

Full engagement:
the prescription for a restful night's sleep




PerformancePotential

creating sustainable advantage: **through people**

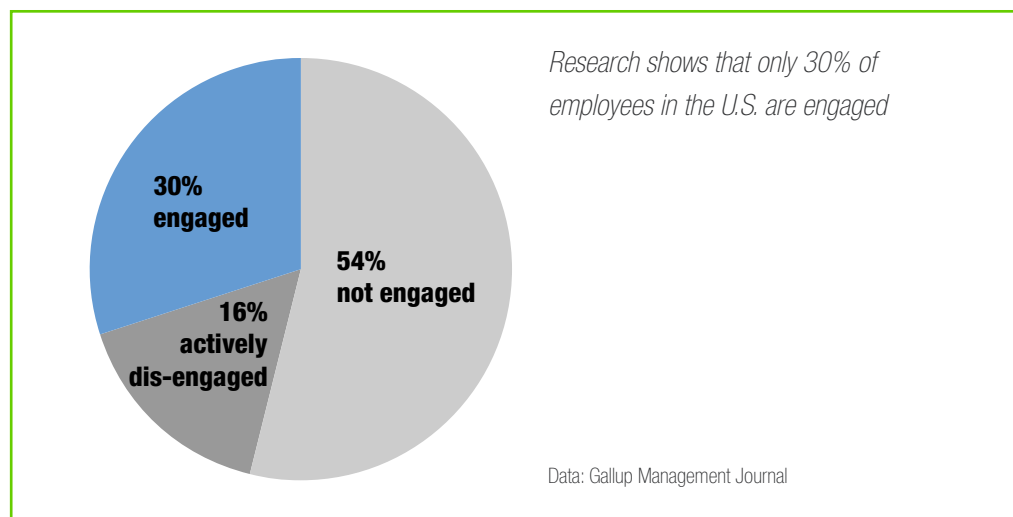
THE PROBLEM: EMPLOYEES ARE LESS ENGAGED

If you're charged with overseeing any business outcome today, I guarantee you one thing: you're a leader by day and an insomniac by night—and for good reason. You're tired because you're pulling the load and then some. It can feel like you're pushing a boulder up the hill. Here's the real problem: a few of your employees are helping push, some are watching from the sidelines, while others are sitting on top of that boulder, making it more difficult. And the challenges are getting even greater:

- > there's less employee loyalty
- > employees expect more non-contingently
- > there's less customer loyalty
- > there's no "honeymoon period" for getting new employees up to speed

There are significant statistics to prove the concerns you have about your employees' productivity are not imagined. Research on U.S. employees shows that although 30% are engaged, 54% are not engaged and an alarming 16% are actively disengaged. There are two other research findings that are important to note:

- > over 60% of new employees switch off in the first six months
- > highly engaged employees outperform their counterparts by a whopping 20-28 percentage points!



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Before you begin to blame your employees for your lack of sleep, try to avoid being in denial. If you're honest, it's probably not your employees' fault. After all, they started out engaged. In fact, studies show that employees have a heightened sense of expectation when they first enter a company. Over time, something or someone systematically squelched their enthusiasm and commitment to excellence.

There is an increasingly ingrained "just do enough to get by" mentality and it has very tangible costs. In the average organization, it's estimated that disengaged employees waste over one third of the payroll in lost productivity, lost opportunities, lost customers, and even acts of sabotage on the part of the most disengaged employees. Just do the math. For a company with a payroll of one million, over \$330,000 is totally wasted. In this world of ever-increasing commoditized products and services, you need to find a way to move your people from acting as an impediment to your success to developing them into your sustainable competitive advantage.

