

Employee engagement – Igniting passion through purpose, participation & progress

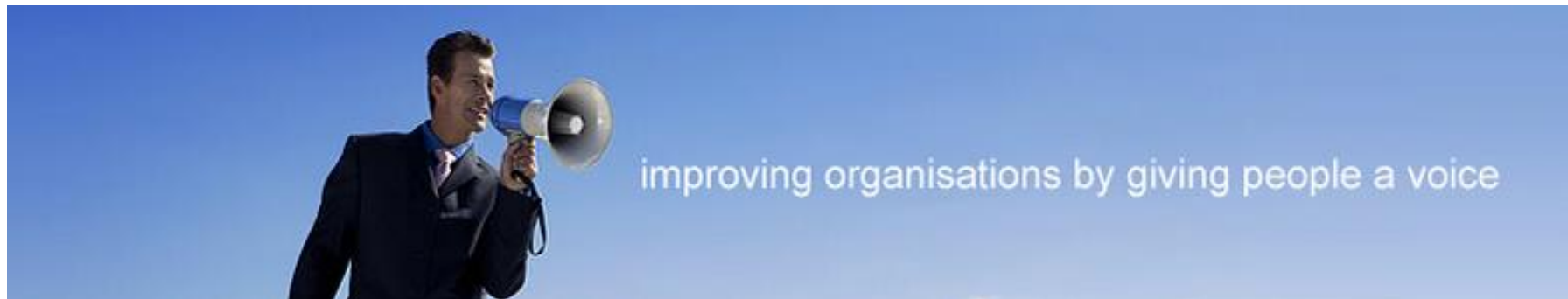
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Infosys HR Networking Breakfast
Sydney, 2nd March 2011

who is voice project?

- Voice Project specialises in surveying engagement, leadership and service quality
- We have grown out of a research programme at Macquarie University and our team of 17 people are based on campus at Macquarie University
- We have now completed 420 surveying projects across 180 clients, collected benchmarking data from over 2,500 organisations, and “given a voice” to over 500,000 employees and clients



