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Expert panel:
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MYTH BUSTING
The key truths around
employee engagement **P6**



JONNY GIFFORD, CIPD
The challenges of employee
engagement and how to meet them **P8**

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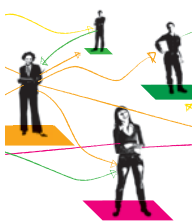
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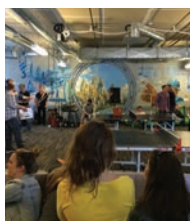

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How the right app can make all the difference in engaging your employees

Critical questions in a changing world of work

Our post-recession world of work throws up several challenges for employees and those who manage them. The cold reality for many is a stoic acceptance of intensification, the continual need to 'do more with less'. Sometimes technology plays a part in this. As well as bringing greater flexibility, it can also lead to standardisation, monitoring and control. Despite the rhetoric and employees' expectations of a rich and enjoyable working life, there is often a long way

to go to make employee engagement a reality.

There is no single agreed definition of 'employee engagement', but it can be seen to hark back to Frederick Herzberg's words that, "If you want people to do a good job, give them a good job to do." People work best in roles that make use of their strengths, offer responsibility and have a clear purpose they can identify with. A blinkered focus on business results is not much good without considering the motivation, well-being and growth of the people who are to deliver them.

**Jonny Gifford**

Adviser, organisational behaviour and research impact, CIPD

"If you want people to do a good job, give them a good job to do"

Equally, for employees, it's not enough to enjoy one's job and be willing to go the extra mile. You need to understand how your job fits into the business and align your efforts to wider priorities. You need to be going the extra mile in the right direction.

This mutual gains view of seeking the good of the employment relationship is not so much new as a conglomeration of earlier notions, such as job satisfaction, motivation, commitment and organisational citizenship behaviour. Because of this and the lack of a common definition,

it has been criticised as a weak concept.

Such challenges need to be heeded, especially in the measurement of employee engagement, which is often muddled by composite single scores that are so vague as to tell us very little. But as a broad area of people management strategy, employee engagement is a useful label, and there is no doubt about the importance of the issues it grapples with. This publication is thus of enduring relevance but particularly salient given the pressures of today's work context. ■

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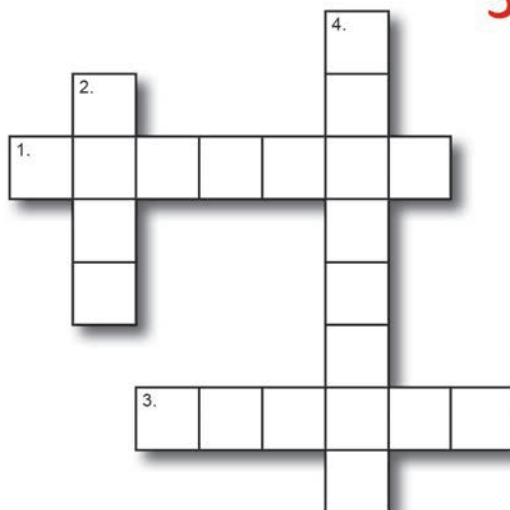
1. What is important to your employees?

3. What motivates your employees?

DOWN

2. What do your employees like doing?

4. What are your employees consequently good at?

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Brexit: what it could mean for employee engagement?

Workplace engagement specialists Best Companies looks at how Brexit could affect employee engagement — and what can be done to mitigate its impact.

After the UK's decision to leave the European Union, current research and thinking suggests there will be a number of challenges for businesses as we wait to see what our future will look like in a post-Brexit world.

Security around jobs is a concern — and not just for EU nationals working in the UK — due to potential changes in employment legislation, much of which is currently set by the EU. Our data shows that employees who feel unsure about job security have lower levels of wellbeing and feel more exhausted at the end of the day. With the strong association between job security



Ceri Ellis
Researcher,
Best Companies

and engagement levels, a continued focus on engagement could help to offset the negative impact of increased uncertainty and insecurity.

Smarter

The Brexit decision will also have an impact on the easy supply of labour from the EU. As a result, skills gaps could mean that existing employees will have to do more work, potentially also

impacting on wellbeing levels. However, our data suggests that much needed resource could already be present in many organisations, as around 50 per cent of employees say their skills are under-utilised. Better-utilised employees feel they have a positive future in their organisations and are less likely to want to leave. Learning to work smarter, rather than harder, could hold the answer to both skills gaps and engagement levels.

The Brexit vote has also created uncertainty around some businesses' plans to expand within the UK. Real terms growth in wages may be reduced by lack of confidence and a rise in inflation associated with Brexit which is likely to have negative consequences for engagement and motivation.

