



...solve thorny business challenges in the time it takes to drink a cup of tea

www.pentlands.ltd.uk | 01926 424455

How do you turn stressed, disengaged employees into an engaged and productive team?

Let's say you've recently visited two restaurants. One waiter provides such great service that you can't wait to return, and you're keen to recommend the restaurant to others. The waiter in the other restaurant is slow, forgets your order and doesn't really care. You won't be back!

But what's really happening here?

Answer: The restaurant manager's ability to **recruit**, **focus** and **retain** talented waiters is what's at play. The same can be said for your business.

Whether you employ 1, 10 or 100 team members, you'll want your business to improve on 4 fronts.

You'll want to be more **productive**, more **profitable**, more **customer-focused** and more able to **retain** your most talented people.

Chances are you'll want less stress too. But if productivity, profitability, customer service and team retention decline, you'll naturally suffer stress and economic uncertainty.

Instead, work on improving these 4 outcomes and your business will succeed in a deeper and more sustainable long-term way. You'll feel a greater sense of pride, be more certain about the future and enjoy improving profits and the capital value of your business.



Household name proves the link...

With 85,000 staff across nearly 1,000 stores, UK retailer Marks & Spencer has plenty of employee data to crunch. The data shows that stores in the top quartile for employee engagement are twice as likely to achieve the highest customer service rating and have 25% less staff absence compared to stores in the bottom quartile.

The M&S data essentially answers this question: How can we get customers to love us if our employees don't even like us? If your employees

do like you (they are engaged in their work), chances are that your customers will love you – just as the first waiter managed to win hearts and minds in the starting story of this report.

IN A NUTSHELL:

The more actively engaged your team, the more likely you are to improve the productivity, profitability, customer care and team retention in your business.



©Billion Photos/Shutterstock

What your team thinks matters...

What's clear from the research is that, whether you have a small or large team, a commercial or not-for-profit organisation or a private or listed business, the engagement of your team determines your success now and in the future.

Whether you have 1, 10 or 100 team members, let's consider getting your team's wholehearted, committed and enthusiastic participation in what your business is doing and how they are meant to be working.

Over 25 years, the research company Gallup asked over 1 million employees hundreds of different questions. They have built a 'haystack' of data. They combed through 100 million answers, trying to discover the 'needles' that sign-post the best ways to improve productivity, profitability, customer care and team retention.

Table stakes aren't enough...

Fair pay and benefits, good senior leadership and an organisational structure are not covered in this report because the research shows that these elements are critically important. The absence of them can destroy completely any chances of engagement. But they are table stakes – they get you in the game, but they don't help you win the game.

What we're looking for here are the insights, skills and strategies that will ensure you attract, properly manage

and retain the best talent in your business. We assume you have the table stakes in place, so we can ask – **how do you build the engagement of your people so that your business wins?**

12 levers can help you...

Gallup found 12 needles in that massive haystack!

They cross-referenced the 100 million answers with the performance results of 2,500 business units across 24 companies in 12 distinct industries. The results show that **more positive answers** to just 12 questions correlate with **better business performance** across many different companies.

In other words, your **employee's opinion is directly linked to your business performance.**

Rather than ask your team directly if they are engaged in the work they do, Gallup have worked out the elements that contribute to a highly engaged team in the form of 12 questions.

Before we get to the 12 questions, let's look at a key finding and then at a real-world example to see the difference employee opinions can have on financial results.

Key finding...

Rather than better results being a company thing, **better results were a business unit thing.**

In other words, it was **the manager of the people which had the greatest influence** over team opinion and business performance, not the overall company.

How big a difference?

Three hundred retail stores (not M&S) were all designed and built to provide a consistent customer experience.

Each store employed about 110 people. In total, 28,000 employees responded to the 12 Gallup questions (Q12) with a score of between 1 to 5 (where 1 = strongly disagree and 5 = strongly agree).

