SAPinsider

Strategies to Enhance Your Employee Engagement

Nataraj Ganapathy (Ganpy)
Cogent Integrated Business Solutions

In This Session

- You will understand how employee engagement, when not addressed widely as an organizational issue, could lead to decreased productivity

- How to identify typical issues that can lead to disengaged employees in your work environments

- Discuss ideas and opportunities to overcome those challenges

- How to prioritize these employee engagement initiatives

- Look at marketplace tools that can be used to address employee engagement

What We'll Cover

- **Employee disengagement – a universal problem**
- **Effects of disengagement**
- **How to identify issues causing disengagement?**
- **Developing an organizational program**
- **Using technology as an aid**
- **Wrap-up**

What Is Employee Engagement?

- It is the emotional commitment an employee has to the organization and its goals
  - Emotion not driven by paycheck and promotion
    - Emotion driven by employee's belief in the goals
  - When employees care, they use discretionary effort
    - Engaged employees do what is needed to complete their work even without being asked
- Employee engagement is a holistic relationship between an employee and the organization, including the people with whom the employee works with

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What Is NOT Employee Engagement?

- It is not the same as employee satisfaction
  - Job satisfaction is important and a key component of engagement
    - But it is not the same as engagement
- It is not the same as happiness
  - Happiness at workplace is another key component
    - But happiness alone can't make an employee productive
- It is not a momentary measure
  - You can't create surveys to measure employee engagement as a whole
    - Employee engagement is a feeling like love is

Effects of an Engaged Workforce

- The most engaged companies had five times higher total shareholder return over five years, compared to the least engaged companies
  - Based on a 2009 study conducted by Kenexa
- Engaged companies have 6% higher net profit
  - Based on a 2011 Towers Perrin study
- Increased employee engagement results in:
  - Increased profits
  - Increased customer satisfaction
  - Increased customer loyalty

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Characteristics of Disengaged Employees

- Actively disengaged employees:
  - Are Consistently Against Virtually Everything (CAVE)
  - Believe they are doing everything they can and everyone else is wrong
  - Close themselves off from anyone who challenges them to change
  - Are not efficient
    - They show poor judgment in their approach to work
    - Consistently produce poor quality work
  - Tend to accept anything that comes along

How Disengaged Is the Current Workforce?

- About 29% of the US workforce is actively engaged, 55% is not engaged, and 16% is actively disengaged
- Globally, per a 2013 Gallup report, only 13% of the workforce is actively engaged
  - That is an increase from a 2009 study (11%)
    - 63% not engaged
    - 24% actively disengaged
    - US and Canada rank high in employee engagement with 29%, while East Asia ranks low at 6%

Warning

Cost of a Disengaged Workforce

- **Gallup projects that disengaged employees cost the American economy $450 to $550 billion in lost productivity**
  - **69% of employers say they have been affected by a bad hire in the past year**
  - **41% of employers say that this cost is over $25,000 per year per such hire while 24% say that this cost is over $50,000 per year for them**
- **Disengaged employees are essentially "checked out"**
  - **They undermine what their engaged co-workers accomplish**
  - **They are aggressively lowering morale and productivity**

Caution

Cost of a Disengaged Workforce (cont.)

- Disengaged employees affect an organization's culture
  - Employees who are putting time in but not energy or passion completely undermine all the good work done by others
- They affect an organization's brand value
  - Statistics show people are likely to share one good experience with 3 people, but will share one bad experience with 10 or more people
- And they affect your bottom line
  - Disengaged employees are costing your company millions if not billions

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Factors Affecting Employee Engagement

- Even though it is never easy to identify all the factors associated with employee engagement in a particular organization, there are some common ones
- There are those obvious "hard factors" such as:
  - Compensation
  - Benefits
  - Results
    - Belief in leadership and pride in working for the company
  - Appreciation
  - Responsibilities
  - Connectivity
    - Relationship with supervisors

