to do. And they need to know the organizations leaders are aware of their work.

Some of the development opportunities rest on the functional side. These would include standard organizational training pathways, internal development meetings, being assigned a mentor from within the corporation -- anything that is part of the standard process of working within the organization.

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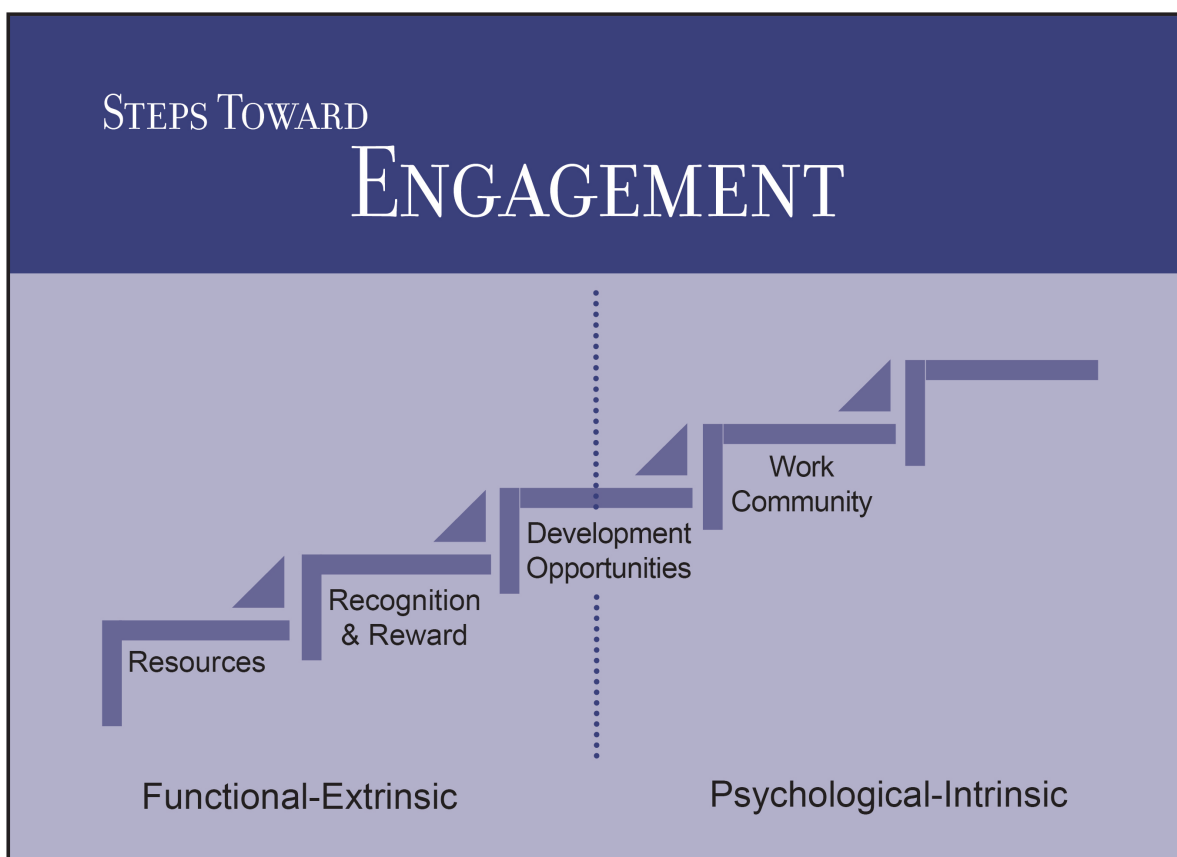
Psychological Factors

Employees who are engaged feel empowered, are confident in achieving in their roles and have opportunities to perform at their best.

The balance of the development opportunities sit on the other side of the chart, requiring leadership to consider the individual and what he or she might need in order to grow within the organization. We would include encouraging independent thinking through giving them more job autonomy. Employees then have a chance to make their own freedom of choosing their own best way of doing their job so long as they are producing the expected result. Employees who are engaged feel empowered, are confident in achieving in their roles and have opportunities to perform at their best.