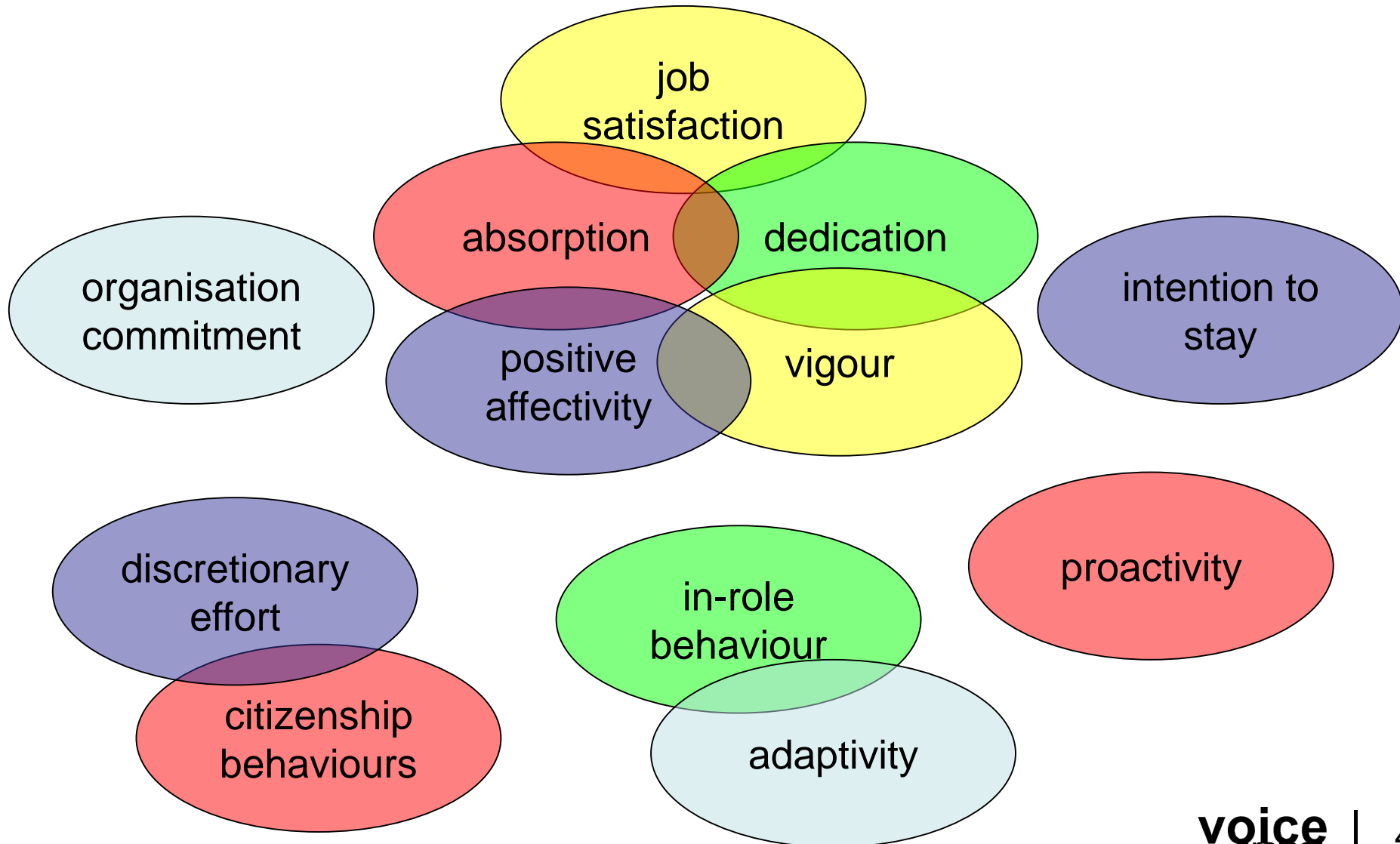
agenda

- Engagement
 - What is it? Why does it matter?
- Drivers of Engagement
 - Purpose
 - Participation
 - Progress
- The Ps in practice



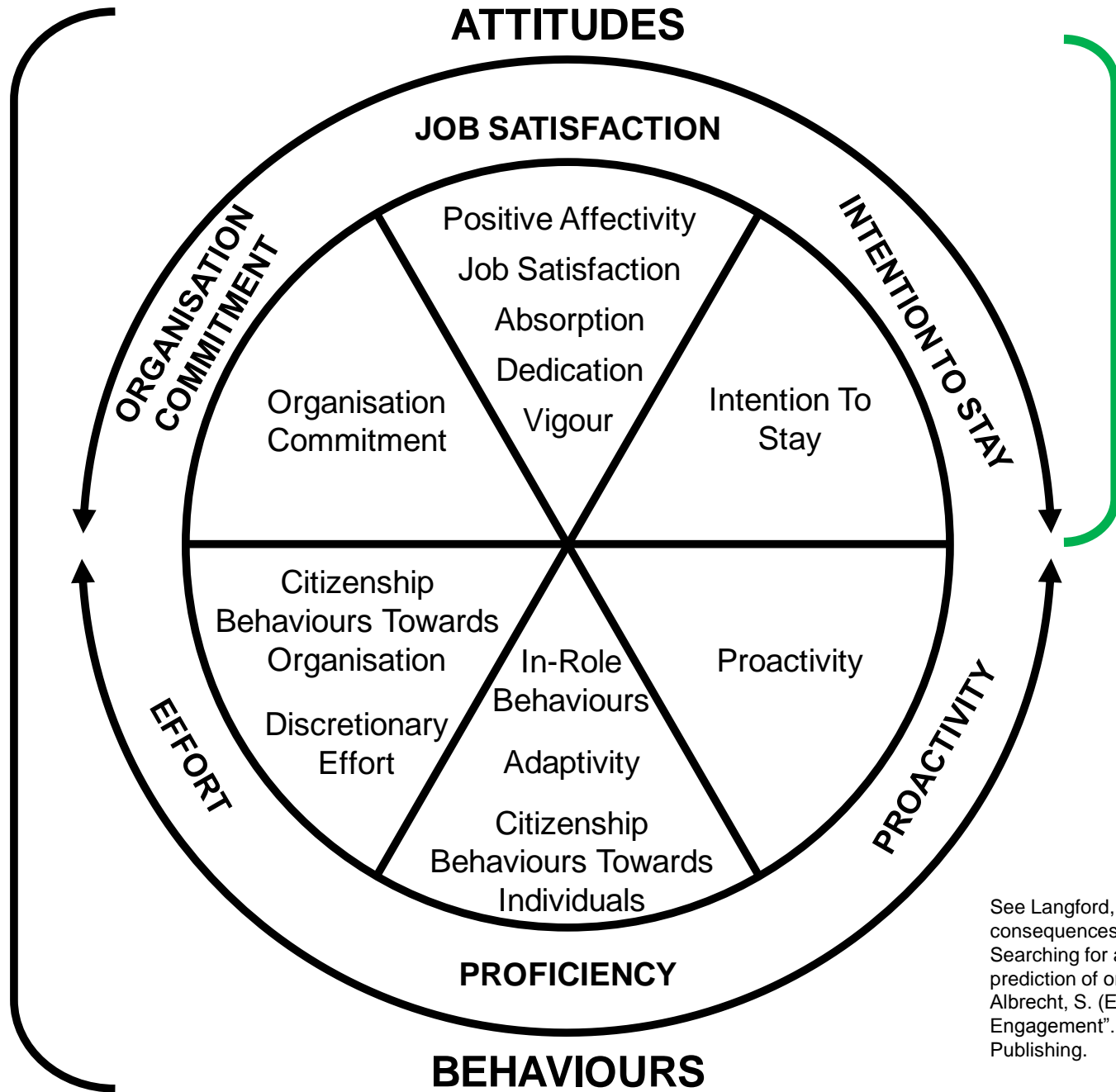
understanding employee engagement

- What does it mean to you?





