



Want engaged employees? Read this

Employee engagement specialists RedBalloon and business coaching experts AltusQ lift the lid on what highly engaged organisations are doing right, and how the rest can catch up

Monday 26 March, 2012: For the second year running the RedBalloon and AltusQ (formerly Shirlaws) Employee Engagement Capability Report has revealed that company culture is king when it comes to creating and maintaining an engaged workforce.

More than 900 organisations, ranging in size from one to thousands of employees[i] contributed to the report, which aims to build on the wealth of knowledge surrounding employee engagement, in order to develop an understanding of how ready and capable organisations are to improve their engagement reality.

Gallup latest findings show that only 18 per cent of Australians say that they love their work, and estimates indicate Australia suffers a massive \$32bn annual loss in productivity through disengaged employees[ii].

According to RedBalloon Corporate Engagement Specialist James Wright, "We have developed a predictive tool that provides clarity for investment decisions around particular skills or organisational capabilities that will provide the biggest uplift in an organisation's engagement score".

"Organisations with a highly engaged workforce have the highest capability scores around culture for the second year running because employees deliver when their environment gives them the space to flourish.

"And this also has a bottom line benefit, with the report showing those organisations achieving 80 per cent or more in their employee engagement score are at least six times more likely to see increases in sales and profit than those with a score below 60 per cent."

AltusQ Partner Oliver Christen said "We identified a framework of 20 Core Organisational Capabilities[iii] that organisations measure themselves against according to the level of depth, understanding and mastery within their organisation. We are then able to identify the gaps and how these align to the company's engagement reality versus others."

"For example, we found that the biggest gaps between the skills of the most engaged organisations and those scoring below 40 per cent engagement – and in turn the biggest opportunities for improvement – are in the areas of brand, expectation management, coaching, rewards and recognition and effective meetings."

"So straight off the bat we have a prescription for improving the employee engagement reality for those organisations and can help them start to close the gap."

Mr Wright added to this saying "it's interesting to note that these report findings are echoed in the 2011 Insync Surveys and RedBalloon Dream Employers survey of 7100 respondents, which ranked company culture as the third most important factor in a person choosing their 'dream employer'."

But what are the core ingredients that deliver this Holy Grail of a great workplace culture?

The core ingredients for engagement success according to the report are flexible working arrangements, recognition programs, non-cash rewards/incentives, training and development programs, paid parental leave and time off for study.

"These are the basics required to deliver on expectations and start to engage a workforce. They are the base of the pyramid, so if you don't get them right, the whole structure will topple," Mr Wright said.

"Our suggestion is that if organisations do not include these activities as part of their activity mix, they stand little chance of breaking past average levels of engagement."

"These findings are backed up by studies showing that non-monetary incentives have a higher perceived value and are 24 per cent more powerful at boosting performance than cash incentives[iv], while rewards and recognition are key to creating and maintaining an engaged workforce."

"Organisations need to shift the way they think about the standard work day, and how they expect employees to work their hours and meet their goals because incorporating flexible work options and mindsets can go a long way to creating a happy and healthy employee experience and increased engagement. And that can only be a positive thing for business."

The activities that have the greatest impact according to the data - once you have the basics in place - are coaching, time off for volunteering, buddy programs and company lunches/nights out.

"Coaching has been identified as a key lever in effecting employee engagement levels within the 911 organisations surveyed. We know there are great ROI outcomes to be realised from a focussed, well structured coaching program, so it's great to see this reality reflected in the data," Mr Christen said.

"AltusQ specialises in delivering coaching programs for business leaders and teams, imparting practical skills that can be applied straight away, delivering real benefits to organisations.

"And according to the data, a combination of coaching and buddying specifically in an organisation results in an 82 per cent chance of achieving an

engagement score of 80 per cent plus.

"It's also interesting to note that these activities are often the cheapest to deliver from a dollar perspective, but the most time consuming to manage and set-up – so there is a level of time commitment required by organisations who want to go down this path successfully," Mr Christen said.

So what does high employee engagement deliver?

According to the report, highly engaged organisations (those with a score of 80 per cent plus) were on average up to twenty times more likely to see increases or improvements in the areas of customer satisfaction, attraction of key talent, productivity, customer loyalty, turnover and profit than those with an engagement score of less than 60 per cent.

"What is worth noting is that 46 per cent of those surveyed do not measure engagement, but for those that do, 62 per cent saw an increase in their overall engagement score in the last 12 months," Mr Christen said.

