

HR TOOLKIT

Employee Engagement

Provided by: Horst Insurance



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Introduction

What is Employee Engagement?

Employee engagement is an extremely powerful force that has the potential to impact an organization's trajectory.



SEVENTY PERCENT OF WORKERS in the United States are not engaged, according to Gallup.

Since high engagement can lead to success, while low engagement can harm productivity, this statistic should be alarming to employers.

Engaged employees are more than just satisfied with their jobs, they are committed to the company and its goals. They have passion, pride and energy for their work and their organization, and are willing to go the extra mile on a regular basis. Employees who are truly engaged stay because they enjoy their work and support the company.

The level of employee engagement serves as a test for how likely workers are to put forth their best effort each day. Having low engagement means employees are not committed to their own success in the workplace, let alone the organization's. This kind of attitude can initiate a downward spiral for a company.

This HR Toolkit will further explain the significance of employee engagement, show how it is being successfully cultivated in the workplace and suggest engagement improvement strategies.

Importance of Engagement

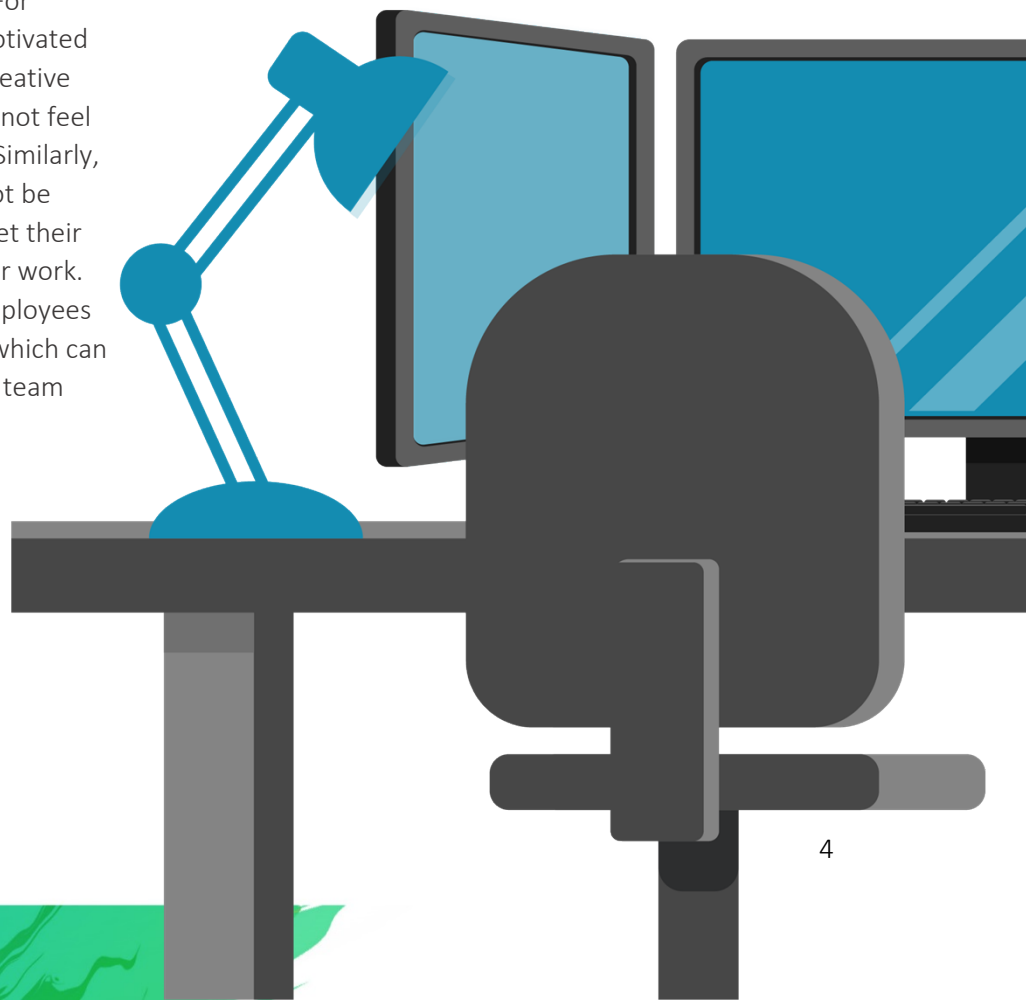
Significance

There are many factors to employee success in the workplace. For example, ambition, tact and creativity can increase an employee's value in an organization. But engagement—on the whole—may be the most important factor of all because it is owned and internalized by each individual. This means engaged employees *want* to succeed, which, in turn, furthers the organization's success.

