Reaching Every Employee in an Organization: Engagement through Recognition

REACHING EVERY EMPLOYEE IN AN ORGANIZATION: ENGAGEMENT THROUGH RECOGNITION

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The vast majority of today's employees are disengaged — and this is a serious problem, because study after study indicates that engagement is one of the key drivers of business success. "Becoming Irresistible: A New Model for Employee Engagement," published in 2015 by Deloitte, explains that "business leaders [must] learn how to build an organization that engages employees as sensitive, passionate, creative contributors."[1]

Corporate managers understand this imperative. In a 2014 Deloitte study, 78% of top executives rated engagement and retention as urgent or important priorities.[2] But, despite laser-like corporate efforts, employee engagement scores in the United States remain lackluster. The 2014 Towers Watson Global Workforce Study found that 24% of employees are disengaged and another 36% can be described as either unsupported or detached.[3] A full 60% of employees lack the elements required to be highly engaged.

The "2015 Trends in Global Employee Engagement Report" by Aon Hewitt confirms this trend by noting that the average employee's work experience is down 28% versus 2013.[4] The Aon Hewitt report also tries to get at the root of the problem by zeroing in on the core challenge areas — enablement, autonomy and sense of accomplishment. Only about half of employees feel enabled and both autonomy (choice) and sense of accomplishment have decreased by 1% since 2013.

Gallup estimates that employee disengagement costs the U.S. $450 billion to $550 billion in lost productivity per year.[5] But the stakes are increasing as the economy strengthens, the war for talent heats up, and recruiting, engaging and retaining the best and brightest employees becomes even more crucial.

EMPLOYEE ENGAGEMENT — A CORE BUSINESS STRATEGY

Perhaps the persistently low employee engagement scores of the past decade or so can be attributed to the fact that employee engagement has traditionally been the responsibility of Human Resources, even though engagement can be impacted by every department in an organization. Seen from this broad vantage point, employee engagement becomes a core business strategy, as opposed to an HR function.

Many organizations are embracing this corporatewide approach to employee engagement today. Indeed, armed with recognition training, resources and best practices, diverse and inclusive teams from across the enterprise are increasingly speaking authentically and realistically about the challenges employees face and the most effective programs to engage them.

There are generally two key areas that these organizations focus on in order to boost engagement and business performance: improving quality of life for employees and reaching every employee in an organization.

IMPROVING QUALITY OF LIFE FOR EMPLOYEES

Improved quality of life helps lift employee engagement. But enhanced quality of life isn't just about increased income, although commensurate compensation is always important. Work-life balance — or life balance, since we seem to be connected to our digital devices 24/7 — also matters to employees. This point was driven home in a recent Ernst & Young survey, in which 33% of the full-time employees interviewed said that it has gotten more difficult to manage work/family in the last five years.[6]

There are many other ways to improve the quality of life for employees, including well-communicated employee programs based on management, peer and social recognition that reaches every level of an organization, as well as health and well-being programs that promote a healthy lifestyle for employees at work, at home and in the community.

Recognition programs generally increase engagement scores by 20%, but leveraging recognition in partnership with other important company programs has proven to be the best method of improving overall employee engagement.

An example of combining programs to maximize outcomes is recognizing and rewarding employees for making healthy choices within a workplace wellness

program — for instance, choosing a healthy meal at the cafeteria or attending a yoga class. A recent study of more than 2,000 U.S. employees by Benz Communications and Quantum Workplace notes that among employees who say their manager supports their efforts to be healthy, 83% say there is open communication between employees and managers.[7] When managers don't support healthy living, just 43% report an open dialogue.

REACHING EVERY EMPLOYEE IN AN ORGANIZATION

When it comes to engagement, inclusion is just as critical as higher quality-of-life standards for employees.

And that's why the second key area of engagement focus must involve reaching every employee in an organization.

Approximately 30% of the workforce works remotely today, and this requires a special emphasis on implementing the right tools and communication strategies to touch all segments within an organization — from desk workers to front-line employees alike.[8]

It's often challenging to recognize and communicate with customer-facing front-line employees. But, as the face of the enterprise — the brand's ambassadors — these employees play a valuable role in the success of a company's mission, vision and values. They're pivotal when it comes to attracting and retaining customers, too. And, since front-line workers account for about 80% of the total workforce, and front-line managers comprise 50% to 60% of management, they're also essential to employee engagement programs.[9]

Unfortunately, mission-critical front-line employees often feel ambivalent about the communication they receive from management. In a national employee survey by Tribe Inc., 84% of the participants said that having a way to communicate with top management was "very" or "extremely" important.[10]

Communicating effectively with each employee in an organization is complex, to say the least. Technology can certainly help reach people as a beneficial bonding agent — both at headquarters and in the field, and with digitally focused Millennials through Baby Boomers. But, in the end, it comes down to a company's priorities and initiatives. In other words, how much does employee engagement really matter to corporate leadership?