Psychological Factors

Work Community



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The foundation of our individual identity is based on the way we view ourselves and integrate the views of others we interact with. This identity is constantly being reinforced, refined or even transformed based on our daily interactions with others. We most closely identify with socially imposed values that are intensely, and often unconsciously, linked to our own values. We can develop deep connections with other individuals and groups because of the emotional intensity of our values.

Employees need to feel that they belong within their group or organization to engage the power of these emotions. If they discover links between their personal values and an organizational mission that they consider worthy they will connect their own identity to the organization's identity. When this happens, people may express passionately about what they want for themselves or the organization. These expressions of passion are deeply seated in what they authentically care about.

A wise leader seeks to understand and enable these value linkages to the organization's mission. Dialogue with employees can further this. However, genuine caring and being fully present during these discussions are absolutely critical. If not handled with sensitivity, employees may leave the conversation feeling deflated or disconnected. They could easily lose site of a larger meaning for their work. The end result is withdrawal of emotional commitment and becoming disengaged.

Leaders need to make the connections between their own values, the organization's core mission, and the social values within the group in which the leader is responsible. These connections need to be authentic and might not accurately reflect the "core values" statement that comes from the most current organizational strategic planning session. Those values are often stated in an idealistic language and can be presented as unilateral, sometimes dogmatic, statements.

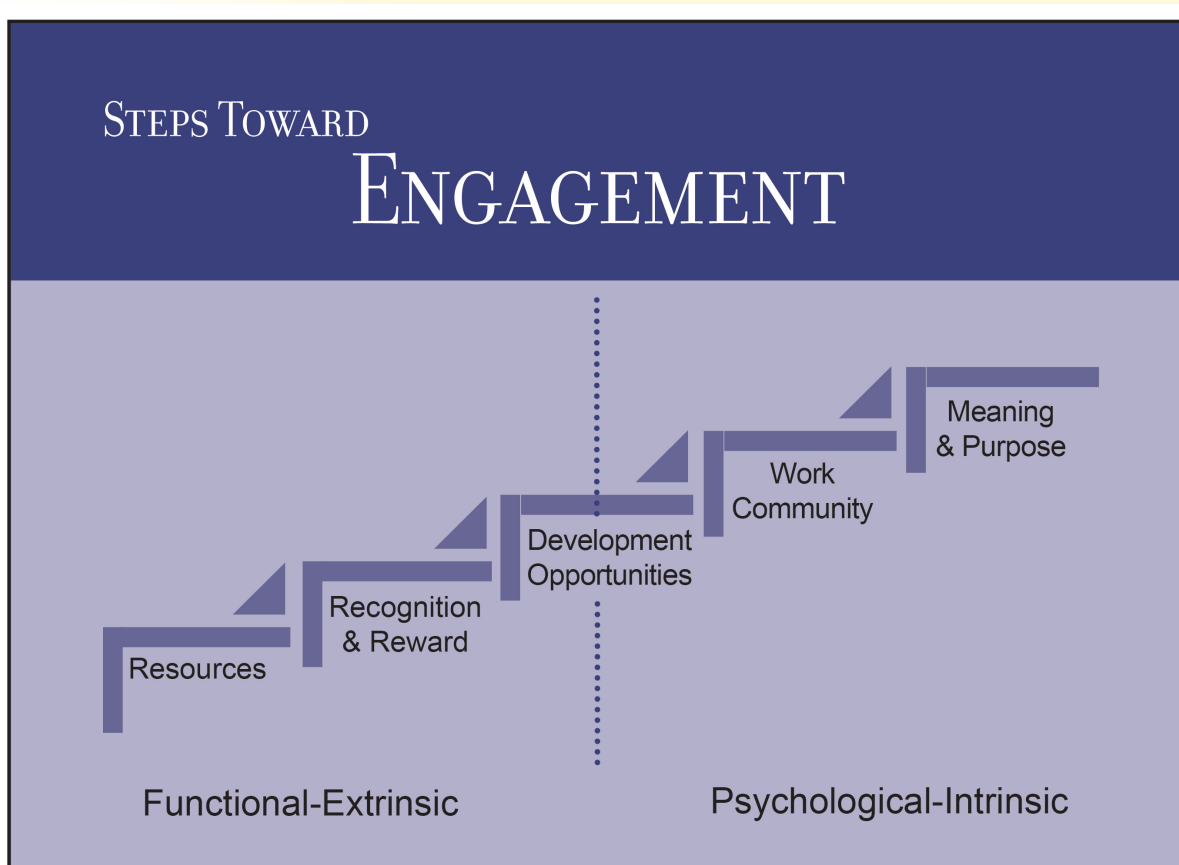
For this linkage between the employee and group or organization to take hold, there needs to be a clear differentiation between personal, organizational and societal values. Idealistic values that are not lived by the leader will cause employees to question their belonging within the organization. This questioning may cause anxiety and stress for the employee. At an extreme the employee may choose to act out in ways that could be damaging to the organization.

