



THOUGHT LEADERSHIP SERIES

THE POWER OF STAFF ENGAGEMENT

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Employee engagement is a powerful driver of business success. Data from companies across sectors and around the world show just how large an impact engagement makes, and what a competitive advantage it can provide.

A recent Gallup Poll revealed staggering differences in performance between companies with highly engaged employees and those with disengaged employees. On average highly-engaged organisations have 147% higher Earnings Per Share, a 55% higher Net Promoter Score, 41% fewer errors, 28% less waste, and 37% less absenteeism than their low-engagement counterparts. The latest annual reports from companies in a range of sectors indicate that improving employee engagement in the workplace has become a top corporate objective, and with numbers like these, it's no wonder.

TECHNOLOGY IS DISENGAGING OUR WORKFORCE

Enlighten has spent thousands of hours observing operational areas within companies and despite a desire by leadership to engage employees, improvement remains elusive. From our observations, the reason is clear: some technology is disengaging our workforce, and in our technology-heavy environment, it is

increasingly difficult to foster and maintain engagement. The digital revolution that brought the internet and mobile devices has dramatically reduced the amount of face-to-face interaction that we have on a daily basis, a fact that has had far-reaching consequences in the workplace. The engagement initiatives many companies implement are delivering very little in the way of improvement because the technology factor is simultaneously pushing results in the other direction.

Before the digital revolution, social interaction was built into the daily management process. A typical team manager would receive all the paperwork for his or her team at the start of the business day, and then delegate it to various team members based on schedules, workloads and skills. Once the manager decided who would work on what, he or she would walk over to employees' desks and have a conversation with each one of them – something like the following:

“Hey David, how are you today? Look, these are the files I've got for you to work on today. This one's really tricky, come to me if you've got a problem with it.”



In this way the manager interacts with each team member. Later in the day the manager would typically touch base with team members and allocate additional work through this same process of conversation and check-in.

Today's work environment looks very different. Enlighten has observed the workforce at many different companies, and in so doing, we watched as employees reported for work in large operational areas often without saying hello to a single person. These employees wear headphones as they enter the area, and are usually looking down at their phones rather than at the people around them. They begin their work often with headphones on and log into their computers and go about their work – all of which is completed digitally.

More specifically, the work arrives at their workstation digitally, and the next piece of work automatically appears when the task at hand is completed. Consequently, some team members barely touch base on a daily or even weekly basis with a manager. Teams may meet as seldom as once a month or less, and that infrequent meeting is the sole form of human interaction that many employees have.

Companies are often quick to implement new technologies in an effort to improve workflow and efficiency. Yet some technologies may carry greater costs than benefits. Many firms have introduced desktop monitoring software that follows employees' keystrokes and tracks how much time they spend on activities like browsing Facebook rather than performing work functions. When workers deviate from approved sites, they are told to stop. Intended to improve efficiency, this type of technological intervention actually carries a steep cost by alienating employees and contributing to a larger sense of disaffection.

Some organisations are even removing face-to-face management altogether, as technology now allows them to centralise their management teams. Some organisations have introduced centralised workforce managers. For instance, a team in Denver manages all the work that is being administered at multiple sites across the United States. For an individual employee, this means that the supervisor is effectively a faceless bot at the other end of a computer. Like the desktop monitoring software, this creates a sense of alienation, and leads to lower levels of engagement.



As Enlighten conducted assessments across workplaces, we also asked what makes people feel engaged. These were the types of answers we received:

“Somebody talked to me about how I’m doing.”
“Someone told me I’m doing a good job.”
“I’ve had an opportunity to learn a new skill set.”

When you consider these answers, it’s clear that even basic human interaction is the key ingredient for fostering greater employee engagement. Increasing reliance on technology and removal of front-line management paves the way for disaffection and rock-bottom engagement.

MILLENNIALS POSE THE BIGGEST CHALLENGE

Disengagement is especially prevalent in the rising generation of workers, the “millennials”, born between 1980 and 2000, the first generation to come of age in the new millennium. Author and motivational speaker Simon Sinek points to technology as a cause of discontent and unhappiness among this generation. While generally speaking they are technically savvy, millennials have different expectations in the workplace relative to previous generations. The result is that companies find them harder to engage. That leads to lower productivity and higher staff turnover.



