CRAFTING A WORPLACE CULTURE THAT ENGAGES

For employees to contribute their full potential they need to be engaged within a culture that nurtures a sense of belonging

John Pastorelli

2016

A culture of engagement – a culture of belonging – a culture of achievement

In 2013 Gallup released its' State of the Global Workplace report which was a study into activity of employees within 142 countries (Australia was included in this report with activity collected from approximately 2,000 employees). A key finding of this report was that on a worldwide basis only 13% of employees are engaged at work. That is, only 1 in 8 employees are "*psychologically committed to their jobs and likely to be making positive contributions to their organizations".*

The study found that the majority of employees (63%) were not engaged and lacked the motivation to invest discretionary effort in organizational goals or outcomes. And a further 24% were actively disengaged, indicating they are unhappy and unproductive at work and liable to spread negativity to co-workers.

A similar study was conducted in Australia. Called the *State of Employee Engagement in Australia 2015* it was conducted by Engaged Marketing, and asked approximately 3,500 employees about their attitudes towards their current workplace. The study found that 43% of workers are disengaged ('detractors' of their workplaces), 37% were 'passives', and only 20% are engaged (or active 'promoters').

The cost of disengaged employees

It is estimated that these low engagement levels of employees is costing the Australian economy around $33 billion a year[1]. For the world's biggest economy, the U.S.A., it is costing an estimated $450 to $550billion a year in lost productivity.

Low engagement levels also hurt at the business level. For example, the Business First Magazine ran a scenario on the cost of disengaged employees to medium sized business, using an example of a business with 500 employees. They based this scenario on the correlation between disengaged employees and resignations – i.e. the cost of a disengaged employee was the cost of that person resigning. Using the Average Weekly Earnings (AWE) figures issued by the Australian Bureau of Statistics (November 2006) for full-time employees they proposed that by reducing employee resignations from 10% to 5% per year this business could save almost $1.8 million per year.

Whether you are referring to business across the globe, across industries or across different sized business, there is a consensus that levels of staff engagement are low and that such levels have a negative impact on business.

---

[1] (http://www.businessreviewaustralia.com/leadership/145/Australia-boasts-high-employees-engagement-levels)

The benefits of engaged employees

In the above studies and articles, engaged employees appear to be the minority which is surprising when you consider the following benefits that these individuals can provide:

- Increased productivity
- Championing the business to stakeholders, clients, customers, other employees and their own social network … a real asset in a world where word of mouth is amplified through various social media platforms
- Greater and richer customer engagement leading to increased customer satisfaction
- An increased willingness to share their expertise, qualifications and experience and to invest discretionary effort in the business
- An increased number of people who care about the business and who are willing to pre-empt problems and issues, whilst also creating solutions and identifying opportunities

Engaged employees bring another benefit that can be sometimes be overlooked and that is the value of camaraderie, and how they support colleagues and provide a positive influence for their co-workers.

Business wide camaraderie builds unity and partnerships as employees:

- Connect with other employees
- Consult with other employees
- Collaborate with other employees

As reported by Forbes[2] in their article "*Great employees are not replaceable*", great people make for a great company and great people are engaged people.

---

[2] http://www.forbes.com/sites/amyanderson/2013/02/13/great-employees-are-not-replaceable/

Behaviours of engaged and disengaged employees

The above study by Engaged Marketing used 3 categories to identify the engagement of employees. These were disengaged, passives and engaged. Often these categories are referred to as actively disengaged, disengaged and actively engaged respectively.

The following table extends on this by providing some indicators of behaviour and value around these 3 differing levels of employee engagement.

Figure 1 – the value of engaged employees with a sense of belonging

Feeling experienced by employee	Contribution		Behaviour of employee	Value to business
Sense of Belonging	**Engaged**	**x10**	**Productive**	**Value Generators**
Part of a team		**x6**	**Proactive**	**Incremental gains**
Employee of a business – just floating	Passives	x2	Passive	Compliant and routine
Ignored	Disengaged	-	Anxious and stressed	Negative
Dismissed		-	Sabotaging	Adversarial

Red zone behaviours

The red zone within the above model is the danger zone where employees are disengaged from their work activity. They might be there physically but that's about the limit of their presence (what is often called Presenteeism)

Within this zone the productivity levels of employees is low as is their level of care and commitment toward the workplace. These employees are not just 'sitting around' as passive employees but often engage in disruptive and destructive behaviour that includes gossiping, bullying, information hoarding, silo activity and negative attitudes to any change and / or development programs.

