

Talent Lab

Putting HR under the microscope

Has the war for talent become a crusade
for engagement?



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global research

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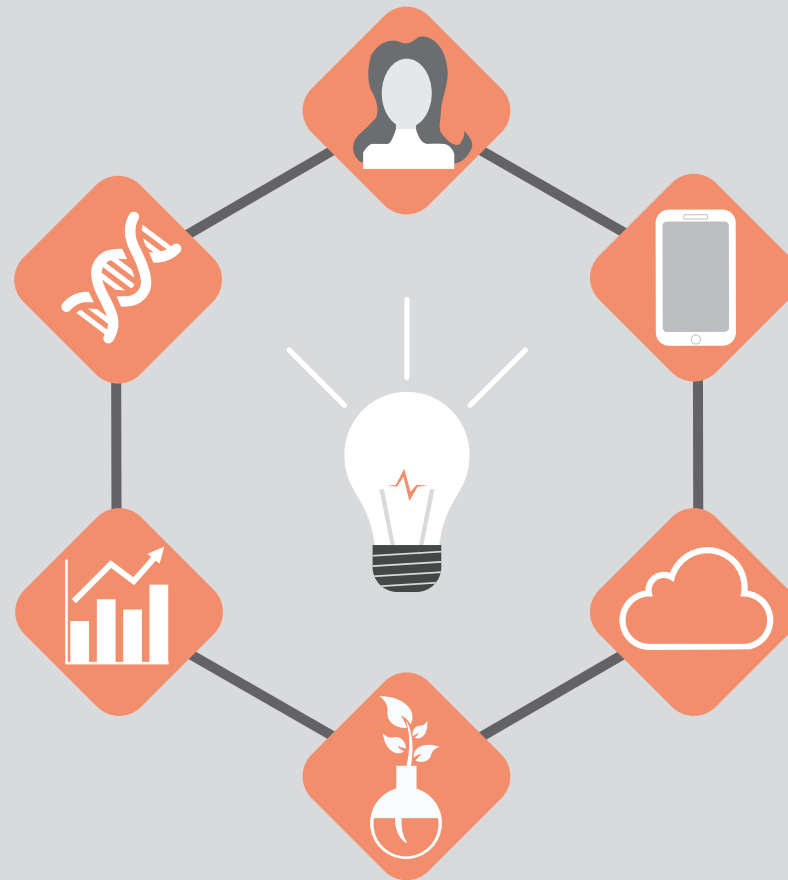


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The Engagement Challenge

In the global talent market, employees have power. Everyone is in pursuit of the same limited resource – the result is that talented workers enjoy choice and opportunity.

With 73% of CEOs citing skills shortages at crisis levels⁽¹⁾, it is no longer enough for organisations to create an employee value proposition at an organisational level. To

engage 21st century talent, the connection must be with the individual.

“No longer does the war for talent pose the biggest threat to business”

Much has been written and discussed about ‘the war for talent’. This war has focused

HR and line managers on bolstering talent sourcing, acquisition strategies and actions. In the meantime, a fundamental shift has occurred. No longer does the war for talent pose the biggest threat to business, not even the war for fit, companies now face a more subtle and complex challenge: the war for engagement.

There is increased recognition among companies that engagement matters – both, for driving a high-performance culture and building a sustainable workforce for the future.

For companies to unleash their workforce potential, they need to create an environment which retains talent and entices others to join.

“Only 30% of the workforce is engaged”

Today’s best and brightest are drawn to workplaces where they can do their best work, make a difference, connect with like-minded people and be recognised for their accomplishments.

This has spawned an industry directed at measuring and monitoring engagement. However, this measurement and monitoring appears to have contributed little to actually improving engagement levels in the workplace. Despite all efforts, still only 30% of the workforce is engaged, and engagement levels have remained static for the last decade⁽²⁾.

How do we overcome this global workforce challenge?

First, let’s discuss the fundamentals...

What is engagement?

In 2015, for the first time, ‘culture and engagement’ was rated the most important issue facing organisations around the world⁽³⁾. Engagement models abound, but despite the broad use of the term, the common themes defining the characteristics of workplace engagement are:

- **Involvement in meaningful work.**
- **Access to the tools necessary to succeed.**
- **Having trust and confidence in leadership.**
- **Personal and professional development opportunities.**
- **A culture of continuous feedback and recognition.**
- **Positive manager-team relationships.**
- **Autonomy and flexibility.**
- **Open and regular communication.**

