



inSIDER Report:

The Essential Guide to Employee Engagement

The key factor behind increased productivity, profitability, and retention



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Employee engagement as a driver of productivity, profitability and retention

Dear Colleague,

Employee engagement has been top of mind for HR professionals for the past several years. As an HR professional who keeps tabs on the latest news and trends in their field, you are probably hard pressed to have a week go by without seeing a new survey or study related to engagement, and a Google search on “employee engagement” currently garners 144 million results. Employers everywhere seem to be after best practices and tactics that will improve engagement in their organizations.

And with good reason

Engagement isn't just a gauge of employees' happiness or motivation, and it even goes well beyond their level of commitment and loyalty to your organization. Study after study conclusively demonstrates that higher levels of employee engagement actually improves retention rates (thus reducing the costs of turnover) and increases productivity—which directly impacts your organization's revenue and profitability.

Consider this:

- Engagement is waning: Proudfoot Consulting estimates that nearly 29% of company time is unproductive- the equivalent of 33.5 days per work per year! The estimated cost of this lack of productivity tops out at nearly \$600 billion per year in the US.
- Employee engagement = happier customers: The 2018 Deloitte Global Human Capital Trends states that “a strong employee experience also drives a strong customer experience.”
- Turnover is costly: A recent SHRM study shows that losing an employee salaried at \$60,000 will cost the company anywhere from \$30,000 to \$45,000 to hire and train a replacement.

In this special Insider Report, we're diving head first into best practices behind supercharging employee engagement to positively impact your bottom line by reducing turnover and boosting productivity-outlining both short-and long-term strategies for increasing engagement and maintaining it at a high level.

Sincerely,



Chris Ceplenski

Managing Editor, HR Media & News
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The Case for Employee Engagement

We know that managers are busy keeping track of their team's performance and ensuring that employees are meeting their numbers. But if managers spent more time engaging their employees, they'd get much better results. According to Wikipedia, "an 'engaged employee' is defined as one who is fully absorbed by and enthusiastic about their work and takes positive action to further the organization's reputation and interests." Better engagement means better productivity, just like the old idiom "you get more with a carrot than a stick." In fact, corporations whose employees are engaged perform better than companies whose employees are not by over 200%.

The idea of actively engaging your workforce may seem like a daunting task. But, having an engaged workforce is something worth fighting for. When employees are engaged at work, they feel a connection with the company. Engaged employees genuinely want the organization to succeed. They believe that the work they're doing is important and therefore work harder. In fact, engaged employees grow profits as much as 3x faster than their competitors, and there are many additional benefits as well:

- Increased productivity
- Longer retention rates
- Fewer mistakes
- Better customer service

If engagement yields such great results, why don't managers do more to increase engagement on their teams? Probably because it takes time, commitment and hard work on top of their already busy schedules. But if cutting costs, reducing turnover, and increasing profits are a priority, managers should look no further than improving employee engagement. ■





What Leaders Can Do Right Now to Inspire Engagement in the Workplace

LEADERS CAN ESTABLISH A CLEAR VISION AND HELP EMPLOYEES TAKE ACTION

You need to know where you are going before you can get there. Great business leaders know how to paint a vivid picture of the future. Fueled by their passion to achieve their vision, they make it crystal clear what employees can do to get involved and emphasize how crucial each person's role is. For employees to truly hear and remember a message, they must be exposed to it several times. Whether it's an annual meeting, quarterly town hall gathering or community outing, leaders should do their best to speak about their vision in many venues over an extended period of time.

A great way to expand on the vision statement and help employees take action is to encourage all managers to ask their employees, "How are you doing?" and add, "How can I help?" By asking how they can help, managers show their investment in that person's success and their willingness to be a resource to help them get there. Once they hear the answer to how they can help, strong leaders follow through, which is critical to maintaining credibility and engagement.

LEADERS CAN FRAME NEW SITUATIONS AS EXCITING

Change can be bad or good. It's all in the presentation. In the outplacement business we deal with companies going through all sorts of changes including

mergers, acquisitions, downsizings and restructurings. In other words, position the situation as an opportunity versus just extra work or more change. Get the other person excited about doing it. Rather than focus on these changes as negative, we recommend leaders look for ways to reframe these changes to focus on the positive impact to the organization and the employees.

When employees see decisions as necessary to protect the future success of the organization, it can help them forward more quickly. For example, if a firm is being acquired, rather than dwell on how the current culture will be lost, highlight the opportunities: for development, to work with other smart people, gain

exposure to another line of business, or have access to better benefits.