Soft Factors Affecting Employee Engagement

- But then there are several soft factors which many companies don't account for:
  - Companies go through transition and the leadership doesn't re-engage employees
  - Workload too high
  - Flawed performance management process
  - Lack of investment in development and talent mobility, making it difficult for career advancement
  - Non-inclusive culture (perhaps as a result of history) and cannot attract and retain today's more diverse workforce
  - Old fashioned working conditions that simply make work difficult

Lesson

Rethinking Employee Engagement

- While surveys are still a common method used to understand employee engagement issues in your organization, many companies say that they are not exactly keeping up because:
    - They are not detailed enough
    - They aren't performed real-time
    - They don't consider all the work-related issues that drive employee commitment
- People do leave organizations and not managers
    - Changing the old world thinking
- Approaching employee engagement holistically
    - Don't restrict your understanding of the term "Engagement"
    - Changing demographics of workforce

Tip

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Communication Is the Key

- When you conduct employee engagement surveys as one of the steps to understand where you stand as a company, then the first thing you need to do as a follow-up is to share the results with your employees
  - Share average scores of the team/department
    - Never share individual results (always anonymous)
  - Results over a period of time
    - Comparison over the years (improvement or not)
  - Analyze results
    - Facilitate individual meetings wherever possible to ask for their understanding of the results
    - Listen and don't influence their analysis

Keeping the Rhythm

- Most organizations start out well with their communication plan but fail very soon because they fail to maintain the rhythm of communication

- Communication system within your organization should always be a "two-way communication system"

- Periodic and informal communication is very important

  - Create an environment that promotes informal communication between all employees

    - Use tools wherever possible to encourage informal communication

    - Choose multiple methods of communication

  - Interaction among colleagues is critical to sustain a healthy work environment

    - Train the leadership to stay on a listening mode all the time

Tip

Providing Growth Opportunities

- Providing growth opportunities is typically part of any employee development program, but as part of your employee engagement initiative take a closer look at how your organization is built for these

  - Is your company encouraging a high impact training culture?

  - Flexible training and support on the job

  - Dynamic learning

- Coaching, mentoring, and job rotation opportunities if applicable

- Keeping pace with individual goals in line with your organizational goals

Tip

Appreciation, Recognition, and Trust

- A bonus check, while it is motivating and appreciated by many employees, it is not as good as appreciation in a larger context
  - Everyday appreciation from managers and peers alike
    - Even for actions that may seem trivial from an outsider's point of view
    - Saying "thank you" and "good job" can go a long way
    - Making it a habit to appreciate your colleagues on a regular basis
    - Using a tool that would make appreciation of colleagues, fun, informal, and rewarding. A tool that can help share these moments of appreciation with others.

Tip

Appreciation, Recognition, and Trust (cont.)

- Recognizing your employees for all the good work they do
  - Announce those who got appreciated in team meetings or through an online announcement portal/news board
  - Look for a low-cost reward system to encourage employees
    - Buying lunch
    - Paying for the employee's spouse to accompany employee on a business trip
    - Temporarily naming a conference room after the employee
- Building trust of senior leadership
  - Making words and deeds match
  - Being transparent and acknowledge mistakes

Tip

Prioritizing Your Action Plan

- As you put together a comprehensive employee engagement program for your company, remember that this is not a "one-time rollout"
- Prioritization of your action plan should follow this order:
  - Measuring
  - Ranking the areas to focus on (communication, growth, appreciation, recognition, and trust)
  - Investing in technological tools
  - Educating your leadership team
  - Repeating all of the above periodically

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The Role of Technology in Business

- Understanding current technological trends in employee engagement is key to productivity

- An employee engagement initiative aided by technology can have unintended consequences or can outright fail to work, but understanding technology is very important

- Technology provides:
  - New communication options
    - Example: Video communication
  - Social networking
  - Use of mobile devices for work (BYOD)
    - Enhancing flexibility