THE GOAL: INCREASED EMPLOYEE ENGAGEMENT

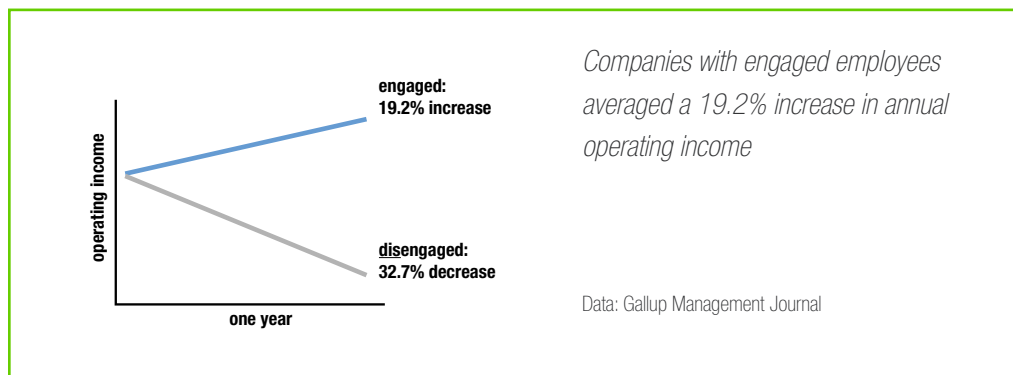
But here's the good news. There's something much better than a sleeping pill for helping you get a restful night's sleep: creating and maintaining an environment of full engagement. Employee engagement has been defined in many ways:

- > a passion for one's work
- > pride in and loyalty to an organization
- > a willingness to use discretionary effort to further the goals of the employer

However, any definition of employee engagement is incomplete if it doesn't embody the word 'commitment', which needs to be a three-pronged endeavor. Fully engaged employees make a commitment to the organization, to themselves, and most importantly, to their customers. Engaged employees are committed to making significant, ongoing contributions to the organization, they are committed and feel reinforced for continuing their own personal growth and development, and they are committed to meeting and exceeding the needs of the customer. For committed employees, going the "extra mile" is not an anomaly, but a way of life.

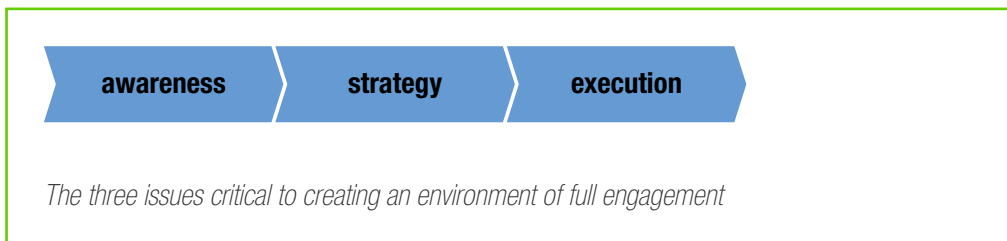
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This multi-dimensional commitment by fully engaged employees has produced startling results for firms that abide by the principles of full engagement. In one study of 665,000 employees across 71 companies, there was a 52% difference in one-year performance improvement in annual operating income between companies with highly engaged employees compared to companies with low engagement (the operating income in highly engaged companies was up 19.2% versus a decline of 32.7% in low engaged companies).



So if the stakes are so high, and the tangible value of engagement can be documented, why is the disconnect so prevalent?

It comes down to three issues: awareness, strategy, and execution.



Some organizations (and their leaders) are simply unaware of the pivotal role that employee engagement plays in fostering success. Other organizations acknowledge the value but flounder with determining appropriate strategic initiatives. Some organizations have taken the first two steps (awareness and strategy) but have poor results because of inconsistent or misdirected execution.

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Fully understanding the importance of a fully engaged workforce starts with realizing that engaged employees behave differently than their disengaged counterparts.

They:

- > speak positively about the organization
- > want to continue to work for the organization
- > want to contribute to the organization's success
- > take ownership of the results

In fact, engaged employees are two to four times more likely to believe that they can impact the outcomes of the group or organization.

THE CHALLENGE: HOW TO GET THERE

At the heart of any viable strategic initiative directed at maintaining or enhancing high levels of employee engagement are at least ten foundational building blocks:

- 1 communicating the values and mission of the organization
- 2 providing clarity of job expectations
- 3 engendering employee involvement through job importance and reciprocal input
- 4 establishing a challenging environment
- 5 providing the tools and knowledge to succeed
- 6 fostering development through feedback and coaching
- 7 instilling fair process through openness and objectivity
- 8 providing appropriate personal reinforcement and rewards
- 9 creating a collaborative work environment
- 10 engendering trust and commitment by building execution into organizational strategy

The level of engagement for individuals in an organization is directly related to the degree to which these fundamental building blocks are active in the organization.

