

THE POWER OF EMPLOYEE ENGAGEMENT.

Why employee engagement is critical to business. The costs of employee disengagement, how to recognise disengaged employees, what drives employee engagement, and how to devise and maintain a successful employee engagement strategy.

INTRODUCTION

Employee engagement is the holy grail for corporate success. Corporations whose employees are engaged perform better than companies whose employees are not by over 200%.

To achieve employee engagement, the level of commitment from the employer and employee must be equal. Engagement is shaped by several factors, including the role itself, the quality of work relationships and perceptions of the ethos and values of the organisation.

Despite the importance of employee engagement, research by The Gallup Organisation has found that only 15% of employees worldwide are engaged in their work.

In this eBook, we look at the costs of disengagement, how to recognise disengaged employees, what drives employee engagement, and how you can devise and maintain a successful employee engagement strategy.

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01 / WHAT IS EMPLOYEE ENGAGEMENT?

Engaged employees work with passion and feel a profound connection to their company. They drive innovation and move the organisation forward. According to The Gallup Organisation, only 24% (or around 1 in 4) people in the Australian and New Zealand workforce are engaged employees, with 60% being found to be 'Not Engaged' and a worrying 16% being 'Actively Disengaged'

*According to the Hays Group, there are **four requirements** for engagement:*

1. **Confidence** in the organisation's leaders
2. **Collaboration** and collegiality (positivity)
3. **Development** opportunities
4. Clear and promising sense of **purpose**

THE MAIN DRIVERS OF EMPLOYEE ENGAGEMENT ARE:

1. **CAREER ASPIRATIONS** — personally rewarding or major achievement
2. **CAREER OPPORTUNITIES** — sees future opportunity, growth and advancement
3. **RECOGNITION** — perceptions of favourable acknowledgement from others for their work/accomplishments
4. **BRAND** — consistency between the promise an organisation makes to its employees about working at that organisation and the work experience

Unengaged employees come at a huge cost to business in terms of productivity, talent retention and a healthy workplace environment. According to a LinkedIn survey on global job seeker trends, "an unsatisfying work culture or environment" is one of the top reasons employees jump ship.

02 / WHAT ARE THE BENEFITS OF EMPLOYEE ENGAGEMENT?

Employee engagement has a huge impact on a business' bottom line. It increases productivity, innovation, customer service and staff retention. Research conducted by Gallup proves that engaged employees are more profitable, more customer focused, safer, and more likely to withstand temptations to leave.

IMPACT ON THE BOTTOM LINE

A detailed study of 40 global companies found that firms with the highest percentage of engaged employees collectively increased operating income by 19% and earnings per share 28% year-to-year. Those companies with the lowest percentage of engaged employees showed year-to-year declines of 33% in operating income and 11% in earnings per share.

MORE INNOVATION

Engaged employees are far more likely to suggest or develop creative ways to improve management or business processes. They're also far more likely to find creative ways to solve customer problems or to involve their customers in creating service innovations.

BETTER CUSTOMER SERVICE

Engaged employees deliver greater customer service (12% higher customer scores). Almost 9 in 10 engaged employees strongly agree that they have grown in their ability to positively affect their company's customers, while only 2 in 10 actively disengaged employees strongly agree.



GREATER PRODUCTIVITY

A PricewaterhouseCoopers (PwC) survey found that employees who are more committed to their organisations put in 57% more effort on the job and are 87% less likely to resign.

Teams that are more engaged are twice as likely to succeed...
Averaging 18% higher productivity and 12% higher profitability.

Engagement not only increases the speed and quality of execution, but also nurtures an environment in which employees are willing to reach outside their silos and create better business processes. This motivation leads to more efficient, productive business processes.

ENGAGED EMPLOYEES DELIVER:

27% HIGHER PROFITS

50% HIGHER SALES

50% HIGHER CUSTOMER LOYALTY

38% ABOVE AVERAGE PRODUCTIVITY

03 / KEY STEPS TO IMPLEMENTING AN EMPLOYEE ENGAGEMENT PROGRAM

INTRODUCE A REWARD AND RECOGNITION PROGRAM

Employee recognition and reward essential to engagement. Creating a culture of recognition brings your company values to life, while highlighting the positive behaviours you want to promote. Recognition programs should be organic, frequent and creative. [Redii's employee recognition and reward software](#) has more than 3,000 rewards to choose from.