"So last year's headline 'what gets measured gets managed' holds true - those organisations that do not measure employee engagement have a similar capability profile to organisations reporting engagement levels of below 40 per cent."

And what does engagement really cost? Almost three quarters (73 per cent) of organisations with employee engagement scores in excess of 80 per cent spend at least \$2000 per employee on their programs, and there is a 59 per cent chance that an organisation would achieve 80 per cent plus engagement if they spent between \$2000 and \$3000.

Meanwhile, 64 per cent with engagement scores between 40-60 per cent spend less than \$1000. But Mr Christen warns that it's not about how much you spend but how you spend what you have.

"You have to question the cultural environment of your organisation and what capabilities in your team will deliver the greatest uplift in engagement from the budget available. It's not about having huge budgets, but learning how to use what you have – in terms of spending and existing capabilities - wisely.

"Increasing the dollars invested in engagement activities only delivers up to a point. The report shows that spending more than \$3000 a year gives only a 29 per cent chance of achieving a high engagement score."

Engagement Capability Workshops: 18 – 27 April 2012

Melbourne, Sydney, Brisbane, Perth, Adelaide, Newcastle and Auckland

Presented by RedBalloon Corporate Engagement Specialist James Wright and AltusQ partner Oliver Christen

Register to unlock the key findings from this year's report, presented in full with real-world best practice strategies to achieve a better employee engagement reality. Understand the fundamental building blocks of employee engagement and how to deliver great results; better assess your organisations engagement capability; equip managers with strategies to drive the engagement conversation, identify how to get the most out of your reward and recognition and coaching programs; and build an action plan that will boost engagement in your organisation.

Over 90 per cent of workshop participants in 2011 rated the content and delivery as excellent.

"Your session today was galvanizing, thought provoking, challenging and hugely informative...you provided the insight and the tools to create a better business, a better business environment and, if we take the action, a more profitable business. I do have one regret though. I missed the opportunity to get my whole team in the room. Ideally, I would have liked to have my board, my management team, our 300 plus advisers, our accountants and other professional advisers who work with us - as well as their clients - there to hear and learn from your presentation."

Maurice Trapp, Chairman of Ginger Group NZ

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For more information or to arrange an interview please contact: Lauren Ashton, Communications Specialist - 02 8755 0034 / 0404 136 765 / lauren@redballoon.com.au

James Wright available for interviews: Monday 26/03 – Thursday 29/03

Oliver Christen available for interviews: between 3-5pm Thursday 29/03 & Friday 30/03

Note to the editor: For a copy of the full report, please contact Lauren Ashton – lauren@redballoon.com.au

About RedBalloon For Corporate

RedBalloon For Corporate provides exciting reward and recognition solutions, corporate gifts and sales incentives to ensure businesses keep their employees and customers motivated, rewarded and engaged. With a unique resource of over 2,500 amazing experiences in Australia and New Zealand RedBalloon specialises in creating attachments between employees and their employer. RedBalloon has also been awarded for its innovative employee engagement practices, named in the Best Places to Work by BRW Magazine three times, including a top ten ranking in 2009. Hewitt Associates have also awarded RedBalloon with an engagement score of over 90 per cent three years in a row.

About AltusQ

AltusQ is a coaching firm like no other. With an energetic, practical and passionate team, AltusQ's leadership and mentoring programs and business coaching creates greater choice for businesses and their people, stimulating stronger commercial returns and building robust cultural environments that attract and retain the best talent. With a highly experienced team of business coaches (a majority with over 10,000 hours of coaching experience) throughout Australia and New Zealand and more than 12 years industry experience, AltusQ has the scale and capability to help businesses of all sizes

to stimulate and sustain lasting results

[i]65 per cent of respondents employ more than 50 people [ii]Gallup Global Survey 2011 quoted in SMH 18.03.11

[iii]1) purpose, intent, cause 2) culture 3) commercial vision 4) innovation 5) brand energy 6) managing capacity and workload 7) functional structure/resource allocation 8) KPI 9) reward and recognition program 10) communication 11) coaching 12) managing expectations 13) work/life balance 14) compensation and benefits 15) recruitment 16) on boarding 17) performance management 18) developing people 19) decision making 20) effective meetings

[iv]University of Chicago study, 2004. Sourced from Increase Employee Performance by Meeting Psychic Income Needs, www.globoforce.com November 2008

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