EMPLOYEES PAY ATTENTION TO LEADERSHIP'S COMMUNICATION

Communication is a soft skill but it is hard for many managers to develop. It's not just what is said but also what is not said. When leaders make a decision not to share important information about company direction or challenges, they miss an opportunity to connect with their employees, receive valuable feedback, and gather possible solutions. When leaders don't communicate, the information they are

them along the way and continuing to provide feedback. Likewise if the termination is due to a restructuring, whenever possible, it's better to inform employees that there is a possibility given the demands on the organization rather than having it come out of the blue.

Fostering engagement takes time and dedication. By listening to what others have to say, understanding

the issues direct reports are dealing with and finding out what motivates them (and doesn't), leaders can learn a lot. By being approachable, easy to talk to, showing they care and asking how they can help, leaders can make great strides. It's not a one-time thing, however—it takes commitment and it needs to be made a priority to yield results. ■



People pick up on non-verbal communication like how leaders carry themselves, their energy level, and whether their smile or humor has subsided.

hiding weighs on them – people pick up on non-verbal communication like how leaders carry themselves, their energy level, and whether their smile or humor has subsided. Then people draw their own conclusions and start discussing it with colleagues.

No employee should be completely surprised when their position is eliminated if the manager has fully communicated with them over time giving them feedback on their performance, asking how they can help





3 Building Blocks of Employee Engagement

While employee engagement is now well recognized as an important factor for business success, many leaders raise concerns that they don't know *how* to measure or improve employee engagement. As with many leadership initiatives, it appears to be more complex than it really needs to be.

Understanding what it is in very simple terms will help managers understand the small things that they can do to positively impact employee engagement—but also to keep an eye out for the things that they do that might negatively impact it. And many

managers feel they don't have the knowledge or skill to be able to put the right focus on engagement, and most struggle to find the time.

The little things really do matter. Whether your organization is big or small, whether you have HR expertise on hand or not, there are initiatives that can be done simply, cheaply, quickly—but effectively.

These three elements form the building blocks for effective employee engagement, whether an organization is large or small, profitable or charitable, and whether leaders are skilled and experienced or new to management. These three essentials are asking, listening and trusting.

ASKING

One of the myths that surrounds leadership is that leaders should know

all the answers—that your employees won't expect you to ask for their advice or ideas, because you should already know. But isn't it more useful to hear what your employees think, know and suggest than to enforce your predetermined opinions?

Your employees are the ones closer to the task than leaders are, connecting closer with the customer, experiencing the challenges of process or equipment first hand and spotting opportunities, big and small. So why not just ask them—give them the chance to tell you about what they are hearing, seeing, experiencing and sensing? This can be as simple as getting out and about to ask people—it doesn't have to be complicated, and there are no special skills required in having a chat with the people whose ideas really matter.

LISTENING

It's great to ask, but if you're not then going to take notice of the ideas, suggestions and recommendations that are made, there is no real point in asking in the first place. A critical factor in engaging with employees is really listening to the feedback you receive. Hearing means you are receiving it, but listening suggests that your brain actually processes the information it hears. Far too often, leaders hear what their people have to tell them, but they don't process it, and they don't act on it.

You need to ensure that the feedback you receive, whether requested or proactively offered, is listened to—processed, responded to, and wherever possible, acted upon. How you choose to respond will be important—straight rejections of ideas or suggestions may well discourage input in the future. If at all possible, explain the rationale for not moving forward with an idea that was suggested—it will be appreciated. And asking for revised, similar or alternative suggestions will demonstrate that you have listened and appreciated your employees' inputs.

TRUSTING

We trust our employees with our most valuable assets—our customer relationships, making our products, our people, our money. However, there can be a reluctance to empower employees just in case it goes wrong—for example a reluctance to encourage peer level recognition, in case people just give it to their friends; or a reluctance to engage openly with

