



Employee Engagement & Wellbeing

Are you working with the 'whole' person
Or just the 'bit' that turns up for work?

Executive Summary

Companies pay huge attention to their key financials – sales, margin, throughput, operational costs and so forth. However the asset that also drives corporate performance and which is most overlooked in tough times is people.

Wellbeing and Employee Engagement are issues that are now hitting the headlines. They matter for individuals whose dissatisfactions at work spill over into their private lives. They matter for organisations that take the obligation to look after the welfare of their employees seriously. And most compellingly—they matter to the bottom line due to their correlation with high performance.

In the current climate of austerity and emphasis on cost efficiency, it is engagement and wellbeing that offer a genuine win-win opportunity for organisations and the people who work for them.

But what are companies doing to truly drive and foster engagement ?

*How many of us really know how to keep our resilience levels up?
How many of us know how to shift our motivation into top gear?
How many of us can do this for ourselves and lead others to achieve the same?*

The current economic climate is taking its toll.

- 53.8% of people are 'jumping ship' due to job insecurity with 38.5% of companies recognising that 'lack of career opportunities' is leading to increased resignations with turnover rates increasing to 13.5%. (CMI, 2010)
- Staff disengagement is costing the UK economy £64.7 billion per year (Gallup, 2010)
- Self reported work-related stress, depression and anxiety account for 11.4 million lost working days in the UK alone (HSE, 2008/9)
- Work place stress is costing £26 billion per annum in lost days, staff turnover and lower company productivity (MIND, 2010)
- Direct employee absence was nearly £17 billion in 2009, with 70 million work days lost to stress alone (CBI, 2010)
- The 'survivor syndrome' has a huge impact on the emotional, psychological and physical wellbeing of employees.
- Top quartile companies for engagement outperform bottom quartile companies in customer loyalty, profitability, productivity, staff turnover, absenteeism, safety and quality (Gallup 2010).

Companies that do invest in the development and wellbeing of their staff see over a 20% higher return on investment (Morgan Redwood, 2009)

With such statistics it is apparent that more is needed to boost individuals in order to positively impact on performance and the bottom line.

The business case for employee well being policies is seen as resting on their positive impact on employee attendance, workforce productivity and staff morale'

CBI.

Many organisations are taking this seriously – is yours?

Wellbeing and Employee Engagement are in the headlines, as companies press ahead with the continual search for ways of gaining performance improvements and organisational success.

The challenges of the current economic climate have taken its toll – not just on business but also on employees. Redundancies and re-structuring have resulted in staff seeing their colleagues leave and then their workload increase as companies seek to get more out of those that remain. How staff are treated when they are ‘exited’ out of the business, leaves the remaining employees with thoughts on what might happen to them if they are next.

This ‘survivor syndrome’ has a huge impact on the emotional, psychological and physical wellbeing of employees. Trust, motivation, alignment to the business and talent retention issues abound.

A recent study by the Chartered Management Institute (2010) (*1), shows that 53.8% of people ‘jumping ship’ are actually doing so because of job insecurity. Yet only 38.5% of companies recognise that ‘lack of career opportunities’ and how staff are treated is leading to increased resignation rates.

Turnover rates have increased by 1.2% to 13.6%, with 61.5% of respondees stating that employees ‘heads were turned’ by head hunters. A recent Gallup survey suggests that **staff dis-engagement is costing the UK economy £64.7 billion per year.**

The Cost to Business and Society

People feeling under pressure in their current role, is also evident in the increased cost of sickness absence.

In 2008/9, the HSE reported that the average length of certified cases amounted to 26.8 working days, with self-reported work-related stress, depression and anxiety accounting for 11.4 million lost working days.

The UK’s mental health organisation, MIND, estimate the cost of work place stress is £26 billion per annum in lost days, staff turnover and lower company productivity.

According to the 2010 survey by CBI (*2), the cost of direct employee absence for UK business was nearly £17billion in 2009. This equates to an average of 6.4 days absence per employee per year – creeping up to 8.1 days in poorer performing organisations. 70 million work days are lost per year, due to stress alone.

This all equates to a huge cost to business, negative impact on the bottom line and a staggering effect on motivation and performance. With increased absence, more pressure is put on the remaining staff to cover for those off work. And therefore the cycle continues—resulting in a profound impact on the wellbeing of society as a whole.

So what can companies do to turn these worrying trends around?

These concerns to business were highlighted in the Morgan Redwood 2009 survey ‘Wellbeing and Business Performance’ <http://www.morganredwood.com/free-reports/asp>], with over 100 UK companies.

The results showed that companies that invest in the development and wellbeing of their staff see over a 20% return on investment (ROI) than those companies that do not.