Appreciated

These effects can be minimised, however, with a continued focus

on engagement. Employees can feel recognised and appreciated in a number of ways that go beyond pay and benefits — and companies that focus on this can limit any negative impact. Managers play a vital role here: our data shows that employees who feel appreciated by their manager score higher on measures of how positive they are about their pay and benefits.

Continuing to focus on engagement will ensure organisations are in the best position to maximise the opportunities which are available in the aftermath of Brexit". ■



People and leadership data gives a rounded view of business

A study of financial P&L (profit and loss) produces a one-dimensional view of business success. To get a more rounded view, companies need to understand 'The 2nd P&L' — people and leadership.

A company's most important asset is its people — the ones who give it a competitive advantage.

So it stands to reason that any business needs to keep its employees happy. A study from the University of Warwick demonstrates that happy employees are 12 per cent more productive in their work, proving a direct link between staff satisfaction and an increase in profits. No wonder business leaders are increasingly keen to ensure their workforce is engaged and motivated.

Yet there's a problem. Many companies don't appear to have

a mechanism for measuring the impact of their most important asset — or their engagement, wellbeing and happiness. Human Resources (HR) should be able to but, in many cases, can't. Recently, the CIPD (Chartered Institute of Personnel and Development) found that only 14 per cent of business leaders are happy with the data HR is providing.

"This lack of data restricts an HR's ability to build evidence-based business cases that can influence their agenda in the boardroom — certainly when it comes to investments in engagement and wellbeing initiatives," says Tony Latter, CEO of The Happiness Index, which creates analytics technology which helps businesses succeed through instant intelligence.

Empowering

Using bespoke pulse surveys, The Happiness Index aims to empower HR leaders with real time and



Tony Latter
CEO, The Happiness Index

regular employee engagement intelligence which gives them the insights they need to influence key business decisions. It also makes it easier to mitigate risks and take advantage of any new business opportunities that might arise. The Happiness Index refers to this data as 'the 2nd P&L.'

All business owners will be familiar with the concept of 'P&L' — the profit and loss account. "But looking purely at the financial P&L

to gauge the success of a business produces a one-dimensional view which doesn't take into account its people," says Latter. "To generate a 360-degree view, businesses should look at the 2nd P&L — a focus on People and Leadership and how this impacts business performance.

"By introducing the theory of the 2nd P&L, we hope to help HR leaders create more value in their job roles, build better arguments for investment and hold the attention of the board." ■



PANEL OF EXPERTS



Michael Moran
CEO, 10Eighty



Tom O'Byrne
CEO, Great Place to Work® UK



Developing a winning strategy for employee engagement

Organisations benefit from motivating and engaging their employees – but building a supportive workplace culture isn't straightforward. We asked the experts how best to do it



Read the full expert panel on businessandindustry.co.uk

Why should companies be prioritising employee engagement?

■ Engaged employees are more productive, deliver higher levels of customer satisfaction and are more loyal (and stay with you longer). Surprise, surprise - these are the levers that deliver profitability and shareholder value. Need I say more!

You want to build employee engagement. Where do you start?

■ It sounds very simplistic, but all you need to do is ask the employee. If you understand what is important to them, what motivates them, and what is it they like doing and are consequently good at, and you sculpt their job around those three things, you will have a highly engaged, loyal and most importantly a highly productive employee which in turn will drive profitability and shareholder value. Sadly, most organisations come from the opposite perspective; this is how we want you to do the job, now ensure you meet our requirements. The consequence of this approach is to shoe-horn the employee into what the job requires.

Is there a dark side to employee engagement?

■ No. But what we know is that employees are more likely to be engaged if there is an alignment between their values and the organisational values. We know that integrity is a key driver of employee engagement. Do I believe in what the organisation is trying to achieve? Am I proud to say I work for the organisation? These are key questions employees will ask. Organisations that fail to align themselves to the values of their employees will find a disconnect that will adversely impact on productivity and profitability.

Why should companies be prioritising employee engagement?

■ It's recognised that engaged employees are good for business but the focus shouldn't be performance. It's about recognising the need to create the right kind of environment that people will want to join and be successful in. That's what will help drive performance. And rather than prioritising, engagement needs to be part of how an organisation runs its business.

You want to build employee engagement. Where do you start?

■ You need to recognise that this involves an ongoing commitment to do what's right for your employees, and for your employees to have a say in that commitment. And you need to be doing it because you want to make your workplace the best it can be for the benefit of your employees, not as a way of boosting performance. Only then should you explore how 'engaged' your people are and where you may need to improve to create and sustain a great workplace.

Is there a dark side to employee engagement?

