



# Workforce Engagement

## Why is this important?

There is considerable interest in workforce engagement from all sizes of organisations across all sectors. For many, survival depends on making changes such as finding a new human relationship or experience with their customers, increasing innovation or engaging in a war on talent to attract high quality employees. Succeeding in a constantly changing environment requires superior levels of human engagement inside the organisation itself. When successful, the indicators are quite startling.

Various studies found the following results for the top 25% highly engaged organisations compared to more lowly engaged counterparts:

**Income:** Double the net income

**Productivity:** 18% higher

**Client Satisfaction:** 70% had good understanding of client needs against 17%.

**Innovation:** 59% of engaged employees said work brings out creative ideas compared to 3% in low engagement.

**Absence:** Highly engaged employees take 2.7 sick days. Disengaged employees take 6.2 sick days (Annual cost to UK £17 billion)

**Retention:** Employee turnover rate 40% less than lower engaged companies.

**Safety:** Low level engagement companies have 62% more accidents

**Health:** 54% of disengaged employees said work has a negative effect on their physical health versus 12% of engaged employees.

***"Engagement can only be volunteered, not conscripted."***

There are many definitions of workforce engagement. One we have chosen to work with is:

**Definition:** Engaged employees bring all their talent, energy and discretionary effort to their daily decisions and actions. They have a clear line of sight and understand how they contribute to the goals of their organisation.

*We work with John, a director for a construction industry company who is responsible for sales and safety. At first you may think that a strange combination of roles, however he has direct experience of the important association. When safety performance is good it is an enabler for tendering and winning work. When safety performance is poor the client company is dissatisfied and potential for winning future work is*

*compromised. He is a committed and caring leader with decades of experience in the industry, however the company operates in a tough commercial environment where margins are very small, and hazards are constantly present for the workforce.*

*Some time ago, **eleven employees were injured** over the course of a year, and the number of incidents was increasing. There was a prevailing attitude from the owner of "can do, just get the job done". Safety was in the background and commercial concerns were prioritised, resulting in the workforce being disengaged. When compared to their competitors in the industry federation, safety performance was poor and they were under threat of losing some major clients. This resulted in their Trade Federation issuing an ultimatum: the company's performance was affecting average industry statistics and unless their performance dramatically increased their membership would be revoked. This was a significant threat and would have a huge impact on their ability to win future work.*

*There was a change at the top, the old owner retired and a new Managing Director was appointed with a very different philosophy around workforce engagement and John saw this as an opportunity.*

*He said "I decided I had to be relentless in changing mindsets. My principle driver and belief was "no injury to our people". I had the enthusiasm, but not everyone had the same attitude, belief and commitment, and I could foresee a situation where we would lose more clients, and perhaps our business."*

*There was no magic pill or straightforward journey for John. He had to secure a heart and mind change of senior leaders who were set in the old regime: then engage the workforce, listening to them and building trust in a turnaround project that put them at the heart of improvement; finally realising the ambition of "No Injuries" and delivery of a major incident and injury free 12 months.*

### ***How did they do that?***

We offer some of the insights and tools we have learned in our experiences of helping organisations and then tell the next chapter in John's story.

Let's take a look at the guidance from the Government sponsored study into workforce engagement, the MacLeod Report which highlights the enablers.

### **Four enablers of engagement**

**Leadership** provides a strong strategic narrative which has widespread ownership and commitment from managers and employees at all levels. The narrative is a clearly expressed story about what the purpose of an organisation is, why it has the broad vision it has, and how an individual contributes to that purpose. Employees have a clear line of sight between their job and the narrative, and understand where their work fits in. These aims and values are reflected in a strong, transparent and explicit organisational culture and way of working.

The late Professor Sumantra Ghoshal, formerly of the London Business School, believed that organisations which were successful in the long haul were characterised by stretch,

discipline, trust and support; they were 'both tough and tender'.

**Engaging Managers** are at the heart of this organisational culture - they facilitate and empower rather than control or restrict their staff; they treat their staff with appreciation and respect and show commitment to developing, increasing and rewarding the capabilities of those they manage.

*"The line manager is the lens through which I see the company and the company sees me"*

**Voice:** An effective and empowered employee voice – employees' views are sought out; they are listened to and shown that their opinions count and make a difference. They speak out and challenge when appropriate. A strong sense of listening and of responsiveness permeates the organisation, enabled by effective communication.

**Integrity:** Behaviour throughout the organisation is consistent with stated values, leading to trust and a sense of integrity.

From our experience, if you seek to increase the levels of engagement in your organisation, the best route is to focus on a substantive topic which has clear meaning and a business imperative – for example, increasing innovation, improving customer retention, facilitating growth, improving safety – but do it through an engaging process. The method is the message, as people will learn you're serious about engagement by engaging them on a serious task.

So back to our story of John and the next chapter.....

*John said "W2 was commissioned, and as part of the diagnostics we developed and managed a climate survey. Every employee was encouraged to engage and give their feedback, establishing a truthful and accurate identification of what was and was not working. Clients were engaged to give their feedback too, in confidence to W2. The consolidated feedback was communicated unedited to every employee. An alignment workshop of the leadership team resulted in the creation of a renewed vision, strategy and action plan. Everyone attended engagement workshops to voice their views, give feedback and develop their skills across the company and the MD or HSE Director attended every session in support. These provided people with the opportunity to collaborate on innovation and improvement ideas, building ownership and commitment. The leadership team made visits every quarter to every site equating to 32 field visits per year to get people's feedback. They built trust and demonstrated they cared about them as people. They listened to the workforce, supervisors and managers' ideas and concerns, and then the leadership team acted upon them.*

The results delivered have been transformational. Incidents have been significantly reduced and major injuries almost eliminated. Minor incidents continue to occur which require further relentless attention. So successful has the initiative been that the Company was shortlisted for a Construction Industry Award. The next stage of the journey is equally compelling and that is to ensure that the relentlessness of the change in culture continues to the point at which there are no incidents and no injuries.

Finally, it is leadership's challenge and responsibility to meaningfully engage the workforce – because the employees are the people who will move an organization from good to great and beyond.

### Actions and Applications

Take a little time to consider;

How engaged are you? How many of your colleagues seem *happy*? How many of them *genuinely* care about safety, productivity or customer service? Do you know that you can *depend* on your people? Consider the 5 peaks below. Where is your team?

Who is sinking your boat and who is actively paddling - how many do you think in each category? Take a look at the video <https://www.youtube.com/watch?v=y4nwoZ02AJM>

Consider a model for change such as Kotter to help you.

1. Create the urgency- need for change, use the evidence and feedback you have gathered and get people's attention!
2. Build a guiding coalition of employees and managers
3. Form a strategy
4. Enlist a volunteer army
5. Remove barriers such as processes that hinder
6. Generate short term wins and tell people
7. Sustain change through reinforcement
8. Embed change

Good luck, keep in touch and happy engaging!

