

BLESSINGWHITE

Employee Engagement Global Study 2010

AIM Qld & NT Executive Summary

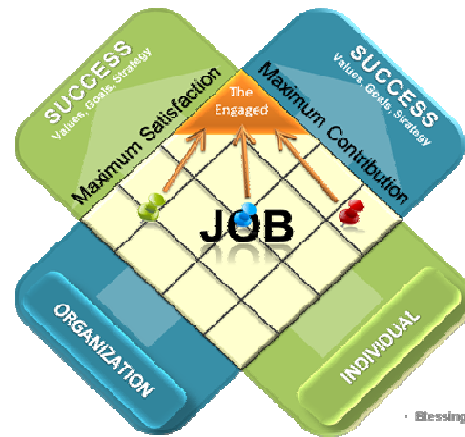
Hiring and retaining talented people isn't enough. If your skilled resources aren't focused on the right things and motivated to give 110 percent, you are at a competitive disadvantage. Your business depends on your employees being committed and focusing their unique talents on what matters most to your business.

The Engagement Equation

The term *employee engagement* means different things to different organisations. Some equate it with job satisfaction, which unfortunately can reflect a transactional relationship that is only as good as the organisation's last round of perks or bonuses. Others measure engagement by gauging employees' emotional commitment to their organisation. Although commitment is an important ingredient, it is only a piece of the engagement equation.

While organisations are keen to maximise the contribution of each individual toward corporate imperatives and metrics, individual employees need to find purpose and satisfaction in their work. Consequently, BlessingWhite's engagement model focuses on an individual's:

- Contribution to the company's success
- Personal satisfaction in the role



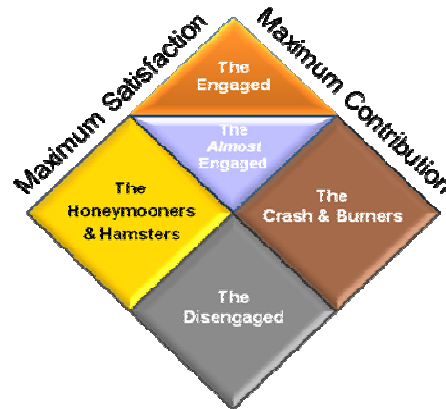
We believe that aligning employees' values, goals, and aspirations with those of the organisation is the best method for achieving the sustainable employee engagement required for an organisation to reach its goals.

Full engagement represents an alignment of **maximum job satisfaction** ("I like my work and do it well") with **maximum job contribution** ("I help achieve the goals of my organisation").

Engaged employees are not just committed. They are not just passionate or proud. They have a line-of-sight on their own future and on the organisation's mission and goals. They are **enthused and in gear**, using their talents and discretionary effort to make a difference in their employer's quest for sustainable business success.

Five Levels of Employee Engagement

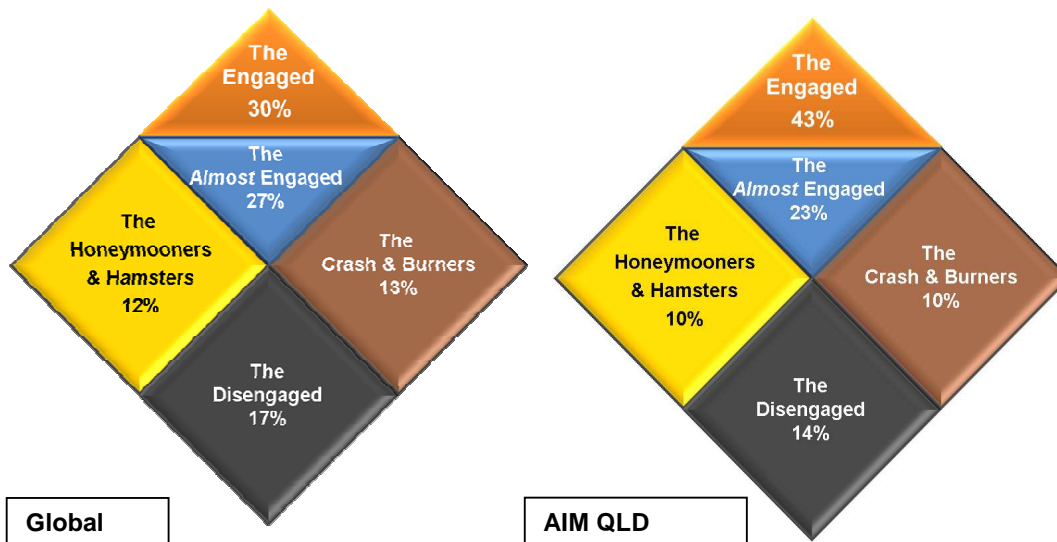
The index we use to determine engagement levels contains items that reflect the two axes of contribution and satisfaction. By plotting a given population against the two axes, we identify 5 distinct employee segments:



	Level	Description
	Engaged: High contribution & high satisfaction	These employees are at 'the apex' where personal and organisational interests align. They contribute fully to the success of the organisation and find great satisfaction in their work. They are known for their discretionary effort and commitment. When recruiters call, they cordially cut the conversation short. Organisations need to keep them engaged, because they can transition over time to any of the three adjacent segments.
	Almost Engaged: Medium to high contribution & satisfaction	A critical group, these employees are among the high performers and are reasonably satisfied with their job. They may not have consistent 'great days at work,' but they know what those days look like. Organisations should invest in them for two reasons: They are highly employable, and more likely to be lured to greener pastures; they have the shortest distance to travel to reach full engagement, promising the biggest payoff.
	Honeymooners & Hamsters: Medium to high satisfaction but low contribution	Honeymooners are new to the organisation or their role – and happy to be there. They have yet to find their stride and or clearly understand how they can best contribute. It should be a priority to move them out of this temporary holding area to full alignment and productivity. Hamsters may be working hard, but are in effect 'spinning their wheels,' working on non-essential tasks, contributing little to the success of the organisation. Some may even be hiding out, content with their position ('retired in place'). If organisations don't deal with them, other employees may grow resentful, or have to pick up the slack.
	Crash & Burners: Medium to high contribution but low satisfaction	Disillusioned and potentially exhausted, these employees are top producers who aren't achieving their personal definition of success and satisfaction. They can be bitterly vocal that senior leaders are making bad decisions or that colleagues are not pulling their weight. If left alone, they are likely to slip down the contribution scale to become Disengaged. Or they may leave.
	Disengaged: Low to medium contribution and satisfaction	Most Disengaged employees didn't start out as bad apples. They still may not be. They <i>are</i> the most disconnected from organisational priorities, often feel underutilised, and are clearly not getting what they need from work. They're likely to be sceptical, and can indulge in contagious negativity. If left alone, the Disengaged are likely to be a financial drain on the organisation. If they can't be coached or aligned to higher levels of engagement, their exit benefits everyone, including them.

Key Findings

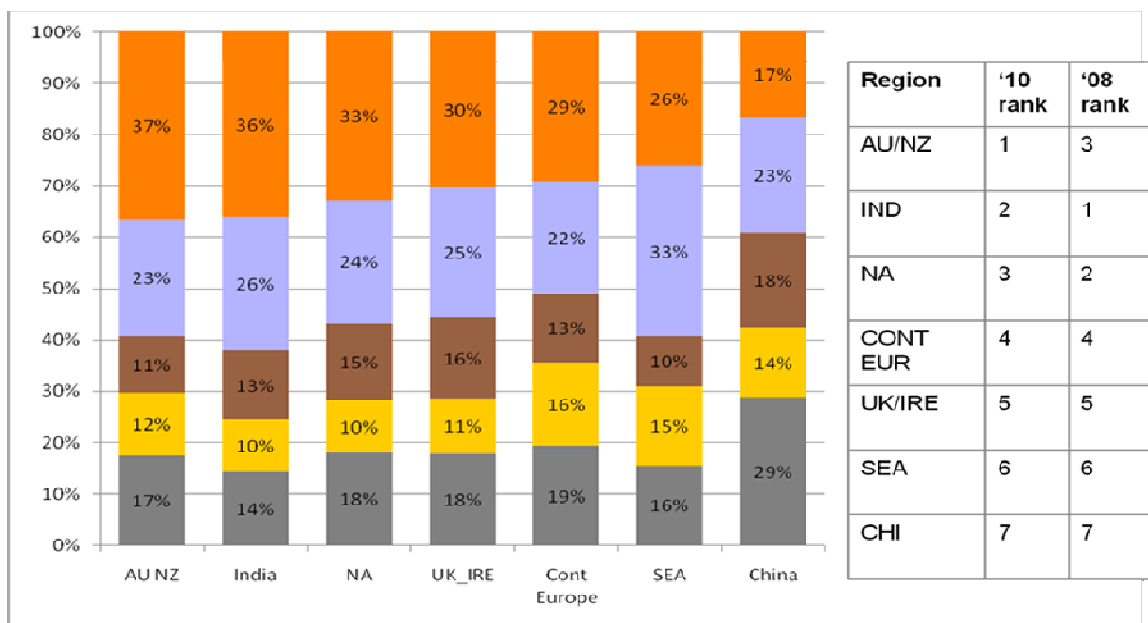
- 30% Global engagement rate – “Enthusied & In Gear”
- 37% in Australia & New Zealand engaged
- 48% of AIM Queensland Members engaged
- 17% in Aus/NZ *disengaged*
- 29% in China *disengaged*
- 14% AIM members *disengaged*