In order to understand what makes a team and the members on it successful, Google examined more than 250 attributes of its employees. Based on its research, Google published what it believes are the five keys to a successful team at its company:

1. Psychological safety
2. Dependability
3. Structure and clarity
4. Meaning of work
5. Impact of work

All five of these points rely on a varying degree of employee engagement. For example, employees who are unmotivated and disengaged may foster an uncreative environment, meaning others may not feel inspired to share ideas with them. Similarly, many disengaged employees cannot be depended upon, especially if they let their disinterest affect the quality of their work. Furthermore, many disengaged employees do not see meaning in their work, which can harm an organization and cause its team structure to crumble.



Engagement ROI

There is real incentive to raise employee engagement levels. Beyond the obvious benefits of having motivated, loyal workers, employee engagement can help increase your return on investment (ROI). In fact, studies show that improving engagement correlates with improving performance.

In “Engaging for Success: enhancing performance through employee engagement,” a report prepared for the U.K. government, researchers conducted a global survey with over 664,000 employees, ranging in size and industry.



OVER A 12-MONTH PERIOD, they found that companies with high employee engagement **INCREASED OPERATING INCOME BY 19.2 PERCENT,** while companies with low engagement saw revenue **DROP BY NEARLY 33 PERCENT** over the same period.

The same study also cited a Gallup report, which correlates its findings with engagement ROI. Gallup examined 23,910 business units and compared their turnover rates and financial performance against their employee engagement scores. Gallup found that those with low engagement scores (in the bottom quartile) averaged between 30 to 50 percent higher turnover, compared against those in the top quartile of employee engagement. Gallup also discovered those in the top quartile averaged 18 percent higher productivity and 12 percent higher profitability than their poorly engaged counterparts.

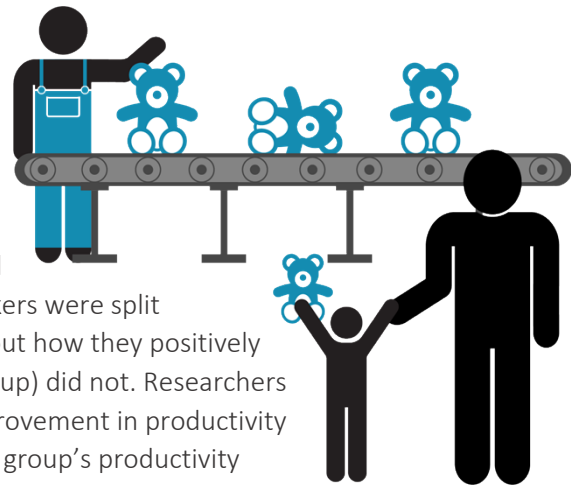
Approaches

Engagement in Practice

Investing in employee engagement might seem unjustifiable for a business that is focused solely on profits, as it might not recognize the benefits of engaged employees. However, as mentioned earlier, the correlation between employee engagement and company well-being is real, and businesses are putting it into practice.

Employers' methods vary in terms of engagement, but they all focus on employees' needs. Some blue-collar employers, like food service and hospitality businesses, are using higher education benefits to help retain and engage workers. Such companies reimburse employees for pursuing higher education credentials that can benefit their current roles. Many programs stipulate how long an employee must stay with the company for full reimbursement, tackling the engagement and retention problem simultaneously.

Other engagement strategies focus on getting employees to see the value in their work. **According to the Harvard Business Review, "Interactions with the beneficiaries of one's work can be highly motivating because they heighten workers' perceptions of the impact of their work."** The magazine pointed to a Harvard study conducted with tomato workers. In this study, workers were split in two groups; one group watched a video that spoke about how they positively affected the factory, and the other group (the control group) did not. Researchers studied the workers weeks later and saw a 7 percent improvement in productivity from the group that watched the video, while the control group's productivity remained stagnant.