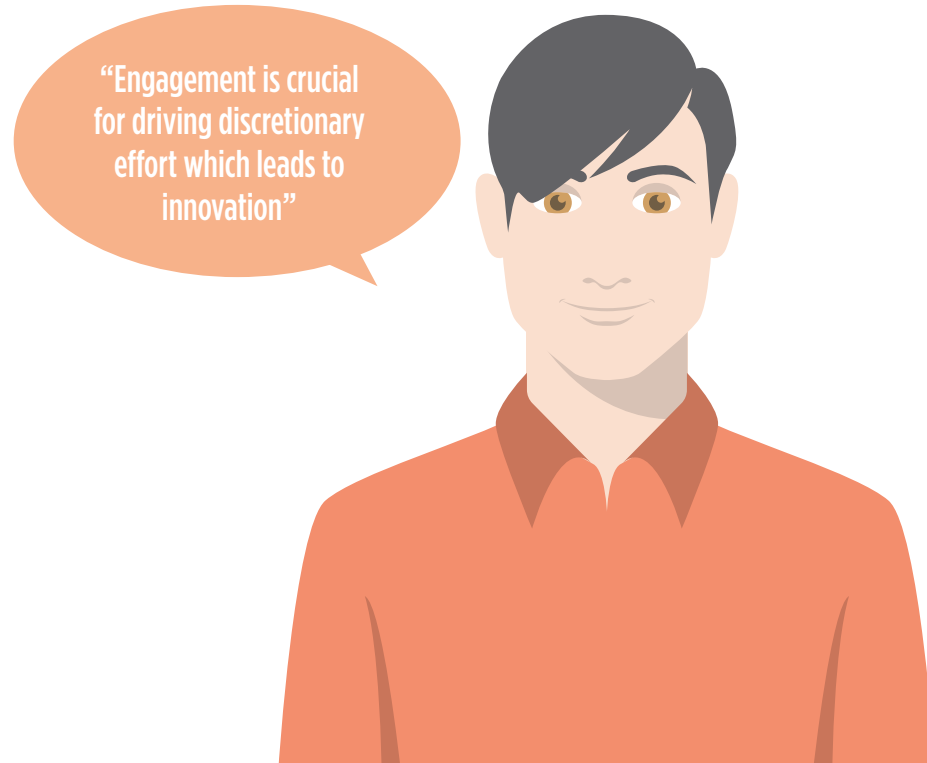
Engaged employees are aligned to the mission and values of your company.

And it’s getting personal. The relationship between the organisation and the employee is shifting to reflect the growing power of the individual. There is an increasing emphasis on personal needs over those of the organisation. Winning the war for engagement can only be achieved by understanding the highly individual, and personal nature of engagement.

Many HR professionals face an ongoing challenge to align workforce strategy and organisational strategy to deliver strategic business outcomes. Creating strategies and practices to connect with employees will ensure organisations have the workforce needed to achieve strategic organisational objectives.

Why is engagement important?

Engagement is crucial for driving discretionary effort which leads to innovation, the sharing of ideas and new ways of doing things. Engaged employees give that little bit extra because they want to, because they are energised by their work, because they believe in their organisation and what it is trying to achieve. Highly engaged employees not only lead to better customer engagement, but they also create the most new customers.



Consider the evidence for giving engagement C-level attention:

- Companies with high engagement, strong leadership, reputations and a performance culture achieve 57% higher total shareholder returns⁽⁴⁾.
- A 5% increase in employee engagement can be linked to a 3% increase in revenue growth in the following year⁽⁵⁾.
- Engaged employees are more likely to stay with the organisation, reducing the cost of turnover.
- Organisations with high engagement report lower shrinkage, lower absenteeism, and higher productivity and profitability.

Active disengagement is estimated to cost the U.S. economy between \$450 billion and \$550 billion per year⁽²⁾. Even so, 22% of companies admit they have either a poor program or no program to measure and improve engagement⁽³⁾.

Who is responsible for engagement?

The short answer is, everyone.

Senior leaders: They set the scene. Strong leadership is required to create an environment in which engagement can flourish. Trust and confidence in the vision of senior leaders is a proven driver of engagement.

Managers: Day-to-day engagement is influenced by manager-employee interaction. Selecting the right managers to support, coach, empower and develop individuals is the bedrock of engagement.

Employees: Individuals are responsible for their own engagement – alignment between personal drivers and the vision of the organisation helps set the scene for engagement.

HR: The role of HR is to support senior leaders through programs that create and maintain a culture of engagement, and to coach managers so they have the required skills to engage their people. These initiatives are broad and diverse – development and career progression, performance management, employee value proposition, engagement surveys, remuneration and incentives.

“No one size fits all” Engagement varies between industries, organisations and between divisions within a company. No one size fits all.

Even within a work team engagement can vary dramatically by role, tenure, education, age and gender⁽²⁾.

How can any engagement strategy cater to the diversity of the audience it aims to engage? Perhaps lessons learnt from our experience with consumer technologies hold a clue: take a very tailored and personalised approach. Organisations are a tapestry of different cohorts: understanding and adapting engagement strategies that align with the unique drivers of a diverse workforce becomes key to competitive success. Overall, a structured and planned employee engagement program has been shown to create engagement levels 64% higher than an ad-hoc approach⁽⁶⁾.

Whilst there is a mind shift from ‘employees are our most expensive cost’ to ‘employees are our most valuable asset’, this does not go far enough.

Engagement is about winning the hearts and minds of individuals. Companies that understand this are starting to apply consumer marketing principles to their management of employees, giving them choices in benefits, creating a stimulating and engaging environment and applying targeted strategies to different business units.

Still, paradoxes confound engagement efforts and some serious questions remain unanswered.



“Engagement is about winning the hearts and minds of individuals”

Let's explore the following challenges in embedding a culture of engagement:



Differentiate your best:

What role does performance management play?



Thrill of the chase:

How do we move beyond attraction to retention?



Measurement myopia:

What is the link between surveys and sustainable engagement?



Brand ambassadors:

Is social media the new frontier for engagement?



Technology is your friend, or is it?:

Will technology solve our engagement issues?

Differentiate Your Best

The tables have turned on performance rankings and ratings. Engaging a team of A-players requires recognising and rewarding the best. How do we reconcile the drive for high performance with the need to eliminate disengaging practices of the past?

“Traditional performance management has failed to deliver on the promise of driving higher engagement and productivity”

Despite decades of implemented practice, traditional performance management has failed to deliver on the promise of driving higher engagement and productivity. Not only have traditional approaches failed to drive engagement, but they have been instrumental in fostering disengagement.

The challenge for HR is creating structure from fluidity, growing and nurturing A-players in an environment where traditional frameworks are stripped away.

