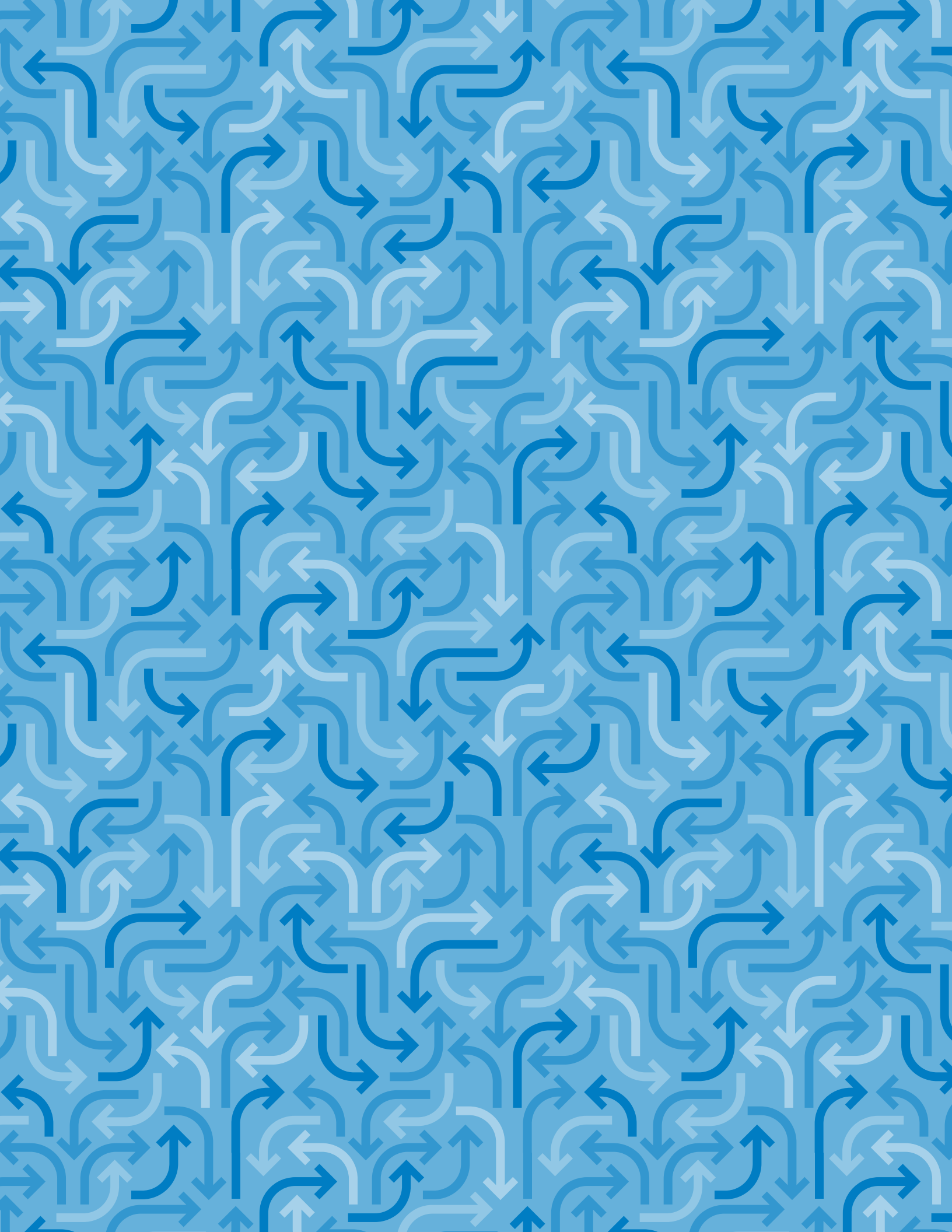


Randstad's guide to employee engagement



*Understanding employee engagement:
Why it matters to your business recovery*





As the economy continues to improve, the most progressive leaders are thinking about what they can do to make a difference now – to increase productivity, retain the *right* people, and drive overall performance improvements to ensure sustainability in the years ahead.

Employee engagement, a significant driver of productivity, is more critical than ever. The companies that will perform well will nurture the factors that make their employees feel happier at work, more connected to overall results, and more motivated to make a strong contribution.