■ There is no universally accepted definition which makes it harder to measure and achieve consistency across organisations. The different levels employees are expected to 'go beyond' – job, organisation, customers, etc. – can lead to burnout. Engagement risks being over-simplified and reduced to a formula where the focus is on performance rather than fixing problems with the way employers interact with employees.

Standing out from the crowd

Having a great workplace culture that great people want to join, stay and succeed in is your greatest competitive advantage.

We can help you create and sustain your own great, engaging workplace culture by focusing on what drives it – trust.

By measuring the levels of trust and assessing your organisation's culture, we can not only identify the real issues you may face but also suggest ways of improving the employee experience. And if the employee experience improves, so does business performance.

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Diarmuid Russell

Vice President
of International,
Glassdoor

Why should companies be prioritising employee engagement?

■ Having a satisfied workforce means your people are going to work harder for you and be more loyal. That's obvious and hasn't really changed. What has changed — because of internet forums, social media and sites such as ours — is that, if you're an employer who isn't doing a good job in this area, it becomes public... and much more quickly than it used to.

You want to build employee engagement. Where do you start?

■ Think about what you stand for as an employer and the key things you want your employees to take away from working with you. Ensure that your messages are in tune with reality. If you say 'we're an amazing company with a great work life balance' but, in fact, the opposite is true, then that message will only fall flat. Recruit people who chime with values of your company. Pay attention to feedback — and be authentic in your response to problems.

Is there a dark side to employee engagement?

■ I can't see any dark side to actively engaging with your workforce. But it's important to understand what an employee engagement strategy is. For me, it isn't about 'happy employees'. True engagement is about employing people who care deeply about what they're doing, and who believe that they can affect change in their organisation because it listens to them, supports them and gives them the tools to do so.



Jeremy Stinton

COO, Buto

Why should companies be prioritising employee engagement?

■ Employee engagement, done correctly, drives productivity and ultimately improvements to the bottom line. The average UK organisation already trails the rest of the developed world in terms of productivity, so those that don't wake up to the need for employee engagement will be left by the wayside in a globalised world. For example, encouraging shop floor input at BAE and creating a more engaged workforce reduced the time to build fighter planes by 25 per cent.

You want to build employee engagement. Where do you start?

■ A key theme recognised by Engage for Success founders David MacLeod and Nita Clarke in organisations with high levels of performance was the notion of 'employee voice' within an organisation. Putting in place mechanisms for employees to feedback and be engaged in conversation is therefore vital. As an enterprise video platform, we are seeing an explosion in desire to facilitate user generated video content; empowering managers and allowing staff to communicate.

Is there a dark side to employee engagement?

■ For me, the biggest dark side to employee engagement is not doing it: Disengaged employees are consistently proven to be less productive. What's more, if you don't communicate with your employees they will do it for you: The rumours they circulate may, or more likely may not, be true. The other 'dark side' is doing employee engagement badly: Insincere, inauthentic comms, for example, can be hugely damaging.



COLUMN



Kate Jones

Chair of the Board,
Institute of Internal
Communication
and head
of internal
communications,
Tarmac

Get 'appy – a great way to engage your employees

The right employee app can play an important role in employee engagement, says Kate Jones, chair of the Board, Institute of Internal Communication and head of internal communications at Tarmac.

Apps have been around for a long time. Yet internal communicators have only recently latched onto the benefits that digital technology can bring when reaching offline people within the workplace.

There are two main types of employee apps: the first uses mobile phone technology to push company information and content to staff. But the other kind — which is more integrated — is better for connecting more effectively with employees, as they can use it to give feedback. Organisations that use such an app to listen to their people — as well as making their lives easier by giving them direct access to systems and processes — will benefit from better employee engagement.

There are issues to overcome in the area of employee apps. Not everyone has access to them, for example. But if a company is looking at ways to become more efficient and improve customer experience, the best way to do it is to tap into the people who do the job every day. That's what apps can do. I hope more internal communicators will explore their benefits as they get better at understanding the drivers of engagement within their organisations. ■

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NEWS



COLUMN

**Matt Manners**CEO & founder,
The Employee
Engagement
Awards

How to engage employees successfully

This question is like asking, someone “What is the meaning of life?” There will be a different answer from everyone you ask.

Although there are many ways to run an engagement programme, there is one common denominator in those that succeed – the leadership must believe that engaged employees are good for the organisation.

Having reviewed some of the best and worst employee engagement programmes across the world, I have tried to distill some key truths.

**What it isn't**

1. **An annual employee engagement Survey** – this is an oxymoron. How is doing anything just once a year engaging?
2. **A ‘warm and cuddly’ initiative that can start and stop** – Engagement is business critical not fluff. It delivers competitive advantage and must be continuous like all other critical activities.

