Employee Engagement
- The Missing Link in Service Excellence

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“…no company, small or large, can win over the long run without energized employees who believe in the mission and understand how to achieve it…That's why you need to take the measure of employee engagement at least once a year …”

(Jack Welch)
Presentation Overview

► What is employee engagement?
► The employee engagement business case
► The link between service quality and employee engagement
► Key drivers of employee engagement
► Assessment of employee engagement
► Building sustainable employee engagement
► Championing employee engagement

What is Employee Engagement?
Employee Engagement

Harnessing of organizational members’ selves to their work roles – employment and expression of self during role performance:

- Emotionally (Heart)
- Cognitively (Head)
- Physically (Hand)

WA Kahn 1990
Employee Engagement

A positive, fulfilling, work related state of mind characterized by:

► **Vigor** - high levels of energy, mental resilience willingness to invest effort in one’s work and persistence

► **Dedication** - being strongly involved in one’s work and experiencing a sense of significance, enthusiasm, inspiration, pride, and challenge

► **Absorption** - being fully concentrated and happily engrossed in one’s work

Schaufeli et al 2002

The broad and deep connections employees have with their organization

*Towers Watson 2010*

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Related Concepts – Flow

► Holistic sensation that people feel when they act with total involvement

► Effortless action people feel in moments that stand out as the best in their lives – Examples:
  ► Athletes - *being in the zone*
  ► Mystics – *ecstasy*
  ► Artists and musicians - *aesthetic rapture*

*Csikszentmihalyi M 1997*
The Business Case for Employee Engagement

Importance of Employee Engagement

<table>
<thead>
<tr>
<th>Hay Group Insights</th>
<th>Corporate Leadership Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top scores on both engagement and enablement result in:</td>
<td>Highly committed employees:</td>
</tr>
<tr>
<td>► Revenue growth 4.5 times greater than industry peers</td>
<td>► Try 57% harder</td>
</tr>
<tr>
<td>► 40% lower turnover rates</td>
<td>► Perform 20% better</td>
</tr>
<tr>
<td>► 10% more likelihood to exceed performance expectations</td>
<td>► Are 87% less likely to leave</td>
</tr>
</tbody>
</table>
Importance of Employee Engagement ….

- More return business
- Customer retention
- Higher share of wallet
- Less price sensitivity
- More cross buying
- Better word of mouth

Performance Multipliers

- 5.2
- 4.5
- 3.8
- 2.5
- 1.8
- 1.0

The Employee-Customer-Profit Chain

- Attitude about the job
- Service helpfulness
- Customer recommendations

- Employee behavior
- Customer Impression
- Return on assets
  - Operating margin
  - Revenue growth

- Attitude about the company
- Merchandise or service value
- Customer retention

Employee Engagement

Rational Commitment
- Team
- Manager
- Organization

Discretionary Effort → Performance

Emotional Commitment
- Team
- Manager
- Organization

Intent to Stay → Retention

Source: Corporate Leadership Council (2004)
Service Quality Dimensions

► **Tangibles** – physical facilities, equipment and appearance of personnel
► **Reliability** – ability to perform the promised service dependably and accurately
► **Responsiveness** – willingness to help customers and provide prompt service
► **Assurance** – knowledge and courtesy of employees and their ability to inspire trust and confidence
► **Empathy** – caring, individualized attention the firm provides its customers

*Parasuraman, Zeithal and Berry 1985*
### Reliability

<table>
<thead>
<tr>
<th>Ability to perform the promised service dependably</th>
<th>Low engagement</th>
<th>High engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to perform the promised service accurately</td>
<td>Careless</td>
<td>Conscientious</td>
</tr>
<tr>
<td></td>
<td>Unreliable</td>
<td>Consistent</td>
</tr>
</tbody>
</table>