Australia/New Zealand have highest engagement rate in the world. But this figure is skewed by the fact that about 28% of the respondents were from AIM Queensland which has an extraordinary high engagement rate.

The global engagement rates of countries are similar to the 2008 study.

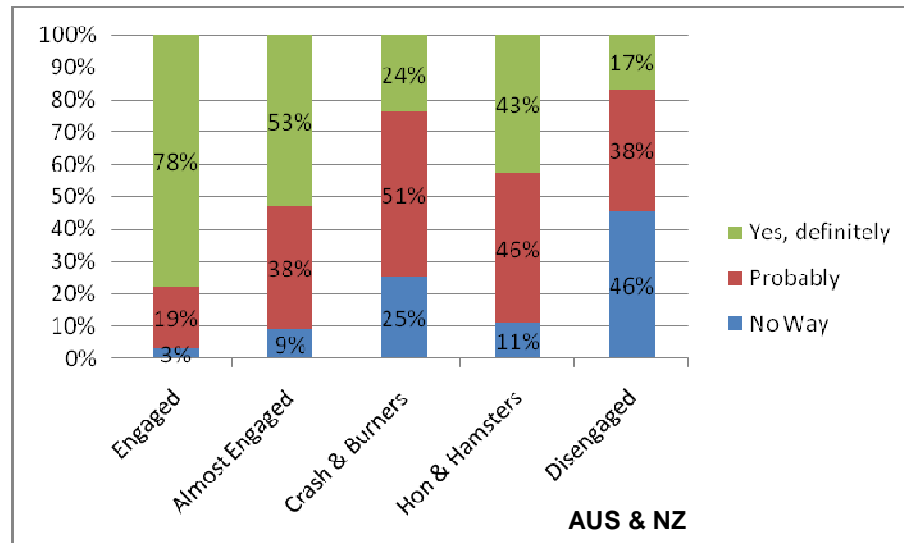
A Global Perspective



2010 Data N=10,286

Engagement & Retention

“Do you plan to remain with your organisation through the next 12 months?”



There is a strong correlation between engagement and retention.

78 % of engaged employees plan to stay with their employer.

25% of the “**Crash & Burners**” are likely to leave

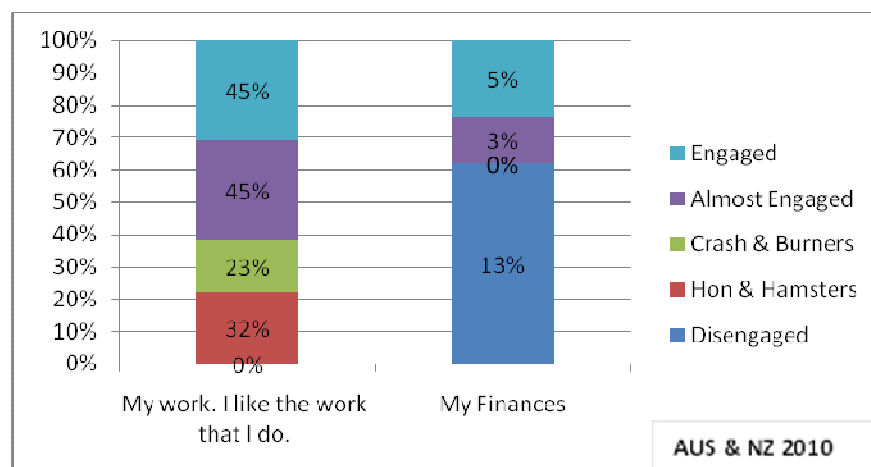
While 46% of the **Disengaged** say they will leave, but the risk is that they may stay.