Beyond lost productivity, the Centre for Workplace Engagement[3] identified a wide variety of other costs which are incurred by a workforce of disengaged employees – these include:
- Unresolved workplace conflict
- High absenteeism and high staff turnover
- Low morale
- Workplace grievances

---

[3] http://centreforworkplaceengagement.com/importance-of-engagement/

The welllbeing of employees is also compromised when individuals do not feel engaged with their workplace[4] - this is through a range of factors that include increased stress and levels of stress-related illnesses, increased rate of accidents and decreased emotional satisfaction.

Green Zone behaviours

Green Zone behaviours reflect those employees who are passive (the floaters) and those who are engaged. With the latter, business needs to avoid complacency and the potential for engaged employees to become passive and one way of doing this is to find out what is working and to keep on doing it.

The third group of employees are the passives and these present a significant value opportunity for business. Whilst these employees sit within the passive zone they are not being destructive nor are they generating value. They are just doing their bit.

Such behaviour was reported in The Sydney Morning Herald who stated that almost two thirds of Australian employees just do the bare minimum … i.e. "*enough to avoid getting fired, but not so much that it feels like hard work. It's the case of the classic plodder. Nice to have around, but tough to rely on".*[5]

There will always be a percentage of employees who are happy with their 'passive' level of engagement. But there will also be another percentage to want to be more involved, who want deeper levels of engagement.

For a business to grow, opportunities need to be created for those employees who aspire to be more than 'plodders', to do more than just '*enough to avoid getting fired*'. This role of business to create mutual benefit is where value is generated and is of growing importance when seeking to engage employees in a landscape full of disruption, revolutions and rapid change.

This was highlighted by The Harvard Business Review who reported on a study identifying employee engaged as one of 3 of most critical factors for business success. The other two factors were "*achieving a high level of customer service and effective communications (with strong executive leadership tied for third place).* This places employee engagement as a top-three business priority"[6].

---

[4] http://www.uq.edu.au/news/article/2014/12/workplace-leaders-improve-employee-wellbeing
[5] (http://www.smh.com.au/small-business/managing/work-in-progress/worked-up-about-work-20110317-1bz8x.html#ixzz3wYvIe5Uv)
[6] https://hbr.org/resources/pdfs/comm/achievers/hbr_achievers_report_sep13.pdf

Figure 2 - The top 3 factors business leaders view as critical for success
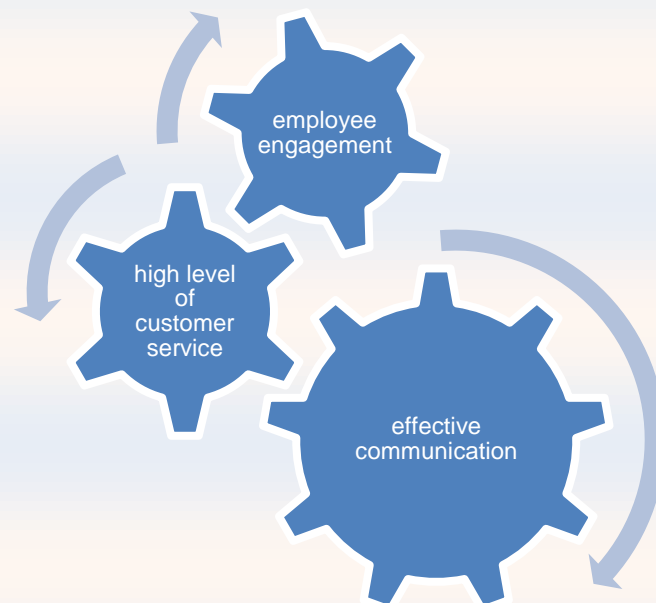
The three factors within Figure 2 are dependent on each other and in particular those with an outward customer-facing activity.