EMPLOYEE ENGAGEMENT



Strongest predictors of organisation performance

See Langford, P. H. (2010). The nature and consequences of employee engagement: Searching for a measure that maximizes the prediction of organisational outcomes, in Albrecht, S. (Ed.) "Handbook of Employee Engagement". London: Edward Elgar Publishing.

consequences of engagement

- Our research shows 5% higher employee engagement is associated with:
 - 1.5% lower employee turnover; for a 1000-person organisation that's 15 fewer people leaving per year, and \$1m lower turnover costs for the organisation per year
 - 2.5% higher productivity; \$2500 higher productivity per person per year; for a 1000 person organisation that's \$2.5m higher productivity for the organisation per year
 - Even if you achieved no other gains (eg, safety, absenteeism, workers comp, reduced fraud & risk, customer loyalty, innovation), that's **a benefit of \$3,500 per employee per year**



Assumptions behind above calculations: Average salary A\$66K; turnover costs 100% of salary; SD of productivity = 32% of mean output (Schmidt & Hunter, 1998); mean output per employee of A\$100K; correlation of .31 between engagement and productivity; correlation of .27 between engagement and turnover (means of Voice Project's observed correlations).

drivers of engagement?



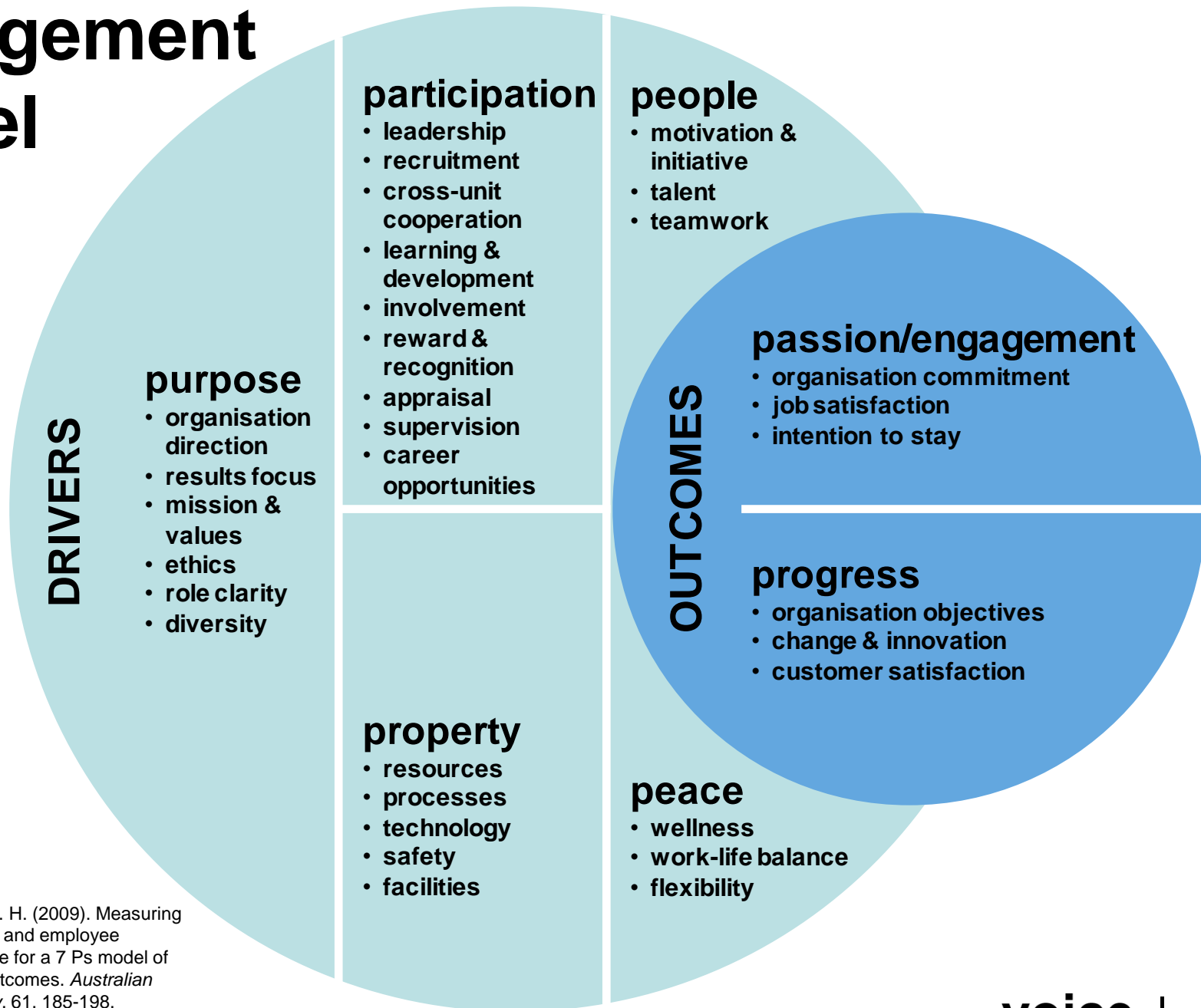
rewards?

work-life
balance?