The fundamentals of performance management – aligning individual objectives to strategic business goals, evaluating and providing feedback, recognising and rewarding high performers – should drive productivity and lead to engagement. In reality performance management processes have disengaged employees. Why the disconnect?

Rater biases, infrequent feedback and lack of transparency are all common concerns. Perhaps now is the time to pause and ask *what are we trying to achieve with performance management?*

The trend toward the decoupling of pay-for-performance and on-going learning and development continues to gain traction. If collaboration and development are the aim of an organisation's focus on performance, a de-emphasis on ratings will foster a less-competitive environment. Further, taking the angst out of performance reviews means managers and employees can focus on development. If pay-for-performance or identifying A-players is the goal, some method to score and differentiate performance is necessary.

“The reinvention of performance management is well under way”

New models have emerged, such as the radical re-design of Deloitte's performance management approach. At Deloitte, managers no longer set goals for employees, rate performance or share performance ratings⁽⁷⁾. A growing cohort of companies have abolished ratings – by early 2015, 33 companies employing over 1.5 million people no longer defined performance by a single number⁽⁸⁾. Instead these companies emphasise ongoing, quality conversations between managers and their teams.

The emphasis on performance management has shifted

In the new framework, the emphasis has shifted from assessing past performance to focusing on clear future goals and expectations. The reinvention of performance management is well under way, where the aim is to provide feedback that drives performance, supports development and engages individuals.

Research indicates the focus on quality conversations has been well received by employees and managers alike⁽⁹⁾. That said, whilst the re-vamped process reduces the administrative burden on managers, there is only anecdotal evidence at this stage that either productivity or engagement are in fact boosted. Instead there is “an implicit recognition that performance and engagement are strongest when employees feel supported by a manager's guidance and coaching and when they have more ownership of the process”⁽⁹⁾.

Without ratings, how do we know? Some organisations have tried to eliminate structured ratings with lacklustre results and have reinstated ratings as they struggle to find an alternative on which to base the allocation of the company's financial resources⁽¹⁰⁾.

To rate or not to rate?

With or without ratings, companies still need to make decisions impacting pay, promotion and career progression. Ratingless systems claim to be less demotivating, but can be prone to criticism of a lack of transparency. Perceptions of unfairness have knock-on effects on engagement.

Perhaps ratings are simply a convenient scapegoat for the failings of the performance management process. Are top performers who are ranked as A-players disengaged by their performance rating? If the answer is 'no' perhaps the bad press that the performance management process receives is driven by the way average to poorer performers feel towards receiving such feedback.

Performance management and ratings are neither good nor bad. Culture and manager capability are what make the performance process succeed or fail.

For instance, creating an environment in which employees can participate in meaningful work, receive regular feedback from managers, and be recognised for personal and team achievement are key to fostering engagement. Bringing these components into performance management in a personalised experience will drive engagement.

When companies already enjoy high levels of engagement, the most significant factor driving engagement higher is aligning rewards and performance. This only occurs when there is a strong foundation of

leadership enablement and a supporting culture⁽¹⁾.

“Culture and manager capability are what make the performance process succeed or fail”



How to differentiate the best

With no magic bullet, understanding the objective of the performance process within the organisational context is the only way to craft an approach that will serve up the desired combination of productivity and engagement.

Ask the question: is our emphasis on learning and development or pay-for-performance? Accept that what works for one organisation may not work for another and there will be multiple 'right practices'. Consider the following:

- Performance discussions embedded in business as usual will drive stronger outcomes. Consider pulse performance practices that promote regular feedback, ongoing discussions and agile alignment of objectives with strategic goals.
- Investment in manager and leader development – coaching in giving feedback and managing difficult conversations. Re-focus discussions from 'rating past performance' to 'what needs to be done next'.
- Collect and utilise data from multiple sources to create a richer view of employees' performance. Weigh potential and effort against ability and outcome.
- Simplify, simplify and simplify the process to increase adoption.
- Create a culture that values people, performance and strong leadership in which performance management can form the basis to drive results.

Thrill of the Chase

The war for talent centres on attracting the right people to the organisation. But what happens after that? A strong emphasis on talent acquisition without the flow-through to the rest of the talent management cycle means attraction does not always translate into long-term retention.

Consider this:

- Engagement is at its highest (52%) during the first six months of work⁽²⁾. After this engagement usually dips and may not increase again for anywhere between 3 and 10 years.
- Employees are more likely to 'say' positive things about their company (68%) than 'stay' with their company long-term (57%)⁽⁴⁾.
- Only 42% of employees believe their company does a good job of retaining employees⁽¹²⁾.

So what's the issue?

Do recruiters create inflated expectations of the workplace and companies fail to deliver on the promise? Is there a misalignment between employee expectations and the reality of the job? Does information gleaned during the recruitment process (motivators, work style and preferences) fail to reach managers post-recruitment? Do managers not have the skills to support employees through the engagement trough?

Managers are critical for engagement

“There is a disconnect between what leaders believe employees want and what employees actually want”

Engagement is not just an HR issue. Effective leaders and managers have an immediate impact on employee engagement⁽²⁾, yet in the last twelve months the capability gap for building great leaders has widened in every region of the world⁽³⁾. Whilst employees list 'trust and confidence in senior leadership' as their third most important driver of retention, it does not even make it onto the list of priorities from an employer perspective⁽¹²⁾.

Expect a continuing metamorphosis of the HR role toward becoming guides, coaches and empowering managers to connect with their talent. A focus on identifying the leaders of the future who have the capability to engage people and manage operations will achieve superior organisational outcomes.