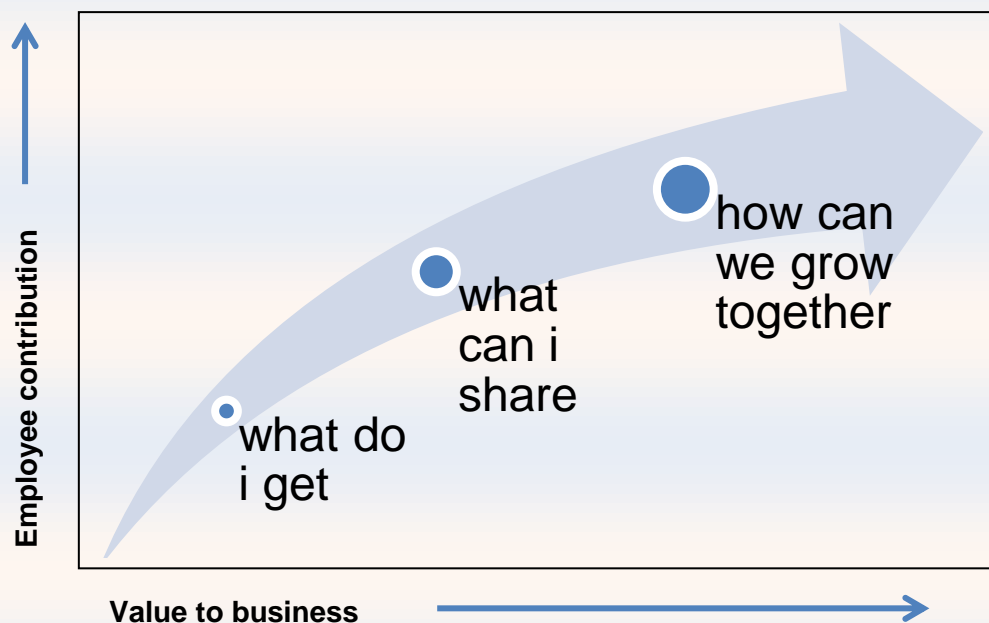## Engaging employees through crafting a sense of belonging

A key way of engaging employees is to craft a workplace where they have a sense of belonging. Such an environment equals a sense of caring, communicates a positive attitude and facilitates a favourable working environment.

For those employees who want their time at work to be quality time they want to associate work with meaning and purpose. They seek out an environment that engages employees and nurtures a sense of belonging. The value to business is that this shifts the employee mindset away from a '*what do I get*' to '*what can I give*' and '*how can we grow together*' From a 'me me' to an 'us and we' mindset.

Research by the University of Queensland[7] highlighted how employees who feel part of a group and work towards joint goals report increased positivity, motivation and overall health.

---

[7] http://www.uq.edu.au/news/article/2014/12/workplace-leaders-improve-employee-wellbeing

Figure 3: Changing attitudes of an engaged employee

Such a holistic and collective tribe attitude is reflected in the vision and achievement of people like the late Anita Roddick (founder of the *The Body Shop*) who said:

> *I want to work for a company that contributes to and is part of the community.*
> *I want something not just to invest in. I want something to believe in.*

This need for a sense of belonging is a universal human need and is found not just within business but it is also found motivating people in many other human activities including sporting events, social gatherings and hobbies and leisure pursuits. As an example of the latter is the large number of clubs where hobbyists gain a sense of belonging – these range from gardening to card playing.

This sense of belonging begins at the beginning

Employees are a big investment for business, with this investment including initial recruitment costs, induction and onboarding programs. When a business employees someone they are inviting them into their business and the associated environments.

If employees are brought into this environment with haste and / or with a poor or even non-existent onboarding process, the level of engagement and sense of belonging they have to that business is compromised. Unless this is addressed in some way the potential remains for that employee to remain at a 'distance' from that business.

However, if employees are made to feel welcome, are engaged and have a sense of belonging even before they begin their first day at work, these individuals can bring an immense level of value to a business. They can also reduce costs by remaining employed.

For example, the Corporate Leadership Council highlighted how employee engagement resulted in a 87% reduction in staff turnover[8]. Given we are facing a skills shortage[9] through this decade business would be wise to keep talented employees.

Not only does this incur a significant expense to the business in replacing that person, it also means a loss of the benefits outlined above, and a cost from *the 'lag time' before the replacement person gets up to speed.[10]*.

Typically a business will consider that they have lost an employee when that person leaves the business but an employee might be lost to a business even though they are still physically present – a term often referred to as presenteeism and a symptom of a disengaged employee.

