WHAT MAKES A WINNING WORKPLACE?

A global investigation into employee engagement trends 2016
What’s at the heart of the success of every organisation? People. A company may be defined by its great products, but where do the ideas for those come from? People. It may be known for delivering a fantastic customer experience – through people who understand the customer promise and go out of their way to make it happen. It might be a super-efficient organisation, a really slick operation. Who designed the processes? With a desire to create perfect working order? People.

An organisation’s people create its success. And whilst very few would say they wake up in the morning and decide, “I want to do a terrible job today”, most unfortunately don’t wake up thinking “fantastic, I can’t wait to get to work!”.

It’s challenging to create a truly engaging workplace and one of the reasons for this is that what creates and prevents employee engagement changes over time and varies depending on who your employees are. Engagement is influenced by cultural, economic, societal and organisational factors.

In today’s world, aggressive global and technological change and shifting demographics make matters more challenging. But it is possible to define the key principles for any organisation to follow if they want to be engaging. And the statistics show a strong and ever strengthening argument for engagement. Organisations who ignore the engagement of their people will, at best, fail to reach their potential and, at worst, fail to survive.

In this report we will look at how engagement is changing, how it varies globally, and how different individual characteristics impact the way people engage at work. We’ve surveyed over 8,000 employees across the globe to pull together a robust and insightful view of how people perceive their workplace. We believe people drive the success of every organisation. In this report we explore the themes that drive them.
WHAT MAKES A WINNING WORKPLACE?

EXECUTIVE SUMMARY

With a view to finding what constitutes a winning workplace, we undertook our 7th annual Global Perspectives survey. We surveyed over 8,000 employees from across the globe to understand how they feel about their employee experience and what really engages them.

We found that employee engagement is continuing to rise at the global level but that variance exists regionally and demographically. Because of the real and significant impact engagement has on individual performance and ultimately organisational performance, if we want to be up there with the best, we need to understand how to engage our people consistently and sustainably.

Our research highlighted ten key themes that we need to be aware of if we want to create a winning workplace. These are themes that drive engagement and differentiate the companies whose employees are able to perform at their best and get results personally and collectively.

Whatever your model of engagement, wherever you are in the world, the themes to think about when creating that winning workplace will be the same.

01 CREATE SUPERFANS
Don’t be afraid to encourage people to talk about your organisation. Employees who love your organisation and who are willing and able to speak positively about you to their friends, families and social networks help create a virtuous circle of stronger engagement, stronger connections to customers and better performance. Encourage your people to talk about you as a place to work, and as a provider of products and services. And listen when they don’t talk positively.

02 ENGAGE AND INSPIRE IN THE HERE AND NOW
Long service is less important for employees these days. The goal should be to create an environment where people are able to perform at their best in the here and now. Make sure you develop your employees and manage them sustainably today. Nurture and grow your talent. But don’t be offended if and when they leave.

03 EMPOWER LEADERS
Your leaders hold your organisation’s future in their hands, they are fundamental to the engagement of your people. Make sure they lead with authenticity, agility and connection. Their message needs to resonate across the organisational hierarchy and without sector bias.

04 WIN WITH WORDS
Internal communication plays a pivotal role in creating a unified and energised company culture, so work at developing a transformational communications approach that is passion-filled, consistent, open and two way.

05 SHOW APPRECIATION AND VALUE
Bring purpose and meaning to employees’ work by demonstrating the value they bring to your business. Be fair in action and words so all employees regardless of who they are or where they work feel they are an integral part of your organisation’s success and trust you to act in their best interests.

06 GIVE OPPORTUNITY TO DEVELOP
People may not want to stay with you forever, but they do still want to develop. Nurture and grow your talent, invest in developing their skills and stretch them so they are able to reach their full potential.

07 CARE AT ANY COST
Give your employees confidence that you prioritise their safety over cost and schedule. Treat the safety of your employees and your customers seriously and demonstrate this in the culture you create as well as in the way you respond when accidents happen.