Where to begin

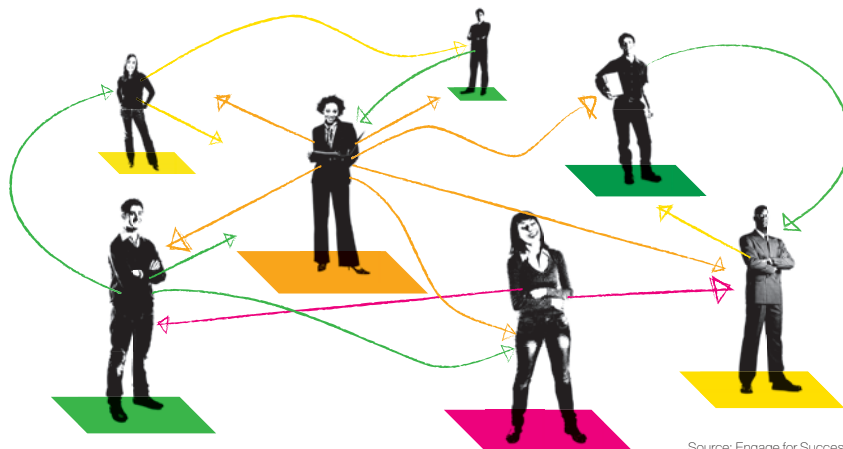
1. **Listening** – whilst knocking the survey above, surveys do have their place but on a regular basis. Listening is a vital first step to engagement - Thinking you know best is a recipe for disaster
2. **Involving not telling** – Having listened prove you’ve listened and that you value the feedback by involving employees in making improvements to the business.

How will it succeed?

1. **Communicating your purpose** – Getting your staff to connect to the purpose of the business is vital. It's something they want and will value
2. **Connecting it to business value** – So many employee engagement metrics exist in isolation of actual business results – or the impact on people. Connect engagement to business performance so the boardroom listens and invests. Will a CEO care if employee advocacy is up if it doesn't lead to an improvement in key business metrics like customer advocacy or revenue?
3. **Ensure that every line manager gets people engaged** – Programmes that don't have the buy-in of line managers rarely succeed because messages get confused. Employees buy-in one at a time and line managers can provide the transparency needed for employees to connect to a common purpose and feel part of an engaged and energised team.



2016 UK EE Awards
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Source: Engage for Success

The secrets to wellbeing, health and happiness

By Tony Greenway

Wellbeing, health and happiness in the workplace are more important than ever – and organisations who put these concepts at the top of their agendas stand to benefit from engaged, high-performing staff.

**Cathy Brown**Executive director,
Engage for Success

The workplace is changing, notes Cathy Brown, executive director of Engage for Success, a voluntary movement promoting employee engagement as a better way to work. “That’s partly because society is changing,” she says. “For example, as a society, we’re far less deferent and trusting than we used to be. That means our bosses now have to earn our respect, as opposed to getting it unquestioningly just because they’re in charge.”

Technology has, obviously, also made a massive impact. “That pace of technological change isn’t going to slow down,” says Brown. “Automation, artificial intelligence, nanotechnology... these things are here, now. They will all have a big impact on work and jobs in the next five to 10 years.”

Valued

In this changing landscape, wellbeing, health and happiness at work has never been more important for both the employee and the employer. It stands to reason that employees who feel well, satisfied and valued are more likely to perform at higher

it matches their own aims and objectives,” says Brown.

Secondly, engaging managers is vital. “Often people are promoted into management positions but aren’t taught how to manage,” says Brown. “Management isn’t an intrinsic skill.” Education, then, is key.

Thirdly – and very importantly – employers must create forums where employees’ voices and thoughts can be heard. “That doesn’t necessarily mean that whatever they say will be acted on,” says Brown. “But there should be a two-way flow between employees and employers.”

Outstanding

And, fourthly, establishing organisational integrity is crucial: company values must be reflected in day to day behaviours, and promises that are made are promises that are kept – or an explanation is given as to why they have been broken. It’s a trust thing.

Unfortunately, in a global ranking of wellbeing, health and happiness in the workplace, the UK doesn’t do well. “In the table of G20 countries, we’re down at number 18,” says Brown. “Organisations have to realise that engagement isn’t something you ‘do’ to your staff. It’s an approach you have to take to your entire business.” ■

levels and, therefore, generate better results for their organisations. “And apart from better productivity and efficiency, a happy employee is more likely to be an advocate for their company,” says Brown.

“Employers, meanwhile, see benefits around decreased levels of sick leave and stress. If an employee is enjoying what they’re doing and seeing it making a difference, they’ll feel a greater connection with the organisation they’re working for.”

