

Your changing workforce: why focus on employee engagement?

For the last 40 years, Baby Boomers (those born between 1947 and 1965), have dominated the Western workforce. Behind them is a smaller demographic, called Generation X (those born between 1966 and 1981). During the 70's, 80's and 90's, this abundance of highly educated, ambitious and competitive workers proved extremely advantageous for companies around the world. But now this vast group, making up the majority of senior positions everywhere, is either retiring or planning to retire – and there are fewer qualified employees available to replace them. As a result, many organizations may bear the loss of skills, experience and industry knowledge as the largest generation in history begins to walk out the door.

Leadership in the workplace: motivating and engaging multiple generations

To combat the growing skills shortage in certain sectors, many organizations are doing what they can to retain older, highly-skilled workers and attract qualified Gen Xers, who often have other companies competing for their talents. The core values for each of these generations varies; workaholic Baby Boomers tend to “live to work” while entrepreneurial Gen Xers tend to “work to live”. Boomers appreciate motivating messages such as “You’re important to our success!” and value money, title and recognition. Xers are motivated by statements such as “Do it your way!” and usually believe that freedom is the ultimate reward. Managers need to keep these generational friction points in mind when addressing employee recruitment, retention and engagement.

The Millennial Generation: managing younger employees’ engagement

Generation Y (those born between 1982 and 1995) currently make up approximately 25% of the workforce, but that percentage will increase to about 40% by 2020, when the majority of Boomers will have retired. Though still too young to assume those rapidly vacating senior roles, Gen Yers, like the Boomers before them, have a unique set of skills and demands that will change the way we do business. They are multi-tasking, technology natives who work best in continuous learning environments that offer meaningful work. Filled with confidence and self-esteem, this generation demands honesty, integrity and corporate responsibility from their employer, and if they don't see those qualities in action, they'll leave.

On the flip side, employers that can cater to this generation's unique needs will have a competitive edge. Research suggests that perks that promote a healthy and active lifestyle – alternative therapies, gym memberships, wellness programs or paramedicals – are appreciated by Gen Yers, whereas Boomers sooner value prescription drug coverage, disability and long-term care. Work/life balance is also of primary importance to Gen Yers, who may appreciate the flexibility to buy vacation days. Consider discussing these compensation strategies with your Human Resources team, to help develop a better overall engagement strategy. Motivating Millennials and the generations before them takes the right mix of engagement and compensation strategies, which will differ depending on your industry and unique team dynamics.

Why is employee engagement important?

Regardless of their age, employees will not only stay, but work with passion and dedication if they are engaged in their jobs, thus making employee engagement a business imperative. In fact, 28 research studies show that engagement correlates with service, quality, safety, retention, sales, profit and total shareholder returns! With statistics that suggest engaged employees are 57 percent more effective and 87 percent less likely to leave an organization, businesses with high engagement clearly outperform those with lower engagement scores. This proves true in the opposite scenario: when disengagement leads to employees leaving a company, the cost of training new replacements can represent 48 to 61 percent of the position's salary – and that's just the beginning. This amount can be *three times* the salary if those individuals are in revenue-producing roles!

At the end of the day, engagement comes back to the pillars of satisfaction, commitment, pride, and advocacy. Organizations with highly engaged people achieve twice the annual net income (pro-rated by the number of employees) of organizations whose people lag behind on engagement. Given these statistics, it is clear that workplace engagement is critical for any corporation looking to stop losing great employees and start fostering employee growth and development. Increasing employee engagement takes commitment and focus – but it's worth it. Engaged employees are fully committed to, and enthusiastic about, their work. They take pride in what they do and care about the success of the company for which they work. They are willing to go above and beyond the call of duty to their manager and their department, and thus the organization as a whole succeeds.

Seven ways to increase employee engagement

In an effort to increase employee engagement, employers should provide training, opportunities for personal and professional development, mentoring and recognition programs, and fulfilling work. Increasingly, many employees want their companies to demonstrate corporate social responsibility and support the environment, the community and other meaningful causes.