08 CREATE A LINE BETWEEN EMPLOYEES AND CUSTOMERS
The growing dominance of social media is bringing employees and customers closer, for better or worse. How customer centric you are has a notable influence on employee engagement and how engaged you are impacts the customer experience. Truly embrace customer centricity across your whole organisation.

09 ENCOURAGE IDEAS... AND EXPECT SOME OF THEM TO FAIL
Innovation and creativity make for a more interesting and fruitful future. We all make mistakes, but learning from them and using them to make positive change will help drive innovation in a constructive way.

10 SUPPORT TODAY FOR A BETTER TOMORROW
Technology has blurred the line between work and life which means work can be done anytime, anywhere. But this means companies need to pay closer attention to how they deliver wellbeing so that all employees, regardless of when, where or how they work, can do so sustainably.
There are a hundred and one definitions out there to describe what employee engagement means. Almost all of them do a good job of capturing that special outcome created when people feel positive about their work and inspired to do their best. At ORC International we define engagement through how likely employees are to say, stay and strive. Engaged employees speak positively about their organisation and its products and services, they are committed to the same goals, and work to achieve them, even if they don’t see the organisation as a place to stay for life. They are motivated to do their best work and to succeed because the organisation creates the right environment to help them get there.

And this is all good for business. But more about that later. First some facts about the state of engagement.

We’ve used the following key questions to measure engagement:
- I would recommend my organisation as a great place to work
- I would be happy to recommend the products/services of my organisation
- I feel committed to my organisation’s goals
- Working at my organisation makes me want to do the best work I can
- My organisation motivates me to contribute more than is normally required in my work
WHAT MAKES A WINNING WORKPLACE?

THE STATE OF ENGAGEMENT

FACT 1: ENGAGEMENT KEEPS RISING

Companies are getting better at this engagement business. Overall, the world’s workforce is becoming more actively engaged. After years of employee engagement remaining static, since 2014 we have witnessed levels slowly rise and this year’s survey places global employee engagement at 63%.

Although we have seen improvements across all three areas, ‘say’ and ‘stay’ have seen the most marked shift, indicating that advocacy and commitment are really important at the moment – trends we will be discussing in detail later in this report.

But it is not all rosy; there is still work to do. The shifts in engagement have largely come from fewer people responding neutrally to the questions. Whereas this is encouraging, it does mean that there is little change in the proportion of people who actively disagree, currently 12% of employees.

So, whereas companies are getting better at engaging the fence sitters, addressing the negative people – the ones who are not speaking positively, not showing commitment and not going that extra mile – is where the real challenge lies. These are the people who not only aren’t adding value, but are detracting value and their negativity may rub off on those around them.
When we look at employee engagement trends globally we see tiers of performance. Broadly speaking the more mature markets\(^1\) have lower engagement but are seeing greater positive change year on year, whereas the emerging markets\(^2\) are more engaged, but the year on year change is less. There are cultural, economic, societal and organisational factors influencing these engagement levels but, as we will see later in the report, what drives engagement in different regions around the world is actually very similar. The trends in our main reporting regions are summarised below:

### Figure 2: Overall engagement by region and trends

**USA**

72%

Engagement has increased by 4 points since 2015

Engagement in the USA is strong and continuing to improve standing currently at 72% and up four points since 2015. But, as we saw globally, this is due to fewer people responding neutrally, the proportion of disengaged employees remains broadly in line with 2015. Employees in the USA are more likely to recommend the products and services of their organisation this year (77%, up six points), but their inclination to recommend their employer has stayed the same at 70%. Stay is up three points to 73% and Strive is up four points at 69%.

**UK**

58%

Engagement remains the same as in 2015

The UK has an engagement score of 58% this year, in line with 2015. Whereas slightly more people would recommend their organisation’s products and services this year (up four points to 66%), all other questions have remained fairly stable. A notable proportion of people disagree with two of the engagement questions: a fifth of UK employees would not recommend their organisation as a place to work and the same proportion does not feel their organisation motivates them to contribute more than normally required.