The best thing about engagement is that it empowers employees while also helping your business. Contact Horst Insurance for materials to gauge your employees' engagement level and to start strategizing today.



Employee engagement has been linked to **DECREASED TURNOVER RATES** and **INCREASED PRODUCTIVITY, EFFICIENCY AND PROFITS**. This information indicates that **EMPLOYEE ENGAGEMENT IS CRITICAL TO RETAINING THE BEST AND THE BRIGHTEST EMPLOYEES** at your organization.

Although there is no tried-and-true way to raise employee engagement, experts agree that you can start by doing the following:

- Demonstrate a **TOP-DOWN COMMITMENT TO ENGAGEMENT**, starting with management.
- Define what **ENGAGEMENT LOOKS LIKE FOR YOUR ORGANIZATION**.
- Prove your ability to **MEASURE AND SCORE ENGAGEMENT LEVELS** on an ongoing basis.

Engagement Motivators

Some companies excel at employee engagement, while others need help implementing a useful strategy. Engagement is not a science, and there is no one right answer. Depending on your workforce, an engagement method that works elsewhere might not work for your company. This is why constant communication with employees and strategy re-evaluation is so important. Use employee engagement feedback to help innovate your current strategy. In addition, when making your decisions, consider what the Harvard Business Review says is the underlying factor in engagement—*why* employees work determines how *well* they work.

Authors from Harvard Business Review delved further into the research, expanding on psychological theories outlined by Professors Edward Deci and Richard Ryan—co-developers of the influential self-determination theory. The authors expanded on the professors’ famous “six main reasons why people work” and tailored them for the modern workplace:

1. Play
2. Purpose
3. Potential
4. Emotional pressure
5. Economic pressure
6. Inertia



THE FIRST THREE (PLAY, PURPOSE AND POTENTIAL) are correlated with increasing performance, while the **LATTER THREE (EMOTIONAL PRESSURE, ECONOMIC PRESSURE AND INERTIA)** are found to hinder performance.

The first set focuses on the work itself and instills a sense of importance in the employee. Think about how you can incorporate these motivational keys when developing engagement strategies.

The second set of motivators, according to the authors, focuses on either “the disappointment or the reward” instead of the work itself. If you are using the latter set of motivators, you are immediately distracting from the work and reducing engagement from the offset.

Forming Strategies

Employees' reasons for working have a considerable impact on their workplace performance. The goal with any engagement strategy should focus on getting employees invested in their work, instead of using distracting motivators like harsh penalties for failure or rewards for the number of accomplished tasks. These motivators shift focus away from the work itself. This does not mean incentives cannot be used, but they should be paired with strategies that make employees feel personally rewarded by their work.

First, every organization should assess its current engagement level. This can be done in a number of ways, but should include employee feedback for the best results. Consider using any of the following strategies to get started:

- Engagement surveys
- Market research
- Employee focus groups
- Brainstorm meetings

Next, after receiving feedback from the applicable stakeholders, compile the information so you can see what employees need to feel engaged at work. For some insight into this matter, Deloitte conducted a study regarding millennials' motivations when choosing an employer. It found that the top motivators were a good work-life balance, opportunities to progress, flexibility, a sense of meaning from the work and professional development programs. This study reiterates the importance of using motivators that instill workers with a sense of purpose because that is what they need to feel engaged.

Measuring Employee Engagement

An employee engagement survey is a great starting place for any workplace strategy. Many consulting firms offer such surveys, but you can also create and conduct one on your own. In order to be effective, it is important to examine all aspects of the workers' jobs, environment and involvement with the organization. This includes employees' opinions on management, direct supervisors, co-workers, employer-employee communication, opportunity for advancement, job characteristics and HR policies. The following are sample questions to help you get started in creating an engagement survey:

- Do you know what is expected of you at work?
- At work, do you have the opportunity to do what you do best every day?
- Do you receive recognition or praise for a job well done?
- Do you have a positive relationship with your immediate supervisor?

Conducting any survey is useless without taking action based on the results. By identifying areas that are hindering employee engagement, your company can focus on improving those areas to strive toward a more engaged, productive and profitable workforce.

