

## Employee Engagement - The Missing Ingredient

Sally Bibb – March 2010

The case for employee is now well established – engaged employees are more successful and productive employees. Few would doubt that, it makes common sense. For the doubters the MacLeod report lays out the evidence of the return on investment of improving engagement, including the data produced by Gallup who, in 2006 examined 23,910 business units and compared top quartile and bottom quartile financial performance with engagement scores. They found that:

- Those with engagement scores in the bottom quartile averaged 31 – 51 per cent more employee turnover, 51 per cent more inventory shrinkage and 62 per cent more accidents.
- Those with engagement scores in the top quartile averaged 12 per cent higher customer advocacy, 18 per cent higher productivity and 12 per cent higher profitability.

To a large extent we have moved beyond the need to prove the value of having an engaged workforce. The challenge is to actually take action to improve engagement. This can be a challenge. Here are the specific difficulties that we see organisations facing.

- *Lack of insight* into employees. This means that there is a lack of understanding of what engages individuals (most organisations treat their employees as if they are one homogenous mass)
- *A focus on engagement surveys* which can become an end in themselves and lose sight of what actually needs to be achieved
- *A lack of practical understanding and ideas* about what can done to improve engagement
- *The challenge of mass engagement* - how to engage a workforce of thousands of people.

Let's have a look at each of these in turn.

## Lack of insight

Terry Leahy, Chief Executive of Tesco realised that his company knew more about its customers than it did about its employees. He is probably not alone and herein lies the key to truly engaging employees. You have to understand employees individually – understand what engages them and help them to stay engaged. This is what Tesco do with their customers – their loyalty cards give them an in-

depth understanding of their customers' preferences. The organisations that succeed in truly engaging their staff understand that one size does not fit all and that you have to segment your workforce. Segmentation is a relatively uncommon discipline in HR. However it is impossible to even know what engages different types of people, let alone succeed in doing so.

## A focus on engagement surveys

It is easy to see why a lot of effort goes into the measuring of engagement levels via surveys. It is a good thing to have metrics and be able to measure progress. The two key questions are (a) does your survey really measure engagement of your people or does it measure their views of a set of items

that may or not be engaging to them. We are back to the point about insight. Some surveys are called engagement surveys but are not rooted in factors that are known to be important to, or engaging for, the people who are taking the survey.

## A lack of practical understanding and ideas

Organisations are often unsure what they should do to improve engagement because they don't have a clear enough understanding in

the first place about what engages their people (we are back to the first point about insight). Everything stems from insight.

## The challenge of mass engagement

It is impossible to engage thousands of people if you treat them as a generic groups. You have to reach out to them individually. Big organisations get daunted by this because it sounds like

a difficult task. It is possible and there are success stories out there. And, frankly, if you cannot crack the challenge you will never achieve high levels of engagement.

## The missing ingredient is EVP

The authors of the McLeod report clearly state that their report is not a 'how-to' guide. However, this is what organisations need – they need a route map and they need to know what practical steps to take. The aim of this article is to offer a simple route-map, or next steps guide.

The title of this article promised the 'missing ingredient'. To use the jargon, it is a clear employee value proposition (EVP) which is based on deep insight into your employees. Put another way – find out what your employees want, do your bit to help them get what they want and articulate what you are giving them in your EVP.

One last crucial point – true engagement comes from within. Think of people who are highly engaged – it is because they believe in what they are doing, love it, are passionate about it, are self-motivated and want to do a good job. Anything the organisation can do to enhance their experience of work only serves to make them more engaged. The organisation can do a lot to cause them to feel disengaged too of course. A lot of time organisations, with the best intentions, try to *do things to* people to make them engaged. This is completely misunderstanding the nature of engagement. Done right, your EVP will give you the understanding of the things that intrinsically engage your people already. And the process of discovering your EVP is in itself an engaging process for your employees. Think of it as an exercise in deep understanding. Once you have that understanding your engagement surveys will have more meaning because you be sure that you are asking the right questions. And your metrics will therefore be more meaningful.

If you want help increasing your engagement levels and want to hear more about our effective and practical approach please contact Sally Bibb at [sallybibb@talentsmoothie.com](mailto:sallybibb@talentsmoothie.com) or on +44(0)20 7127 4741