“Through the use of face-to-face management habits, employee engagement scores rose by 25%, and Net Promoter scores by 136%.”

THE PITFALLS OF SOCIAL MEDIA

Disengagement isn’t the only drawback associated with our increasing reliance on technology. Many people – and millennials in particular – now often turn to Facebook “likes”, rather than to genuine social interaction, to feel connected and valued. At the same time, research indicates that social media applications like Facebook and Instagram are clinically addictive. Social media has been linked to the release of dopamine. That means that many people now feel powerful cravings to use social media, just as addicts of alcohol, drugs and gambling experience cravings for their drug of choice.

This poses a considerable problem. Because they are constantly turning to social media, many millennials do not develop the social skills necessary to build meaningful relationships with the people in their lives. This has consequences for them as individuals, and for the companies that employ them.



According to Sinek, it is now the responsibility of employers to help millennials overcome these problems within the workplace. Managers must provide leadership to raise up millennials and help them become productive and fulfilled as employees and as individuals. This starts with workplace engagement.

IMPROVING ENGAGEMENT

So, what should executives do to deliver on the promise of employee engagement? The key to improving engagement is changing the habits and disciplines of front-line management. It may seem like a dated concept in a world of rapid technical advancement, but managers must talk to their people. In practice, this means training:

- Hold daily team huddles.
- Develop individualized training plans for each team member, and regularly check in with team members about progress.
- Interact on a daily basis with individual team members.
- Encourage and foster intra-team interaction.

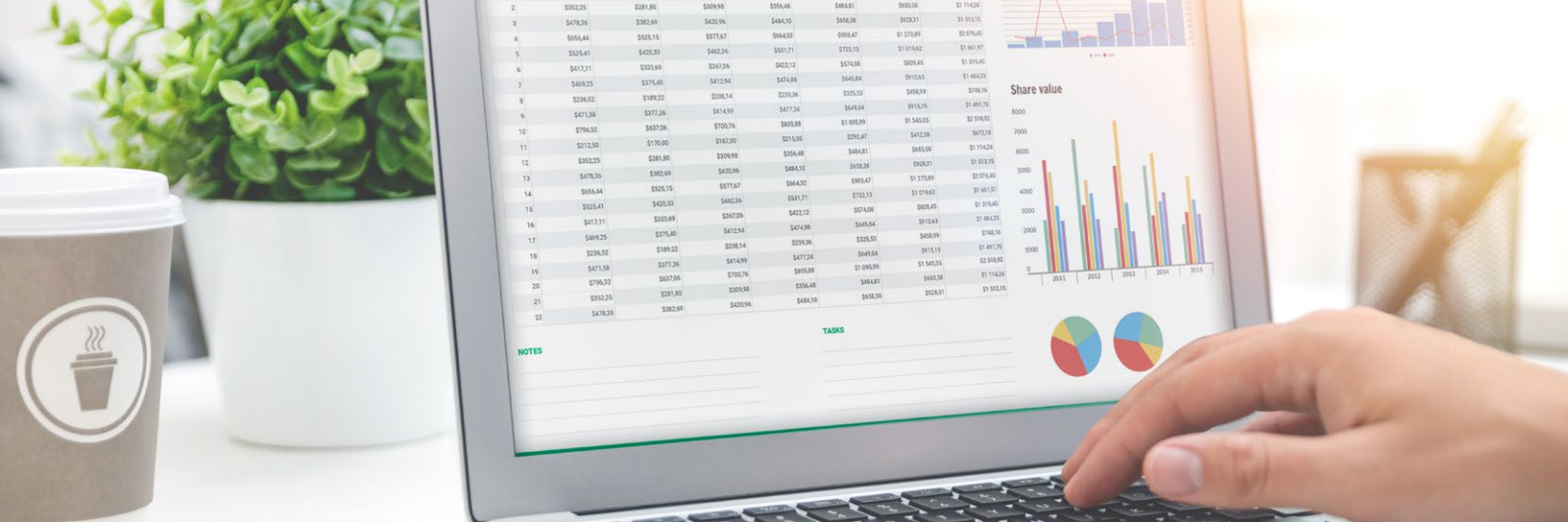
These changes sharply increase the overall level of social interaction that happens in the workplace and over time they foster an engaged team.