Research by Business in the Community shows the number of FTSE 100 Companies reporting on health and wellbeing initiatives has risen by 16% in the past year, with additional research indicating the introduction of a multi-component health promotion programme can result in a 10.4% improvement in work performance and an annual return on investment of £6.19 for every £1 spent.

This is also supported by recent research that positivity and engagement factors are critical to maintaining and creating high performance. Gallup's 2010 Employee Engagement research also indicates that high levels of employee satisfaction and motivation, leads to high levels of company performance and an increased ROI.

Employee Engagement

Engagement can be defined as a positive fulfilling state of mind characterised by vigour, dedication and absorption. It is driven both by individual characteristics such as resilience and confidence and by the resources and demands provided by the employer (Schaufeli and Bakker 2008).

Engaged workers perform better for a number of reasons.

They typically experience more positive emotions which in turn lead to more creativity, increased perception of opportunity, better leadership and better decision making (Kaplan et al 2009).

Engaged workers are less likely to suffer symptoms of ill-health and are better able to work well.

Engaged workers are better able to mobilise personal and job resources and transfer their engagement to others (Schafeli & Bakker 2008).

Top performing companies know that employee engagement is fundamental to a high performance culture. Some managers have a



natural flair for engaging with their staff and getting the most out them. Some companies know how to invest in their leadership and develop the business strategy to support and nurture their talent. But how many know that there are simple cost effective strategies and interventions that can be deployed to enhance engagement and radically change the performance of an organisation?

Too many organisations pay lip-service to the idea of engagement and leave its enhancement in the hands of managers with vastly differing abilities to make a significant difference.

For too long companies have only invested in the part of the person that turns up for work. We claim to do our utmost to ensure that work doesn't impact on home and home doesn't impact on work. But do we really know how to balance the two? As we all try to manoeuvre our way through the minefield of seeking to balance all the pressures that life and other people place on us, our resilience levels can be tested to the limit. Sometimes that can be too much – and we can 'tip' into disengagement with a resulting loss of focus and purpose.

How many of us know how to keep all elements of our life in balance? How good are we at achieving it? Why do we run for the hills when someone mentions emotions when we ourselves are stretched to the limit on what we can deal with?

Essential Needs

We all have *Essential Needs*®. We need to feel safe, be in control of our lives, have a connection to others, feel valued for what we do, feel competent, that we are achieving things in the day and also to be stimulated by our activities.

How many of us really know how to keep our resilience levels up?

How many of us know how to shift our motivation into top gear?

How many of us can do this for ourselves and lead others to achieve the same?

How many organisations provide their employees with the tools that they need to be able to help themselves achieve a healthy, happy, balanced and fulfilled life?

How many managers and leaders know how to do this for themselves? And how many managers and leaders can employ these skills into their leadership style? If they don't - what damaging impact is that having on the bottom line? What contribution is that making to the increase in sickness absence and the rise in stress and depression?

The time has come for a simple coherent and structured approach – a style of leadership that balances self awareness with full employee engagement, motivation, *Essential Needs*® and excelling business performance.

We have spent many years managing in the traditional way. Many years trying to get more from less. It is time for businesses to take a different approach. An approach that balances Business Strategy with People and Culture. An approach that integrates health and wellbeing. An approach that focuses on the 'whole' person.

Like dropping a pebble into a pool of water - the ripple effect of this is easily underestimated. The impact of engagement and positive emotions in the work place are known to spill over into home life and the wellbeing of individuals is enhanced beyond the wildest dreams of most corporate strategists.

It is time to truly invest in people. Rather than following the traditional practices of the past. Take a fresh approach and actually pay attention to health and wellbeing – not just through 'surface' policies that don't have any depth of impact—but truly provide in-depth support.

There are very simple strategies to address engagement. When people have the knowledge and tools to keep themselves in balance physically, nutritionally and with a positive mental attitude, they take responsibility for themselves and improve their own well being – and that in turn leads to healthier, happier and more fulfilled 'whole' people turning up for work. . .

Let's take a different approach – one that takes an interest in the 'whole' person and not just the 'bit' that turns up for work!

Janice Haddon, March 2011

References

1. 2010 National Management Salary Survey CMI 2010
2. CBI Report - On the path to recovery; Absence and Workplace Health Survey



Janice Haddon is the founder & MD of Morgan Redwood and also a Director and Head of Mind Matters in Health Matters 360. Janice is a qualified coach and has a passion for integrating personal positivity and wellbeing into the work place. A Fellow of the Chartered Institute of Personnel and Development with a BSc (Hons) in Psychology and an MBA from Henley Management College, Janice is also a Master Practitioner in NLP, a Cognitive Hypnotherapist and a Psychotherapy Counsellor.



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