

## Are your employees engaged enough to help maximise profits?

Employee engagement is frequently described as a way for businesses, both large and small, to build competitive advantage. While there seems to be little consensus on what engagement actually means, there is almost universal agreement that a happy and motivated workforce can help businesses achieve higher levels of performance. Ben Francis addresses the issues relating to employee engagement.

Although engagement can be challenging, positively implementing it within your business can be done simply and at minimal cost. As a business owner, you should often ask how you can increase employee engagement to maximise the profitability you achieve from it.

### So what does employee engagement actually mean?

Employee engagement relates to the way an employee feels about your business. Whilst highly engaged employees are both happy and motivated, they also feel a sense of commitment to your business that goes far beyond their contract. They have a strong emotional attachment and will proactively seek opportunities to get more involved, want to be productive, look to add value and are extremely supportive of your business. Essentially an engaged employee has a model attitude and will be personally identified with your business and its success. How many of your employees are attentive, loyal, flexible and willing to adapt, putting the needs of the business high on their list of priorities?

### Generating real business value

While it is tempting to take for granted that high levels of engagement will result in improved performance and higher profitability, there are many anecdotal benefits in having a highly engaged workforce. It seems logical that having employees with a model attitude, all looking to add value and contribute, will result in business success. So how can levels of staff happiness,

motivation and commitment directly affect your bottom line?

An excellent work environment, filled with happy motivated employees, can translate into tangible financial benefits for your business. Research has shown that a highly engaged workplace will typically find it easier to attract and retain employees, and as a result, spend significantly less on recruitment and training.

### “There are many anecdotal benefits in having a highly engaged workforce”

In addition, absenteeism has been shown to fall dramatically, thereby reducing costs and increasing team morale. There are proven engagement-linked increases in productivity, performance and customer service across a range of different industries and job roles. The result is a positive correlation between engagement and business benefits which directly impacts your bottom line.

The benefits of engagement are usually linked to businesses that are also profitable, well run enterprises. High engagement businesses tend to have clearly defined job roles, recruit competent people with the right attitudes, have good working environments, pay appropriately and are happy to invest significantly in training and staff development. Lastly and importantly, for attracting and retaining talented staff, these organisations tend to have performance management systems which quickly identify under performance and deal with it appropriately. Essentially they get all the basics right

when it comes to people management. They communicate their strategy and focus hard on developing a strong foundation from which to build an engaged workforce, alongside a profitable business.

### The basics of people management

The basic pillars of people management, which every business owner should have as part of their skill set to help them engage their employees, are:

- Strong leadership and well communicated business strategy
- Well defined job roles and organisational structure
- Targeted reward and an effective performance management system
- Optimised recruitment processes
- Relevant job specific training and development

With these areas in mind, it is important to make sure that the basics are properly in place before embarking on an employee engagement project. Fixing one or all of these elements will have very direct benefits not only on how employees feel but also on the profitability and performance of your business.

### But how do you increase engagement?

As improving engagement is predominantly related to how individuals feel within their roles, the easiest and most direct way for a business to increase engagement is to modify the way individual jobs and teams are organised. Essentially, there are three key drivers of engagement at an individual job level:

- Job autonomy – the amount of independence and trust staff have at work
- Task variety – the complexity and variety within the tasks and sequences of tasks staff complete in their roles
- Job significance – the value staff perceive they have to the organisation and to others

From looking at the above, it is clear that addressing engagement at an individual level doesn't necessarily mean increased financial investment in employees. Any business can review the way jobs are being done and address these areas without having to incur additional costs. What is required, however, is a genuine desire to involve staff and also a level of trust, which many businesses are unwilling to place in their employees. Three simple steps which you can implement include:

**i. Start by engaging with employees, asking for their input, then acting on it.**

The first two areas, autonomy and variety are best addressed by asking for help from employees themselves. Not only does this implicitly communicate that your business cares about its people, it is also a good way to encourage employees to become masters of their own destiny. Asking employees to evaluate how their jobs are done and identify improvements to productivity, performance or job satisfaction will immediately get them thinking proactively. Implementing the suggestions they make, aside from being a great way to develop a business, is a very personally rewarding process for employees. While employees will need to be facilitated by management to ensure maximum value is delivered to your business, small but continuous improvements in the way jobs are done can

ultimately translate into significant competitive benefits.

**ii. Provide detailed information on performance at organisational, team and individual levels**

Job significance is something which needs to be addressed by business owners and managers as it is determined by employee perception of their role and its impact.

It is often the case that employees are unaware about how their role fits into the overall picture and simply explaining this link can help them see their contribution more clearly. For example, explaining to a customer services team member how complaints are linked to customer losses, and explaining the value of each customer retained, creates a direct correlation in the mind of that person between their job and the performance of the business. If the team year end bonus is then linked to prompt resolution of complaints and the level of complaints is measured, customer services staff will quickly appreciate their potential to impact the business. For most roles, with a little creativity this correlation with business performance can be created. The goal should be for all employees to understand how their actions (or lack thereof) impact your business and its customers.

**iii. Getting the basics right and then focusing on engaging individuals in their jobs**

There are a number of things which you can address to ensure that you focus employee attention on activity which will ultimately encourage them to be more engaged in their work. These are:

- Having a clear strategy and ensuring it is communicated to everyone

- Having a robust organisational structure with clear reporting lines
- Being clear about the responsibilities and impact of each job within your business
- Allowing staff to provide input and exert control over both how their job is done and the quality of their working environment
- Rewarding staff equitably, in line with the market rate for their role and their contribution to the business
- Recruiting the right people with the right attitude into the right roles
- Managing performance issues and talent fairly and appropriately
- Giving good feedback to staff about how they are performing and recognising staff who put in exceptional effort
- Offering quality training which is relevant to the jobs and includes real development opportunities

Setting up your business was one thing but becoming expert in enhancing employee engagement is a whole different ballgame. Any owner managed business will have owners or owner managers who are expected to multi-task, and essentially, handle areas that they are not especially experienced in. Engaging with experts can add significant value to any employee engagement programme as they are independent, can enable management to think differently and are not hampered by the history of how the current processes were arrived at.

If you would like to discuss the topics raised in this article please contact:

*Ben Francis, HR Consultant*  
*T: 01784 497 100*  
*E: [bfrancis@menzies.co.uk](mailto:bfrancis@menzies.co.uk)*