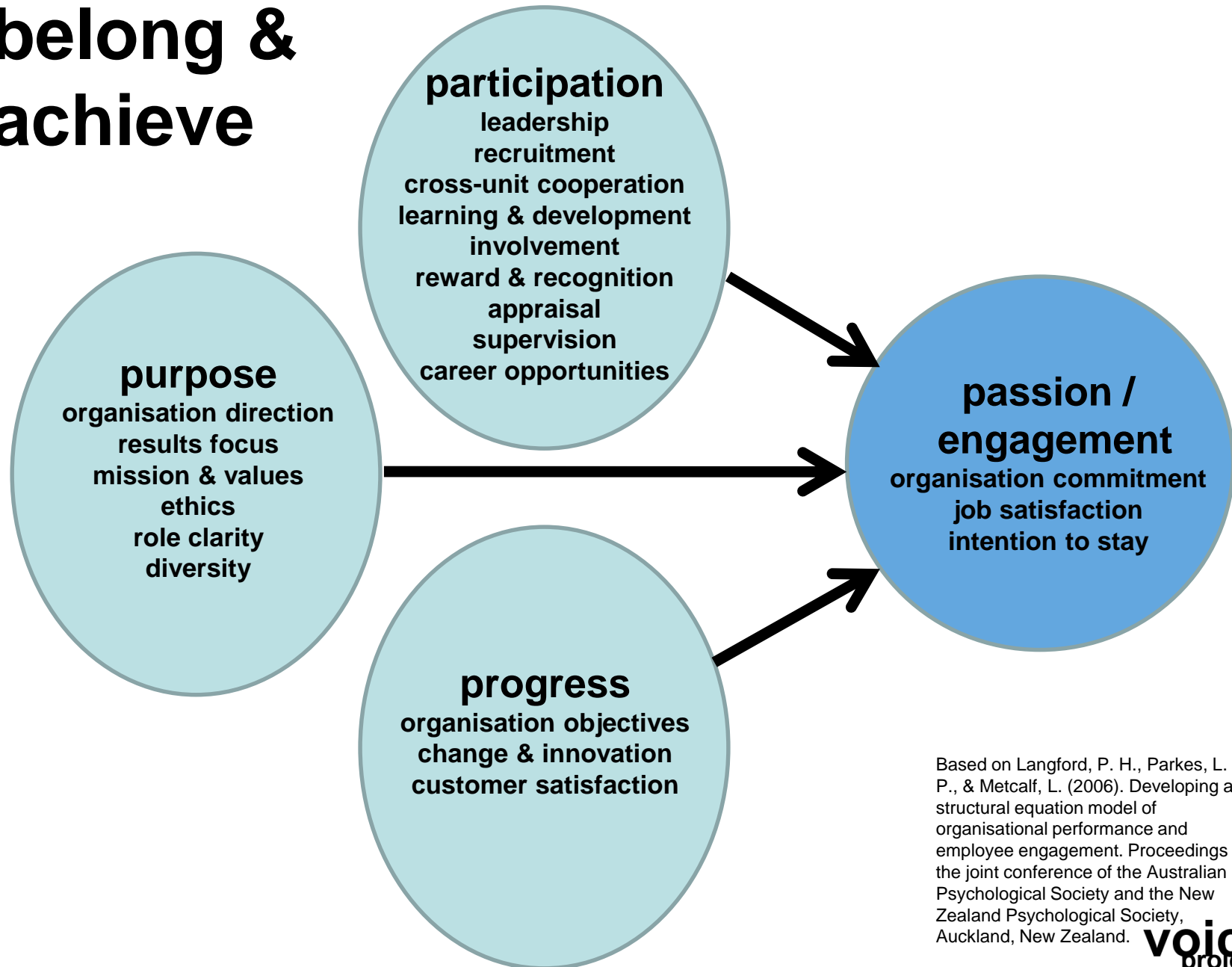
my
career?

engagement model



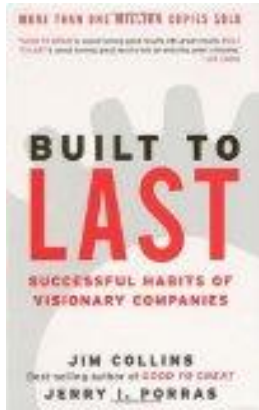
Based on Langford, P. H. (2009). Measuring organisational climate and employee engagement: Evidence for a 7 Ps model of work practices and outcomes. *Australian Journal of Psychology*, 61, 185-198.

believe, belong & achieve

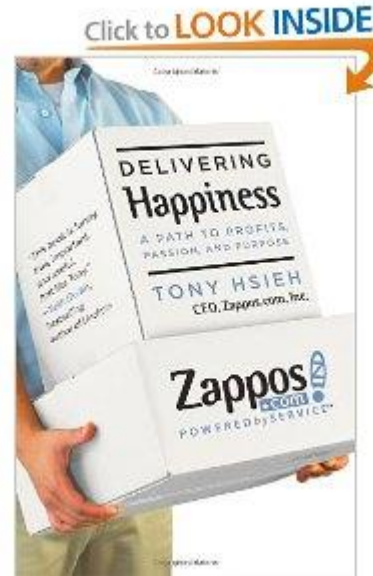


Based on Langford, P. H., Parkes, L. P., & Metcalf, L. (2006). Developing a structural equation model of organisational performance and employee engagement. Proceedings of the joint conference of the Australian Psychological Society and the New Zealand Psychological Society, Auckland, New Zealand.