Enablers

A starting point for anyone wanting to build a wellbeing, health and happiness strategy is what Engage for Success calls ‘the four enablers of engagement’. The first of these is to think about the ‘strategic narrative’ of your organisation: where it’s come from and where it’s going. “Employees who feel a connection to that narrative will be better placed to see how they fit within their organisation and understand how



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The power of employee voice

Giving employees a voice benefits both employers and their people, says Thomas Bale, assistant director at Investors in People

The figures are shocking: a third of people are unhappy in their current job, and over a third don't feel valued by their current employer.

To address this challenge and create a real culture of engagement, employers need to give their employees a voice, insists Thomas Bale, assistant director at Investors in People (IIP), the standard for people management. "This really means opening up fluid channels of communication to create meaningful dialogue between employers and employees," he says. "There's strong evidence that employees who have a voice feel better connected to their work. As a result, their employers get better returns in terms of productivity."

The right culture

Yet for this to be truly effective, employees need to feel confident that their organisation is open, encouraging and supportive of their views. "Does the culture of your organisation allow people to speak out, to contribute, and to sometimes challenge the way that things are done?" asks Bale. "It's essential that people feel that their voice counts and that the organisation is listening."

The Investors in People standard is built around principles of 'high performance working' which, when observed, can result in organisations achieving sustainably better outcomes than their competitors. This process starts with the senior management. "How

leaders act, behave, and mandate their values and beliefs creates a culture that trickles down to the rest of the organisation," says Bale.

Encouraging employee voice

At the heart of high performance working, however, is the encouragement of the employee voice through seeking out, listening to and acting on employee views. "This doesn't mean that an organisation has to do what its employees want it to do," says Bale. "But it does have to demonstrate that its leadership is listening to its people by inviting feedback."

There are various mechanisms that organisations can use to encourage employee voice. A crucial one is online employee engagement surveys, which ask employees what they think about the organisation and aspects of working life.

Whatever mechanism you choose, it's vital that any dialogue with any employee is meaningful, says Bale. "It's easy to have



Thomas Bale

Assistant director, Investors in People

meaningless dialogue. Leaders can send an email out, do a survey or hold a focus group. But if they're not actually listening to or valuing the feedback they get, then it's all just window dressing. Meaningful dialogue benefits both the employer and employees. Employers can use employee feedback to continually improve – while having their say helps employees feel engaged. Giving employees a voice is a win-win." ■



Investors in People is the standard for people management. To find out more visit www.investorsinpeople.com

FACTS

■ **1 in 3 people** are unhappy in their current job. 39% of employees don't feel valued by their current employer.

(Job Exodus trends, Investors in People, 2016)

■ UK businesses are missing out on **£84bn in efficiency improvements** through poor HR and people management practices.

(The Impact of investing in people report, Investors in People, 2015)



4 STEPS TO ACTIVATE EMPLOYEE VOICE

1. Create the right culture.
2. Let your employees know of opportunities to provide feedback.
3. Explain the benefits to employees of feedback and participation.
4. Use employee feedback to continually improve.



IDEAS TO ENABLE EMPLOYEE VOICE

■ **Online employee engagement surveys**, which asks employees what they think about the organisation and aspects of working life.

■ **Regular face-to-face meetings**, where senior leaders tell groups of staff about changes and developments in the organisation. Invite them to ask questions, express concerns, share their ideas, ask for volunteers to be involved in further thinking and discussions.

■ **"Ideas Street"** – a more modern version of the suggestions box, ideas are posted online so all colleagues can see and vote on them. This provides a clear view of which ideas to progress further if they attract enough support.

■ **"Frontline forum"** – where a senior leader gathers together a representative group of frontline staff to listen to issues that concern them, and discuss and work through possible solutions.

■ **Employee Engagement Champions networks** – where keen members of staff play a major role in supporting their managers and colleagues in engaging activities to improve how they work together.



INVESTORS
IN PEOPLE



COLUMN

**Frances Lee**Portfolio Sales Manager,
HR Summits

Why networking leads to business success

With technology, globalisation, changing workforce demographics and evolving employee expectations, the working world is evolving. The status quo for managing the employment relationship has shifted and HR departments now have a huge opportunity to play a greater role in developing organisations that are fit for the future.

In a constantly evolving market, the importance of networking is paramount. As the market becomes tougher, HR professionals can benefit from actively networking with their peers to share experiences and discover best practice strategies.

Here at Forum Events we've been organising networking events for 20 years, with our London HR Summit this year celebrating its tenth anniversary. Along with its sister event, the Manchester HR Summit, it is designed to draw on the combined skills, knowledge and expertise of the HR community to share and develop coherent strategies to maximise resources and staff performance.