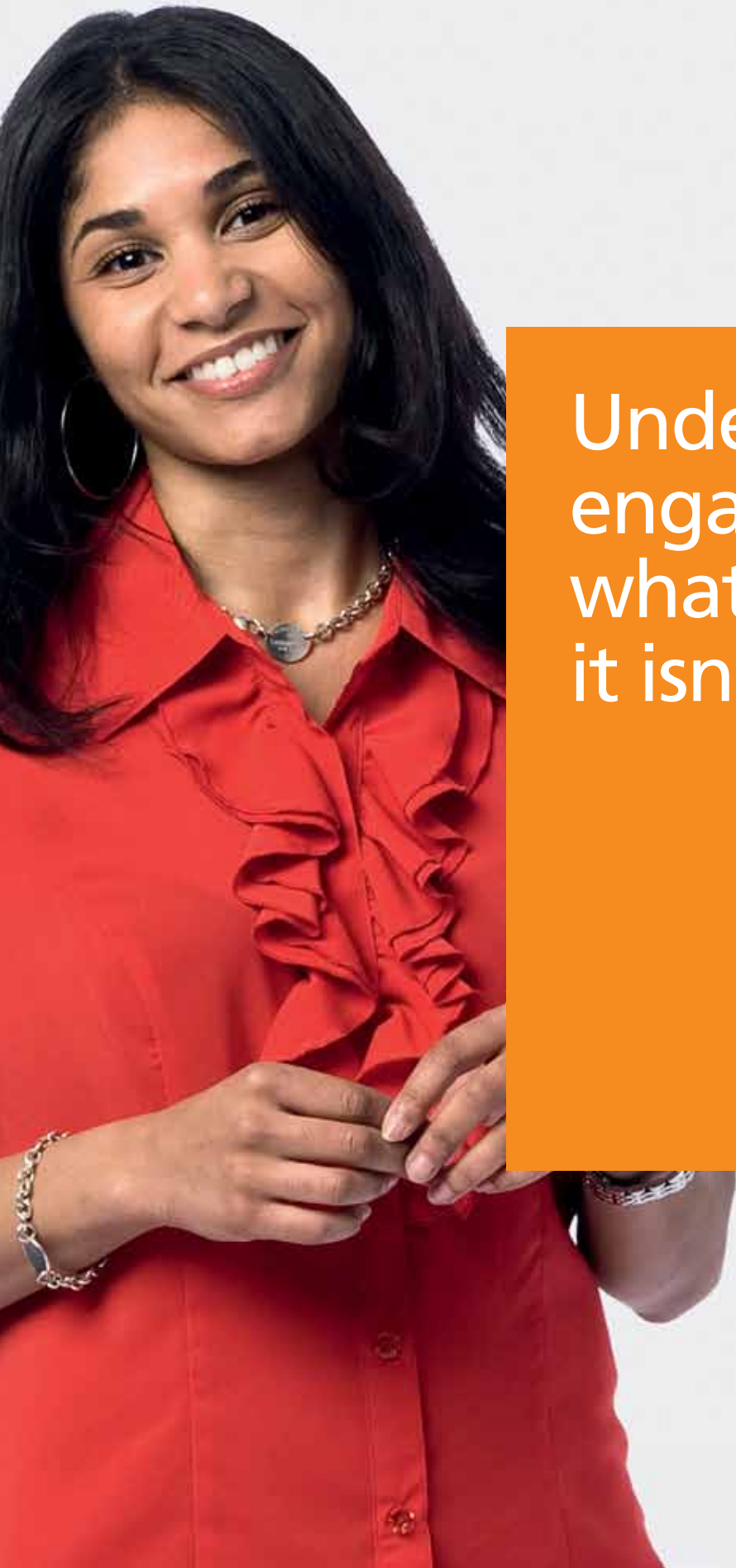
Such companies will have a culture that makes it clear that engagement is a responsibility of *all* leaders – while “ownership” of engagement should be top down. Senior leadership should be in the driver’s seat – ensuring open communication, endorsing surveys and other feedback, driving improvements, and ultimately creating a culture where engagement is valued and prioritized.

Yet, with sales still lean and budgets tight, employers have ongoing decisions to make about where to reinvest to improve engagement. While there are some common trends, specific improvements are unique to each firm. So, the process begins with an understanding of current engagement levels, asking the right questions and taking the right steps to drive better results.

As we explore employee engagement in this report, we will cover the following topics:

- Understanding engagement and why it matters to business recovery
- Assessing the risks if companies do not pay attention
- Measuring engagement and why that is important
- Determining investments to improve engagement
- Making employee engagement work best for your organization

And, at the end of this report, we will provide tools and tips that you can use to assess and improve engagement.



Understanding engagement – what it is & what it isn't

In today's recovery economy, it seems everyone is talking about engagement whether they realize it or not – either by name or as they talk about the themes of employee satisfaction and commitment to doing their best at work. It is not uncommon to hear people talking about their own satisfaction or dissatisfaction with today's working world. In management circles, in the publications we read, and on TV – even in coffee shops, on the subway, and in our neighborhoods – we hear people talking about employee morale, how they feel about the places they work and about their jobs overall.

Negative messages are often about people feeling overworked and undervalued. When we hear about people that are happy and motivated at work, it is frequently about a highly regarded company that creates an enjoyable workplace known for healthy communication and good leadership. Most of us listen with envy – as we either want to be those satisfied employees or the leaders of the company that has such a positive environment.

Within leadership and human resources circles today, the term “engagement” is a pervasive term in publications, presentations and everyday discussions. It is used in various ways, some of which may not align with the current meanings articulated by experts in talent management and workplace dynamics. In one of the most commonly accepted definitions, The Conference Board states that employee engagement is “a heightened emotional connection that an employee feels for his or her organization, that influences him or her to exert greater discretionary effort to his or her work”.

Such definitions make it clear that engagement is not a radically new idea – it's a newer name, a current “framework” for a timeless concept that best in class companies know well. For most people, the word brings to mind ideas of employee morale, motivation, loyalty, commitment, satisfaction, performance and more.

Particularly in the aftermath of cost cutting in the workplace and business declines that make individual productivity and commitment more important than ever, engagement by any name is top of mind for the workforce and employers alike.

Engagement – what it isn't

Engagement can be a confusing topic because it is based upon feelings and motivations while being so connected to many other individual and organizational factors. Below we will address some of the more common misperceptions.

Engagement is not something we are born with.

While some people are naturally predisposed to being positive, enthusiastic and committed – dedicated to what they do and the companies they do it for – they are not “born” with engagement. Engagement is uniquely tied to the combination of the employees and their current employer.

*Engaged employees stay for what they give...
disengaged employees stay for what they get.*

Engagement is not portable.

Because it isn't just about you, engagement isn't portable. You cannot take it with you. You can take your level of enthusiasm, your predispositions and attitudes about work to your next job. However, each firm's employee engagement level is unique and specific to that point in time.

Engagement is not constant.

As workplace dynamics shift, financial pressures shift up and down, leadership changes, layoffs or hiring takes place or many other changes occur, a company's level of engagement will shift. However, engagement should not swing widely up and down over short periods of time. And, improving it is often a gradual process.

Higher pay alone does not inherently increase engagement.

There is truth in the idea that people are more satisfied when they receive meaningful pay for their work. It is also true that people tend to be more focused on results when they have some control over their compensation – in other words, when there are clear ties between the work they do and the rewards they can achieve.

However, even for those motivated by money, engagement is not driven by pay alone. As you consider the relationship between pay and engagement, ask yourself this question: Even for the money motivated, does having a good salary or variable compensation alone make people feel satisfied, loyal and want to perform at their best on an ongoing basis?

Retention isn't engagement.