We most closely identify with socially imposed values that are intensely, and often unconsciously, linked to our own values.

Meaning and Purpose

Meaning and Purpose

People often don't know how to go about finding meaningful work because they seldom know what is important to them. We sometimes hear people express this when they ask, "What's my purpose in life?" or "Why am I here?"



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As people transform, their sense of meaning at work transforms as well.

For many people, they just haven't been taught to uncover the answer to either of these questions or the importance of aligning an answer with the kind of work they do in the world. We've asked many of our clients how they ended up in their current job and, frequently, the answer is, "I was offered the job and I took it." Sometimes it's closer to, "I needed the money and thought I would leave after a few months. I liked the work so I stayed."

Work meanings function as a kind of reference framework for action by providing a container for individual beliefs and the outcomes they expect or desire from the work. Meaning is a process, not a product. As people transform, their sense of meaning at work transforms as well.

Impact of Wise Leadership

Two paths frequently emerge for defining meaning at work:

The Path of Meaning in Work: a person finds passion in his or her work, which is in alignment with his or her core values. What is important is not the nature of the work itself, but the relationship between the individuals inner values and their work. Meaning is as unique as fingerprints. People can find meaning in anything.

The Path of Craft: an individual develops an intense enjoyment in the moment-to-moment action of his or her work. It is important that the work is challenging, offers some autonomy and demands both routine and new skills be developed. Further the employee needs to have some influence and ownership over the work. In this case the nature of the work itself helps define the meaning and perhaps answers the question, “What’s my purpose in life.”

Impact of Wise Leadership

Three leaders were to provide an orientation for recently hired bricklayers. None of the bricklayers knew what was being built. The first leader informed one bricklayer that he would be paid twenty dollars an hour for laying bricks. The second leader informed another bricklayer that he would be paid twenty dollars an hour and then spent the next 20 minutes providing excruciating detail on how the bricks were to be laid and exactly how much mortar was to be used between the bricks. The third leader told another bricklayer that he was building a cathedral – a house of God. Which bricklayer do you think was the most engaged?

“Ever more people today have the means to live, but no meaning to live for.” – Viktor E. Frankl *Man’s Search for Meaning*

