

6.6 Employee Engagement

Employee engagement is the extent to which staff is willing to be advocates for their business, are committed to staying with their employer, and are motivated to contribute their best to the organisation they work for every day.

Recent Australian studies have shown that only 20% of employees are actively engaged with their roles and their workplace. 20% of employees are actively disengaged with their roles and their workplace and the remaining 60% are floating somewhere in between.

That is, the extent that an employee believes in the mission, purpose and values of an organisation and demonstrates that commitment through their actions as an employee and their attitude towards the employer and customers. Employee engagement is high when the statements and conversations held reflect a natural enthusiasm for the company, its employees and the products or services provided.

Job satisfaction is a related concept. It reflects how content an employee is with their job. Job satisfaction equates to the emotional component of employee engagement (or how employees feel about their job). Businesses that have an understanding and the ability to measure employee engagement and job satisfaction are essential to better understanding their workforce and to improving employee well-being, performance, and retention.

With the labour market ageing rapidly and the brain-drain becoming a real nuisance to many professions, the hottest strategic issue for most progressive organisations is *how to attract and retain talented employees*. The *war for talent* is quickly elevating the importance of human capital, which, for many organisations, is becoming their major competitive edge. Employee engagement has become the Human Resources theme of the moment and deservedly so. Identifying and understanding the various workplace elements that influence an employee's decision to stay and commit to the organisation has to be a priority Human Resources focus that has direct bottom-line impact, particularly when the current environment provides employees with a vast array of employment choices and higher than usual pay levels.

It is accepted now that the days of keeping employees from cradle to grave are well and truly over, also acknowledging that the employee's decision to leave a workplace is often outside the employer's control (e.g. better opportunities elsewhere). This situation, however, only serves to increase the need for employers to work harder at employee engagement.

"Disengaged workers are costing Australia's economy about \$31.5 billion a year. A new Gallup Australia study found 20 per cent of employees were 'actively disengaged' at work, costing the country billions of dollars.....Employees who are actively disengaged are less productive, profitable, loyal, less likely to provide excellent customer service and are often disruptive."

"...Unless organisations capture the hearts and minds of their people, the grass for some employees is always going to be greener on the other side. So just how do you stop key talent from walking? Here are some reminders from global management consulting firm, Hay Group:

- *Provide clarity of strategic direction and pace. When the clouds come down, you need to know where you're heading and have confidence that your leader is going to get you there.*
- *Instil trust and confidence in your most driven, focused employees. These are the people who most demand and expect clarity of direction.*

- *Address fundamental concerns. Everyone needs to know what is expected of them, what behaviours they should be exhibiting and the objectives they need to achieve.*
- *Put people in roles suited to their skills and ambitions. Many employees are stymied by inappropriate roles and work environments that frustrate rather than help.*
- *Provide the tools for people to do their jobs. Clarity of direction is meaningless unless people have the resources, including the time, the space and the support, to succeed in their roles.*
- *Act quickly. The longer you wait, the more you create a vacuum, leaving your employees to worry and draw their own conclusions.*
- *Continue investing in R&D. Innovation is even more important in a downturn.”*

(Expert from The Boardroom Report which is submitted by the Australian Institute of Company Directors Volume 6, Issue 13, 15 July 2008)

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