6 WAYS TO ENGAGE EMPLOYEES

1. Share success stories to explain the impact employees have on your customers.



2. Listen to employee feedback through surveys, meetings or open forums.



3. Reward employees for their hard work.



4. Interact one-on-one with employees.



5. Host social events.



6. Encourage employees to train for additional roles and responsibilities.



Potential Downsides

High employee engagement can be a boon to productivity and retention, but it has the potential for negative side effects. Too much of anything can lead to unforeseen consequences, so it is best to consider some potential downsides while devising your engagement strategy. The following are some possible negative outcomes of too much engagement:

COMPLACENCY

If **employees feel too comfortable** with where they are in their careers or with what they are doing, they may become complacent. **This leads to stagnation** and can **snuff potential innovation by embracing the status quo**—think of what happened with BlackBerry.

THOUGHT MANIPULATION

Engagement does not inherently instruct employees to think positive thoughts. However, **tight-knit groups tend to be more averse to criticizing one another. Analyzing others' ideas and processes is crucial**, not to mention the necessity of realistically assessing the company's place in the industry.

FAVORITISM

Engaged employees tend to have certain personality traits and **thrive in the right environment**. However, only hiring those who seem outgoing and engaging can have negative consequences, like eliminating different perspectives or more analytical personalities.

BURNOUT

When employees are pressured to be engaged in their work, they might weigh work higher than other personal obligations or their own health. **Putting too much pressure on engagement might have the opposite effect or be detrimental to employees' well-being.**

Conclusion

There is no one easy way to successfully engage employees. Some people are more engaged in their work than others, but the information in this toolkit can help bridge that gap. Remember, there is valuable ROI potential for engaging employees, so do not settle for disengagement.

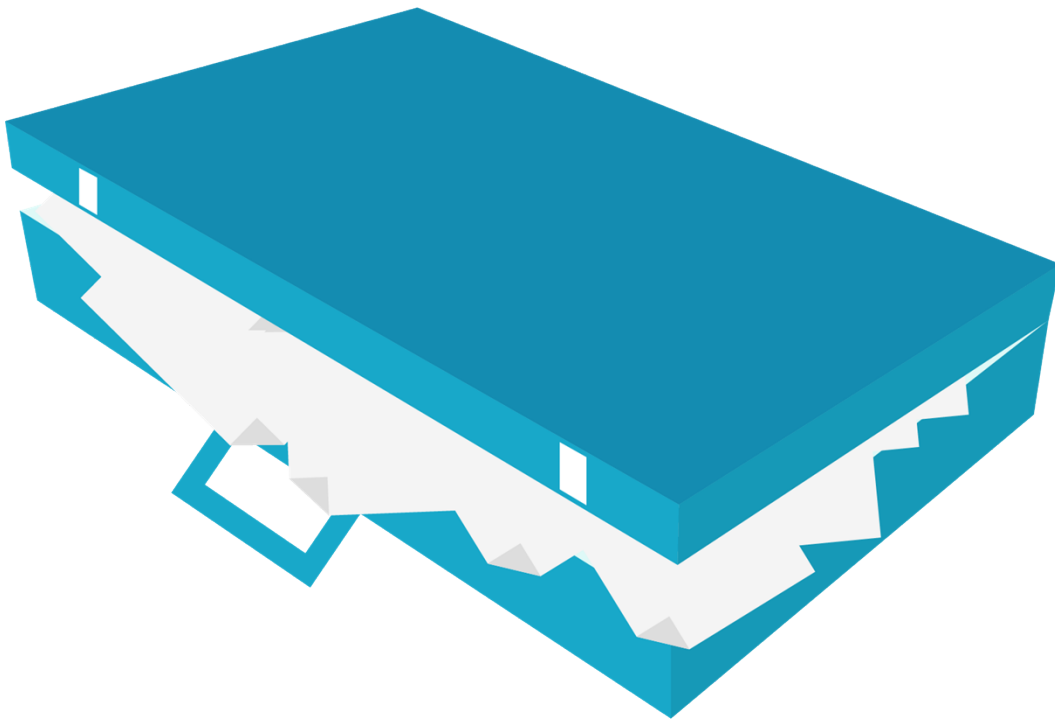
Carefully consider how you plan to engage employees, and craft a method for receiving initial feedback about the company atmosphere. Use the sample engagement survey in this toolkit as a framework for your own system. Equally important to the feedback is analyzing the data. Make sure you have a plan for implementing the ideas you get from the survey, otherwise there is no point, and employees may feel like their feedback does not matter.