It is a common misperception that high levels of employee retention mean that a company has a highly-engaged workforce. Before agreeing with that conclusion, managers should ask themselves questions such as the following:

- What do you know about your employees in terms of attitudes and satisfaction? How do they feel about you as an employer and their work at your company? And, are they highly motivated to perform well?
- Why are employees working for your company? What is the general unemployment in the area? Are employees limited in terms of options available to them? Do you know why they are working for you and not somewhere else?
- What do you know about employee performance and is it linked to organizational performance and goals? How do you measure productivity per employee?

Knowing the answers to such questions will help leaders work through perceptions about retention that create a bias for too strongly correlating the two.

In general, there are many factors that impact a person's decision to stay with a company at a specific point in time. According to the BlessingWhite Employee Engagement Report of 2008, "...engaged employees stay for what they give (they like their work); disengaged employees stay for what they get (favorable job conditions, growth opportunities, job security)."



Positive factors for remaining at a job often include desirable job content, open communication, good leadership, ability to shape ideas and processes, etc. However, in the current economy, other factors have greater influence than ever before, particularly as employees are often concerned about the following:

- Leaving the “stability” they have at their current jobs for something unknown
- Starting to look for work in a high unemployment economy, and
- Creating financial instability at home where a spouse or others may be unemployed or at risk in their current jobs.

Engagement – what it is

Because engagement is tied to so many factors, there is no simple definition that is used even by the experts in talent management. Following an in-depth study, The Conference Board created the previously mentioned definition that blends the varied views of engagement and is perhaps the most universally quoted today.

Employee engagement is “a heightened emotional connection that an employee feels for his or her organization, that influences him or her to exert greater discretionary effort to his or her work”.

So, engagement is really a state of mind. There is no singular driver of engagement. It is a woven set of motivations and satisfaction that your workforce holds based upon factors tied to their attitudes, motivations and desires as well as your organization, culture, communication and leadership.



Drivers of employee engagement

There are several commonly noted drivers of engagement that pertain to communications, team environment, ties of individual performance to overall company performance, and more. Widely cited is the Conference Board's synthesis of "8 key drivers of engagement". These drivers offer targets for development:

- ▶ Trust and integrity – How well managers communicate and 'walk the talk'.
- ▶ Nature of the job – Is it mentally stimulating day-to-day?
- ▶ Line of sight between employee performance and company performance – Does the employee understand how their work contributes to the company's performance?
- ▶ Career growth opportunities – Are there future opportunities for growth?
- ▶ Pride about the company – How much self-esteem does the employee feel by being associated with their company?
- ▶ Co-workers/team members – They significantly influence one's level of engagement.
- ▶ Employee development – Is the company making an effort to develop the employee's skills?
- ▶ Relationship with one's manager – Does the employee value his or her relationship with his or her manager?"

Characteristics of engaged employees

It is commonly agreed that engaged employees share certain general characteristics pertaining to their passion about their work, enthusiasm, how their talents are used and other factors. A snapshot of such views comes from the BlessingWhite Employee Engagement Report of 2008:

- "Engaged employees are not just committed. They are not just passionate or proud. They have a line-of-sight on their own future and on the organization's mission and goals. They are 'enthused' and 'in gear' using their talents and discretionary effort to make a difference in their employer's quest for sustainable business success."
- "Although North America has one of the highest proportions of engaged employees worldwide, fewer than 1 in 3 employees (29%) are fully engaged and 19% are actually disengaged."

The Gallup Q12 Index, which measures "a dozen factors that are known to affect engagement", indicates that engaged employees exhibit similar characteristics such as enthusiasm, high levels of performance on an ongoing basis and commitment to what they do.



How does
engagement
benefit me
and *my* business
recovery?

According to most experts, employee engagement is closely tied to individual, team and organizational performance influencing such factors as the following:

- Productivity
- Customer service and overall quality
- Support of organizational mission
- Loyalty and desire to remain at a company

With this in mind, companies should recognize that there are many reasons to pay attention to employee engagement. Every leader has an opportunity to positively impact engagement within his/her area of influence which will improve performance, cost management, customer service and other factors as a result.

Some of the more significant and universally applicable ideas about engagement are as follows:

Engaged employees are more likely to be top performers.

According to a 2008/2009 Watson Wyatt study, highly engaged employees are almost 80 percent more likely to be top performers. They also miss work less frequently – at 20 percent fewer days of work missed.

Employee engagement absolutely impacts business performance.

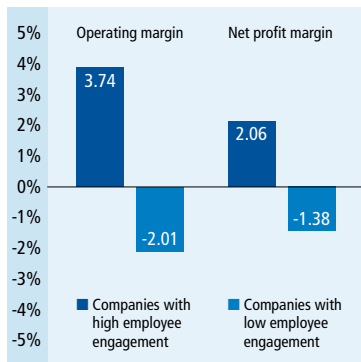
Countless sources have linked employee engagement to productivity. Perhaps one of the more well known sources is Gallup. According to Workforce Management Magazine (Feb. 2010), a report based on the Gallup Q12 Index indicated the following:

- ▶ Organizations with high engagement scores exceed their peers in nine areas of business performance...
- ▶ Organizations with the highest engagement scores in Gallup's database have an 83 percent chance of achieving above-average business performance.
- ▶ By contrast, organizations at the lowest levels of engagement have a 17 percent chance.

Even in the best of times, a workforce that is not satisfied and driven to perform at its best means the organization is performing at a fraction of its potential. The organization is therefore spending more to create and deliver products and services than necessary – an impact on profitability that most companies cannot afford.

How engagement affects financial performance

Three-year study



This 2007-2008 Towers Perrin Global Workforce Study examined engagement data from over 360,000 employees.

Only the future will tell which influences will carry the most weight.

The dynamics of today's workforce are complex. Most employers are concerned about productivity, as well as potential turnover, when more jobs become available elsewhere.