**ASIA PACIFIC**

68%

Engagement varies across the region

At the regional level engagement within APAC is 68% but this score masks much of the cultural variation in the region. India remains very engaged at 81% and South East Asia, a newly added group this year, has engagement of 74%. Hong Kong and Japan sit at the bottom of the table with engagement of 49% and 45% respectively with little year on year change. Singapore is up three points to 56% and Australia remains fairly consistent with last year at 66%.

<table>
<thead>
<tr>
<th>Region</th>
<th>Score</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>66%</td>
<td>-</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>49%</td>
<td>-</td>
</tr>
<tr>
<td>Singapore</td>
<td>56%</td>
<td>+2</td>
</tr>
</tbody>
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1 Mature markets are defined in this report as the more economically advanced and include: Australia, Austria, Canada, France, Germany, Hong Kong, Italy, Japan, Netherlands, Singapore, Spain, Switzerland, UK, US (https://www.djindexes.com/mdsidx/downloads/brochure_info/Dow_Jones_Indexes_Country_Classification_System.pdf).

2 Emerging markets are defined in this report as in the process of rapid growth and development and include: Brazil, China, India, Indonesia, Malaysia, Philippines, Russian Federation, Thailand, Turkey (https://www.djindexes.com/mdsidx/downloads/brochure_info/Dow_Jones_Indexes_Country_Classification_System.pdf).
THE STATE OF ENGAGEMENT
FACT 3: ENGAGEMENT IS GOOD FOR BUSINESS

Although not all companies live up to the mantra in reality, most nod vigorously in agreement that “people are their most important asset”. And whilst it’s great to see more companies embracing people engagement as part of their core business strategy some still need convincing that the investment is worth it. Our research shows that it definitely is.

This year’s survey finds that employees who say they work for high performing organisations are five times more engaged than those working for low performing organisations. And at an individual level performance and engagement are connected. The highest performing employees are three times more engaged than the lowest performing employees. And low performers show their low engagement through their behaviour; they’re twice as likely to ‘pull sickies’ compared to higher performers. This holds true across the private and public sector.

The relationship between engagement and performance is complicated. You can’t just commit to creating a very engaging environment and expect a direct and proportionate increase in the bottom line. But the days of arguing whether investing in engagement is worth it are gone. The link is proven: engaged staff do create greater performance. The argument now is around what we do to create that engaging environment, that winning workplace.

5x EMPLOYEES WHO SAY THEY WORK FOR HIGH PERFORMING ORGANISATIONS ARE FIVE TIMES MORE ENGAGED

3x THE HIGHEST PERFORMING EMPLOYEES ARE THREE TIMES MORE ENGAGED THAN THE LOWEST PERFORMERS

2x LOW PERFORMERS ARE TWO TIMES MORE LIKELY TO PULL SICKIES COMPARED TO HIGH PERFORMERS
THE STATE OF ENGAGEMENT

FACT 4: ENGAGEMENT IS GREATER IN SOME GROUPS THAN OTHERS

When we look at the engagement levels of different demographic groups we see some clear differences. These centre around some pretty fundamental aspects of the workplace – who employees are, how they work, and where their focus is.

These differences are important to take note of. The profile of your workforce dictates the challenges you face and the approach you should take to engaging people. We will refer to these trends throughout the report but in summary:

SENIOR EMPLOYEES HAVE THE EDGE
Some of the most positive and engaged groups are as we would expect. The top tiers of leaders, for example, who are in positions with greater access to information and more control over their work are 20 percentage points more engaged than non managers.

TAKE ADVANTAGE OF THE CUSTOMER BOOST
We see that employees working in a role that has direct contact with customers are notably more satisfied and engaged than their colleagues without direct customer contact. Engagement of employees with customer contact is 68% compared to only 54% for those without.