Although employers and employees are reasonably aligned on the drivers for attraction – pay and career opportunities feature in the top three for both – when it comes to retention, there is a disconnect between what leaders believe employees want and what employees actually want⁽¹²⁾.

Leaders can unleash discretionary effort by creating an environment in which employees are inspired to do their best. Visionary leadership, positive manager-team relationships, ongoing feedback, recognition, opportunities to learn and develop, flexibility and autonomy, and the technology and tools necessary to succeed, all feature in what employees are seeking to engage their efforts.

Is the generational factor in engagement reality or hype?

Flexibility, regular feedback, praise and encouragement, purpose, challenging work and collaborative decision-making are frequently cited expectations of the millennial generation at work. Certainly, career progression is among the top millennial priorities and their impatience for 'doing their time' is often viewed as a reason for short tenure. Currently 38% of millennials are looking for a different role⁽¹³⁾ compared to the organisational average of 26% of employees who expect to change jobs in the next two years⁽¹²⁾.

“Mobility within the organisation and access to many experiences will drive engagement and retention”

Does this explain the high turnover and low engagement currently experienced by many companies? Not quite. Older workers have longer tenure with their current employer than younger workers. The highest turnover is in the 25 to 34 age bracket, but this statistic is

constant over time and is not specific to the millennial generation⁽¹⁴⁾. This suggests job churn in younger people is not a generational consideration but rather an age-in-life one. Simply put, young people change roles more frequently.

Organisations can accommodate this via strategies that allow access to new roles or projects, on-the-job learning, internal mobility and career development. Mobility within the organisation and rapid access to multiple experiences will drive engagement and retention.

Flexibility is a significant factor in engagement today

Sixty-eight per cent of current graduates say having the ability to work remotely influences their likelihood of accepting a position, and 74% expect flexible schedules in the workplace⁽¹⁵⁾. However, this is not unique to millennials. The highest levels of engagement are recorded by employees

“The strongest retention drivers for millennials, Gen X and baby boomers are the ‘opportunity to do my best’, ‘mission and purpose’ and ‘opportunities to learn and grow’”

who balance remote work with time in the office⁽²⁾, irrespective of the demographic.

While intergenerational factors influence engagement, so too do geographic, gender, education and role considerations. Overriding these differences are the similarities. The strongest

retention drivers for millennials, Gen X and baby boomers are the ‘opportunity to do my best’, ‘mission and purpose’ and ‘opportunities to learn and grow’⁽²⁾.

An ability to recognise the connection between engagement and business outcomes does not necessarily translate into an ability to execute on a strategy to achieve this aim. Although 87% of organisations state culture and engagement as their top challenges, only two-thirds of HR leaders are updating their engagement and retention strategies⁽³⁾. An overarching strategy builds the framework in which a culture of engagement can flourish.

“87% of organisations state culture and engagement as top challenges, yet only two-thirds of HR are updating their strategies”

Beyond the thrill of the chase

Employee engagement must prevail beyond the honeymoon period experienced by new recruits. Well implemented, these simple actions can go a long way:

- Ensure the employee value proposition is reflected in talent management strategies beyond attraction. Walk the talk.
- Invest in leaders and support them to create a culture of engagement.
- Align continual, real-time feedback and recognition with employee motivations.
- Drive talent mobility practices that identify and move talent internally to address development aspirations and build career opportunities.
- Create an engaging work environment – with meaningful work, the ability to make a difference and tools to support achieving desired outcomes.

Measurement Myopia

Do engagement surveys and Net Promoter Scores create a myopic view of employee engagement? What do the numbers actually tell us? A narrow focus on a handful of key indicators may be hiding a plethora of underlying issues and creating blind spots.

How do we know if employees are engaged? Can you detect “the vibe” just by walking around? Certainly there is a lot to be said for getting out amongst employees to understand what is occurring. That said, HR is often criticised for its lack of analytical rigour. Engagement surveys capture hard data and measure engagement across a number of factors.

Few things are more frustrating than being asked for feedback, providing it, and seeing it ignored!



So what data should be measured? Many organisations fall into the trap of surveying employee engagement without the ability or the desire to act upon the collected data. Identifying issues and failing to address them usually has the opposite impact to the desired outcome.

“Setting engagement score targets can lead to ‘gaming’ the system”

With a plethora of tools available to capture engagement data, remember this: they don’t create engagement, they just measure it. Although this seems self-evident, companies still too often ask “how do we improve the score?” rather than “how can we ensure our people are passionate about our company and feel they make a difference?”

Given the link between employee engagement and customer satisfaction, anything that masks the real level of satisfaction should make us pause. Setting engagement score targets can lead to ‘gaming’ the system, where managers focus on achieving a score rather than shifting the underlying behaviours⁽¹⁶⁾. The use of the Net Promoter Score (NPS) to measure customer engagement is a familiar experience. When faced with strong encouragement to score customer service 9 or 10, many people do.

Using NPS to address the extremes of actively disengaged and highly engaged employees is a growing trend⁽⁴⁾. Understanding what is being measured, why, and what needs to be done to address areas of concern is key. Aggregate

information is useful to paint a picture, but engagement is about individuals, so understanding the drivers of engagement at an individual level is paramount. An overall company score can mask significant variations at regional, team and individual levels⁽²⁾.

Frequency of engagement surveys - an ongoing debate

Just over 50% of companies survey on an annual basis, 30% every second year and a few every six months. Pulse surveys are predominately used in companies that do a full survey every second year⁽¹⁶⁾. Some argue that measuring engagement once a year is not enough and that higher frequency provides better insights. Pulse tools allow organisations to significantly increase survey frequency – at the extreme, to daily.