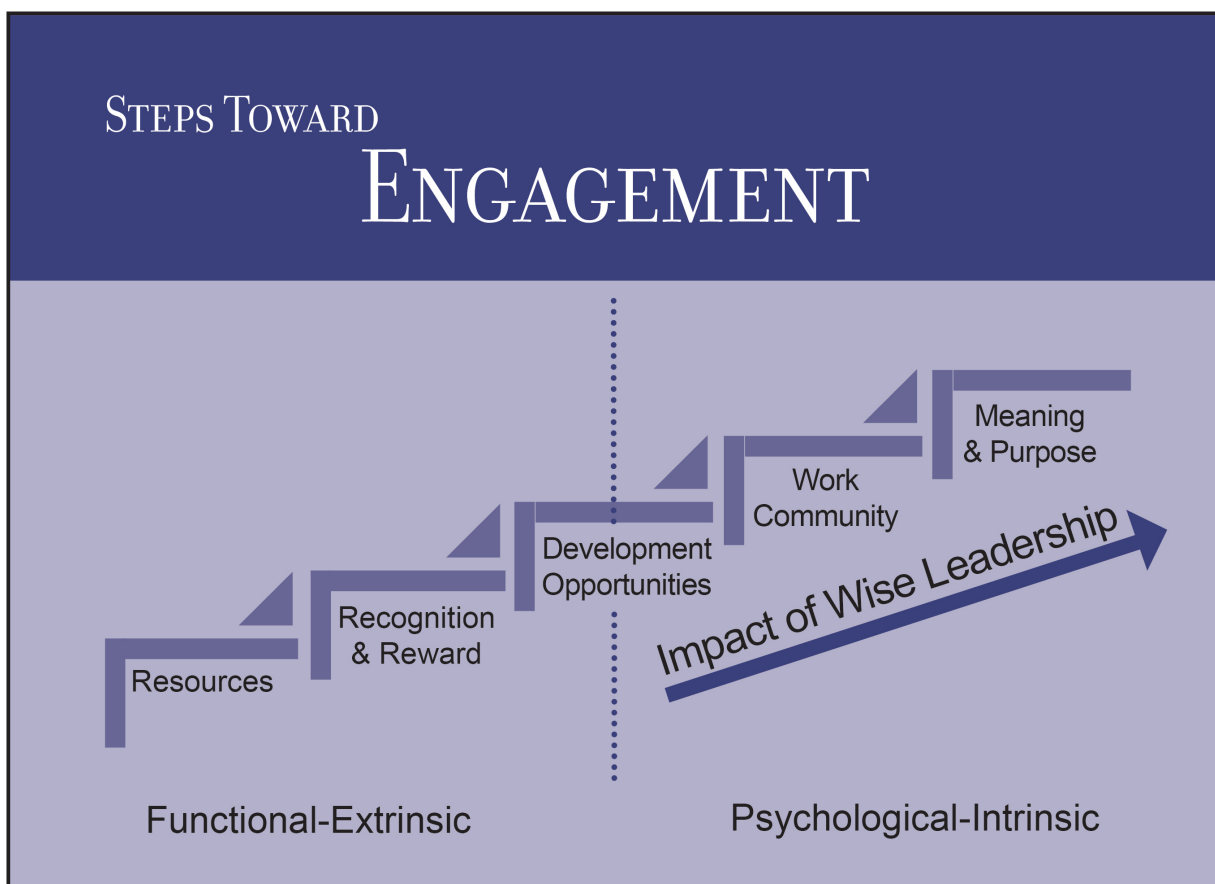
The environment created by leaders is often the root cause of the problem. Research shows that if unengaged individuals are put in an environment of trust and challenge, many of them will quickly rise up to become happy and productive workers. (Paraphrased from Warren Bennis in *On Becoming A Leader*.)

Leaders need to BE the example. Being requires authenticity and transparency of the leader’s strengths and opportunities for improvement. Employees want to know that the leader is human.

We most closely identify with socially imposed values that are intensely, and often unconsciously, linked to our own values.


Leaders often unconsciously dismantle and discount creativity, productivity and commitment of the employee's inner work life—where the individual's beliefs, values and attitudes reside. How do leaders do this? They undermine meaningfulness through everyday words and actions by:

- Dismissing the importance of the work or ideas of employees
- Destroying a sense of ownership by swapping people off project teams before the work is complete
- Shifting goals so frequently that people get seasick and lose hope that their work will ever see the light of day



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Wise leaders understand and know the power of words. Using myths and stories that show the progression from data to knowledge and knowledge to insight, leaders gain acceptance of changes in goals and strategies. They do this while continuing to maintain the alignment of beliefs, values and attitudes that has created meaning for employees.



While there is significant “intellectual capital” tied up in a knowledge worker, organizations are quickly transforming to wisdom workers. Wisdom workers focus more specifically on meaning and how it applies internally to themselves, the organization, suppliers and customers.