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Any strategic initiative aimed at enhancing employee engagement must take into consideration the irrefutable fact, that across all age groups, the employees' relationship with their direct manager is the single biggest driver of engagement. At any given point in time, engagement levels are gaining or losing momentum based on the manager's focus and expertise at placing emphasis on the foundational building blocks. Exemplary managers have created such a fertile environment (and fostered such a strong, mutually-beneficial relationship with their people) that engaged employees perform at consistently high levels even in the manager's absence.

THE ASSESSMENT: WORKING WITH YOUR LEADERS

If it's apparent that the leader plays such a pivotal role, then why is it so difficult to pinpoint the best strategic initiatives for maximizing full engagement? The key to the problem is that many of the best strategies are masked by a leader's own self-perception of the value they are providing. For instance, in one eye-opening study, leaders from the poorest-performing companies gave themselves the highest ratings on seven of the ten dimensions that impacted engagement.

Interestingly, their employees rated these same leaders very low on all seven of these dimensions. To combat these subjective, misdirected biases that negatively impact organizations and lead to a "false positive," you must use robust assessment instruments to create an objective landscape.

The best assessment instruments for determining an organization's current level of engagement will, at a minimum, examine the following issues:

- > how well employees understand the culture of the organization and what they need to do to fit in
- > how much employees trust that leaders can make right decisions
- > how strong is the relationship between employees and their direct manager
- > how well the environment provides a reinforcing reward structure
- > how viable are the growth opportunities
- > how meaningful is the nature of the work
- > how well does the environment foster collaborative efforts

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As in most aspects of life, all things are not created equal. While each of these issues is important, unique aspects of every organization prompt certain dimensions to have a greater impact on full engagement than others. These represent key drivers or “tipping points” of performance. In other words, focusing effort on certain dimensions will result in disproportionately higher levels of engagement and correspondingly significant gains in performance. This is where exemplary assessment tools truly demonstrate their value.

Focusing attention on the key drivers for enhancing employee engagement is the hallmark for creating trust by building execution into an organization's strategy. It is analogous to leading an expedition up a mountain where exemplary execution is paramount. This execution requires clarity of goals, “base camps” of incremental accomplishment, and reinforcement for mutually beneficial, collaborative effort. Like a fully functional, highly engaged organization, this expedition will be successful if there is thoughtful, deliberate execution of mission-critical training, coaching and feedback.

The crucial role that the frontline manager plays in fostering and maintaining high levels of engagement cannot be understated. When a high performing manager leaves or is transferred from their role, it's estimated that the cost to an organization is very significant (at least 10 times their annual salary). However, don't panic just yet.

Although we've highlighted the substantial impact a manager has on engagement, it also underscores the need to create a self-sustaining environment that is not solely dependent on the value provided by the manager. Execution should be reciprocal in nature. Environments become more self-sustaining when employees accept substantial ownership for their work. The manager's role can then switch from being the creator of a high performing environment to serving as the catalyst for fostering increasingly higher levels of engagement. In this context, a new manager can be seamlessly transitioned into a high performing environment without diminishing productivity.

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THE END RESULT: A BETTER COMPANY CULTURE

Proactive, well-directed action by the manager to enhance employee engagement has a positive ripple effect on all the factors that are associated with consistently high levels of performance. This chart illustrates the positive effects of an engaged culture:



Creating a fully engaged environment places all of these possibilities in motion. What your employees need and deserve from you is awareness, strategy and execution. Your people want to perform at consistently high levels and they don't even mind if you experience a restful night's sleep!

About Performance Potential

We help companies improve employee performance to create market advantage.

Imagine where you could take your business if you could get employees and business goals aligned. How far you could go if you could harness the potential of your leaders and staff?

You can fully engage your people, and their passion can become your advantage. We've seen it done. In fact, we've helped.

» If you're ready to improve your performance, please contact us.

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