Enlighten worked in a division with one client's 2,500 employees. We retrained all the managers to use face-to-face strategies and disciplines, and we simultaneously introduced a system of metrics to help teams track their performance. One year later this business was operating with increased volumes, processed by 1,000 fewer employees.

Hearing this, you may think:

"Oh my goodness, what must have happened to the culture? The remaining team members must be overworked and less engaged!"

We consistently find that's not what happens at all. In that particular case the engagement score rose by 25%. At the same time, customers were better served and the Net Promoter Score rose by 136%.



METRICS AND DISCIPLINES

New management habits like daily huddles and regular check-ins are not enough on their own to sustainably improve engagement. They are part of a 3-step process:

1. **Measure** your current level of engagement with a standardised survey. This will give executives a strong sense of the organisation's current environment, and a baseline against which to measure progress.
2. **Implement** a metric backbone that sets and tracks goals for team members. These metrics are the foundation for modernised, meaningful engagement.
3. **Introduce** face-to-face management disciplines, such as having daily huddles, weekly planning sessions, detailed informal discussions, and training plans for each individual, to increase total social interaction.

There are many organisations that have tried to use daily huddles and other similar practices to address declining engagement – but they tend not to maintain these new practices over time, and thus fail to make any sustainable improvements. Enlighten assessed 15 large financial institutions that had previously introduced Lean management approaches, such as huddles and team meetings, to improve their engagement.

The assessment found that all but one had stopped using those Lean leadership disciplines within 2 years of adoption. Some had stopped in less than 6 months. As a result, engagement continued to suffer. Why did these companies fail? Because these face-to-face management disciplines must be introduced alongside supporting metrics, or the engagement strategies will eventually be abandoned.

But why are metrics so essential? Think about it this way. Consider the prospect of holding regular progress meetings with a 100-metre sprinter – but imagine that you have no data on how fast the sprinter has run in the past, or about her current training regimen, or about her target times for the future. How effective would those progress meetings be? How sustainable would they be – or would you just give up on them?

This is exactly what occurs when Lean management practices are introduced without accompanying metrics. Leaders introduce a team huddle, but they have no meaningful information to discuss. No wonder it doesn't take hold. In contrast, reliable metrics provide managers with substantive material to discuss with their team members on a daily basis, thereby facilitating sustainable engagement. This is the formula for long-term adoption and better results in engagement, employee satisfaction and, ultimately, overall performance.



WHY NEW MANAGERS UNDERPERFORM

Low engagement isn't just a problem for rank-and-file employees; it affects managers, too. Front-line supervisors are usually individuals who were promoted from within the teams they ultimately lead. Yet when they are promoted, they often receive little or no training in how to be an effective manager. They are given a job, but not coached on how to do it. No wonder they perform poorly. We expect people, once they are promoted to management, to inherently know how to manage – but the fact is, they don't.

When an employee is promoted to manager, his or her comfort zone will remain the same as it was in the previous role: doing the work directly, rather than managing other people to do the work. What's more, they – like the employees they supervise – tend to be overly reliant on technology in lieu of genuine social interaction. They are often more comfortable using social media or other electronic communication than they are interacting with their team. This is a recipe for low engagement and poor performance, up and down the management hierarchy.

To address the problem, new managers must be given proper training and instruction in what makes a successful team leader, as well as in using face-to-face management techniques to enhance team interaction. It's a formula that dually addresses low employee engagement and the poor performance of new managers.

CONCLUSION

Digital technology is making employee engagement more difficult in companies across industries, and the associated costs are considerable. But through the use of a simple process – which includes assessing the existing level of engagement, introducing a system of metrics, and training managers in face-to-face habits and disciplines – engagement can be substantially improved.





In a newly engaged workplace, managers interact daily with their team members, have regular huddles, discuss individualised training plans, and hold planning sessions in which the entire team participates. All of these interventions increase social interaction and, ultimately, workplace engagement – and they do so on a sustainable basis. As employees become increasingly engaged, the companies that employ them see valuable gains in overall performance.

ABOUT US

To meet our vision of being the partner that business leaders want to work with, we understand that a strong, experienced, effective and visionary team is needed, with the energy, commitment and drive to succeed. We deliver on our promise through our leading propriety methodology that combines business experience, technology and data analytics.

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