Our experience in this sector means we understand the challenges facing HR professionals across all business sectors. Training, new policies, employment, equality, change management, diversity, conflict resolution and more – these issues are faced by all, and networking at events such as the Manchester HR Summit gives delegates the opportunity to share concerns, challenges and ideas with others. ■

The Manchester HR Summit takes place on February 9th 2017 at the Midland Hotel. Visit www.hrsummits.co.uk

The challenges of employee engagement — and how to meet them

How organisations can create the right strategy for effective employee engagement

By Tony Greenway

"An important way to generate employee engagement is by giving people an effective voice," says Jonny Gifford, Adviser, Organisational Behaviour with The Chartered Institute of Personnel and Development (CIPD), the association for human resource management professionals. You'd better be careful how you do it, however, because if implemented the wrong way it can do your organisation more harm than good.

For instance, earlier in the year, the public were invited to name a Natural Environment Research Council vessel via an online poll. By overwhelming demand — and with brilliant British humour and bloody-mindedness — they chose the name 'Boaty McBoatface'.

It made for some entertaining headlines. But in engagement terms, notes Gifford, it's important to understand why it happened.

Meaningful issues

"Currently, there's something of a cult around 'voice,'" he says. "Everyone is constantly asking us for our feedback and opinions, and we understandably become cynical about that. After the Boaty McBoatface case, many commentators said: 'It just shows that when people are given a voice, they can't be trusted to use it properly.' But that completely missed the point. The fact is that people didn't care enough about the name of a research vessel. They might have cared more about the issue of whether the research vessel should have been built or if the money could have been better spent elsewhere. But they weren't asked about that. They were asked about what it should be called. And that was trivial to them."

So when organisations give their people a voice, they need to make sure they consult them on the issues that matter most. "The question has to be meaningful and it has to be informed," says Gifford. "The agenda has to be agreed with employees, rather than simply set by leadership."

Effective feedback

Another big challenge to employee engagement comes from perceived in-action by employers. "So, as an employer, it's crucial to feedback effectively," says Gifford. "One simple technique used by many employers is the 'You said...' 'We did...' approach to internal communications. This reminds employees about the messages they sent — and highlights the employer's response to them."

Employee development and training is another essential element to get right. "From a career perspective, there is an implicit deal made between

**Jonny Gifford**Adviser, organisational behaviour
with The Chartered Institute of
Personnel and Development (CIPD)

employers and employees," says Gifford. "It's a psychological contract that says: 'If you do this for us, we will give you this set of experiences and help your career in these ways.' People want to feel they are developing professionally and training programmes can be an important part of that."

Because the fact is that most employees want to do a good job for their employer — but need to feel they are working in a supportive culture in order to do so. However, Gifford says that some organisations believe a lack of engagement is down to lazy, disengaged, 'bad apple' employees; and that the solution is inspirational leaders and managers. "That's often far from the truth because in most organisations the employees are inherently motivated," he says. "What gets in the way is management." The challenge for managers, then, is to give their staff more flexibility and autonomy. Unnecessary manual burden can be frustrating and demotivating, so streamlining systems and processes for employees is also beneficial.

Business benefits

Above all, it's important for an organisation to understand what employee engagement really means. "There's been a lot of talk about 'Does it contribute to a company's bottom line?'" says Gifford. "But that hasn't always been a helpful debate, because it misunderstands what 'employee engagement' actually is. It's not just about: 'If you treat your employees well, it will repay your business.' It's not that clear cut."

"At CIPD, we say to employers: 'It's possible that if you pursue a strategy for mutual gain, we believe a win-win employment relationship can work. We're championing better work and better working lives for the good of individuals — and for the good of organisations.'" ■



Why poor employee engagement can directly impact growth and profitability

UK businesses are wasting £60 billion a year on unnecessary admin and tasks that are not directly related to their employees' jobs. This is an extraordinary sum that is impacting not only the health of UK PLC but also employee engagement levels across the country.

It is easy to solely focus on the impact to the bottom line and how businesses can reclaim this lost time. However, businesses must open their eyes to the fact that engagement is also a core part of the problem. Engaged employees are the ones who are prepared to go the extra mile to deliver on business goals and growth. A business full of these engaged employees will be better placed to drive success and competitive advantage.

A workforce in flux

Boosting employee engagement can be tricky for HR teams who are currently facing a perfect storm of challenges. Our working patterns and desires are changing like never before while, at the same time, we are confronted with a fiercely competitive job market and uncertain business climate. New generations are entering the workforce with new expectations around flexible working and technology. Additionally, the future of our EU employees remains uncertain, as does the opportunity to look to Europe to recruit.