1994



2010

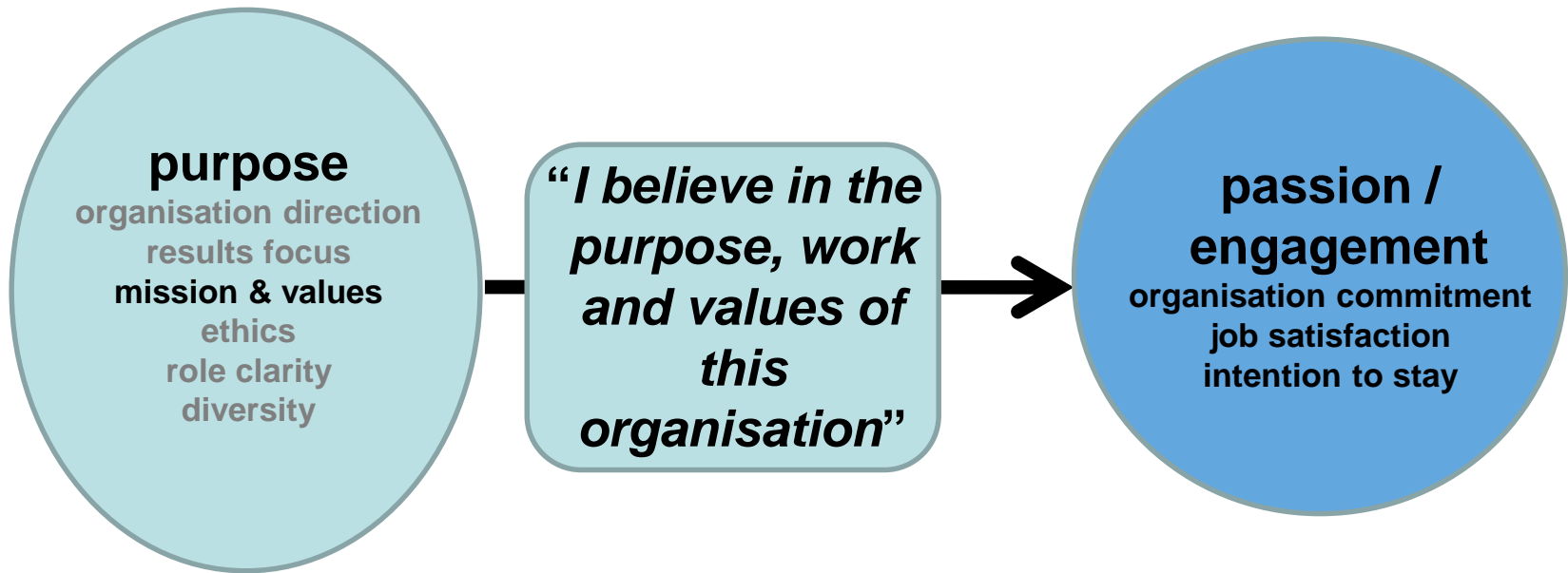


Build A Positive Team and Family Spirit [Find out More >](#)

ZAPPOS

CORE VALUES

strongest driving practice



Parkes & Langford (2008) Work-life balance or work-life alignment? A test of the importance of work-life balance for employee engagement and intention to stay in organisations. Journal of Management & Organisation 14 (3) 267-284

NFP versus corporate organisations?

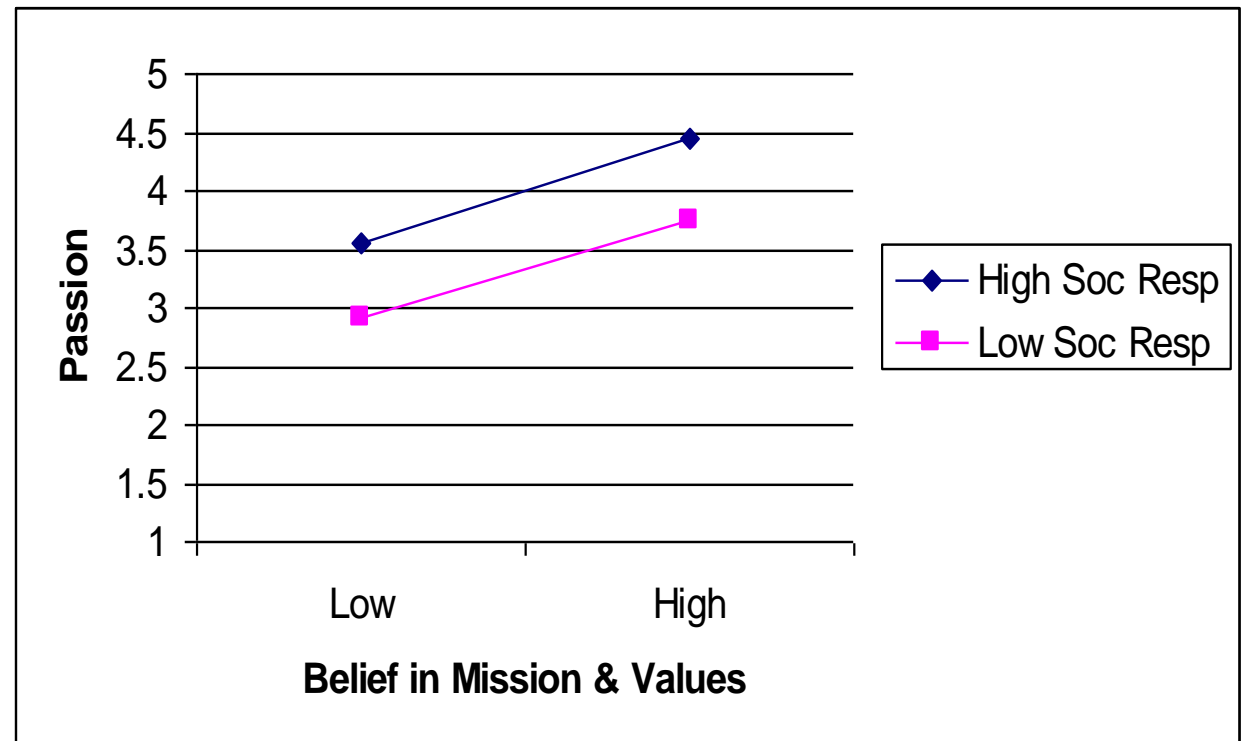
- Approx 10 employees from 53 NFP and 53 for-profit organisations, 1 159 respondents, 2004-2006
- Key drivers of passion are the same across sectors:
 - Purpose, Participation & Progress
 - Mission & Values, Change and Innovation, Career Opportunities & Involvement
- Not the money - rewards less important for engaging employees in NFPs