Social media has opened another door by enabling companies to obtain feedback from external sources. Currently 10% of organisations track employee sentiment via social media and 30% suggest they will do so in the future⁽¹⁶⁾.

Get the measures right

Measuring the wrong data more frequently does not provide better insights. Measuring the right data too frequently can cause survey fatigue and declining participation rates. Rather than asking “how often should we measure?” ask “what do we really need to measure and why?”

What are engagement surveys really measuring? The leading providers have varying definitions of engagement, satisfaction, and employer of choice.

- **Gallup has a 12-question survey that statistically predicts employee and workforce performance⁽²⁾.**
- **Aon Hewitt measures the link between engagement and financial performance focusing on 'say, stay and strive'⁽⁴⁾.**
- **Other models place varying emphasis on leadership, management, culture, communication, recognition, meaningful work and career opportunities.**

Quantitative results focus on 'what employees think' but don't always provide qualitative feedback on 'why employees think that'. Do the surveys provide companies with actionable outcomes?

Many will criticise that surveys fall short of equipping leaders with the tools to build a culture of engagement.

New technologies are emerging

New technologies are coming to the fore such as Social Network Analytics which analyse relationships and work patterns between people; Social Recognition Platforms on which employees share feedback, give recognition for individual or team efforts and are acknowledged for their contribution; and Voice of the Employee (VoE) analytics which monitors the signals of engagement, intent and attitude – email, messaging, survey, blogs and collaborative platforms⁽¹⁷⁾ are some of the alternative models now available.

Collecting information from a variety of sources will provide the richest view on engagement. Combining engagement data with performance, workforce planning and productivity data will provide a more holistic view of company health. Regardless of the chosen approach, an effective method to gather and analyse employee feedback provides senior leaders with the data they need to respond to organisational challenges.

How to avoid measurement myopia

- Understand what you're measuring and why. How do the survey responses help drive engagement and productivity?
- Ensure that you can act upon the data. Create an action plan to address issues. Do not wait until next year's survey to determine whether changes are making a difference.
- Follow up on areas of concern with a simple pulse survey to ask if the changes are positive.
- Frequency – what makes sense? This will depend in part on what resources are available to action the outcomes of the survey, what systems are in place to capture and analyse the data and what other initiatives are currently active.
- Build sustainable engagement by focusing on understanding performance drivers and changing underlying behaviours rather than obtaining better scores.
- Increase transparency by communicating the findings together with proposed plans to address any issues.
- Collect formal and informal feedback to understand what employees are telling you and why.

Brand Ambassadors

Social networks act as digital billboards for employers. Organisations that fail to harness the power of their employees' online presence risk squandering the opportunity to unleash an army of workplace advocates.

Employer branding has always been part of the attraction story. Without a strong and compelling brand, companies struggle to attract top talent. The growing awareness of the importance of the employer brand has led to a debate about who, ultimately, should own it. Three years ago, 61% of companies reported the employer brand was either owned by their recruitment function or by marketing⁽¹⁸⁾. By 2015, 60% of senior leaders believed the primary responsibility for employer brand sits with the CEO⁽¹⁹⁾.

"60% of senior leaders believe the responsibility for employer brand sits with the CEO"

Despite an emphasis on the strategic importance of employer branding, many companies still appear stuck in the mindset that it is a tool for attraction, and neglect its engagement value. When CEOs and HR leaders were asked about the goal of employer branding, 40% said it was to secure long-term recruitment needs and only 28% saw it as a competitive differentiator⁽¹⁹⁾.

Enter social media

"Social media has irrevocably linked the company reputation with the customer experience"

Gone are the days of controlling your employer brand message. Today's social media means the employer brand is shaped and reshaped in a very public manner as employees, past and present, share

their thoughts and feelings about your organisation. It has removed the boundary between the professional and the private persona. Social media has irrevocably linked the company reputation with the customer experience.

Culture and employer branding can be an organisation's competitive advantage, or its Achilles heel. Many companies proactively use social media to promote the 'human side' of their business, actively posting images of happy and engaged employees. But is this enough? Although 74% of companies claim to have at least a moderate employer brand presence on social media platforms, only one-third

have resources dedicated to posting regular content⁽¹⁹⁾. About half measure social media activities and 69% plan to do more to measure impact over the next five years, with 23% who plan to do nothing different⁽¹⁹⁾.

Every day, employees are posting information to social media sites such as LinkedIn, Facebook, Glassdoor – to name a few. It's generally accepted that companies have better success attracting high calibre individuals when they are perceived to be a great place to work, over companies with a tainted reputation. But how impactful is this information really? Recent research by Glassdoor shows a link between employee satisfaction and the market value of a company. A one-star increase in your Glassdoor rating equates to a 7.9% increase in market value⁽²⁰⁾.

"A one-star increase in your Glassdoor rating equates to a 7.9% increase in market value"

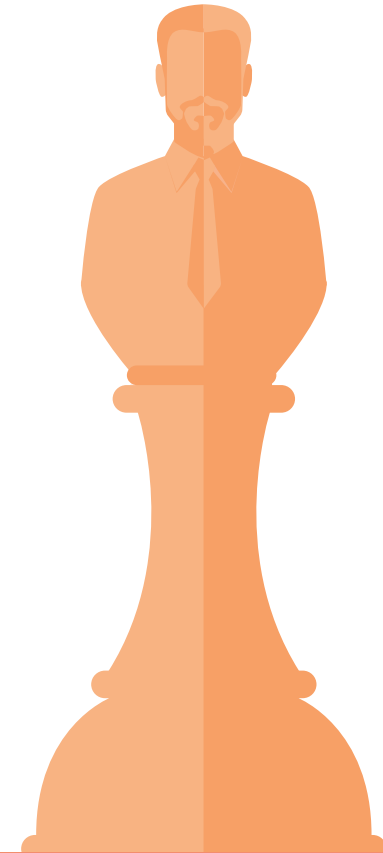
That is a big economic impact. Job seekers and consumers alike are more likely to trust what employees say about their organisation over the HR or Marketing spin – individuals seek authenticity. Every current and past employee should be viewed as a brand ambassador.

