



Align HR Steps to Engagement, Retention & Increased Productivity

• Step 1 - Plan

Plan.... Plan.... Plan.... "Organizations have the potential to lose an enormous amount of profit as a consequence of lack of strategy to engage and retain high potential employees as well as collaborate" (Human Capital Institute, 2011). It is vital companies focus on developing targeted strategy and developing frameworks around engagement and talent management. Gallup Research (2010) shows that individual engagement is the single most important indicator of productivity, therefore, if you can build effective practices around building engagement levels, staff retention will increase and productivity levels will rise.

Recent Engagement study facts:

- 70% of businesses have a weak pipeline
- Organizations with poor engagement have 30% rate of efficiency
- It takes 6 months for a new manager to become productive.

THE HUMAN CAPITAL VALUE CHAIN



- Only 20% of a company's employees are well suited and matched to their current role
- Top performers are valued at 2 to 10 times the performance of the average employee
- Number of employees the average manager's actions directly affect is 12.

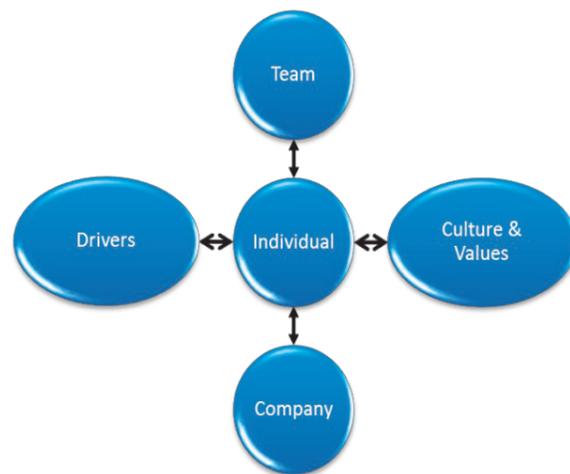
• Step 2 - Execution

Once a customized framework and engagement strategy is developed. It is critical to develop an action plan that integrates and aligns through and across the business. The critical success is how well the managers deliver on this.... Align HR will work with businesses to ensure simple, on-going and workable initiatives and activities are built in to the operational performance of management at all levels.

• Step 3 - Evaluation

The final stage is to review framework and engagement action plan to assess impact and return on investment of time and money. This can be achieved by monitoring and reporting on management execution accountabilities and the change in performance across business units and overall company performance. An engagement survey and employee focus groups can be used. Retention rates, absenteeism, and productivity levels are also key engagement metrics.

Align HR's Employee Engagement



Company—how well are the following practiced?

- **Leadership** – lead by example, fair and flexible
- **Trust & Communication** – honesty, open communication, feedback
- **Reward & Recognition** – benefits, praise, feel valued
- **Opportunities** – training, career pathways, challenge
- **Job Duties and Responsibilities** – role clarity, variety, autonomy
- **Relationships** – co-worker and management relationships
- **Structure** – policy, management practices, systems and processes

Drivers:

- What are the key drivers for the company; for functional teams and for individuals... are they well communicated and catered for, is there a common purpose, as well as flexibility and harmony?

Culture & Values:

- Is there alignment of cultural practice and values... are they practiced and is their fairness and corporate social responsibilities?

PULSE SERIES 1:

AlignHR's

2011

Employee Engagement Pulse



Employee Engagement

Definitions:

- "positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption" (Schaufeli, 2006).
- "active engagement.—high levels of activity, initiative, and responsibility" (Dvir, 2002).



"The productivity of work is not the responsibility of the worker but of the manager."

Peter Drucker, Author

5 Key Drivers of Employee Engagement:

According to Castellano (2009) a rich body of literature has identified key drivers of Employee Engagement that are the result of the proper alignment of HR practices, including:

- job characteristics,
- role clarity and fit,
- co-worker and management relations,
- leadership, and
- perceptions of fairness.

Why Employee Engagement is so Important ...

Employee engagement is "the illusive force that motivates employees to higher (or lower) levels of performance" (Wellins and Concelman, 2006). In world class organizations, the ratio of engaged to actively disengaged employees is 9.57:1 and in average organizations the ratio is 1.81:1. Actively disengaged employees erode an organization's bottom line and can impact on the dynamics and performance of others. Four out of five employees are not contributing to their fullest potential. And actively disengaged employees are costing organizations \$3,400 for every \$10,000 in salary.

On the topside, top performers routinely contribute two to ten times the performance of average employees

An organization's HR systems is the primary driver of employee engagement: The induction process; development opportunities; rewards, benefits and performance management practice; organizational structure and job design; effective management and leadership; and work-life balance. Hackman and Lawler (1971) and Kahn (1990) prove that if employees have certain work to do (certain variety, challenge and autonomy) they feel engaged and behave in adaptive and constructive ways that produce results that were perhaps unexpected.

With an effective employee engagement framework in place—engagement levels will positively impact on key business metrics. A partnership with Align HR will not only increase employee engagement levels in your business but also your bottom line.

Employee Engagement Textbooks:



Federman, B. (2009). *Employee Engagement: A Roadmap for Creating Profits, Optimizing Performance, and Increasing Loyalty*. John Wiley and Sons.



Macey, W.H., Schneider, B., and Barbera, K.M. (2009). *Employee engagement: tools for analysis, practice, and competitive advantage*. John Wiley and Sons.

CONTACT
Johan Grundlingh
johan@carrotsconsulting.com

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Carrots Align
160 Robinson Road
#24-05 SBF Center
Singapore 068914

Tel: +65 6842 2131
Fax: +65 6538 0186

www.alignhrconsulting.com



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