Appendix of Resources

This appendix features valuable information like an engagement survey, sample employee communications and a social club setup guide. Please review these resources when designing your own employee engagement strategy. The information included in this section may require some customization, and it should only be used as a framework for your strategy.

Please consult with Horst Insurance if you have any questions about these materials or any other content in this toolkit.



Employee Engagement Survey

Many employee surveys focus on employee satisfaction, as it is assumed that satisfied, happy employees will be more productive and have higher retention rates. However, recent research has shown that a more telling determinant of productivity and performance is employee engagement.

The following page features a customizable engagement survey for you to use. Review, customize and distribute the survey to gauge your employees' engagement levels.

does its best to provide a safe, comfortable and productive work environment for all its employees. To ensure we are doing our part, we need some feedback from you. Please complete the short survey below to help us understand your experience here. This survey is anonymous and is meant solely to help you enhance your experience with . Thank you in advance for your valued participation.

Please speak with HR if you have any questions or concerns about completing the survey.

QUESTIONS	YES	NO
Do you know what is expected of you at work?		
At work, do you have the opportunity to do what you do best every day?		
Do you receive recognition or praise for a job well done?		
Do you trust your immediate supervisor?		
Do you trust the upper management of your company?		
Do you receive consistent feedback on your work?		
Are you held accountable for your progress and performance?		
At work, do your opinions seem to count?		
Do you understand how your job relates to the company's mission and goals?		
Are your fellow employees committed to doing quality work?		
Do you have a close friend at work?		
Are there professional learning and development opportunities within your organization?		

Sample Employee Emails

Encourage Survey Participation

Dear employee,

You were recently sent a survey requesting your feedback. Please complete this survey honestly, as it will be used to help enhance your workplace experience. All replies are anonymous and will not be used for anything beyond internal analysis. If you have any questions, please consult with HR. Thank you in advance for your participation.

Best regards,

One-on-one Meeting Request

Dear [insert employee name],

I hope you are doing well. I am emailing to schedule a one-on-one meeting with you on [insert date] at [insert time], regarding [insert topic]. This meeting is intended to provide a comfortable atmosphere for a candid discussion. Please let me know if you have any questions or concerns prior to this time. I look forward to meeting with you.

Best regards,

Constructive Workplace Feedback *(Example: Poor attendance)*

Dear [insert employee name],

I hope you are doing well. I am emailing in regards to our earlier conversation concerning your attendance. As you know from the company handbook, attendance is very important to our organization. You are a hard worker and valuable member of our team. When you are not present, we cannot benefit from your skills and hard work, which adds an unfortunate burden to the rest of our team.

Due to your recent unexcused absence, you have received a “strike,” per our internal policy. One more strike will result in a two-week suspension. Please ensure you are present and on time in the future to avoid further disciplinary action.

Again, we deeply appreciate your work and would like to see your attendance reflect the team commitment you show when you are present. Please let me know if you have any questions or concerns regarding your schedule.

Best regards,

Social Club Setup Guide

Social clubs are another way to foster engagement while offering interesting activities to employees. Clubs are a great way for employees from all departments and positions to get together and socialize. These clubs do not need to be strictly organized or managed. They can range in topic and members, but they should all promote socialization of some kind. Use the following steps to get started on your social club:

STEP 1



Decide what kind of club you want. Examples include a jogging club, a book club or a food club.

STEP 2



Come up with a name for the club.

STEP 3



Find interested employees to serve as club leaders. These members, when necessary, could email other employees, set up events or help in any number of ways. Duties can be fluid and may adjust as new members join.

STEP 4



Decide what activities to host.
For example, a jogging club might want to organize a weekly jog, which would require a predetermined route and a timetable. Activities can be as frequent as the group decides.

STEP 5



Get the word out. Put up flyers, email employees and announce the club's existence at team meetings, if appropriate.

These basic steps will help you get your social club off the ground. Clubs can be as involved as you like, with planned agendas or occasional events. The most important step is choosing the kind of club and finding members. From there, the group can decide on events, frequency and level of formality.