- The 2010 Randstad Market Monitor Survey indicated that the majority of companies surveyed, over 80%, made cost cuts related to employees in 2009.
- More than 60% reduced staff, 51% froze hiring, and 46% froze salaries.

Cuts made by companies as a result of the economic downturn



2010 Randstad Market Monitor

In the wake of such reductions, it can often feel like those that remain employed after layoffs are worse off as they deal with the psychological effects of losing their colleagues, as well as burdens tied to increased workload, new tasks and strapped resources.

On the other hand, many of those that have remained employed have strong feelings of loyalty to their current employers and/or are glad to have a relatively stable job in today's economy. It is unclear if these feelings will endure and to what degree.

It is also possible that we may be faced with a double-sided "grass is always greener elsewhere" scenario. As the economy improves, employees may look for opportunities elsewhere and employers may seek new staff – as both search for something "better".

The lack of jobs has left portions of the workforce chronically unemployed and the impact remains to be seen.

- ▶ The true attitude of the unemployed workforce is unknown because of the current climate. Will they be disgruntled or will they be so glad to have jobs and want to keep them that they will return to the workplace re-energized and motivated?
- ▶ The attitudes of these workers once integrated back into the workforce will be clear once the shift upward really begins – and will be highly dependent upon the environment at the specific company and the characteristics of the jobs they are able to find.



The risks:
weighing the
impact of
engagement

In today's environment, employers that do not pay enough attention to employee engagement will be faced with a number of challenges and risks. Some key considerations are outlined below:

- Lack of engagement has a negative impact on productivity and performance. On the other hand, companies that pay attention to engagement will have the opportunity to perform even better than they are today. They will ultimately drive better organizational and financial results, higher output per person, improved customer satisfaction, and more.
- Without an engaged workforce, companies will be unable to generate and absorb increased demand. Employers continue to be focused on building sales to ensure business success. Engagement is critical to being able to handle that increased demand without excessive increases in costs.
- Low levels of engagement can be "infectious". As companies begin to hire to support increased demand, new hires can be impacted by existing employee morale and issues which will have an even greater impact on performance.
- As the economy shifts, there will be attrition if the experts are right. While all turnover is not bad, losing high performers will result in the loss of important knowledge and history while increasing costs tied to identifying replacements, training and other key factors.

The three types of employees

1

Engaged employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.

2

Non-engaged employees are essentially "checked-out." They're sleepwalking through their workday, putting time – but not energy or passion – into their work

3

Actively disengaged employees aren't just unhappy at work; they're busy acting out their unhappiness. Every day, these workers undermine what their engaged workers accomplish.

Gallup Management Journal October 2006



Determining level
of engagement:
how do you know
where you stand?

Individuals are motivated by different things – and there is a greater than ever mix of people in the workforce.

Each of us brings perceptions about what engagement is and how to “get it” – an individual **engagement paradigm** – shaped by what we hear and read, as well as by our own experiences. Companies also have an “organizational memory” based upon past employee successes, issues and performance. Such paradigms can impact views of the company’s current level of engagement and how to make improvements where they matter most.

If you do not have an approach to measuring the factors that tie to engagement, it is important to start with a baseline of where your organization is today. In doing so, you will be able to begin adjusting the levels after you agree upon what needs to be shifted and to what degree.

Start by clearing the paradigm

Letting go of your past perceptions and getting an accurate read of where the organization stands today is the beginning of shaping a new future. So much is changing in the working world that a good rule of thumb is to realize that nothing is the same as it used to be. Key reasons are:

- *Individuals are motivated by different things – and there is a greater than ever mix of people in the workforce.* For the first time, there are four generations in the workplace. Diversity is also common in terms of nationality, age, race and more.

However, motivation is also personal – and leaders need to take the time to understand their employees, their interests and what motivates them as individuals.

- *We do not know the true, long-term impact of chronic unemployment and enduring cost cuts.* We don’t know what the impact and attitudes will be of people returning to the employed workforce. They could be more motivated to perform or less.

Additionally, among those that have remained employed, there has been a mixture of feelings and experiences: gratefulness to retain jobs, in addition to a period of stress and overwork due to workplace changes. The question remains: are people permanently “burned out” in a sense – or have attitudes shifted about work? Time will tell.

Getting measurement right

While there is no exact science to measuring engagement, it is undeniable that learning more about your workforce begins with effective listening at every opportunity. A blended approach incorporating formal and informal methods to gather information on an ongoing basis will give you the right mix of input.

Recommendations for measuring engagement are as follows:



- *Use both informal and formal methods of input.* Feedback from casual discussions with informal leaders, as well as others in the company, is a good complement to formal feedback from surveys, focus groups and other means.



- *Take the time up front to make sure you are asking the right questions.* The only way to ensure you get meaningful information to act upon is to make sure you’re asking questions designed to give the right type of response. You may choose to use a professional to help you craft questions. Alternatively, survey tools are available online for little or no cost.



- *Measure periodically and keep track of changes over time.* When you monitor the same factors over time, you will know more about which actions are working and which are not. At a minimum, an annual survey is recommended. Some firms choose to do a brief subset of questions or cover a specific topic every quarter or twice a year.
- *Take the right action on the results.* When you analyze survey results, make sure you are taking action on any areas of concern that can be addressed. Of course, costs and resources may prohibit implementing deep improvements across all areas. Most importantly, employees must see key items addressed and investments made. In addition, make sure that the solutions you craft truly address the concerns at hand.
- *Make sure you are publicizing results and what you've done to improve in key areas.* Any improvements based upon employee suggestions or concerns are opportunities to market your appreciation and responsiveness, as well as the specific changes implemented.



How you communicate is just as important as the changes themselves. For example, if people are unhappy, it would not be beneficial to say "95% of people intend to leave when the economy shifts because they feel that...". Instead, you could address the same findings by focusing on the results: "We heard in our last survey that people wanted more opportunities to give input about [insert your details], so we [insert your changes]".



Methods of feedback

As a component of your measurement, feedback about employee attitudes, feelings and beliefs that are known drivers of engagement can be obtained through various methods.