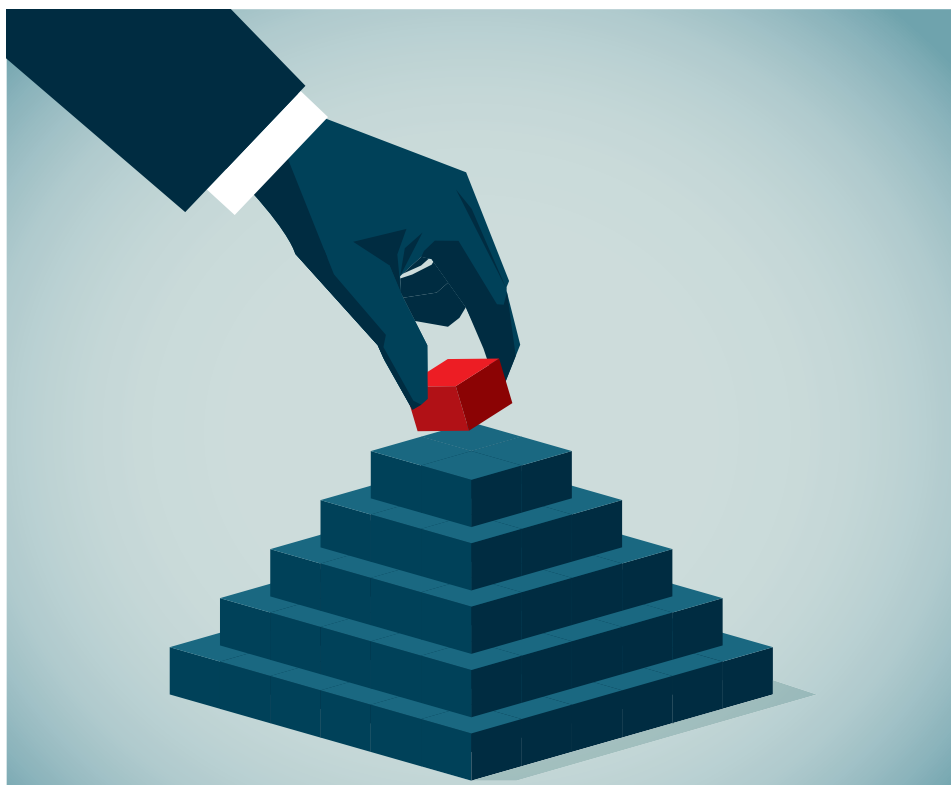
customers in case your employee makes a promise they can't deliver.

But if you want to encourage a greater level of engagement among your employees, asking for their views and really listening to them are great first steps, but you also need to trust them, enable them and empower them to take their contributions further—to make changes, evaluate the impact of the changes, and demonstrate their commitment to changes they recommend.

Leaders should focus these go/no-go decisions on the positive opportunities, the potential for great results, and the great learning experiences for all involved regardless of the outcome, rather than governing and making decisions based on what might go wrong. Manage the poor outcomes by exception, rather than assuming them to be the norm. Focus on the positives.

In business, we have to take some risks, and this is just as true when we consider employee engagement. The excitement, energy and commitment that can be harnessed by asking for suggestions, by really listening, and by trusting others to test out their ideas can be extremely valuable. Consider not just the benefits to your business (cheaper or more efficient processes, new or more loyal customers etc) but the additional discretionary effort of those involved and engaged employees.

Employee engagement is often over complicated, but by effectively utilizing these three building blocks—by asking, listening and trusting—you can make a great start in understanding what engagement means to your employees.





The Key to Engagement is Community: 6 Steps to Transform Your Workforce

Disengagement can take a toll on the workplace, customer relations, and profits. While countless sources offer magic bullets, there's only one factor that truly results in employee engagement. That's the power of community. And it's up to leaders to build a work culture based on community. To quote leadership expert John Maxwell, "Leadership is influence."

In a true community culture, everyone feels supported, encouraged to take the initiative and grow, and stay accountable to each other. These three key factors: support, encouragement, and accountability, are reinforced when the transformation is led from the top. Here are six effective ways leaders can build a culture of true community — engage employees, wow customers, and achieve your business goals:

1. VALUE OTHERS

Leaders set the course for workplace transformation by demonstrating first that they value others. They believe in every employee as a human, not a number. They invite and value employees' opinions and ideas, and are invested in helping people grow. The approach is a game-changer, paving the way for mentoring and coaching that can better align employees' goals and values with that of the organization. It also supports human-scale interactions, regardless of the organization's size.

Microsoft, an enormous organization of over 120,000 employees, has all new hires do a 30-minute "Who Am I" presentation of their dreams,



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goals, strengths, and life story. It's an effective step that helps them feel valued as individuals from day one.

2. PURSUE CHAMPION CONNECTIONS

All business is about relationships. Successful leaders create an inner circle of trustworthy, talented allies.

Developing a great team marked by mutually beneficial alliances has a ripple effect throughout the whole organizational culture. Friendship is the building blocks of community, after all. It's a way to plant the seeds for a great workforce with mutual appreciation at its core, and an invaluable investment that sets the tone for your company's future.

3. INSPIRE EMOTIONAL TRUST

Encouragement is vital — and when it comes from the heart, it builds emotional trust. Too many work environments are so competitive that it keeps employees on edge, reluctant to share their true feelings or thoughts, withholding news of accomplishments or goals lest a peer get the idea and try to get there first. But emotional trust is critical if any collaboration is to take place. There's no such thing as a 'every person for themselves' workforce — and leaders that provide heartfelt, honest encouragement achieve a level of trust that creates true community.