Is your company's approach to social employer branding random or deliberate? Is it showcasing engaged employees to deliver strategic advantage? Despite the social media frenzy, only 17% of companies have a clearly defined strategy to strengthen their employer brand using social networks⁽²¹⁾.

Adobe leads the way

One company that has embraced the power of social media for employer branding is Adobe. Adobe has taken a company-wide approach to empower employees to be social brand ambassadors. Since mid-2014, approximately one-third of Adobe's 11,000 strong workforce has participated in Social Shift, a purpose-built training program to become Adobe brand ambassadors⁽²²⁾. Since implementing the program, Adobe has consistently ranked in the top three on the SocialLook leaderboard, a platform that measures employee advocacy, hitting the number 1 slot for three consecutive months in 2015⁽²²⁾.

Nervous employers point to the potential risk that employees will post negative information via social media. On balance, there is acceptance that the benefits outweigh the risks. A well-executed brand ambassador program that equips individuals to promote their company creates an opportunity to exponentially increase the business impact of employee engagement. Engaged employees believe in the vision and the values of the company – online demonstrations of their enthusiasm and commitment to the vision create an authentic brand that not only reinforces engagement amongst current employees, but also attracts new ones.



How to create great brand ambassadors

- Assess the current strength and reputation of your employer brand on social media. Are there gaps between your Employer Value Proposition and reality?
- Consider the message – organisational strengths, defining characteristics, culture and values. Highlight what differentiates your company from its competitors.
- Be proactive in sharing employee experiences online. Coach and develop employee advocates to share stories that reflect the employer brand and culture of your organisation.
- Every department and individual within the company needs to understand the shared vision and importance of employer brand.
- Past employees and customers are also brand ambassadors for your company. High engagement means a better customer experience.
- Clearly define your strategy, define your metrics and measure, measure, measure.

Technology is Your Friend, or is it?

Technology empowers us as never before. It also enables surveillance and monitoring of our actions and preferences, from the supermarket to the workstation. Where is the line between fostering engagement and 'Big Brother is watching'?

In the seven years between July 2008 and June 2015, 100 billion apps were downloaded from Apple's App Store. Twenty-five billion were downloaded in the last 12 months as the use of apps increases exponentially⁽²³⁾. Consumer apps are fun, simple and productive; they enjoy a large uptake because they meet the needs of the consumer.

The technology we use in our personal lives has led employees to expect a similar experience in the workplace.

"The technology we use in our personal lives has led employees to expect a similar experience in the workplace"

Collaborative, social, mobile, and cloud technologies allow people to work where, when and how they want. The ability to relate to employees on their terms, create space for innovation and foster a collaborative work environment are enabling more and more engaging workplaces.

And this is just the tip of the iceberg. What drives the popularity of consumer apps – simplicity, fun and productivity – is just as relevant in the workplace.

Technology to enable and measure engagement

Individuals excel when they believe they can do their best work, feel empowered, have the tools they need to be successful and are recognised for their efforts. Technology can provide the tools to enable autonomy, collaboration, teamwork, social affiliation, effective communication, feedback and recognition. Technology that enables employees to provide input into decision making, shape the direction of their work, provide feedback on initiatives, and be recognised for their contribution will help drive engagement.

For instance, user experience scores are 49% higher in organisations with employee and manager self-service, mobile and help desk technologies⁽²⁴⁾.

Understanding social capital – the network of relationships that exists within organisations – may provide the key to unlocking engagement.

"User experience scores are 49% higher in organisations with employee and manager self-service, mobile and help desk technologies"

Social capital is built on trust and reciprocity. Over 75% of companies believe social capital is critical to organisational success, yet only 37% believe they are effective at building it⁽²⁵⁾. Companies that get it right reap the benefits: 77% of their employees are engaged⁽²⁵⁾.

These companies also recognise the critical role technology plays. They are 91% more likely to integrate social recognition tools with their talent management technology and 85% more likely to embed social technology into work processes⁽²⁵⁾.

Collaboration software that embeds recognition such as Social Recognition Platforms allow employees to share feedback, recognise the contributions of individuals and teams, and have their own contributions recognised. By focusing on feedback and the public recognition of desired behaviours, companies can increase engagement⁽¹⁷⁾. Social Network Analytics tools are used to analyse relationships and work patterns among employees⁽¹⁷⁾. They measure the number, strength and type of connections between employees. Used effectively they can improve communication, be used to gather advice, and help employees connect with experts, find mentors, and exchange ideas.

What about monitoring?

New technology is quickly emerging that provides organisations with real-time data. For example, Voice of the Employee (VoE) analytics analyses all the touch-points of communication – email, IM, texting/ SMS, messaging, surveys, blogs and social discussion threads. Analysis of sentiment, text, voice and content determines the engagement, intent and attitude of employees⁽¹⁷⁾. This real-time data is a strong leading indicator of employee engagement.

That said, if creativity and engagement are highest when individuals have autonomy to shape their own work, this type of monitoring may stifle creative innovation.