- *Surveys*
- *Feedback sessions, focus groups and advisory panels*
- *Informal networks and influencers*
 - Informal networks can provide an immediate gauge to your employees' feelings and attitudes. These networks must be cultivated and must trust you – and you must communicate with the key stakeholders involved on an ongoing and informal basis.
 - For example, you may recognize that specific managers in various departments are closely connected, work together on projects and socialize outside of work. Interacting with key people in such networks will give you insights across the organization and are useful when combined with measurement that includes formal feedback methods. In addition, such networks can be used to test the reaction to potential ideas and programs designed to address concerns.

As previously noted, leadership should "own" the gathering of feedback, as well as making improvements.



Key actions to improve engagement

Companies that want to effectively manage their recovery will take action in a number of key areas that will drive the most improvement at their own organizations. Starting with what they learned from measurement, each firm should develop an action plan that addresses factors that influence engagement with the following thoughts in mind:



Small changes in the right areas can make a big difference.

As companies see business volumes rise, money and effort will need to be invested carefully to drive sustainable profitability. Awareness of the current state of engagement, productivity and capacity will help employers determine what to do next, including how to respond to increased sales and customer requirements.

For example, factors that make a big difference in engagement, such as communication and leadership, can be influenced by training of leadership and other employees at relatively low costs. According to a 2010 Randstad report, while less than 10% of companies made cuts in training, almost 70% of those that did cut training plan to restore it in 2010.

Allocations of existing training dollars and other restorations need to be made carefully to ensure investments are made where the company needs them the most. The key is assessing what is most important to your workforce and making a mixture of adjustments that address those issues.



Restore cuts and adjust pay and benefits as needed – carefully.

According to a recent Randstad study, the majority of companies plan to restore cuts that directly impact employees financially. In fact, companies that made cuts which impacted salary and bonuses plan to restore those to some degree in the year ahead (87% and 80% respectively).

Companies that plan to restore cuts should do so carefully with an eye on both the market and internal factors. Pay, as well as other rewards, should be clearly linked to performance. The absence of appropriate pay can cause employees to feel undervalued and disenfranchised, thereby eroding engagement and ultimately impacting performance. However, providing compensation increases alone as addressed in this study does not guarantee high levels of engagement.



Communicate frequently and in various ways.

Communication is a critical factor for recovery and ongoing organizational health. Particularly in the current economy where cost cutting and layoffs have been the norm, uncertainty and fear about what is coming next is not uncommon. Workers can be distracted from their jobs by concerns about who will be let go next and when. With an absence of information, people fill in the gaps with assumptions, some of which may be detrimental to performance.

With this in mind, the following approaches are important:

- Communications should be ongoing, formal and informal, one-way and two-way.
- Leaders should involve all levels of the organization and interact with them as often as possible.
- Open and honest communication about the company strategic direction, goals, successes, and issues will reduce uncertainty about what is ahead.
- Communicating appreciation for contributions on a regular basis – with specific feedback on performance – will help individuals feel valued for the work they do.



Link organizational goals, team performance, individual roles and rewards.

Employees need to feel their skills and the work they do have meaningful impact and are valued.

- Leaders should share company performance on a regular basis, outline how people are contributing to overall results, and provide ongoing performance feedback.
- Clear links between organizational goals, team performance and individual roles are important. These links also result in better teamwork, more dedication to initiatives and shared values.
- Rewards and recognition should be tied to individual, team and organizational performance.



Give opportunities for employees to advance and grow.

Various studies indicate that opportunities for advancement and growth drive engagement. In fact, a 2010 Randstad study revealed that 39% of those surveyed rated “offer me more growth and development opportunities” as one of their top three factors that would motivate them to stay with their current employer regardless of other factors.

Depending upon organizational structure, attrition and true opportunities for promotion, companies may need to be creative to fulfill these needs.

- Organizations should consider cross training and job sharing to promote learning and growth.
- Creating mentor programs – where employees can be mentored or mentor others – can have a big impact at low costs.
- Leaders should also assign special projects to enable people to learn and shine in their current positions.



Listen to ideas and solicit employee input.

In the past, most employees would consider opportunities elsewhere if their ideas are listened to. Now it is left to be seen what the workforce will do after periods of uncertainty and chronic high unemployment rates that continue to make jobs scarce. Regardless, the benefits of employee involvement are undeniable, as countless stories of cost savings, as well as quality and productivity improvements, exist within companies who actively solicit ideas from their employees.



Be clear on the role of leadership and educate leaders.

Leadership has a vital role in the creation of corporate culture, ensuring performance and driving employee engagement. According to the 2007-2008 Towers Perrin Global Workforce Study:

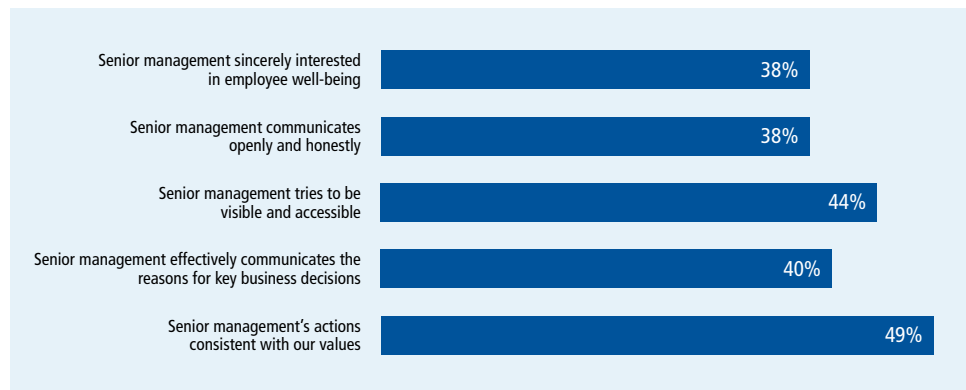
- The top engagement driver both globally and in the U.S. is employees' belief that senior management has their best interests at heart.
- Only about four out of 10 respondents believe that 'senior management have their best interest at heart' in their organizations.
- More than half also felt that senior management 'treats us as just another part of the organization to be managed' or 'as if we don't matter'.