Across the 300 stores, Gallup were able to compare the top 25% Gallup Q12 results with the bottom 25% results and cross-reference the financial performance of each store:

- Stores in the top 25% ended the year 14% above their budgeted profit
- Stores in the bottom group missed their profit goals by 30% (a 44% profit gap)
- Employee churn was 12 more people per year per store in the bottom 25% group of stores compared with the top 25% group

Please check out the online support tools for more on these comparisons.

A PROVEN SOLUTION FOR YOU...

Rather than seeking employee happiness, seek employee engagement. When you positively impact your team's engagement score, you'll be more **productive**, more **customer-focused** and more likely to **retain** your most talented people. As a result, you'll also be more **profitable**.

4 stages of employee engagement

Twelve levers does seem like a lot to manage, so it pays to stage-manage employee engagement in 4 steps.

Gallup suggest that you look at the stages as if you were going to climb a Himalayan mountain – you have to get to Base Camp before Camp 1. If you helicopter into Camp 2 or 3, then chances are you'll suffer from altitude sickness because you haven't built the foundation by first acclimatising to the altitude.

This approach means you can bring a focus to a few Q12 levers most relevant to your business, starting at Base Camp if you're not scoring highly on the first two questions:

BASE CAMP – “What do I get?”

1. I know what is expected of me at work
2. I have the materials and equipment I need to do my work right

CAMP 1 – “What do I give?”

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 or praise for doing good work
5. My supervisor, or someone at work, seems to care for me as a person
6. There is someone at work who encourages my development

CAMP 2 – “Do I belong here?”

7. At work, my opinion seems to count
8. The mission or purpose of my company makes me feel my job is important
9. My associates or fellow employees are committed to doing quality work
10. I have a best friend at work

CAMP 3 – “How can we all grow?”

11. In the last six 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

Make it personal...

How do you think your team would score these 12 questions from 1 to 5 (where 1 = strongly disagree and 5 = strongly agree)? How many of them would give you twelve 5-out-of-5 scores?

On a more practical level, how do you think you'd rank against the thousands of organisations, large and small, that assess their team's engagement levels every year?

Would you be in the top 25%?

STOP – ignoring your team's opinion of your leadership and management skills and processes

START – working on 1 or 2 of the Q12 levers of team engagement to improve your score and thus your business results

NB You'll find links to other engagement scoreboards and surveys in the online tools and resources. Click the link below.

The opportunity is BIG!

If the global employee engagement score is 23% – and it is this low – and the UK employee engagement score is even lower at 10%, where would you put the employee engagement score for your business?

Whether you score high or low, you can do something to improve your score tomorrow by working out how to improve one of the Q12 elements in which you score low.

And then you must work to develop your and your managers' abilities with the aim of improving the Q12 responses, driving **greater productivity, profitability, customer care and team retention** into your business.

Do comparisons matter?

Comparisons with others can be interesting.

But what really matters is how you and your business are seeing team engagement improve over time.

Let's say you get a score of 51% from your first Gallup Q12 team survey. This puts you in the top half of organisations using the Gallup Q12 process. Where you sit now matters not – what matters to you and your team is that you do things to improve your scores from the two Base Camp questions through the Camp 1 questions and beyond.

IMPORTANT: If you score in the bottom 25% or even the bottom 10%, all this means is that you have lots of opportunity to change, improve and grow. It's what you do next that matters.

How often?

You choose how often you want to check your team engagement score.

But whether you assess team engagement 1, 2, 3 or 4 times a year, what you want to see is progress. When you see progress, your productivity, profitability, customer care and team retention is likely to improve.

Dunelm, the home furnishings retailer, use a simple 2-question, 'always-on' team feedback process to stay close to team engagement at all times:

“Would you recommend Dunelm as a good place to work?”

“Tell us what is going well, what is not going well and what could be improved.”