### Responsiveness

<table>
<thead>
<tr>
<th>Willingness to help customers</th>
<th>Low engagement</th>
<th>High engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Willingness to provide prompt service</td>
<td>Reluctant</td>
<td>Enthusiastic</td>
</tr>
<tr>
<td></td>
<td>Lackadaisical</td>
<td>Sense of urgency</td>
</tr>
</tbody>
</table>
### Assurance

<table>
<thead>
<tr>
<th>High engagement</th>
<th>Low engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competent and courteous</td>
<td>Ignorant and rude</td>
</tr>
<tr>
<td>Credible</td>
<td>Unconvincing</td>
</tr>
<tr>
<td>Ability to inspire trust and confidence</td>
<td>Knowledge and courtesy of employees</td>
</tr>
</tbody>
</table>

### Empathy

<table>
<thead>
<tr>
<th>High engagement</th>
<th>Low engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considerate</td>
<td>Inconsiderate</td>
</tr>
<tr>
<td>Unwavering attention</td>
<td>Divided attention</td>
</tr>
<tr>
<td>Unwavering attention</td>
<td>Caring</td>
</tr>
<tr>
<td>Individualized attention provided to customers</td>
<td>Caring</td>
</tr>
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2010 Customer Service and Employee Engagement Conference

October 2010 GICC
Employee Engagement Drivers

Top 3 Job Related Engagement Levers

1. Connection between work and organisational strategy
2. Importance of job to organisational success
3. Understanding of how to complete work projects

*Corporate Leadership Council Employee Engagement Survey 2004*
Top 10 Engagement Levers – Manager Characteristics

1. Demonstration of strong **commitment to diversity**
2. Demonstration of **honesty and integrity**
3. Ability to **adapt to changing circumstances**
4. Clear **articulation of organizational goals**
5. Possession of **job skills**
6. Ability to **set realistic targets**
7. Ability to put the **right people in the right roles at the right time**
8. Assisting staff to find solutions to problems (**coaching and mentoring**)
9. Ability to **break down projects into manageable components**
10. **Acceptance of responsibility** for successes and failures

Comparative Engagement Levers

<table>
<thead>
<tr>
<th>USA</th>
<th>UK/China/Brazil</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Confident can achieve career objectives</td>
<td>1. Sense of accomplishment</td>
</tr>
<tr>
<td>2. Sense of personal accomplishment</td>
<td>2. Confidence in senior management</td>
</tr>
<tr>
<td>3. Confident organization will be successful</td>
<td>3. Opportunity for training</td>
</tr>
<tr>
<td>4. Quality is a high priority</td>
<td>4. Paid fairly, given performance</td>
</tr>
<tr>
<td>5. Opportunities for growth and development</td>
<td>5. Good reputation for customer service</td>
</tr>
<tr>
<td>6. Information/assistance to manage career</td>
<td>6. Comparable benefits to industry</td>
</tr>
<tr>
<td>7. The ability to provide good customer service</td>
<td></td>
</tr>
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</table>
### Comparative Engagement Levers

<table>
<thead>
<tr>
<th>Towers Watson</th>
<th>Mercer</th>
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</thead>
<tbody>
<tr>
<td>1. Really care about the future of my company</td>
<td>1. I feel a strong sense of connection to this company</td>
</tr>
<tr>
<td>2. Proud to work for my company</td>
<td>2. I am proud to work for this company</td>
</tr>
<tr>
<td>3. Sense of accomplishment from my job</td>
<td>3. I would recommend my organization to others as a good place to work</td>
</tr>
<tr>
<td>4. Would say my company is a good place to work</td>
<td>4. I am not considering leaving this company in the next 12 months</td>
</tr>
<tr>
<td>5. Company inspires me to do my best work</td>
<td>5. I am willing to go “above and beyond” in my job to help the company be successful</td>
</tr>
<tr>
<td>6. Understanding how my role relates to company goals and objectives</td>
<td></td>
</tr>
<tr>
<td>7. Am personally motivated to help my company to succeed</td>
<td></td>
</tr>
<tr>
<td>8. Am willing to put in a great deal of effort beyond what is normally expected</td>
<td></td>
</tr>
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### Gallup Q12

