

Employee Engagement
Fact Sheet

Employee
HR and

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Employee engagement goes far beyond job satisfaction and motivation – the big question is how?

Employers want their employees to do their best work and “go the extra mile” (also known as discretionary effort); and employees want their employers to provide them with jobs that inspire them.

All employers want to inspire their employees to freely give additional effort and thus contribute to the bigger picture. By individuals choosing to do this they ensure that they (and ultimately the company) are successful.

Employee Engagement – where is your business and where does it want to be?

There are many drivers that can inspire discretionary effort and equally there are many factors that can inhibit it. Even before you look at identifying the enablers and inhibitors relevant to your organisation, you need to identify exactly where you are in terms of how engaged your workforce really is:

1. Identify where your organisation is and where you want to be.
2. Define the benefits of increasing employee engagement.
3. Get buy in from Senior Management Team that Employee Engagement is important and gain a commitment to implementing change.

Back to basics

To identify exactly how engaged your workforce is you will need to invest time in reviewing and analysing certain key HR statistics. For example:

1. Undertake an annual staff satisfaction survey to identify motivation levels and determine employees' perception of the company and their role.
2. Compare company turnover rates to national averages to identify if they are higher than other comparable companies. Compare company rates to previous years' to identify positive or negative changes and if there are any trends.
3. Check company absence levels and compare to national statistics to identify if there is a higher than average trend. Compare company levels to previous years' to identify positive or negative changes and if there are any trends.
4. Review the information gained from exit interviews to establish your organisation's strengths and weaknesses and the reasons for people leaving.

Investing time, effort and resource into building an engaged workforce should bring improved organisational performance, customer service and reduced costs.

Key drivers and behaviours for developing an engaged workforce

Research shows that an engaged workforce delivers improved business performance; so how have successful companies managed to develop an engaged workforce?

There are a number of areas such as culture, behaviours, and responsibilities that will need to be agreed upon and driven forward to ensure that changes are successful and engagement is improved. These responsibilities will require the commitment of Senior Management and buy in from all line managers. Employee engagement must be regarded as a strategic priority which everyone is responsible for. This will help to ensure that an inspiring working environment is developed and high levels of employee engagement are maintained. It is important that the following conditions, processes and commitments are supported:

1. A culture that encourages the behaviours that contribute to an engaged workforce and recognises everyone's opinion and effort.
2. Leaders and managers who clearly communicate their vision with every employee and makes clear the expectations of each individual.
3. Strong people management strategies and policies that are embedded and align with the wider organisation.
4. Managers that engage and have a positive impact on employee engagement.
5. A commitment to develop people and provide opportunities to learn and progress.
6. Strong communication strategy and defined processes.
7. A commitment to review and make changes to improve engagement in response to feedback.

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What will employees expect?

It is important that employers and employees have the same expectations from the “psychological contract”. If the expectations of the employer and employee are different this can seriously affect the level of employee engagement. You will need to identify and live the culture of your organisation (this will be the basis for your psychological contract) and the way your organisation behaves and responds to different situations is crucial. Areas that you will need to consider are:

1. Ensure that individuals understand how they contribute to the bigger picture.
2. Respect each person as an individual and listen to individual views.
3. Recognise achievements and provide positive feedback and praise.
4. Be fair and consistent when dealing with similar situations.
5. Identify and communicate your work ethic and environment.
6. Ensure that leaders lead by example and inspire performance.
7. Work-life balance

Taking the time to invest in engaging your workforce can directly affect the bottom line and increase productivity. The CIPD estimates that for every person you recruit it costs in excess of £6,000. By reducing your turnover by 10 employees per year can save you on average £60,000. Equally, reducing absence levels will mean more productivity, more profit, happier customers and less temporary staff costs and administration.

Benefits of having an engaged workforce

Having an engaged workforce can lead to tremendous benefits for your organisation. The benefits are not only tangible in terms of actual savings and impact on the bottom line but also offer “hidden” benefits such as the external perceptions of your company. Specific benefits of having high levels of employee engagement include:

1. Reduced absence levels and increased productivity.
2. Improved profitability and increased customer satisfaction.
3. Reduced turnover and recruitment costs.
4. Retention of talent within the business (instead of losing it to potential competitors)
5. Fewer performance issues to be addressed with staff.
6. A happy and motivated workforce who enjoy their jobs.
7. Increased flexibility and commitment from employees.
8. A stronger employer brand – easier recruitment and higher calibre candidates.

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