A report by Harvard Business Review Analytic Services, "The Impact of Employee Engagement on Performance," explains that companies who actively and formally communicate with employees often utilize all-company meetings, executive management briefings and training and leadership development.[11] Companies that passively and informally communicate with employees are more reliant on corporate intranets, social media and recruitment and employee familiarization programs. There is no right answer, and no one-size-fits all here; companies need to align their employee communications and engagement strategies so that they are consistent with their corporate cultures.

Leaders who start the conversation with their teams by talking about quality of life considerations do benefit when it comes time for deliverables and actionable outcomes.

BEST PRACTICES FOR EFFECTIVE EMPLOYEE ENGAGEMENT

The following best practices are effective engagement tools for beginning a recognition program framework and can be used to facilitate goal-setting discussions among the team:

- Be sure that programs are directly tied to corporate values, that way it will be easier for employees to make the connection between the recognition they receive and what the company stands for.

- Be sure that tools or solutions truly support the workforce's needs. For example, mobile apps can be very effective tools but may not be the preferred solution for front-line employees with limited access to technology during their shifts. Likewise, employees who spend most of their time with customers will benefit from a solution that allows customers to recognize them.

- And, finally, be sure that programs don't follow a one-size-fits-all approach. For example, a program focused on social recognition, with an online community where employees can see and follow when their peers are recognized, may need to be accompanied by a service anniversary program with tangible awards. This will ensure that all employees feel recognized, even if they prefer not to participate in the social aspects of the recognition program.

Employee engagement is one of the most pressing human capital challenges that organizations face today. And it's a key determinant of business success. Unfortunately, though, organizations often miss opportunities to truly connect with their workforces. But it doesn't have to be this way. If the right thinking, right leadership and right tools and programs are deployed and sustained over time, there's no reason why the United States can't have the world's most engaged employees in the 21st century.

THE VALUE OF EMPLOYEE ENGAGEMENT

DISENGAGED

$450B to $550B
in lost productivity
per year

60%
of employees lack the elements required to be highly engaged

Only about
HALF
of employees feel enabled

The average employee's work experience is
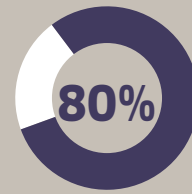↓28%
versus 2013

ENGAGED

Recognition programs generally **INCREASE** engagement **SCORES BY** **20%**

Improving Quality of Life for Employees

80%
of the workforce are frontline workers and 50%-60% of management are front-line managers — they're essential to employee engagement programs

84%
of employees say that having a way to **communicate** with top **management** is "very" or "extremely" **important**

Among employees whose managers support their efforts to be healthy,
83%
say there is open communication with their managers

RECOGNITION & EMPLOYEE WELLNESS PROGRAMS

Corporate wellness programs have traditionally tried to change employees' behavior and gain their participation by offering incentives and rewards. But including employee programs based on management, peer and social recognition can help achieve these important objectives more easily. In addition, recognition can also boost overall employee engagement.

Here are three best practices to drive engagement through wellness programs:

1. First, employers should structure wellness programs in a way that rewards specific actions and results — moving away from traditional "insurance rebate" programs where larger rewards are tied to sustained participation. Smaller, lower value rewards delivered more often have a greater impact on overall results. They also prioritize behavior change above participation.

2. Second, once rewards are focused on actions, employers can start to tie those into their recognition programs. A good example is moving away from rewarding someone for attending a session on nutrition and, instead, recognizing them when they eat a healthy meal; or, better yet, when they get their peers to eat a healthy meal.

3. Finally, employers should look for programs that go beyond physical activity and fitness. Some employees, for example, may be more likely to focus on their nutrition because they may be limited in what they can do physically. Providing different ways for employees to participate and feel recognized for doing so is essential to the success of a wellness program.

KEY INSIGHTS & IMPLICATIONS

- Organizations must focus on two key areas to boost engagement and business performance: improving quality of life for employees and reaching every employee in an organization.

- Leveraging recognition in partnership with other important company programs (e.g., wellness programs) has proven to be the best method of improving overall employee engagement.

- Approximately 30% of the workforce works remotely today, and this requires a special emphasis on implementing the right tools and communication strategies to touch all segments within an organization — from desk workers to front-line employees alike.

- There are several best practices that are effective engagement tools for beginning a recognition program framework and can be used to facilitate goal-setting discussions.

LINKING TO SODEXO'S QUALITY OF LIFE DIMENSIONS

- **Recognition:** Effective employee engagement initiatives are communicated well and based on recognition, reaching every level of an organization.

- **Social Connections:** Programs should incorporate peer and social recognition to increase participation, realize greater returns, and bolster team performance.

- **Personal Growth:** Effective recognition programs boost engagement and encourage employees to be sensitive, passionate, creative contributors.

- **Health & Well-Being:** Programs can be combined to maximize outcomes. For example, a recognition platform can recognize and reward employees for making healthy choices within a workplace wellness program.

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QUALITY OF LIFE SERVICES