Engaged workplaces

A sense of belonging drives positive experiences for customers

Zappos are renowned for their culture of servicing both internal and external customers. They are talked about, they are the focus of loyal tribes and they attract repeat customers.

The above report by the Harvard Business Review reported on the exemplary performance of the Zappos company and quoted Alfred Lin who is the former chairman of Zappos:

"Zappos was built on the simple premise that to have happy customers, we need happy employees. To have happy employees, we need a great company culture. The success of Zappos demonstrates the linkage between company culture and employee engagement to company success. Our motto of 'Deliver Happiness' for customers and employees was also good for our business and investors."

The case study of Zappos highlights how a strong sense of belonging leads to strong and positive potential regards how employees craft and deliver experiences for customers that create a sense of belonging. Our internal culture is on show at our points of contact with customers.

People would look at Zappos and say 'easy enough for a large multinational to achieve such feats but what about the small to medium sized businesses? And the reply is that a culture of engaged employees who feel a sense of belonging is just as relevant and just as beneficial.

---

8 Corporate Leadership Council, "Driving Performance and Retention through Employee Engagement: a quantitative analysis of effective engagement strategies," 2004, pp. 4 and 6.

9https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Building%20Lucky%20Country/Deloitte_au_people_where_is_your_next_worker_2014.pdf

10 http://workplaceinfo.com.au/hr-management/hr-strategy/costs-of-employee-turnover

The engaged workplace of Blooms Chemist Marrickville

Blooms Chemist is a small chemist within the inner west suburb of Marrickville. They have an absolutely gorgeous customer philosophy which includes staff stepping out from behind the counter to greet you, Pharmacists who know their customers to a detail that is best for the health of that customer. They often have queues of people stretching out from the service area and despite this the longest I've ever had to wait was just on 30 seconds (I've timed it).

It has a strong patronage of customers because there is a real sense of 'family' and belonging. As weird as it sounds when you step into that pharmacy you experience a sense of care and calm that breeds confidence and loyalty. I drive past 5 chemists to get to Blooms at Marrickville because the experience is so worth the extra travel time and effort.

Finding a sense of belonging whilst just screwing together bits of wood

I spent some time working in a factory where all we did was make furniture – we each had our specific roles and from this we rarely deviated. The opportunity for career progression was scarce. My job was the runner which meant that I was at everyone's beck and call and in any one day could do a variety of tasks - this also meant I was a lucky individual as this diversity is what kept me sane.

The specific roles of individuals included the foam cutter (cutting foam to create the cushions), the timber cutter (cutting timber pieces for the framing), and the fabric cutter (the fabric which 'clothed' the furniture). Then there was the assembly crew who included the sowing machine operator, the timber joiner, and the absolute holy grail of a position which was occupied by the person with the staple gun and who put the final bits together.

What amazed me (even at my young age) was how important each person felt even though their jobs were so repetitive. I had the utmost respect for these guys (they were all men) and how they could do the same job day after week after month with such a strong commitment to the goal of doing the best they could. In reflecting back on this experience I could see that each of these individuals were motivated by a strong sense of purpose.

Purpose isn't always about feeling the need to change the world … sometimes it is just about surviving in the world. Within a work environment where all you do is screw together bits of wood or cut lengths of fabric great leadership can still provide a strong sense of purpose, individual worth and a sense of belonging that delivers great results. And great leadership was what the owner of this furniture factory provided.

Challenges to creating a sense of belonging

The nirvana of a workplace where employees feel engaged and experience a sense of belonging might seem easy to write about in textbooks and business journals but it seems a stretch when business faces a range of challenges that can include:

- A culture where people feel stressed with competing demands
- Employees being restless and pushing ahead for a place in the 'queue of attention'
- When the business and employees are always busy
- Where is there a one sale mentality and a lack of enthusiasm around building relationships
- Employees do not see themselves as part of the whole organisation
- Employees are not committed to the goals and purpose of the organisation

Often a business might find it difficult to get adequate staff and find themselves in the position where they need to employee people either in haste or without a relevant and appropriate onboarding process.

Accordingly to the report by Deloitte which was mentioned on page 7[11], this challenge will only increase with a looming skills shortage coming from a retiring generation of baby boomers and a lesser proportion of workers filling these places.