Finding the Right Areas to Use Technology

- Employee engagement starts with hiring
  - Finding the right employee who aligns with your company's mission values is really the first stage of employee engagement
    - There are intelligent recruiting tools available in the market where you can engage with the candidates publicly to see their interests before hiring
- Measuring engagement or performing a Wellness check
  - Put in place a solid process to evaluate employee engagement
  - Measure engagement using multiple tools
    - Avoid boring survey formats but try using "gamified" tools that make this a fun exercise
    - Simplicity is key to the effectiveness of these tools

Solution

Big Picture and Collaboration

- Big picture
  - It helps the organization to share the 'big picture' with employees at all times
    - ▸ Find a tool that will help you with sharing your vision and what is going on in general in the company with all
    - ▸ A tool that also makes it easier for colleagues to see what others are working on
- Collaboration should be fun and easy
  - One of the pillars of employee engagement is collaboration
    - ▸ Find a single tool that makes workplace collaboration easy and engaging
    - ▸ Sharing of information should be quick and in tune with the latest document sharing software tools available in the market

Solution

Wellness, Feedback, and Appreciation

- Promote well-being and health
  - As abstract as it may sound, employee engagement has a direct relationship with employee health
    - There are interesting tools available in the market that can be used to create an environment where employees are encouraged to stay healthy
- Feedback and Appreciation
  - Two major factors to sustain positivity in your organization
    - Find tools that can make the whole process of appreciating your colleagues simple, easy and fun to use
    - Create a competitive environment using these tools to have employees compete with one another to earn "appreciation points"

Solution

Interaction and Happiness

- **Interaction is the foundation**
  - **Several studies have shown that happiness at a workplace is proportional to the amount of positive interaction one has inside the workplace**
    - **Tools that not only promote an easy collaboration environment, but also make it cheerful for colleagues to interact with each other like in social media style is the future of employee interaction**
    - **With the changing workforce demographics, more and more employees in future will be accessing their work through mobile devices. So, interaction should be absolutely chaos free in such environments and tools that can support this communication style are critical to your enhanced employee engagement.**
- **"Gamification" and happiness triggers will have to be an integral part of all such communication and integration tools**

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Wrap-Up

- Employee engagement is a universal problem

- Disengaged employees cost billions to the US economy in terms of lost productivity

- Addressing employee engagement issues is a continuous process

- Prioritizing your company's employee engagement action plan is important

- With the changing workforce and expectations, it shouldn't be a surprise that technology has to become a company's biggest ally in enhancing overall employee engagement

Where to Find More Information

- **www.gallup.com/poll/181289/majority-employees-not-engaged-despite-gains-2014.aspx**
    - Amy Adkins, "Majority of U.S. Employees Not Engaged Despite Gains in 2014" (Gallup, January 2015).
- Kevin E. Kruse, *Employee Engagement 2.0: How to Motivate Your Team for High Performance* (CreateSpace Independent Publishing Platform, 2012).
- **www.gallup.com/businessjournal/247/high-cost-disengaged-employees.aspx**
    - Q&A with Curt Coffman, "The High Cost of Disengaged Employees" (Gallup, April 2002).
- Peter A. Hunter, *The Problem with Management – And How to Solve It* (Lulu.com, 2013).

7 Key Points to Take Home

- Employee engagement is the emotional commitment an employee has with his/her organization which transcends compensation, benefits, and performance

- An engaged workforce will help companies increase their profitability, customer satisfaction, and customer loyalty

- The global employee disengagement is at a staggering 87% (actively disengaged and not engaged put together)

- Employee disengagement costs US economy anywhere between $450 billion to $550 billion per year

7 Key Points to Take Home (cont.)

- Organizations have to rethink employee engagement and address it holistically by focusing on communication, growth, recognition, appreciation, feedback, and trust

- Technology is already and will continue to be a strong bridge in addressing the gap companies see while addressing their employee engagement issues

- There are many technological tools available that can help companies address different engagement related focus areas and each one of them is unique and effective
  - However, the key to the success of an organization's technology selection process to address employee engagement issues lies in identifying fewer but simple-to-use tools that can be used for all the areas affecting employee engagement

Questions?

How to contact me:
Ganpy
ganpy@cabaana.com
@cabaanaapp

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