Perhaps the most effective tools in an organization's set of engagement strategies are smart managers who show they value their employees' skills and contributions. No matter how many programs and benefits companies establish to retain top talent, employees won't care, or will even leave, if they do not have a good relationship with their boss. To enhance engagement within your team, consider doing the following:

- 1. Support career goals.** Make career planning part of the performance appraisal process. Provide challenging and meaningful work that allows people to learn new skills and acquire the experience to reach the next step in their professional journey. Good leaders challenge employees and instill confidence that those challenges can be achieved. Give your team members the tools and resources they need, encourage them to seek training and development opportunities (many of which can be on the job, not always in a classroom), and mentor younger workers so they can successfully navigate their way through the business world.
- 2. Communicate with clarity.** Engaged employees are emotionally invested in their job and their organization. They want to be part of moving the company forward. Therefore, it's important to communicate what senior management is contemplating or doing. People don't need to know highly confidential information, but they do need to know any change of direction planned by the company, its short- and long-term plans, corporate successes and failures and so forth. They need to know context; hear the message several times, from different people, and have time to ask questions and understand what this means for them and for their role. Communicate often, with intention, and follow through. Managers should also let their teams know of plans for the department or unit. Communication should be clear, honest and timely. It's hard for people to be fully engaged if they feel disconnected from what the organization hopes to achieve and how goals can best be reached.
- 3. Offer positive feedback.** Surveys repeatedly show that employees feel that they receive immediate feedback when they make an error or if they're performing below expectations, but less often praise or recognition when they do well. Engaged employees feel they're making a positive contribution so

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managers need to take time to praise, encourage and, when needed, coach and mentor employees. As a manager, you know your team best and what each individual employee needs. A pat on the back will be the ticket for some, while others will relish a more public recognition of their efforts.

4. **Give people control.** People like to have control of their job and leaders can create opportunities for this to happen. Are you flexible and attuned to the needs of your employees as well as the organization? Do you involve employees in decision-making, particularly when they will be directly affected by the decision? Do employees have a say in setting important goals? Are employees able to voice their ideas in a safe and open environment?
5. **Foster relationships.** Studies show that when employees work in teams and have the trust and co-operation of their team members, they outperform teams which lack good relationships. Great leaders are team builders; they create an environment that fosters trust and collaboration. Being cared about by colleagues is a strong predictor of employee engagement.
6. **Show appreciation.** Plaques and certificates are nice, but usually end up in the individual's desk drawers. Show appreciation and recognition year-round. For example, take your team out to lunch as a thank you for reaching an important goal, give them the rest of the day off, or host a team-building session at your home. Mixing in the occasional opportunity for families to gather and enjoy a company-sponsored event can also be meaningful – a party for children during the holidays or a family fun day are great examples.
7. **Demonstrate corporate responsibility.** Engaged employees are proud of the company for whom they work. A company that is actively involved in its community, helps the less fortunate, or makes improving the lives of others or the environment part of its mission will be especially appreciated by younger workers. As a double engagement bonus, offer employees a role in how Corporate Social Responsibility (CSR) programs are run, so they feel their contributions are valued in more ways other than their work.

It is important to remember that the ways to increase engagement vary by group and by your team's individual needs. Perhaps some of the tips above may be useful, while others may be less applicable, depending on the demographics and unique needs of your employees. Depending on the generational breakdown of your team, some of these tips may not sway engagement results as much as you'd like; perhaps your unique mix requires a blend of these options. If you need assistance with employee engagement for your team, consider contacting your Employee Assistance Program (EAP) for a manager consultation. Experts in the field can help tailor your engagement strategies based on the challenges and demands of your team.

Finally, remember that employee engagement is a direct reflection of how employees feel about their team and company. They also want their managers and their senior leaders to walk the talk when they proclaim that "our employees are our most valuable asset." Have you done an employee engagement survey recently? How did *you* measure up?

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