These challenges are amplified within small to medium business as the leaders and managers of these business are often stretched with a range of diverse responsibilities and where individuals not 'pulling their weight' is felt by smaller teams.

Entrenched habits
Human behaviour is rife with old habits that restrict and hold us back. This is accentuated by our desire to remain within our comfort zones without opening ourselves to opportunity during period of change and / or professional development. There is a mentality of 'I'm good enough as I am'.

This can extend to individuals wanting things to be the way they used to be and so they have a sense of belonging to the way things used to be rather than where they are now. Such a situation is a common challenge within the workplaces of today which often experience the need continuous and rapid change.

---

[11]http://www2.deloitte.com/content/dam/Deloitte/au/Documents/Building%20Lucky%20Country/Deloitte_au_people_where_is_your_next_worker_2014.pdf

The qualities of an engaged culture

The following model proposes that the 3 qualities of purpose, shared value and collaboration are what combine to nurture a culture that engages employees and creates a sense of belonging.

Figure 4 – the qualities of purpose, shared value and collaboration in creating a culture that engages employees
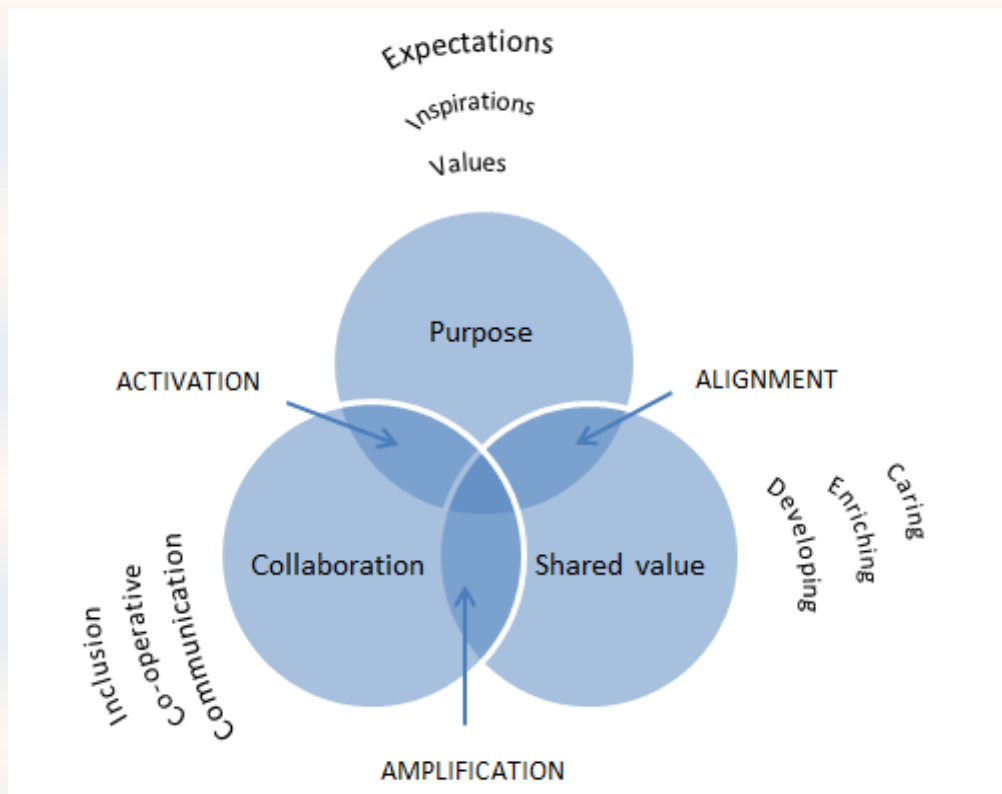
Purpose

People are motivated by work that has meaning and a sense of purpose. The quest of business is to create the culture and business environment that connects employees to the opportunities for this type of work and which also contributes to the success of the business. This alignment amplifies the capacity of an organisation.

The 2014 Deloitte's Millennial Survey highlighted the importance of the emerging Generation Y, and how this generation will comprise 75 percent of the global workforce by 2025 (which is not far off when you consider it is only 10 years away and closer than how long it was since the turn of the century 15 years ago).