Parkes, L. P. & Langford, P. H. (2006). Money or the Mission? Comparing drivers of employee engagement in commercial and not-for-profit organisations. Proceedings of the Australian and New Zealand Academy of Management Conference, Yeppoon, QLD.

a higher purpose?

- *“This organisation has a positive impact on society & the community”*
- *“This organisation plays a role in society that goes beyond the mere generation of profits”*
- 2008: 3079 employees in 302 organisational units
 - 79% commercial
 - 14% gov
 - 7% NFP



Parkes (2010) Purpose and passion:
Why are organisation mission & values
so important for employee engagement?
27th International Congress of Applied
Psychology. Melbourne, Australia.

all types of staff?



8 universities

5564 academic staff

1. achieving organisation objectives (.59)
2. mission & values (.57)
3. change & innovation (.53)
4. leadership (.53)
5. career opportunities (.52)

8388 general/professional staff

1. role clarity (.51)
2. career opportunities (.51)
3. achieving organisation objectives (.51)
4. mission & values (.48)
5. rewards & recognition (.47)



purpose fires people up!

- Even in Australia
- Even in commercial corporations
- Regardless of the 'nobility' of the cause
- In both 'delivery' and 'support' staff

your experience...

- What is the purpose of your organisation?
- What are your core values?
- How strongly do you agree with those purpose and values?

**strongly
disagree**

1

5

10

**strongly
agree**

- How many staff in your organisation could recall your mission/vision/values? _____ %
- How many staff would strongly endorse them? _____ %

purpose in practice

purpose

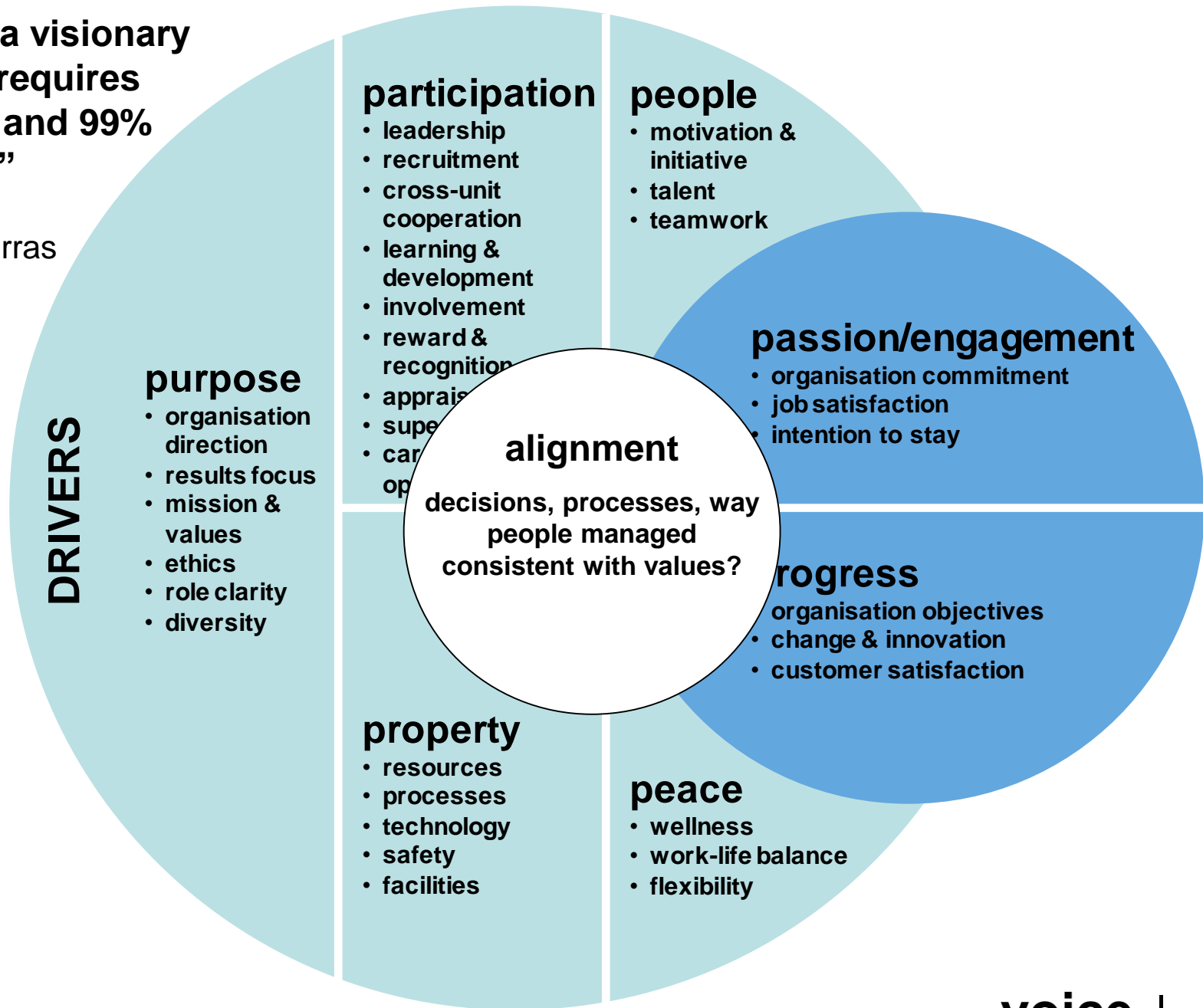
organisation direction
results focus
mission & values
role clarity
ethics & diversity