1. I know what is expected of me at work
2. I have materials and equipment I need to do my work right
3. At work I have the opportunity to do what I do best every day
4. In the last 7 days I have received recognition and praise for doing good work
5. My supervisor or someone at work seems to care about me as a person
6. There is someone at work who encourages my development
Gallup Q\textsuperscript{12}

7. At work my opinion seems to count
8. The mission/purpose of my company makes me feel my job is important
9. My associates (fellow employees) are committed to doing quality work
10. I have a best friend at work
11. In the last 6 months, someone at work has talked to me about my progress
12. This last year, I have had opportunities at work to learn and grow

Factors Affecting Employee Engagement

- Type of industry
- Market conditions
- Differences in culture
- Level of post/type of job
- State of economic development
- Relationship between the employee and their immediate supervisor
Assessment of Employee Engagement

Assessment of Organizational Vital Signs

Heart rate = employee engagement

Respiration = customer engagement

BP = financial performance

Adapted from Gallup – Managing Human Sigma
Engagement Assessment Tools

► Be spoke solutions
► Off the shelf solutions
  ► Gallup Workplace Audit (Q12)
  ► Towers Perrin (International Survey Research)
  ► Mercer’s (What’s Working Study)

Botswana Practice

► Off the shelf e.g. Q12
► Bespoke
  ► Staff/employee satisfaction surveys
  ► Climate surveys
  ► Organisational Climate Review
  ► Culture climate surveys
  ► Leadership engagement index
Botswana Experience

► Results questioned and withheld from staff
► Recommendations not acted upon
► Lack of consistency – frequent diagnostic changes
► Inadequate benchmarks and norms

Tips for Design of a Customized Assessment Tool

► Set clear objectives
► Decide on provider (if using external consultant)
► Identify appropriate dimensions
  ► Bespoke
  ► Adapt existing diagnostic
► Develop data collection instrument
► Conduct pilot test, refine and finalize instrument
► Consider administration of instrument
  ► Pencil and paper
  ► Web based administration (computer literacy and internet connectivity)
Guidelines for Choosing Off the Shelf Solution

► Set clear objectives
► Check for fit between solution and your needs
  ► Assess cost
  ► Consider cultural issues
  ► Consider geographical representation (international companies)
  ► Consider ease of application (internet connectivity, computer literacy etc)

Tips for Optimizing Employee Engagement Results

► Give timely feedback to staff
► Develop initiatives for improvement and act on them
Guidelines for Building Sustainable Engagement

► Contextualize engagement in terms of organizational strategy
  ► Quantify the relationship between employee and customer behavior and financial outcomes
  ► Identify levels of employee engagement and quantify the impact of different levels on a range of financial measures

► Identify and engage key contributors
► Build a high engagement culture

Building a High Engagement Culture

► Remove cultural barriers to engagement
► Develop leadership credibility and capacity to connect with staff
► Agree shared values, reinforce and assess them
► Assess employee engagement and:
  ► Provide feedback to stakeholders
  ► Identify and execute initiatives for improvement
Competency Portfolio for Engagement Champions

► Pays attention and responds to each unique individual
► Taps into employees inherent need to contribute to the organization
► Clarifies expectations
► Provides resources and support
► Ensures close matches between employees and jobs

► Identifies the unique motivational needs of employees
► Recognizes good performance frequently and immediately
► Seeks employee opinions and involves them in decision making
► Creates opportunities for people at work to get to know one another
► Provides opportunities to progress and learn continuously
Useful Websites

► http://www.gallup.com
► http://www.towerswatson.com
► http://www.conferenceboard.ca
► https://clc.executiveboard.com
► http://www.mercer.com
► http://www.cipd.co.uk
► http://www.shl.com
Conclusion

“The way we treat our employees is how they treat one another and our customers”