



An engaged employee... genuinely wants to contribute to helping their team and/or organisation reach its potential.

# Creating a Culture of Engagement: why Now is the time.

Recent research indicates nearly 80% of business leaders name retention and engagement as urgent or important priorities<sup>1</sup>. As your organisation's leader, you may too. After all, creating a culture of engagement can improve employee performance, boost profits and give your business an amazing competitive advantage.

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IT HAS BEEN our experience that although many leaders want to foster a culture of engagement, few have a well defined strategy for doing so. If you want to make 2015 the year your organisation leverages the power of engagement, you've come to the right place.

We'll answer the questions, 'What is employee engagement?' and 'Why create a culture of engagement?' plus outline five actionable steps you can take to help create a thriving, engaged organisation.

## What is employee engagement?

Employee engagement is the emotional commitment a worker has to their organisation and its goals. An engaged employee isn't working to only pay their bills or to climb the corporate ladder; they're driven in part because they genuinely want to contribute to helping their team and/or organisation reach its potential.

## Why create a culture of engagement?

Creating a culture of engagement is an important step toward achieving operational excellence and sustaining excellence over an extended period of time. Benefits of creating a culture of engagement include:

- > **Enhanced employee effort** – Emotional engagement is four times more valuable than rational engagement when it comes to driving employee effort.<sup>2</sup>
- > **Greater net income** – Organisations with highly engaged employees achieve twice the annual net income of organisations whose employees are less engaged.<sup>3</sup>
- > **Improved productivity** – Engaged employees tend to be more productive than disengaged employees. In fact, one study found that actively engaged workers are 43% more productive than non-engaged workers.<sup>4</sup>
- > **Less turn-over** – A leading study reveals highly engaged employees are nearly 90% less likely to leave their companies than their non-engaged co-workers.<sup>5</sup>

- > **Increased customer loyalty** – Companies with high employee engagement scores enjoy double the customer loyalty, such as repeat purchases and recommendations to friends, than companies with average employee engagement levels.<sup>6</sup>

## 5 steps to creating a Culture of Engagement:

### Step 1. Recruit the 'right' people.

Researchers found that a strong emotional connection to one's job and organisation has the greatest impact on discretionary effort (doing above and beyond the minimum required). Therefore, creating a culture of engagement starts with recruiting the right people – and that means looking beyond the candidate's skills and experience. Of course a candidate must have the tools to perform his or her job, but if they don't buy into your company's core values, mission and vision, they aren't a good fit for your organisation.

*Tip: Engaged employees often cite 'team collaboration' as an important aspect of their work environment. If this is the case in your organisation, it's important to screen candidates for collaborative characteristics during the recruitment and interview process.*

What employee engagement can offer



## Step 2. Ensure employees understand the connection between their contribution and the organisation's ability to succeed.

Employees should have a clear understanding of how their work fits into the 'big picture.' Providing an employee with and understanding of the importance of their work gives them a sense of purpose that not only motivates them, but also cultivates feelings of engagement. Whenever possible, use metrics to demonstrate how their work is boosting customer loyalty, improving profits, streamlining production, etc.

*Tip: Consistently seek opportunities to link what your people are working on to organisational priorities. Ask for their input into how the organisation is going to meet competing demands and follow through with its most important commitments.*

## Step 3. Encourage interaction and collaboration.

Employees are more likely to be engaged if you create a workspace that encourages communication, interaction and collaboration both within and between teams. In fact, a study conducted by the Society for Human Resource Management reveals that an employee's relationship with co-workers is a more significant factor than their relationship with their immediate manager when it comes to their level of engagement.<sup>7</sup>

Consider modifying your office space – with the goal of creating one that's more open and less departmentalized. Then, seek out creative ways to encourage employees to interact and collaborate on a daily, weekly, and monthly basis – keeping in mind each type of interaction offers distinct value. Short, sharp daily interactions can be as powerful and impactful as a quarterly brainstorm. And why wait so long for that good idea to be worked on? Daily interactions can also deal with the immediate, the now: 'this is what happened yesterday: what will we do about it?'

*Tip: As you consider ways to enhance employee interaction and collaboration, don't overlook the special needs of your virtual employees who already face the challenge of being physically removed from the central workplace.*

## Step 4. Ask employees to contribute to setting their goals.

Strengthen feelings of engagement and personal accountability by encouraging employees to set some of their goals. Keep in mind that helping employees link their goals to their team's mission or the organisation's vision can reinforce that they play a critical role in the overall health of the business. Once your employee has outlined their goals, present the goals you've written for him or her and compare them. Then it's your job to decide which of their goals to add to the ones you've written and explain why. Throughout the process it's important to remember that you're not turning goal setting responsibility over to your employee – you're still in charge, but you're asking for their input.

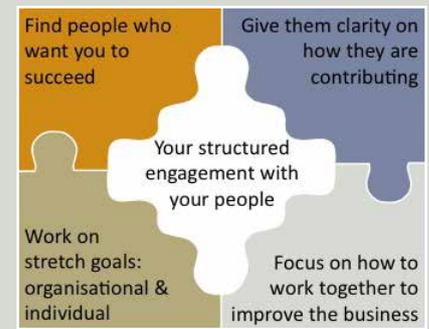
*Tip: Set stretch goals. Challenging your employee with stretch goals helps keep him or her stimulated and engaged. Training can also improve employee engagement, especially when it is focused on soft skills rather than technical skills – but you'll need to be sure the training supports their goals, and ultimately the goals of their team and company.*

## Step 5. Leverage the seven behaviours of engaged management.

The frontline leaders and managers of your organisation are key drivers of employee engagement. Empower managers to help lay the foundation for an engaged culture by encouraging them to leverage the seven behaviours of engaged management.

- 1. Set Clear Direction** – Set an expectation of what is to be done and an understanding of how it is to be done.
- 2. Follow Up** – Regularly check in to ensure things are on track and progressing to plan.
- 3. Provide Feedback** – Provide an indication of what is being done well and what needs to be improved.
- 4. Problem Solve** – Work with people to resolve or eliminate issues.
- 5. Listen** – Listen and respond to a person to ensure mutual understanding of what they are saying or feeling.

### Creating a culture of engagement



- 6. Coach and Support** – Develop people's skills to improve performance.
- 7. Review Performance** – Evaluate performance to determine 'Plan vs. Actual', identify any 'Variance' and take action.

*Tip: The fastest way a leader can derail employee engagement is to make employees feel like they are just time-punchers. Ensure your frontline leaders understand the importance of taking a personal interest in their employees and help them feel respected and cared about as individuals, not just workers.*

### Employee Engagement: The Bottom Line

Engaged employees are good for business, and as your organisation's leader you have the power to create conditions under which engagement can flourish. If you're ready to create a culture of engagement, start by touching base with each of your people on a daily basis. Take the time to think about how to structure the interaction so that it is both meaningful and sustainable. Considering asking yourself: What do your people want from you? How do you provide back to your people?

#### Sources

- 1 Deloitte University Press, *Global Human Capital Trends 2014*
- 2,4,5 Corporate Leadership Council, *Driving Performance and Retention Through Employee Engagement*
- 3 Business Journal, *Investors Take Note: Engagement Boosts Earnings*
- 6 Forbes, *Why Employee Engagement?*
- 7 Society for Human Resource Management, 2012 *Employee Job Satisfaction and Engagement*

Learn more about how the [leadership development and coaching services](#) offered by Coxswain Alliance can help you leverage the power of engagement.

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