The second question returns free-form responses, allowing the company to analyse employee trends and sentiments based on key words or phrases used in the responses. But you need to know what to look out for in the answers you get, which is why it pays to appreciate the 'levers' of team engagement.

GET YOUR BITESIZE SUPPORT TOOLS NOW

<https://businessbreakthrough.online/improve-employee-engagement-tools-and-resources/>

4 helping hands for you...

1. **BEFORE YOU SET OFF** – Install the table stakes essentials for highly engaged teams – fair pay and benefits, good leadership and an organisational structure.
2. **BASE CAMP** – Work on the two questions of engagement that put the basics in place for team engagement – **clarity around what's expected** and the **materials and equipment needed** to do the work well.
3. **CAMP 1** – Now work on creating an environment that helps your people give their best. With each team member, help them do what they're best at, recognise and praise good work, demonstrate that you genuinely care and encourage their development regularly.
4. **CAMP 2 & 3** – Build connections so that your team share their opinions, feel connected with your business mission or purpose and connect with their colleagues better; make progress together.

Challenge your thinking...

In a study reported in the Harvard Business Review involving 302 managers, it was noted that leaders are often not aware of what is most important for driving employee engagement. The levers which leaders **think** are most important do not always correspond to what actually **is** most important.

The mismatch between what leaders think their employees need versus what they actually need suggests that we must assess the research about what will work most effectively to engage employees. This report and the two books below, as well as the online support tools, will help.

Time to disagree:

"Our team seem happy enough, we don't need to worry about team engagement!"

It's great if you've got a sense of happiness across a team, however, Corey and Elliott's research strongly suggests that you:

"Don't confuse employee engagement with employee happiness; they are fundamentally different..."

I've found companies that have quite happy employees based on a combination of good working conditions, low ambition and low accountability for results. This tends to result in the best people leaving and an average group of people staying...

Engagement is something deeper, more meaningful for the employee and more valuable to the organization."

"We're only a small group – isn't team engagement for big teams?"

Gallup agrees that if you have less than 4 people in a team, you won't be able to get anonymous (and therefore honest) feedback. Four or more people and you can formally assess your team engagement score – it does work for small teams. And even if you opted not to formally survey your team, you can talk through what needs improving across the Q12 questions.

"12 questions make it all feel too complicated for us"

Twelve is a lot, which is why Gallup suggest you focus on the first 2 Base Camp questions if you aren't getting a strong score there. **If** you score well on these first 2, you should tackle the next 4 Camp 1 questions and work on any low scores here before tackling later questions. This allows you to focus on what will give you the biggest wins in the shortest time.

ULTIMATE ARGUMENT:

It's easy to work out what happens to your customer care, productivity and team retention when you have a disengaged team. The knock-on negative impact on profitability is obvious as well.

It follows, then, that a more engaged team will positively impact your profits and reduce your stress and anxiety about the future success of your business. Are you doing enough to build your team engagement?

Want to know more?

Reading this report and the additional downloadable tools and resources is a great first step in building better business results through better team engagement.

Because team engagement is so important, it pays to learn more, don't you think?



Build It: The Rebel Playbook for World-Class Employee

Engagement: "Your all-things-necessary guide to employee engagement. Packed with some terrific case studies, Build it will help you transform your workplace." – Daniel H. Pink, New York Times bestselling author

First, break all the rules:

Vital performance and career lessons for leaders and managers at every level

GET YOUR BITESIZE SUPPORT TOOLS NOW

<https://businessbreakthrough.online/improve-employee-engagement-tools-and-resources/>

Use these tools and resources to build and improve your crucial conversation skills and build stronger, more rewarding relationships within your business.

FOR MORE EDITIONS OF BUSINESS BREAKTHROUGHS, PLEASE GO TO:
<https://businessbreakthrough.online/library>

Bitesize
Business
Breakthroughs



...solve thorny business challenges in the time it takes to drink a cup of tea

PENTLANDS
Accountants and advisors
for growing businesses