ENCOURAGE FEEDBACK

Make employees feel valued by making them feel heard:

- **Include feedback links on the intranet and in employee newsletters**
- **Post questions on communication forums inviting discussion**
- **Train managers to seek out and handle feedback**
- **Hold focus groups with a cross-section of employees**
- **Create rewards specifically for sharing feedback and ideas**

HAVE A HEALTH AND WELLBEING PROGRAM

[Employee wellness programs](#) are a great way to recognise and reward employees for their hard work. They also reduce burnout, absenteeism and stress claims. For businesses that have an employee recognition program, this can be as simple as adding an extra award. For example, companies using the Redii platform

created the #hellowella (healthy and well) award, which lets employee set personal fitness/wellness goals.

FOSTER COLLABORATION

Successful companies are no longer hierarchical and top-down but rather collaborative and bottom-up. Attract and keep the best talent by fostering a collaborative, communicative culture. A Corporate Volunteering Program (CVP) can help. A Macquarie Graduate School of Management study found that corporate volunteering leads to improved employee engagement, organisational commitment, job satisfaction and retention

PROMOTE FLEXIBLE WORKING CONDITIONS

Reward and recognise employees with flexible work schedules that allow them to balance work and personal life. This can be easily done by accommodating part-time work, job sharing, compressed or staggered working hours, and remote working.

PROVIDE MENTORSHIP

Mentoring programs drive engagement and retention through career development, practical training and support for employees. Being a mentor is also a powerful motivator for senior employees, offering recognition and the chance to give back.



04 / RECOGNISING DISENGAGED EMPLOYEES

The bulk of employees worldwide - 63% - are "not engaged," meaning they lack motivation and are less likely to invest effort in organisational goals or outcomes. Another 24% are "actively disengaged," indicating they are unhappy and unproductive at work and liable to spread negativity to co-workers. In rough numbers, this translates into 900 million not engaged and 340 million actively disengaged workers around the globe.

'Not Engaged' employees are essentially "checked out". They are sleeping walking through their workday, putting time — but not energy, passion or commitment — into their work. Not Engaged Employees make up 61% of the Australian and 64% of the New Zealand workforce.

'Actively Disengaged Employees' aren't just unhappy at work; they're busy acting out their unhappiness. Every day, these workers undermine what their engaged co-workers accomplish. Actively Disengaged Employees make up 21% of the Australian and 11% of the New Zealand workforce.

FIVE KEY WARNING SIGNS OF DISENGAGED EMPLOYEES

- 1. ABSENTEEISM** - High rates of frequent and unplanned leave
- 2. LACK OF EFFORT** - Doing the minimum required by the job and no more
- 3. ABSENCE OF TEAMWORK** - Not working well with colleagues or even regular conflict
- 4. LOW PRODUCTIVITY** - Not achieving what they are capable of or what their job requires
- 5. POOR QUALITY WORK** - Errors, overlooked priorities and missed deadlines

05 /CAUSES OF EMPLOYEE DISENGAGEMENT

Employees become disengaged for a wide range of reasons, having largely to do with workplace culture, roles, structural and management. Factors that impact disengagement include a weak company culture, poor management, poorly defined roles or KPIs, and a lack of recognition and reward.

MANAGING A REMOTE WORKFORCE

Almost a third (3.5 million) of employed Australians regularly work from home in their main job or business, and 80% of employees surveyed by McCrindle said they were more likely to stay longer with an employer if they provided the flexibility of working remotely. However, a geographically dispersed workforce brings unique challenges in terms of keeping employees engaged. Ways to manage this include utilising digital tools, over communicating, getting feedback, giving remote employees the right tools for their jobs, and ensuring that all employees are recognised and rewarded.

HOW CAN MANAGERS IMPACT EMPLOYEE DISENGAGEMENT?

Hays Group research shows that 7% of engagement is determined by an employees' direct manager. Many managers claim no responsibility for employee engagement and retention. They believe retention is largely about money, perks and benefits — areas where they have little control. We know this is not true.