Against this backdrop, HR teams need to ensure that employee engagement strategies are

well informed, based on a strong understanding of the challenges faced by employees. To help them, we worked with Coleman Parkes to explore the relationship between employee engagement and business success. The results are documented in our Kronos, **The £60bn question** research, which reveals that UK businesses need to create a level of employee engagement not seen yet in the majority of companies.

Stuck in the middle

Employees are currently torn between meeting customer needs and manager expectations. The research shows that 82 per cent of respondents don't find it easy to complete their daily tasks and a further 40 per cent of employees feel their working lives are too complicated. This complexity diminishes job satisfaction, engagement and feelings of being valued. Simplifying the working day for employees by tackling issues such as absenteeism and internal politics could have a significant impact on engagement.

Small changes create big reward

On average 2.8 hours a week is spent on unnecessary administration, that equates to a figure of £1,932 per employee per year being wasted, or £60 billion overall for the UK workforce. Moreover, the research reveals that employee productivity across the board is seen as a weakness in many businesses — even by employees, of whom only 35 per cent would rate their own productivity as “strong”. Ensuring that unnecessary admin



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“£1,932 per employee per year is being wasted on unnecessary admin”

is kept to a minimum is key to helping people use their working day efficiently, helping them feel productive and motivated.

Why your greatest asset shouldn't be a liability

It's often said that people are a company's greatest asset — we believe this stands true. Yet, 59 per cent of all respondents believe that the CEO is focused on finances rather than employees. Treating employees as commodities will not cut it, especially with new entrants to the workforce who won't stay in an organisation where they don't feel listened to or valued. There has to be a concerted effort to make employees feel like they are more than a number. HR has a huge role to play here, focusing

on building people-centric organisations. However, this also needs to become a priority on the management agenda, empowering HR teams to start shifting the needle on employee engagement.

Bridging the engagement gap

Part of bridging the engagement gap is ensuring that processes are efficient and effective. In the modern working world, a lot of this relies on having the right technology in place. In fact, 60 per cent of respondents suggest that better or more up to date technology would improve employee engagement.

Don't dash for cash

Cash may be king, but it's not everything when it comes to employee engagement. Out of the 11 top reasons why respondents say they would leave their job, remuneration comes ninth on the list.

It takes conversation and collaboration to create an engaged workforce culture and tackle the challenges that make office life complex. Business leaders and HR must commit to building trust and engagement, creating an environment in which employees are motivated to deliver their best. This approach will pay dividends in terms of boosting productivity and sparking the innovation and inspiration that is crucial to gaining and sustaining a competitive advantage. ■



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NEWS

Workplace transparency

— a clear choice for companies

Companies can't fight the power of social media. They need to embrace transparency in the workplace and listen and respond to employee feedback in order to protect their brand

By Tony Greenway

It never used to be that easy to find out what employees thought about their employers. But that was before social media, internet forums and jobs and recruitment sites like Glassdoor came on the scene. These days, trying to keep information within your company's four walls is like trying to hold water in your hands: you can have a go, but sooner or later it's going to leak out.

A quick click of a mouse or a swipe of a screen, and the truth — good or bad — is out there for all to see. According to a global survey of 2,300 employees by PR firm Weber Shandwick, 50 per cent of them had posted something about their employer on social media. This is one reason why employee engagement has reached a tipping point — and why companies need to think about embracing transparency in the workplace.

Strategy

"Today, information wants to be free," says Diarmuid Russell, Vice President of International, Glassdoor. "You can't control it. And once it's in the public domain you can't put it back in the box. That means organisations need to have a strategy to embrace this new world. They need to listen to feedback and be adaptable."

Russell gives the example of digital services and products agency AKQA, who did just that with positive results. "They were getting reviews on our site from some of their employees who had issues with their holiday entitlement," he says. "The general theme of the comments was: 'This is a great company to work for, it gives fantastic perks and it's lots of fun — we just wish we had more holiday time available to us.' AKQA took



PHOTO: GLASSDOOR



Diarmuid Russell

Vice President of International,
Glassdoor

those comments on board and now offers their employees more holiday entitlement. So if you get ahead of the curve, transparency can be a useful tool for finding out what people are saying about you and helping to stop a small issue from becoming a big one." What's important is listening, recognising there's a problem, owning that problem and making changes to solve it, notes Russell.

Impact

Because the fact is that, today, a company's 'retail brand' and its 'employment brand' have merged. This means that if the people who

"Employee engagement has reached a tipping point — companies need to think about embracing transparency in the workplace"

work for a particular company are known to be happy, valued and satisfied, then that can have a positive impact on its brand. If they're not being treated well and are publicly miserable, it can have a negative impact. Having a strategy to counter any negative reviews or comments is, therefore, crucial to the overall health of an organisation.