Money vs. the Work Itself

Engaged employees stay for what they give (they like their work).

Disengaged employees stay for what they get (relationships with colleagues, favourable job conditions, job security and comfort).

“What factor influences you to stay?”

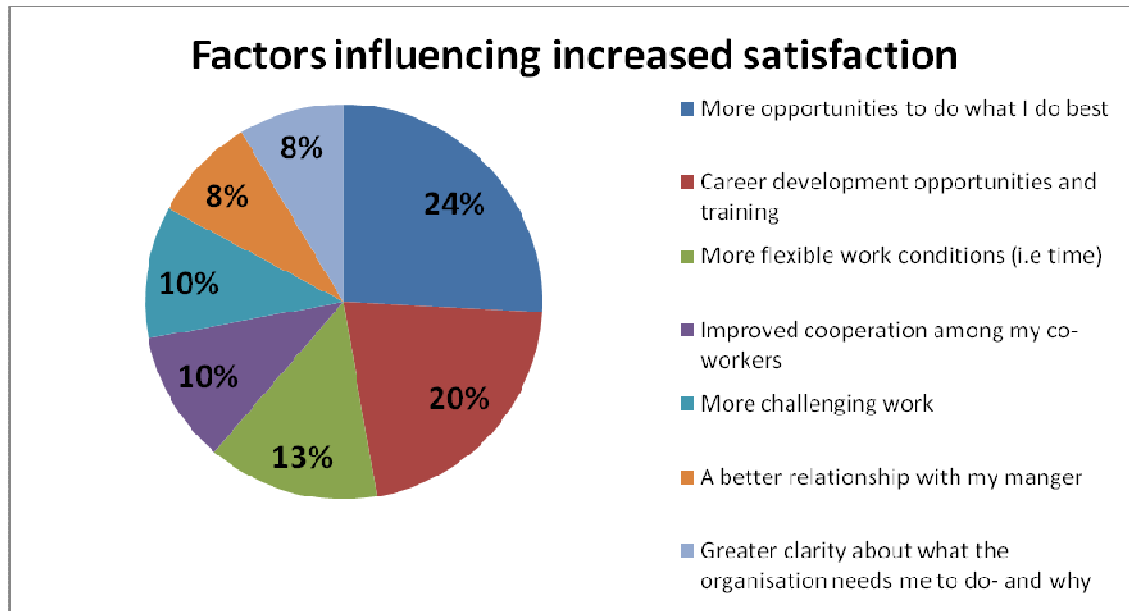


Money is a maintenance not motivational, factor. Only 4% of the total, (dominated by employees who are disengaged- 13%) rated remuneration as their key driver.

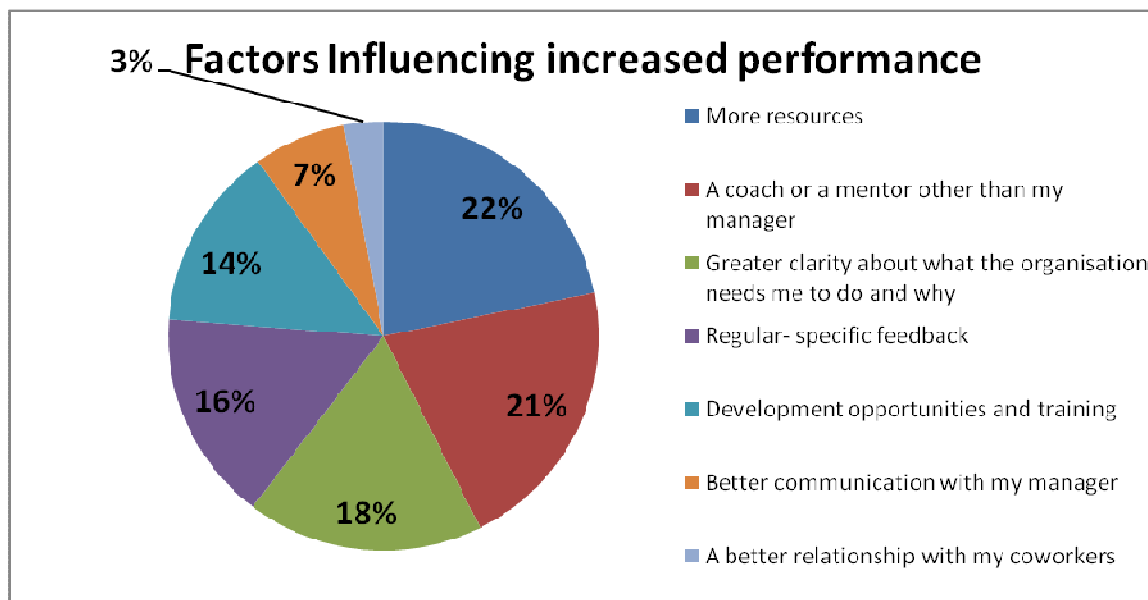
What Delivers Employee Satisfaction?