Companies need to invest in training that helps leaders be prepared for the role of leadership while inspiring the workforce. Leaders should be assessed and provided feedback on their performance so they can improve how they work with their teams.

How employees rate leadership on key behaviors

% of respondents agreeing with statement

(in descending order of importance of behavior in driving positive perceptions of leadership)



2007-2008 Towers Perrin Global Workforce Study



Adjust talent sourcing, selection and integration of new hires.

Because of the number of people on the market today, it is even more challenging to identify the "right" people for your team when you do have attrition. Internal workforce planning is more important than ever to determine what skills and characteristics are needed to ensure optimal performance while driving the team and culture-related aspects tied to engagement.

- Employers should consider assessments during screening and selection processes, as they can result in hires that better fit company culture and needs.
- Employers should take steps to reduce the uncertainty of the first 90-180 days of work. New hires should be integrated into the workforce with consideration of factors that improve engagement. For example, being part of a team and fitting in are often cited as contributing to general happiness. A mentor or buddy system is a low cost initiative that can address this need.

- Careful attention should be paid to ensure job descriptions correctly outline the requirements of jobs that may have changed during the economic flux and workforce downsizing. New hires should be surveyed about their experience before and after their start date and to determine if the job is as described, then adjustments to processes should be made accordingly.

Pay close attention to workload and consider alternative work arrangements.



As business demand continues to increase, employers should consider alternative work arrangements to get the job done without placing excessive demands on their workforce. Alternatives can also help employers postpone making commitments to increased costs for the long-term. Where the benefits are clear, companies should consider the use of interim executives/managers, contractors, outsourced arrangements, temporary staff, virtual employees and job sharing.



Take steps to encourage community involvement and social responsibility.

Studies indicate that workers are happier and feel more satisfied with their current employer when that employer is aligned with their values. Employers that encourage community involvement and support activities through:

- Paid volunteer time
- Hosted events on site
- Donation drives
- Programs that benefit from helping employees nourish their desire to be part of the greater good

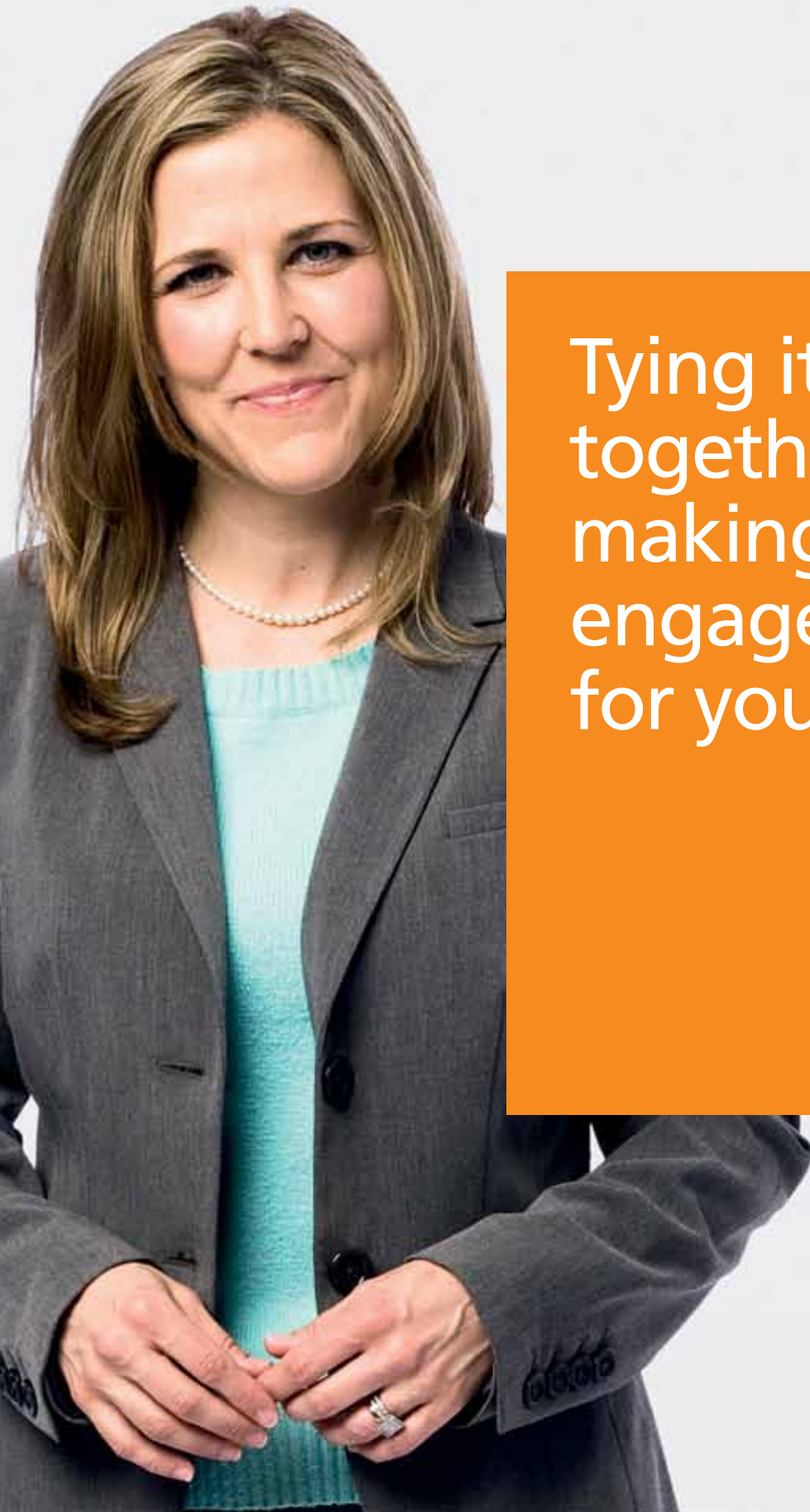
Green initiatives also benefit the company financially – and include such approaches as recycling programs, promotions for ride share or public transit, use web conferencing, teleconferencing, reducing paper, direct deposit, and other alternatives.