At the Work Community level, the leader is linking personal values, beliefs and attitudes to organization mission, vision and values. At the Meaning and Purpose level, the leader is aligning personal values, beliefs and attitudes with organizational outcomes. Wise leaders not only know this, they know how to do it.

This is a simple process, but not an easy one. It requires a leader to have done the heavy lifting of being honest about his or her values, beliefs, attitudes and agendas. It requires looking in depth at more than just their “behavioral style.” He or she needs to have deeply considered where their creativity resides and what reactive patterns interfere with producing results. The leader who has done this will find not only greater personal satisfaction, but a team of employees who are more successful at their work. In a word, they will be more engaged.

Nietzsche: “He who has a why to work can bear with almost any how.”



Jennifer Cayer

Jennifer Cayer has an accomplished track record of improving executive and employee performance. She has over 25 years of corporate experience in domestic and international Human Resources Development, where she has been involved in Sales, Sales Management, Leadership and Organization Development.

Jennifer is the CEO of PeopleSavvy and provides her clients with outstanding results through Executive Coaching, Performance and Process Consulting, Conflict Management, and Leadership Development. Her style and approach focus upon practical and bottom-line application of best practices and new innovative research. Jennifer has written numerous articles for professional publications and is affiliated with a number of professional associations, including SHRM, ODN, ASTD and NEHRA.



Leslie Boyer

Leslie Boyer has conducted personal and professional development programs internationally for over 25 years. She delivers consulting, training and coaching in Leadership Development. Leslie enjoys working with emerging and senior leaders to develop their leadership attributes. She has a dynamic approach to assisting leaders, individuals and teams in the development of themselves to enhance business results.

In 2005 Leslie designed the most advanced Insight Seminar: a 28-day seminar focused on manifesting one's purpose, utilizing presentation skills and communication skills, team building and goal setting in order to live a more congruent life.

In 2007, she moved to Germany and founded a consulting company, Exhact GmbH. She worked throughout Europe (and other places around the globe) with teams and executives to enhance their performance in order to be better at leading themselves and others.

In 2012, Leslie re-located back to Southern California where she is currently involved in the development of The Letting Wisdom Lead Program and other initiatives, which develop business leaders to excel.

The clients with whom she has worked cover such sectors as Financial, Healthcare, Technology, Consumer Retail, and Manufacturing. A short list of some of her clients includes SAP, BrainLab, Canadian National Railroad, and Ratiopharm.

Leaders who master PeopleSavvy® (knowing self, others, and team) leverage the Human Side of Success, resulting in higher levels of employee engagement, lower rates of career derailment and increased organizational productivity.

Dr. Stebbins has over three decades of experience coaching emerging and senior leaders in being more people savvy. A leader's awareness, commitment, integrity and authenticity are directly shaped by their internal landscape (the habits of thought, emotion, imagination and action).

Through a process of dialogue and reflection using individually tailored questions, the leader takes ownership of moment-to-moment beliefs, fears, hopes, desires, and impulses, developing greater awareness, which leads to deeper understanding of self, others and teams. Leaders learn to integrate their knowledge and experience, transforming both into leadership wisdom that can be applied to guide an organization's success.

Skill development is very important for leader effectiveness. Seminars or workshops are effective for the initial layer of development. Personalized coaching provides time for participants to deeply reflect on the personal or organizational meaning toward being a more PeopleSavvy® leader.

Greg's senior business leadership experience is combined with his in-depth understanding of the complex human dynamics found in a working environment. Dr. Stebbins is a member of the Consulting Psychologist division of the American Psychological Association.

His former clients include many Fortune 1000 and Mid Cap companies, including: Abbott Laboratories, Amgen, CBRE, Dole Food Company, Fluor Corporation, IBM, RCA, 3M, and Sodexo.

Dr. Stebbins has an MBA in Finance from the University of Southern California, Los Angeles and an Ed.D. from Pepperdine University's school of education and psychology. He has lectured at University of Southern California, and the MBA program at University of California at Los Angeles. Greg has been listed in Marquis Who's Who in the World for more than two decades. Greg has an active and ongoing meditation practice stretching over more than four decades.



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