4. GET IN THE GIFT ZONE

The term "gift" above refers to talents and skills. One key way leaders nurture relationships is recognizing and promoting one another's strengths and talents. The approach is a win for everyone involved that strengthens and connects everyone in the organization.

When all team members are operating in their "gift zone," it generates tremendous energy and excitement: everyone is doing what they were born to do. The result is often a terrific service experience for customers (or clients, patients, or guests). And there's

less friction, less waste, and more effectiveness.

5. INVITE OPEN-HEARTED ENCOUNTERS

There's another level to emotional trust that phenomenal leaders build with their faithful allies and team members. It involves a level of candor and honesty that only comes when others are unafraid to speak openly. But it's in those openhearted encounters that remarkable changes and growth can happen.

The most trusted allies are going to be the ones that know a leader the best — and may be able to point out a flaw in decision-making or strategy that the leader can't see. And every leader needs to maintain their own accountability. It not only builds character, it will translate across the organization and inspire accountability and candor among others down the line.

6. DEVELOP SMALL GROUPS — OR PODS

When leaders nurture and mentor small groups, it spreads a spirit of community throughout the organization. One form: a POD, 7 – 9 members focused on the Power of Discovery. PODS may meet regularly to foster more effective communication, better implementation, or more accountability. Instead of set agendas, their discussions are interactive, energetic, and focused on goals, projects, behaviors, or developing members.

PODS give participants an opportunity to discover what they need to do rather than be taught or told. They

give people a sense of ownership that results in better implementation. In the 18th century, Benjamin Franklin founded a group called a Junto that helped its members learn from one another; offshoots still exist today. In this fast-paced economy, PODS are faster, more efficient, and more innovative.

As today's top organizations reveal, a well-crafted culture of community benefits employees, customers and

“ When leaders integrate community into the culture of the organization, it sparks incredible results. ”

profits. It takes work to build this kind of community in an organization, but it's worth the effort. When leaders integrate community into the culture of the organization, it sparks incredible results. We all want to feel a sense of connection, be valued for our contributions, and participate in something larger than ourselves. We long to belong. When it comes to successful organizations, a culture based on true community is the key differentiator. ■



The Employee Engagement Checklist: What to Include

The single greatest thing you can do to increase employee engagement: hire the right managers. In fact, the study said that if you hire a manager who is disengaged, the workgroup they manage is three times more likely to be disengaged.

So even if you hire the right, highly engaged managers, they still need to know, and do, the most effective things to bring their work group to higher, and hopefully best-in-class, levels of engagement. And even if they know these engagement management “to dos,” they often forget to implement them, or execute them consistently.

So why not give managers a checklist? We’ve created one based on a key driver analysis of millions of employee engagement survey responses. This checklist can be used by a variety of organizations, worldwide, and with it, you’ll achieve great success. ■



- Set the best example by embodying the company’s vision and mission and by holding yourself, as well as others, accountable
- Consistently provide constructive feedback to employees and recognize employees who do great work or accomplish great outcomes.
- Each quarter have a Career Development conversation with each of your direct reports. Ask them the following questions:
 - Where do they wanted to be in 6 months or a year? Offer them help to achieve their specific goals
 - Find out what things get them passionate and excited aboutdoing their job. Conversely, ask about what things disengage them while at work.
- Empower employees by demonstrating that you trust their judgment and that you are confident that they will make good, informed decisions.
- Ask employees about their passions and hobbies outside of work and show a genuine interest while listening. Next time they do great work, consider giving them a gift related to that passion or hobby (such as a gift card or paperback book).
- Communicate, communicate, *communicate*. Make sure you do this often and succinctly, so your employees clearly understand what is expected.
- Encourage an open, honest, two-way dialogue.
- Find ways to insert more FUN into your department and workplace culture.



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Why is it important to address the employee experience?

- 1. It will have an impact on business:** The 2017 Deloitte Global Human Capital Trends states that *"a strong employee experience also drives a strong customer experience."*
- 2. Neglecting your employee development efforts could hurt retention:** 40% of employees who receive poor job training leave their positions within the first year, according to a recent go2HR survey.
- 3. Turnover is costly:** A recent SHRM study shows that losing an employee salaried at \$60,000 will cost the company anywhere from \$30,000 to \$45,000 to hire and train a replacement.
- 4. Engagement is waning:** Proudfood Consulting estimates that nearly 29% of company time is unproductive – the equivalent of 33.5 days per worker per year. The estimated cost of this lack of productivity tops out at nearly \$600 billion per year in the United States.

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- **And so much more!**

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