Wearables are another area of growing interest, creating the opportunity to provide organisations with real-time feedback on wellness. Quantified-Self Analytics technology analyses the link between employee wellness and engagement. Personal health data collected via biometrics and activity tracking is incorporated into wellness programs to foster improved employee well-being and performance⁽¹⁷⁾. A slippery slope of legal, health insurance concerns and union stonewalling can be envisioned as private information is used to make decisions which may not benefit the individual. Where is the line between beneficial and controlling?

On balance...

According to researcher Aberdeen, 35% of best-in-class businesses plan to introduce employee engagement tools over the next year⁽⁶⁾. Moreover, companies with dedicated employee engagement programs experience 2.3 times greater customer loyalty and 26% higher revenue growth⁽⁶⁾.

“The explosion of rate-it mentality - ‘likes’ and ‘thumbs up’ - makes it easier than ever before to collect, aggregate and provide feedback using technology”

Although technology has the potential to be misused, on balance companies will benefit from the expansion of options, and the increasing collaboration between HR and IT to drive employee engagement. The types of tools selected will depend on the unique attributes of each organisation.

Cultural fit and readiness are important factors when selecting social recognition platforms. Similarly, transparency, accessibility and usage of networks are important considerations for selecting social network analytics. The explosion of the rate-it-mentality, with ‘likes’ and ‘thumbs-up’ becoming part of our everyday vocabulary, makes it easier than ever before to collect, aggregate and provide feedback using technology. There is the opportunity to apply these principles in monitoring and managing engagement. The ability to measure the outcomes of engagement and use the information to drive business decisions is important and should influence the decision of which technology to adopt.

“Companies with dedicated employee engagement programs experience 2.3 times greater customer loyalty and 26% higher revenue growth”

How technology can support engagement

- Solutions need to be coherent with your employer brand proposition and culture, and meet the needs and wants of your workforce.
- Employees expect a consumer experience at work. Technology should be simple and fun to use and increase productivity.
- Technology enables employees to collaborate, connect with subject matter experts, access information, identify mentors, provide and receive feedback and help bridge skill gaps.
- Leverage technology for feedback and recognition.
- Self-service increases employee autonomy and transparency.
- Cloud and mobile functionality provides flexibility and improves user experience.

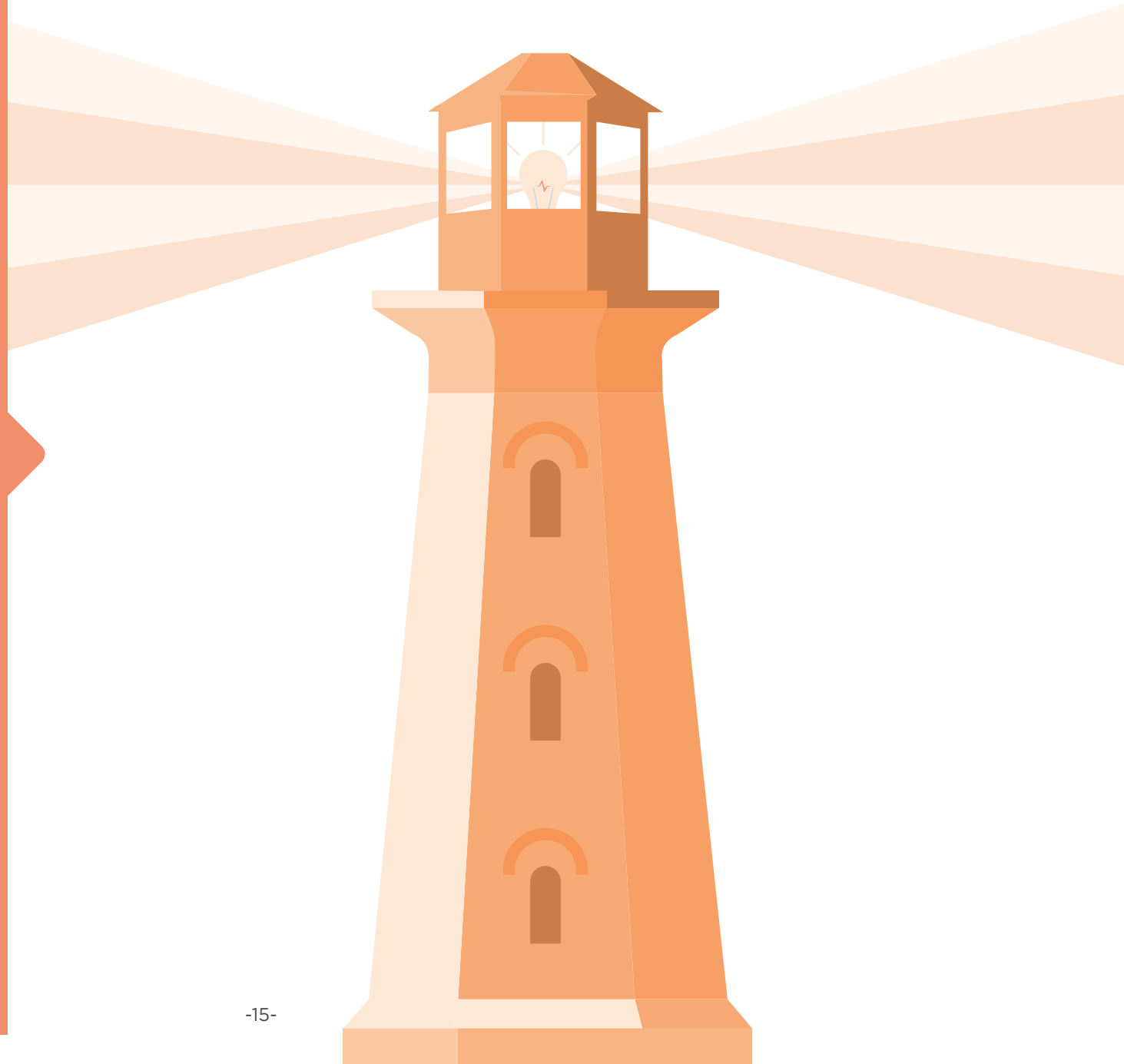
Conclusion - Let Their Best Work Shine

Engagement matters. Winning the war for talent is not enough. Employees have options and, in a tight labour market, talented individuals will vote with their feet.

