



EMPLOYEE ENGAGEMENT

TOP 10 TRENDS TO ADOPT THIS YEAR

•SUZANNE SALLAM•

CULTURAL ARCHITECT

Top 10 Trends in Employee Engagement To Adopt This Year

Employee engagement rates have stagnated, if not decreased, over the past few years. According to Gallup Consulting, engaged employees make up around 28% of the entire UK workforce.

But why should employee engagement remain such a focus? Every business leader strives for overall success of their company and their team. Research has proved that engaged teams show dramatically less employee turnover and absenteeism, 17% higher productivity, and 21% greater profitability.

Sustaining an engaged workforce is no easy task. It takes dedication of time, effort and resources. Smart leaders across the world are always on the look out for new ideas, and innovative ways, to communicate with their employees and increase their engagement. It's safe to say that technology will continue to permeate every aspect of our future existence, both personally and professionally, allowing businesses an even greater opportunity to connect with its global workforce. Yet tech alone won't make people more engaged (and in many cases it can be more of a distraction than a benefit).

Leaders cannot underestimate the impact they personally have throughout an employee's lifecycle within their business. They must, therefore, continue to take ownership of employee engagement and centre their business decisions on their people. Ultimately, business success relies on work environments where people thrive and are naturally inspired to achieve their best every day.

Here are the top 10 trends set to help leaders increase employee engagement in the year ahead.

Suzanne Sallam

One

In their latest *State of the American Workplace Report*, Gallup shares that about 33% of the US workforce is engaged with the UK engagement rates even lower at only 28%.

While this may seem like a negative (and it actually is), the numbers still indicate a small and slow improvement over recent years. In 2013, engagement for the US workforce was closer to 25%. Any increasing trend is, of course, quite encouraging.

EMPLOYEE ENGAGEMENT WILL INCREASE... SLOWLY

So what has driven the rise in engagement? Gallup feels that shifts in engagement depend on “factors related to an organisation’s performance management and human capital strategies”. In other words, businesses are finally evolving how they manage people and performance.

Other employment trends, such as the rates of national unemployment and underemployment, have also had an impact on employees’ sense of satisfaction.

The hypothesis is that the current economic stability and strong job market, may be having a positive psychological impact on employees. This trend is likely to continue. Albeit slowly, especially in the face of economic uncertainty.

28%

*Of the UK work force
is engaged*

Performance Management Technology 2.0

In their latest report, *Predictions for 2017: Everything Is Becoming Digital*, Bersin reported on how technology continues to change our lives and workplaces.

The pervasiveness of smart mobile devices keeps us all constantly plugged in: sending and receiving an increasing amount of information, across a seemingly infinite number of media platforms, 24 hours a day!

This tech revolution is also filtering its way into the world of HR.

Performance management has been gradually moving away from a focus on annual reviews, to real time feedback platforms.

It is of course uncertain whether the annual review will disappear altogether from the corporate lives of many, it will, at the very least, be strengthened by more regular communication between employees and their leaders.

Over the past few years we have seen giants like Adobe, Microsoft and General Electrics make these transformations. That trend will likely continue.

In the coming year, we'll see the emergence of thought leaders with sophisticated software that allows businesses to capture regular

performance reviews, 360 degree feedback and pulse surveys. This will be backed with a strong MI platform to track results.

Companies that believe true business success is only created by engaged employees, will be the front runners adopting these technologies.

Two

Data Focused Management and HR

While we're on the topic of technology, let's talk about people analytics.

The most prevalent software platforms ask employees metric-based questions on a variety of topics, ranging from productivity, to engagement, and performance. Data is then amalgamated, aggregated and cut in various ways, allowing Line managers and senior leaders to review a snapshot of performance numbers company-wide, or drill down to analyse teams and individual contributors.

According to *Human Resources Today*, more sophisticated data analytics, that predicts trends in engagement and performance, ranks among the top 10 human capital trends this year.

“Predictive talent models will help HR departments recruit and promote the right individuals into the right jobs.”

Sophisticated and data focused technology is especially helpful for larger teams. Rich analytics generated from this technology will provide leaders with real insight on employee morale, helping them gain a deeper understanding of performance at all levels in their organisation.

Yet, technology is only half of the equation, and the question remains

Three

as to how it will impact engagement. Data viewed through a vacuum can be mistakenly used to pressure employees to meet weekly goals and quarterly objectives, which in turn can have a detrimental effect on employee engagement. Alternatively, when this data is used to inform people centric plans and growth-oriented conversations, between employees and their leaders, engagement will likely improve.

four

Based on their latest *Human Capital Trends* study of over 7,000 companies worldwide, Deloitte found that the vast majority of companies don't think that they are organised correctly. The good news, is that many are shifting away from a top-down hierarchical structure to more horizontal or lattice type structures.

The former has always existed to create individual teams optimised for scalable efficiency. However, today's markets no longer demand this. Rapid innovation has increased the speed

Organizational De-structure

and quantity of competition. You could scale your production within a clear hierarchical structure, and yet, within months, have your entire product offering supplanted by a crafty competitor, often with much lower overheads.

Emphasis over the coming years will shift from authority and hierarchy to empowerment; allowing teams to work together in more dynamic ways. This shift will award employees the autonomy they crave, becoming part of the decision making and seeing

first hand the impact of their contributions. Studies in behavioural economics highlight that, this empowerment, will in turn increase job satisfaction and morale.