Yet it's not just negative reviews that an organisation should respond to. "There's tremendous power in replying to a positive review because it reinforces your serious attitude to employee engagement," says Russell. "For example, someone in your organisation

might say: 'I noticed the training programmes have improved recently.' The company can respond with: 'Thanks for that. We noticed training was an issue for us and that our employees wanted better career development — so we've hired a learning and development manager to put a training programme in place.' That sort of thing makes you look fantastic to both the outside world and your internal stakeholders." But, he cautions, an organisation shouldn't engage in spin or PR when it comes to employee engagement. It's important to be authentic and to mean what you say.

Value

There's a commercial imperative to employee engagement, too, because many studies have found a positive link between employee satisfaction and a company's financial performance. Using data from Glassdoor, researchers from the University of Kansas found that a one-unit change in a company's rating on the Glassdoor scale increases its market value by 7.9 percent. "That's a causal link," says Russell. "And we found that the companies on our annual Best Places to Work list outperform the overall stock market by 115 per cent. So employee engagement is a win-win."

What it isn't, however, is a one-size fits all strategy. "There are different ways to achieve better employee engagement," says Russell. "Not everyone employs the same approach. Tech companies are famous for giving out wild and wacky perks, for example — and that might work well for them. But for employees in other companies in other sectors, having a steady job, knowing what's expected of you being paid a fair wage could be enough to drive engagement." ■



Counting the cost of financial stress in the workplace

Workplace education reduces stress and can improve an employee's financial and overall wellbeing, says Lee Coles, Head of Workplace Education at Jelf Employee Benefits

By Tony Greenway

In the UK, money worries are one of the major causes of stress – and this can have a big impact on an employee's wellbeing in the workplace. What's more, if stress goes unchecked it can lead to severe mental and even physical illness, resulting in long-term absence from work.

This is a frustrating catch-22 situation: people with problem debt are more likely to have mental health issues; and those with mental health issues are more likely to have debt problems (source: The Daily Telegraph) – a vicious cycle which is bad for both employee and employer.

Ignoring stress doesn't make it go away, either: employees who 'struggle on regardless' are liable to make a bad situation worse. If they come to work when they are feeling unwell they can be disengaged; and, apart from the longer-term health implications for the individual, employers lose out because their productivity is affected.

Knowledge

Yet employers are uniquely well-placed to help their employees deal with stress – and particularly financial stress – with the offer of financial education. This means equipping their workforce with the knowledge, skills and confidence to manage their money effectively. The advantages

of this are obvious: 93 per cent of employers believe that financial education would be of benefit to their staff (source: Statistica 2015).

Unfortunately, financial education is often seen as an additional employee benefit, rather than an essential one. Lee Coles is Head of Workplace Education at Jelf Employee Benefits, the independent insurance broker and financial consultancy which provides strategies that specifically target issues relating to financial stress and helps with productivity and profitability. Coles believes that financial education has to be seen as a 'must-have' for the good of an organisation and its people.

Development

"Employers have a tendency to provide support and personal development opportunities related solely to employees' job roles, because the value of that investment is clear," he says. "Yet there is evidence to show that financial education should be a priority and a vital life skill from which everyone, including employers, can benefit."

Employers need to take a more holistic view of an employee and see them as an individual, not just a worker in their business, he says. "It's important for employers to recognise that employees have lives outside of work, and that elements of their lives – such as problems with debt or caring for



Lee Coles

Head of workplace education,
Jelf Employee Benefits

older relatives – can have an impact in the workplace. The way to fully support an employee's wellbeing is to ensure development opportunities which cover both vocational training and life-skills."

Ideally, financial education training should cover the needs of an entire workforce; although it should be remembered that each individual's financial situation is unique and will vary based on issues such as age and proximity to a planned or expected retirement age. Yet everyone can benefit from general financial knowledge, such as debt management, budgeting basics, moving home, making big financial decisions, and planning for the future. The Jelf Employee Benefit service covers the full spectrum of these issues and many others including Annual

Allowance, Lifetime Allowance, Pre-retirement etc.

"Face-to-face education can be beneficial because of the human interaction it provides," says Coles. "In these environments, employees have the opportunity to learn from others' experiences, concerns, suggestions and ideas, and ask questions of a finance professional."

Online

To complement face-to-face learning, employees can also undertake online training courses and choose for themselves when they will learn and at what level, setting their own pace and focussing on what's relevant to them personally. Online education can also be a cost-effective option for employers who have large numbers of employees or who are dispersed across many locations.

"Supporting your employees' wellbeing inside and outside of work is good for your business," says Coles. "That's because if your employees know how much you value them and care about them, they are more likely to be engaged at work. If their overall wellbeing is improved, they are likely to be more focused and productive, which is also beneficial to your business." ■

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