Talent Management Magazine (December 2009) indicates that “According to a 2008 nationwide survey completed by the Marlin Co., which specializes in workplace communications, almost 78 percent of U.S. workers indicated it was important to them that their employers are going green in a significant way.”



Consider wellness programs and related benefits.

People are stressed more than ever about pressures at work and at home. The use of employee assistance programs has continued to increase, with more and more issues around financial concerns, as well as uncertainty and stress in the workplace. Such programs help minimize concerns about work and support overall well being. While there are cost considerations, the productivity benefits can outweigh the costs, particularly for an employer with a large workforce.



Tying it all
together –
making employee
engagement work
for you



Understanding employee engagement is an important key to business recovery. In fact, in a recent survey, Randstad asked employers about rebuilding their businesses in the year ahead. Results were clear that employers view the workforce as the key to their recovery.

With this in mind, successful employers are managing their own recovery by investing in basic employee needs to drive engagement, retention of the right people and improvement of their knowledge base. Companies that start by understanding their level of engagement today, setting up ways to measure it over time, and acting appropriately on what they learn will realize better overall performance.

Employers will benefit from considering the key factors below as they work to improve engagement.

A common, clear language will help to clarify your values.

It is often said that what you talk and think about, you will become. Having a common language within an organization is important to advancing in the same direction. So, companies should develop a consistent way of speaking about engagement. They should be clear about what they value as the most important influencers to contribute to organizational performance and growth.

Also important is clear articulation of the values of the company to provide a guiding force for decisions and interactions. Such values should pertain to quality of output, service to customers, respect for co-workers, and others.

All retention is not good and all turnover is not bad.

As previously addressed, retention is not engagement. While it may be painful, companies will need to continue to assess their current employees in the months ahead and make staff adjustments as needed. More than ever, companies need a team that is able to remain positive and committed to getting the job done. Some may not be able to get behind the shifts of the past at their current employers – or, in other cases, work may have changed or performance may have declined. Regardless, there is no question that retaining the wrong people will be costly in both the short and long term.

Furthermore, while all turnover is not inherently bad, a company is at risk if it is losing the very people it wants and needs to retain. Emphasizing the varied motivators for the workforce, a March 2010 Randstad survey revealed that many adults would make a change to another company, even without a salary increase.

“Despite the importance that workers place on getting a pay raise, many working adults would opt to work for another company if offered a job with the same pay.”

“Over a third (37%) say that they would be likely to switch companies if they could, even without a salary increase (14% very likely, 23% somewhat likely).”

There are no substitutes for real engagement.

As companies reinvest by restoring cuts made since the economic downfall, they need to be very mindful of where they are spending their funds. While raising pay may seem like a quick way to retain key staff, it is not the only solution and careful considerations should be made before doing so, including review of market data, gaining more understanding of your current workforce, etc. Paying far above market also can create a false sense of engagement as retention figures may stay positive for a period, then not be sustainable over time when other companies rebound.

So, particularly in today's economy where people face unprecedented financial pressures and many employers have cut pay to stay in business, you may get retention for a period of time but you will not get engagement from pay alone. You may very well get a workforce that is tied to their jobs simply because they cannot make more elsewhere – a workforce that is staying at the company due to “golden handcuffs” that you have in essence created.

Leaders should recognize that people may be motivated and rewarded to do only the tasks they need to do to drive their pay – then the rest is up to the individual to do if they feel the commitment and purpose to do so. Improving the factors that positively influence engagement is critical.





Make an action plan, measure, act on results and listen.

Assess your organization's level of employee engagement and determine where to invest your time and resources to make a difference. Measure and monitor your progress. Ensure you have the right linkages between organizational results, team results and individual performance – and the right rewards. Communicate what you are doing to improve and respond to feedback. Listen to what people have to say about the results.

Be flexible.

As the economy continues to improve, employee attitudes and behaviors will continue to evolve. Companies need to remain flexible about the changes ahead and need to have contingency plans in place to respond to whatever comes their way. While it remains to be seen if there will be massive turnover, as many suggest, will occur when more jobs become available, employers should be prepared to adjust staffing levels and have other action plans so they can respond quickly to changes as well as growth.

Think of engagement as a “sustained courtship”.

Because employee engagement is so critical to organizational performance, perhaps it is time for a new view. The term “engagement” brings to mind people that are committed because they want to be, not because they have to be – and thoughts about courtship, joy, anticipation and positive expectations for the future.

Companies that want to perform at their best may want to start with a shift towards thinking about employee engagement in this context. A new view of engagement, therefore, may start with an idea of the employee relationship as a sustained courtship period – where those involved listen to each other, focus on each others' needs and interests, pay attention to verbal and nonverbal cues, identify and work towards common goals, and work hard at mutual communication.

Shifting your paradigm to thinking of engagement in terms of a “sustained courtship” with employees could lead to a mutually satisfying match that will endure the tests of time.

Employee engagement measurement

Creating an employee survey

Assessing employee engagement should begin with a survey to determine current levels of engagement and what needs to be addressed at your company. There are a wide variety of tools available to measure engagement – from simple online surveying tools to complete consultative services from professional HR and research companies.

Low cost, online tools are available if you wish to create and execute your own study. You may not be able to obtain results that are as multi-dimensional as more expensive, externally-produced tools are, but the study will be a good benchmark for you to start addressing your company's engagement issues.

If you wish to make the investment in a more robust and full engagement study, there are many companies who have extensive experience in employee research studies. They will meet with you to determine your organization's goals, results, culture, and perceived issues. After recommending study questions and reviewing deliverables, they will execute the survey for you.



Examples of questions for internal survey

Below is a list of potential questions you may include in an internal survey. In general, when open ended questions are used, employers should include a list of options (e.g. always, often, some of the time, never) to enable compiling of results.