words
Words
Words

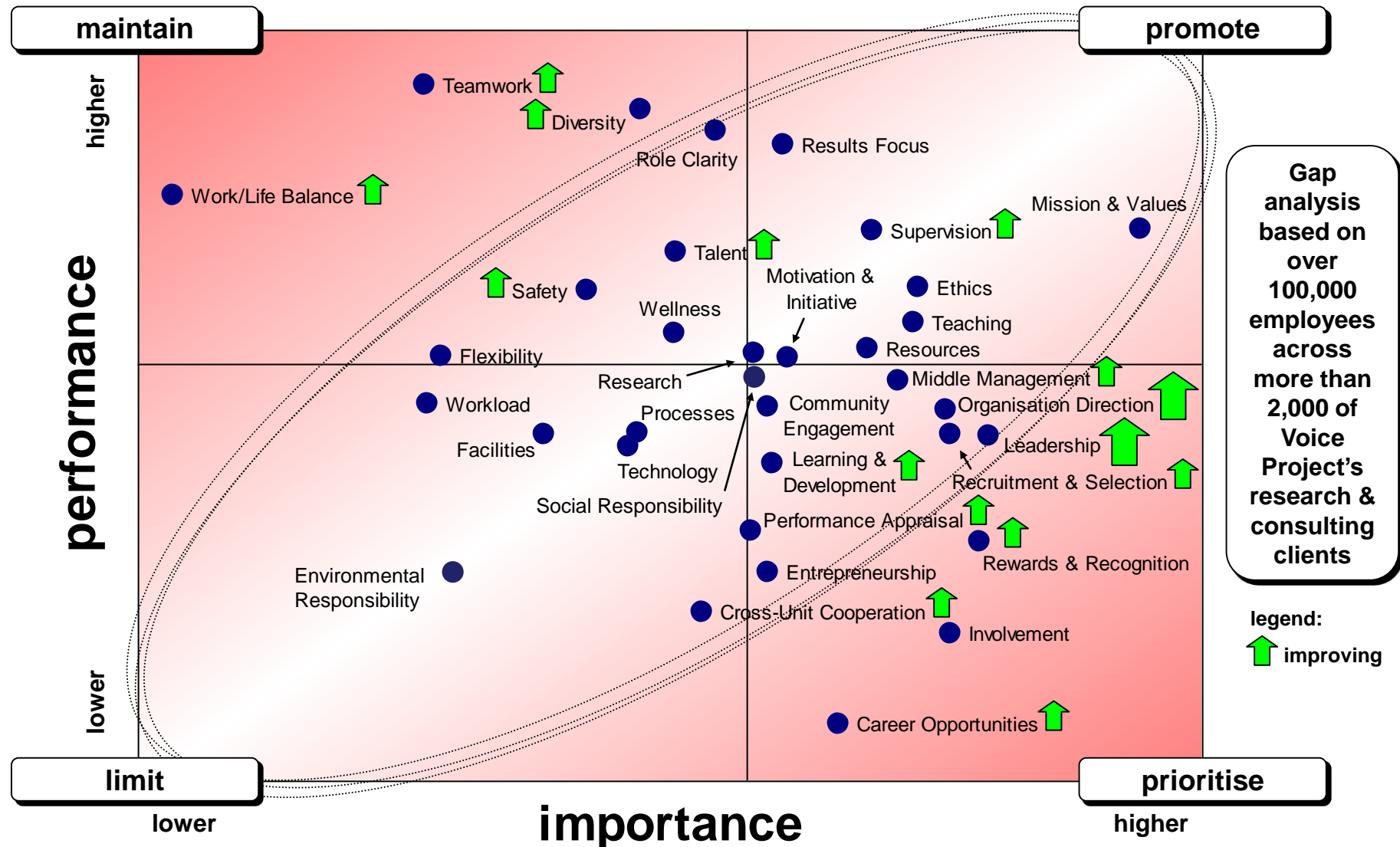


“Building a visionary company requires 1% vision and 99% alignment”