IN ADDITION TO FAIR PAY PEOPLE WANT:

- Challenging meaningful work
- Recognition and respect
- A change to learn and grow
- A supportive boss
- Great co-workers

06 / THE EFFECTS OF DISENGAGED EMPLOYEES

Not only can disengaged employees create a negative, even toxic, company culture, but their reduced productivity comes at a huge cost to a business' bottom line. Gallup estimates that actively disengaged employees cost Australian businesses between AU \$33.5-\$42.1 billion per annum and New Zealand businesses around NZ \$5.6-\$5.96 billion per annum.

FURTHER, 17.2% OF AN ORGANISATIONS' WORKFORCE IS 'ACTIVELY DISENGAGED' AND THE COST OF THIS DISENGAGEMENT CAN BE AS GREAT AS 34% OF AN INDIVIDUAL WORKER'S SALARY.

Actively disengaged workers report more days of work missed (3.5 more days per person per year) and more days of work missed for illness (0.55 days per person).

Disengaged employees are more likely to leave and take less pride in their workplace. They are also less likely to be advocates of their workplace or the products and services they represent.

Businesses pay a high price when employee engagement is low. From productivity and impact on brand through to the cost of high rates of absenteeism and employee churn if dissatisfaction results in poor retention rates.

Employee engagement is not an accident; it is the result of a strategic management approach that fosters employees needs for connection, purpose, recognition and reward.

07 / HOW TO RE-ENGAGE DISENGAGED EMPLOYEES

When employees have clearly disengaged, a concrete strategy is required to get them back on board and re-engaged in the business and their role.

FIND OUT WHY THEY SWITCHED OFF

Ask staff to tell you why they've disengaged through anonymous surveys, focus groups and in performance reviews. Allow them to air any grievances in a safe space. Incorporate feedback tools into regular staff communications.



CREATE CHANGES BASED ON INSIGHTS

Once you have found out more about what's happening, create a strategy that addresses the core issues. Consider holding collaborative meetings to develop an engagement program. Involving staff in the process gives them a greater sense of ownership and autonomy, which drives engagement.

MAKE THEM PART OF THE BIG PICTURE

Including employees in business decision making reengages them with the corporate culture. Regular staff meetings can help make sure everyone has their say and is across what's happening in the organisation.

CREATE A CULTURE OF RECOGNITION

Implement long-term strategies for promoting engagement. These may include providing forums for open discussion; creating opportunities for performance review and goal setting; having a corporate health and wellness program; and implementing a reward and recognition program.

MANAGE AND MONITOR ENGAGEMENT

Keep managing and monitoring your engagement program to measure effectiveness. Redii can provide regular insights on the performance of your rewards and recognition program, so you can adjust it to suit employees' needs.

08 / EMPLOYEE ENGAGEMENT CHECKLIST

- GET TO KNOW YOUR EMPLOYEES** — Talk to them, get feedback, find out what they need.
- ADDRESS ANY PROBLEMS HEAD ON** - Create a strategy for re-engaging disengaged employees.
- HAVE A HEALTH AND WELLNESS PROGRAM** — Reward employees in healthy, energising ways.
- ENCOURAGE TEAM WORK** — Build bonds through a corporate volunteering program and other team activities.
- ALIGN CULTURE WITH VALUES** — Make sure everyone understands your brand's vision, mission and ethos.
- CREATE WORK/LIFE BALANCE** — Introduce and promote flexible working arrangements.
- INVEST IN YOUR PEOPLE** — Make sure everyone has the training they need to develop.
- IMPLEMENT AN EMPLOYEE REWARD AND RECOGNITION PROGRAM** — Create a culture of recognition for work well done.



CONCLUSION

Engaged employees are the key to a strong business brand, culture and workplace. When employees are engaged, they are happier, more productive and more focused.

Redii can help you boost employee engagement. With Redii you can create and personalise any award in line with your business objectives.

From peer-to-peer to top performer recognition, a simple 'thank you' to safety and automated anniversary awards or sales incentives.

Request your free demo or visit <https://redii.com/> and start a recognition program today.



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