

Is the engagement being broken off?

Employee engagement is a current management in-term and hot topic in management circles. In essence it refers to the degree to which people are enthusiastic about their jobs and work and how that translates into effort to achieve their work goals and contribute to the effectiveness of the organisation.

The term is new – it was created by the Gallup organisation who conducted research to show that it was related to things like productivity, profitability, and employee retention – but the concept is old. We used to call it commitment or involvement.

However, no matter what words you use, the fact is that employees who are engaged, committed, involved, and dedicated are more productive, achieve more, and add more value than those who aren't. Study after study going back more than fifty years confirms this, although even without this research common sense would tend to draw one to the same conclusion. If you're keen, committed and involved – and these attitudes are supported, respected, encouraged and rewarded – of course you're likely to do a better job.

The words "supported, respected, encouraged and rewarded" are what are really important here. A somewhat distressing finding is that the level of people's engagement declines with their length of service in an organisation. In other words they start off keen, try to perform at their best, and put in extra effort to do their jobs as well as possible, but if what they get in return is lack of support, disrespect, no encouragement, no acknowledgement of effort or achievement, and no praise or reward, they learn that being "engaged" is a sucker's game.

If, as the research indicates, high engagement results in measurable outputs like greater customer satisfaction, lower accident rates,

fewer sick days off, higher profitability per employee, higher productivity, and an improved ability to attract and retain talent, what is the result of disengagement? Gallup estimates it costs the US economy about \$300 billion a year. They claim that 17% of employees are "actively" disengaged and that they each cost their employers \$13,000 a year in lost productivity. One can quibble about whether these figures are a precise reflection of the situation, but even if they are discounted by 50% the effects are devastating – and the message is clear; the situation is just not acceptable.

Engagement/disengagement is quite clearly not just a phenomenon in commercial organisations. On one of its websites the UK civil service reports that

- 12% of UK public sector workers are highly engaged; 22% are disengaged
- 84% of highly engaged public sector workers in the UK believe they can have an impact on the quality of the organisation's work. Only about a quarter of disengaged workers believe they can affect organisational performance
- Engaged employees in the UK take an average of 2.69 sick days per year; the disengaged take 6.19 sick days per year
- Engaged employees generate 43% more revenue than disengaged ones
- Engaged employees are 87% less likely to leave the organisation than the disengaged

- 78% of highly engaged workers in the UK public sector say they can make an impact on the delivery of services to their "customers", the public, versus only 29% of the disengaged

Quite clearly, failing to support, encourage, respect and reward people carries an enormous cost. Sometimes this failure is a sin of omission but depressingly often it is a sin of commission. Many managers consciously treat people disrespectfully, belittle their accomplishments and make every effort to "keep them in their place".

We know what most people want: they want to feel valued. They want their contribution to be recognized. One of the consequences of not feeling valued or not being recognized is that people withdraw and do less and less. Rather than engaging with their work they put their energies into creating the impression they are busy while they are not doing anything.

This type of behaviour has a major impact on an organization, lowering morale and productivity, draining resources, and blocking performance. It is infectious because co-workers and close colleagues can see what's going on, see that management is doing nothing to deal with the situation, and begin to question why they are putting in maximum effort themselves when others are coasting by doing little or nothing. The negative behaviour of disengagement has a multiplier effect on the behaviour of others.

Here are some of the signs of disengagement. Do you notice that people

- Try to avoid being held solely responsible for things
- Avoid firm time commitments for getting things done
- Keep a low profile on issues
- Distance themselves from others' failures
- Avoid sharing information with others
- Cut themselves off from people at times

They don't do these types of things for no reason. It's a reaction to the way their jobs are structured and, more importantly, the way they are being managed.

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strategy people performance

Penumbra is a strategic business consultancy. We bring clarity by using research to drive understanding and direction. We deliver success by balancing experience and innovative thinking.

Whatever your aspiration, we'll provide the tools, information and analysis to turn your strategy into operational reality, in a way that motivates your people to outperform the market.

Overview

As a strategic business consultancy, our expertise is in helping our clients executing strategies and delivering results.

We achieve this by combining a robust management planning system with a focus on people which drives alignment and commitment

We work in partnership with talented and committed leadership teams to help organisations build corporate value with a wide range of customised, cross-functional advisory programmes and services delivered from four complementary service groups:

Strategy

(Development, formulation, implementation and alignment)

Our innovative **Penumbra Balance** approach creates dynamism, drives and sustains momentum and makes strategy real for stakeholders

Organisational Development

(Behavioural issues)

We call our holistic approach **Balanced Motivation** which encompasses activities that improve performance both for the organisation and the individual

Research and Insight

Our stimulating **Clarity** approach draws on our business consulting skills to deliver a mix of business analysis and market research which

provides compelling insights for winning decisions.

Operations

The Operations practice brings all of our hands-on practical experience to bear on execution and delivery of results.

Our technology enabling approach called **Totality** facilitates business focussed services and solutions, aligned to business needs, for people, processes and tools.

Why Us?

Organisations turn to us when they:

- Want to find a new strategic direction
- Have created a strategy and now need to execute it
- Need to drive more value from existing initiatives
- Have a big issue to resolve, usually dependent on lasting employee buy-in
- Need to explore new ways to drive value
- Need a breakthrough result
- Are seeking measurable results

Our Experience

We have real world experience spanning 20 years with our clients. This includes working with:

BP, Citibank, Morgan Chase, WestLB, RBS, UBS, Bankers Trust, Kleinwort Benson, Coutts, Natwest, Intel, Nokia, Adobe, Kall-Kwik, Glaxo Smith Kline,

Dupont, Pfizer, Savills, British Council, Clifford Chance, British Airways, Gillette, Unilever, Shell, Volvo, Vauxhall, British Gas, TradeStation, MWB Business Exchange, Investors in People, University of Cambridge

On projects such as:

Strategic Planning, Strategy development and implementation, Culture change, Post-Merger Integration, Vision, Purpose and Values, Current State Analysis, Organisation Re-design, Transformational Change, Client Focus Strategies, Perception Studies, Client and Staff Engagement surveys, Global Rebranding, Know your Customer, Market Forecasting, Consumer Insight, Market Segmentation, Process optimisation, Lean/Six Sigma, Project Management, ERP Systems Roll-out, Market Research, Financial Modelling, Franchise Start-up Evaluation models, Cost Benefit Analysis, Implementation Alignment, Strategic Alignment, Complex Database development, Custom Application development, Supply Chain Optimisation

Covering diverse sectors such as:

Financial Services, Pharmaceuticals, Manufacturing, Energy, Mobile Telecoms, Travel and Tourism, Aviation, Property, Hi-tech and Business Services