Collins & Porras (1996) HBR

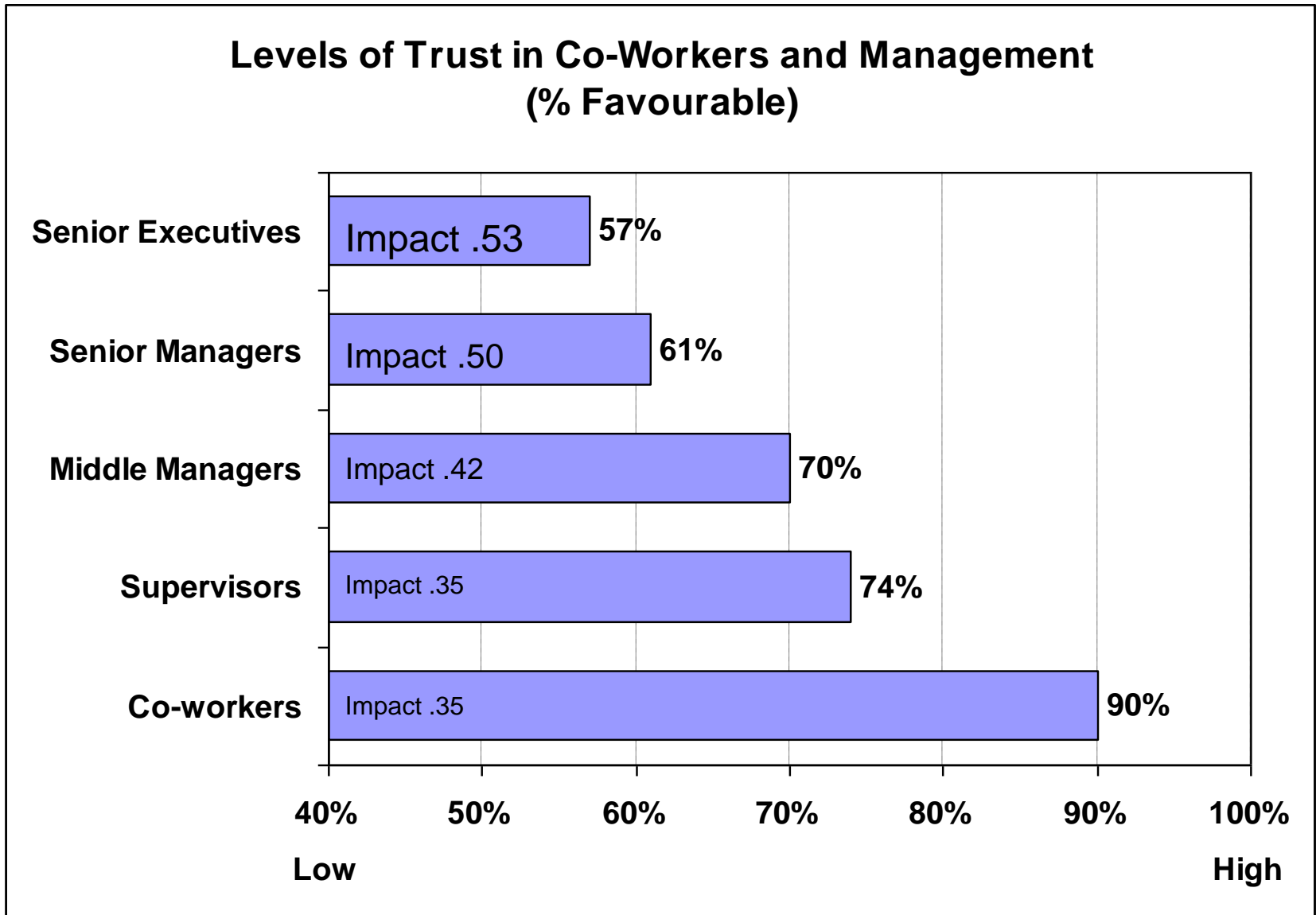


drivers & gaps for engagement



See Mingo, S., & Langford, P. H. (2008). The HRM-Performance Link: A Longitudinal, Business-Unit Investigation. Proceedings of the 22nd Annual Conference of the Australian and New Zealand Academy of Management, Auckland, New Zealand, December.

participation: trust in leadership



participation: trust in leadership

- Demonstrate trust in employees
- Increase visibility and accessibility
- Communicate common identity
- Role model integrity and fairness
- Create a supportive workplace



participation: involvement

- Empower employees for decision-making
- Guide through clear organisation direction
- Consult and communicate on change
- Educate and train managers
- Create processes for evaluation and feedback



progress leading passion

- Communicate goal progress and achievement
- Champion continuous improvement
- Provide a product/service that staff are proud of





questions for discussion

1. Do you have an engaging purpose that is clearly articulated throughout your organisation?
2. How do you measure progress against your core purpose and toward your vision?
3. Do you recruit people based on their beliefs and values?
4. How do you reinforce the connection between job roles and organisation purpose for your support staff?
5. How do you measure alignment of your systems, practices, processes and people with your purpose and values?
6. How have you seen leaders most effectively build trust and communication?
7. Is change in your organisation driven top-down by management, or bottom-up by passionate employees? Why do you think this is?