This Generation wants to work for organizations that promote and nurture innovative thinking, that have opportunities to develop skills, and work for an organisation where respective purposes align and make a positive contribution to society.

In developing partnerships with this Generation the importance of purpose becomes significant - and makes visible what is an important quality in all human partnerships.

This study highlights how more and more people want to be part of a business in which its leaders are committed to a purpose that provides employees with a greater sense of meaning in their work.

Shared Value

For employees to care the business needs to care. And one of the ways of achieving this is to ensure that employees feel that they belong.

This doesn't equate to a business bending to all needs and requests but rather finding the currency a person values and looking to deliver on this.

In his book **Social**[12] Dr Matthew Lieberman draws on research by himself and Dr Naomi on the correlation between social pain and physical pain[13]. They used the example of how a person with a broken leg would be seen to be in more pain and might attract more care than someone in 'social pain' who might be told to just 'get over it' … yet from a cognitive and neurological perspective they are virtually the same pain. This helps to explain why people use physical references such as 'broke my heart', 'hurt my feelings', to describe emotional pain.

Conversely, numerous studies have now demonstrated the brains reward system reacts just as strongly to social rewards such as recognition as it does to money. And so in seeking shared value it is not always related to the financial side of the equation.

Collaboration – when 1 + 1 is greater than 2

Collaboration is an *expansive quality* within a business because it has the potential to increase the level of resources such that the sum of these collective resources is greater than the parts - i.e. 1 plus 1 is more than 2.

Collaboration isn't just about bringing together employees to work on a collective project. It is about people working toward to achieve identified goals, it is about people supporting each other and growing together.

---

[12] Social - Matthew Lieberman – 2013 - Published by Crown, a division of Random House LLC, a Penguin Random House Company
[13] http://www.scn.ucla.edu/pdf/Pains&Pleasures%282008%29.pdf

Collaboration even extends to those informal activities such as meeting a colleague at the coffee shop to help them through a tough personal (or professional) issue. Collaboration requires a commitment from individuals to really listen to others despite any disruptive distractions, to let go of pre-meditated 'ways it should be' and explore a collaborative way forward, to be transparent and share so that employees are involved in decision making versus just informed.

It encourages us to connect with others before we correct their behavior, and when we catch employees doing a good job then employing the practice of 'catch and celebrate' to recognize and reward their efforts.

Collaboration has a string of business benefits that include individual growth of individuals, learning to delegate and let go of certain activities by individuals who'd just prefer to 'do it themselves'.

The learning that can take place through collaboration has the potential to enhance the capability within that partnership - from the perspective of the individuals as they keep learning and adapting, from the perspective of the collective such as teams which are able to achieve more and from the perspective of the business.

Collaboration also inspires a sense of ownership, in that people get involved in decision making and take initiative around their activity versus being told and directed to.

Crafting a culture of engagement

Most businesses have a huge opportunity to increase the value that can be generated by their employees. And in particular to harness the talent of those employees who are currently playing a passive role and just floating their way through each and every day.

A business that fosters and nurtures a culture that engages their employees will improve their bottom line, will gain an advantage over competitors and will strengthen their position for long term success.

Let's stay in touch

If you want to find more about crafting an engaged workplace and / or the services I offer:

- Follow and / or connect with me on LinkedIn
- Subscribe to my weekly tips, musings and insights here
- Let's organise a conversation either by phone or face to face
  john@ochrelearning.com.au
  +61 422 314 318
  www.johnpastorelli.com.au

John Pastorelli

I've an enthusiasm for working with businesses who value their employees and who are keen to craft a culture that empowers these same individuals to deliver better value for the business and themselves.

I've worked with a wide variety of businesses and organisations and have managed a diverse range of work teams. This experience includes helping to craft the 'on the steel' experience for BridgeClimb (Climbs over the Sydney Harbour Bridge) and build the team of Climb Leaders to deliver this experience, working with State Government Departments to facilitate cultural change programs that better deliver on customer service, working with large corporations on their internal graduate programs, and delivering professional development programs to unite disparate business units within a common brand.

I have worked throughout Australia with all levels of government departments, multinationals corporations through to small and medium enterprises, multicultural and Indigenous communities, regional towns and communities, and not for profit groups. I've also facilitated training workshops in New Zealand and Europe.