To win the war for engagement, employers need to move beyond the Employee Value Proposition and understand the individual drivers that motivate employees. The underlying strategies for performance management, retention, gathering employee feedback and building brand ambassadors provide the scaffolding for engagement. Creating a flexible, transparent and customised approach will help align the workplace with the needs of the individual.

Engaged employees are inspired to produce their best work every day. This opens the door to excellence, high customer satisfaction and innovation - the hallmarks of success in the digital era. A culture in which employees have trust and confidence in leaders, supportive manager-team interactions, give and receive ongoing collaborative feedback, have the autonomy, flexibility and tools to do their best, experience learning and career opportunities and fundamentally believe their work makes a difference, will create a highly engaged workforce.

Are you ready to win the war for engagement?



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Notes

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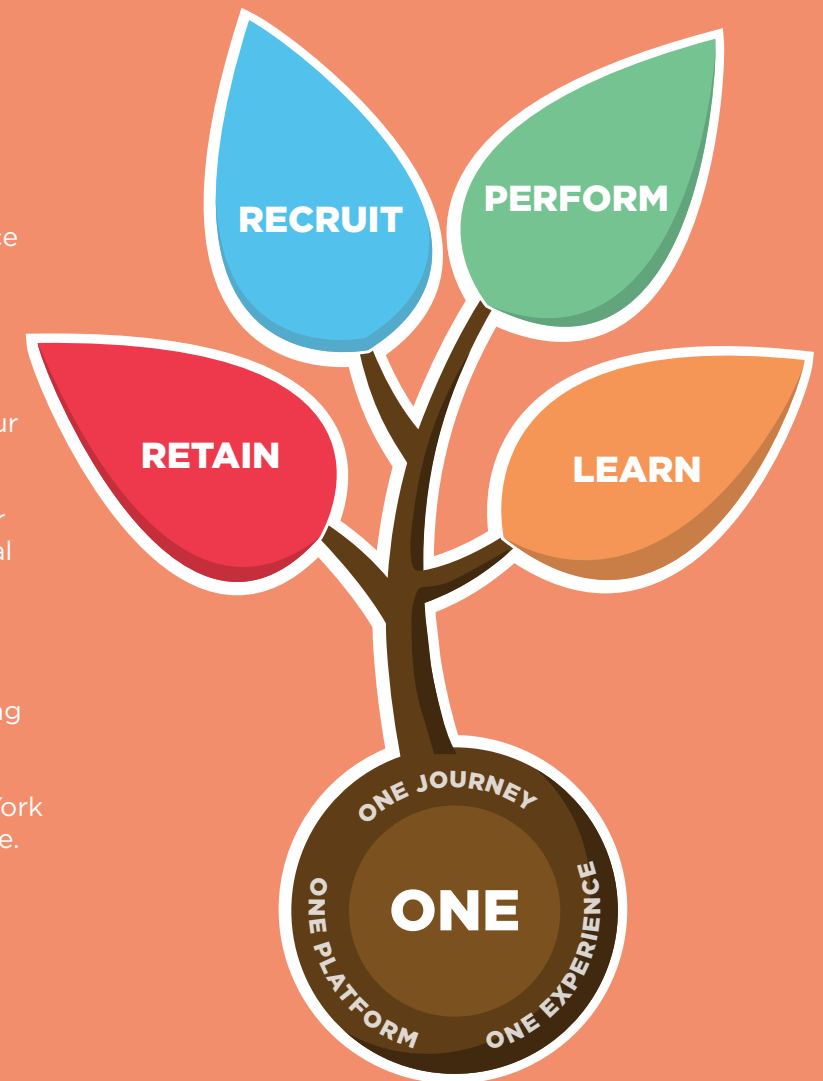
Rebecca Skilbeck is a Senior Research Analyst, Product Strategy at PageUp. With over 20 years of experience her career has included academia, strategic consulting and equity investment roles at University of Melbourne, PA Consulting Group and Merrill Lynch. Her research interest lies in talent management and the influence of technology in shaping the field. She holds a Bachelor of Science with Honours, Master of Science, Master of Commerce (Management) and a financial industry qualification (CFA).

ABOUT PAGEUP

At PageUp we are passionate about building the world's best technology that underpins our clients ability to build strong employee-employer relationships and equip them to attract, develop and retain the talent needed to take their business forward through one simple solution. We partner with organisations to learn their business challenges and support their people management initiatives with cutting-edge technology built for the mobile and social world.

Our state-of-the-art technology solutions unify Recruitment, Performance Management, Learning, Career Planning, Succession Management and Workforce Analytics to help multinational employers overcome the people management challenges inherent in operating across multiple geographies.

Speak to the PageUp team in Melbourne, Sydney, Singapore, Hong Kong, London or New York to see how we can help you transform your company's global people management initiative.



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