The work itself, ‘More opportunities to do what I do best’ is the most common factor influencing job satisfaction.

‘Career development and training’ ranked second.

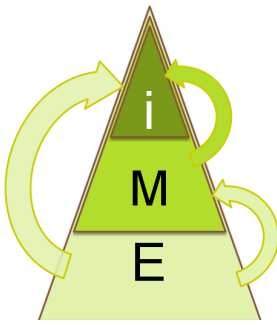


What Delivers Increased Contribution?



People who know what is expected of them and who see meaning in their work make the highest contribution. While this is not rocket science, questions to ask Managers include:

- “Why are you so reluctant to tell your direct reports what is required of them?”
- “Why are you reluctant to encourage them to use their talents?”
- “Why are you reluctant to recognise their achievements?”



Key Implications and Recommendations

Employee engagement is a complex equation that reflects each individual's unique, personal relationship with work. As such, there are limits to what organizations can do with broad-brush workforce processes or communication programs.

Individuals must:

- **Own their engagement.** They come to work with unique motivators, interests and talents. They must be responsible for their personal and professional success.
- **Be clear on what is important to them.** If employees do not know their most important values and goals, they will not achieve satisfaction on the job.
- **Take action.** Employees cannot wait for a tap on the shoulder to signal a move into their next job. They need to take initiative to build their skill sets and find opportunities to apply their talents to drive the organisation's goals.

Organisations must help employees redefine career success to encompass lateral moves, skill development, stretch assignments and special projects – not just promotions or advancement. They need to provide development opportunities and tools to help younger employees, in particular, determine their personal definition of success so they can achieve it at their current employer rather than go elsewhere.

Managers must:

- **Take control of their own engagement.** They, too, are employees. And a dead battery cannot jump start another. A misdirected manager cannot align team members to organisational goals.
- **Facilitate team members' unique engagement equations.** Managers cannot "make" employees engaged. They *can* build their understanding of each team member's unique interests, talents, and aspirations. They *can* coach each employee to higher levels of engagement.
- **Align individuals' passion and proficiency with organizational priorities and projects.** Disengaged employees are disconnected and disillusioned. To help prevent this from happening, managers need to keep

Organisations must ensure that managers have a clear line of sight to organisational goals so they can align employee efforts and talents accordingly. They need to equip managers with processes and tools for building mutually beneficial employee relationships that support effective, efficient coaching.

Executives must:

- **Commit or quit.** Senior leaders need to reflect on why they joined and why they stay. They need to monitor and manage their own engagement or they will bring down the workforce around them.
- **Set a clear direction.** They are responsible for shaping the organisation's direction and definition of success, without which the maximum contribution of employees is impossible.
- **Inspire commitment.** They need to ensure that all employees not only understand what needs to be done but also care enough to apply discretionary effort.
- **Build a culture that fuels engagement.** Culture has been likened to the tide: As the tide rises, so do all the boats. Senior leaders set the tone for culture in what they do and what they say.

Organisations need to hold executives accountable for driving results and engagement. They need to help leaders develop authentic communication skills, which in turn will increase trust and inspire the workforce to greater heights of performance and commitment.

Further Information

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This summary of the BlessingWhite Engagement study results for AIM Qld. was compiled by:

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