92%

*Of organisations don't
think they are
organised correctly*

Human Performance Strategy Will Change

Bersin and his team predicted in 2017 a mindset shift where every leader in every business will be focused on employee wellness.

Deloitte share extensive data on how productivity and engagement has slowed, while the amount of hours worked has increased and vacation time taken has decreased.

Likewise, author and productivity expert, Tony Schwartz, has written extensively on the topic; referring to organisations that encourage

“Instead of managing the performance appraisal process, the onboarding program, the health and wellness programs, and the leadership development systems, we in HR now own all of this stuff with a focus on: how can we help individuals and teams perform?”

employees to get to work early, stay late and remain connected at night and on weekends create a recipe for burnout, not enduring high performance.

Bersin states the latest strategy is: to address the productivity problem, HR will move into a new role as consultant in human performance.

This reframe will easily transform the working environment from one where the inquiry is: how can I get the most out of my resources and my people?

To a new set of questions include: Are people engaging in healthy habits? Are they supported and coached to do their best? How is my teams wellbeing?

five

66%

Of employees who said they hadn't received any recognition in the last 7 days, were twice as likely to say they would leave the company

More Investment In Recognition Programs

Gordon Tredgold, founder and CEO of *Leadership Principles*, shares that recognition is the key to employee engagement.

According to The Society for Human Resource Management, recognition ranks in the top 10 factors influencing employee job satisfaction and it's no doubt that companies will start to invest more in their recognition programs.

Of course, how recognition is delivered impacts how it is received. Is it authentic and specifically tied to work

performed, or a baseless platitude designed to keep employees happy? Is it shared publicly across the team to amplify the impact? Is it accompanied by a tangible reward?

According to PWC, how often recognition is given matters too. 41% of millennials prefer to be rewarded or recognized for their work at least monthly, if not more frequently. Companies like Blueboard and O.C. Tanner provide a few creative ideas for experiential employee recognition.

Six



“The interplay of building culture, fostering high employee engagement, and focusing on performance management (namely vision, strategy, objectives, alignment and execution), is in essence an ecosystem, that must be focused on as a whole in order to ultimately achieve high performance.”

Performance, Culture, & Engagement – Together!

15Five CEO, David Hassell, has written at length about the importance of building strong company cultures, how to foster employee engagement, and how to manage employee performance.

Last year, David shared how organisations have historically thought of those three critical factors as separate and distinct.

In the coming year, as performance management becomes more of a holistic practice, managers will consider them together.

Consider the potential impact resulting from the tactical, psychological and philosophical aspects of leadership all coming together.

Tactics like data-focused management will work in concert with a focus on employee psychology to increase engagement, along with an emphasis on the philosophy of the cultural vision and core company values

Fight

In recent years, employee engagement and culture surveys have come into vogue. Companies realise that knowing what matters most to their employees, is Often, the first step to improving the office environment and increasing employee morale.

Technology has helped make it easier too with software options that streamline the survey process allowing HR leaders to turn what they learn into action.

Unfortunately, only 22% of companies

Thinking Beyond the Engagement Survey

are getting good results from their engagement survey, according to researcher and leadership expert, Mark Murphy. Murphy's survey *How Good Is Your Employee Engagement Survey*, returned some surprising results.

Most respondents either had declining scores, things stayed the same, or they were unable to answer because they have never performed such a survey. Murphy points to lack of manager training, lack of open communication from senior leaders, and lack of

recognition for high performers. The predominant problem is that leaders don't take action on the results.

What we will likely see in the coming year, is more leaders taking these surveys seriously: asking good questions and supporting managers in making the changes requested by their employees.

22%

of companies are getting good results from their engagement survey

Organization-Wide Commitment

Who is responsible for raising engagement levels; HR, senior leadership, managers or employees? The answer is everyone! This isn't so much a new trend as it is a firm held belief.

Researchers at The Conference Board, Sirota/Mercer and Deloitte, profiled dozens of organisations and compiled a report entitled, *The DNA of Engagement*. They discovered that companies that scored highly in employee engagement had very strong evidence of the following three elements:

- Alignment of business and engagement strategy
- Formal programs that drive the engagement agenda
- A workplace that promotes collaboration and innovation

The researchers discovered that employees who take ownership of their own engagement, are more engaged. They do that by reflecting on their work, communicating needs to leadership, managing their own energy, and taking on new and



challenging assignments. Within those organisations, leaders are responsible for creating a safe and inclusive environment where employees efforts are directly linked to the company mission. They also communicate regularly around performance and career trajectory.

A company is an ecosystem where all elements must work together to achieve common goals.

Ten

Many managers “manage” their employees – they discuss work tasks and goals. However, true employee engagement is derived from authentic connection and individual attention.

According to Gallup’s *Re-Engineering Performance Management Report*, a strengths-based and engagement-focused approach to management fosters true employee development. The three critical components are:

1. Establish expectations
2. Continually coach
3. Create accountability

Workplace conditions are always in a state of flux. The demands of the job on individual contributors, the constellation of the team, the manager’s workload, and professional needs and desires shift throughout the year.

Historically managers would focus on cultivation new skills in employees in areas outside their strengths, or try to fix what was wrong. This makes sense, we have been told that is good to be “well-rounded”. But research has discovered that focusing on these non-strengths just helps to prevent failure. Focus on people’s natural talents, strengths and abilities allows them to flourish and in turn leads to greatness. Employees become better at what they do, and in turn, their performance and engagement all naturally rise.

Strengths-Based Coaching

1%

Disengagement rate when managers focus on their teams strengths ever day

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