How satisfied are you with your position?

How often does your company update you on overall financial goals and performance?

Are your rewards linked to your individual performance? Are they tied to organizational performance?

Do you feel you have enough freedom to do your job well?

Do you feel you make a contribution through your job?

Do you feel you get specific and adequate feedback on your performance?

Do you feel you are adequately compensated for your work?

Do you feel you have someone you can confide in at work?

Do you feel that your ideas are listened to?

How often are you encouraged to take initiative?

How would you rate communication at your company?

How satisfied are you with the quality and amount of communication with managers and senior leadership at your company?

What improvements would you like to see in terms of communication?

How likely are you to grow and develop in your job?

How likely are you to change companies for a similar job and the same pay?

If you would consider a similar job at the same pay elsewhere, why?

Employee engagement: a leadership self-assessment

A self-assessment can be used by leadership within an organization to begin exploring factors tied to engagement. It is highly recommended that the assessment be completed and/or discussed in a group environment. Reviewing group responses will help leadership to identify both risks and opportunities to improving engagement at their company. And, when combined with employee feedback, the employer can begin to create an action plan for short and long-term changes.

Below are examples of key questions pertaining to employee engagement that can be used in a self-assessment exercise. Organizations should use a combination of research and a self-assessment to determine where they stand today and begin to formulate the right action plan for the future.

How satisfied are you with your company's level of productivity?

Do you conduct regular employee surveys?

What are the current concerns? Do they indicate your company is at risk and how?

How have you acted on findings – and have survey results positively changed over time?

Do you conduct exit interviews and, if so, are the results telling you that your firm is at risk?

What do you know about your employees in terms of attitudes and satisfaction?

How do they feel about you as an employer and their work at your company? And, are they highly motivated to perform well?

Why are employees working for your company? What is the general unemployment in the area? Are employees limited in terms of options available to them? Do you know why they are working for you and not somewhere else?

How do you measure productivity per employee?

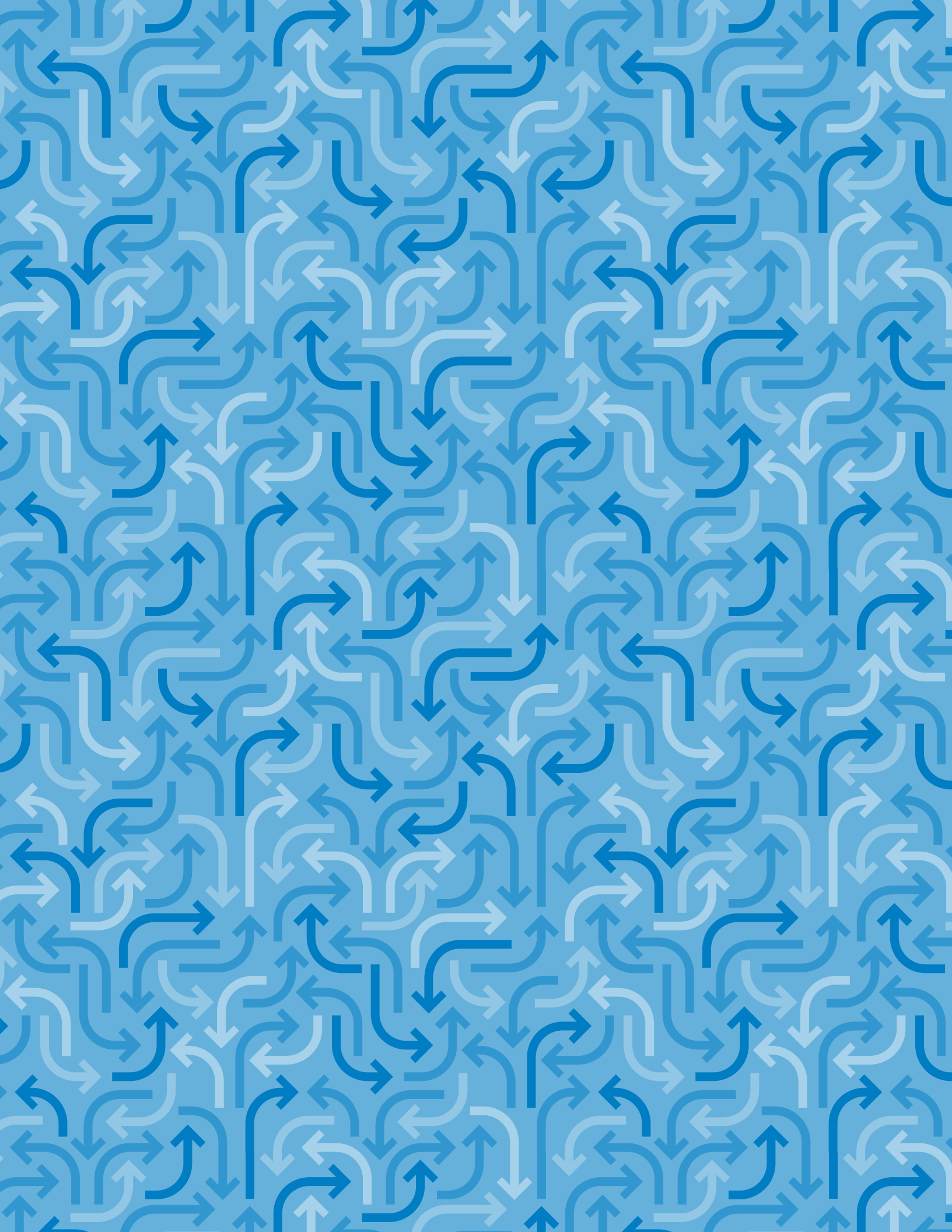
What do you know about employee performance and is it linked to organizational performance and goals?

How frequently do you hold company-wide meetings?

Would you say your top leadership is involved and interacts with the workforce informally? How often?

Do employees have formal and informal opportunities to share their ideas?

How do your pay and benefits compare to those on the market?





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