SIZE DOES MATTER
Organisation size has a impact on engagement; 66% of employees are engaged in organisations with fewer than 1,000 employees whereas only 60% are engaged in organisations with over 20,000 employees. It’s easier to create engagement when you’re smaller. This doesn’t mean you can’t create engagement if you’re big, you just need to work harder at collaboration and at creating a culture where people feel supported, inspired and connected.

ENGAGEMENT DECLINES WITH AGE
The Millennial generation (defined in this report as employees born 1980-1996) are the most engaged (68%) and the Baby Boomers (employees born 1946-1964) are the least (61%).

PART TIME HOURS... PART TIME EXPERIENCE
Although part time employees are only slightly less engaged than their full time counterparts, they are notably less satisfied with several key aspects of their employment experience – particularly communications, innovation, learning and development and health and wellbeing where positive scores vary by six or seven percentage points.

ENGAGE YOUR NEW EMPLOYEES QUICKLY
Globally it takes a few years for employees to reach their optimum engagement level – employees are most engaged between three to ten years of service (engagement of 67% compared to 64% for those with under one year of service and 61% for over 20 years of service). However in some regions this pattern is reversed: new joiners are the most engaged and then engagement tails off with length of service.
TEN TIPS FOR CREATING A WINNING WORKPLACE
Our global study tells us there are ten things to be aware of if you want to create a winning workplace. These are the themes that drive engagement and differentiate the companies whose employees are able to perform at their best and get results personally and collectively. We’ve broken these ten themes down to explain their influence:

**FIRSTLY CONSIDER BEHAVIOURS THAT ARE TRENDING**

01 ADVOCACY

02 MINDFUL FOCUS ON THE HERE AND NOW

**THEN FOCUS ON THE DRIVERS THE STATISTICS SHOW ARE HAVING A SIGNIFICANT IMPACT ON ENGAGEMENT**

03 LEADERSHIP

04 COMMUNICATIONS

05 VALUING PEOPLE & TREATING THEM FAIRLY

06 DEVELOPMENT

07 SAFETY

**AND CONSIDER BEHAVIOURS THAT ARE EMERGING AS IMPORTANT FOR FUTURE SUCCESS**

08 CUSTOMER-CENTRICITY

09 INNOVATION

10 SUSTAINABILITY

In this report we are going to focus on the themes emerging at the global level, but the regional themes are the same, the priority just varies slightly. When taking action to address these drivers the cultural, economic, societal and organisational variations that exist between regions need to be taken into account. The specific actions taken may need tailoring to make them appropriate to different cultures and the uplift in engagement score they enable will vary depending where you are in the world.

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3 See appendix for explanation of how the statistical driver analysis was undertaken
WINNING WORKPLACES...
1. CREATE SUPERFANS

Although say, stay and strive are all critical for engagement, we can’t ignore the rising importance of advocacy. Over the past four years employees’ tendency to ‘say’ has been increasing faster than their likelihood to stay and strive (see Figure 1).

Why is advocacy so important right now?
Thanks to social media, ‘liking’ things has become the modern day way to show support. That little thumbs-up button has the power to influence mood, opinion and formulate an emotional connection with others. Social media also encourages us to share our experiences – good and bad. In doing so it connects employees and customers on a daily basis as stories of the highs and lows of customer and employee experience are shared regularly on sites such as Facebook, Twitter and Glassdoor.

Whereas we might have a little niggling scepticism as to whether this type of advocacy (or opposition) is a bit superficial, there is evidence to show it is more than skin deep. It can influence how customers and employees feel about an organisation as an employer or a consumer brand in many ways
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Being an advocate is powerful: employees who think their organisation is customer-centric are four times more engaged than employees who don’t think their organisation is customer-centric.
So creating a culture where employees believe the customer is at the heart of everything it does is a really important way to boost advocacy, engagement and ultimately performance.

Our survey found that 45% of people think that if they wanted to find out about a potential new employer, the people that already work there would be their best source of information. And if they want this type of information they don’t need to look far to get it, for 50% of people say they post messages, pictures or videos in social media about their employer. But, whereas 39% say they have shared positive comments, 16% admit to sharing criticisms or negative comments5. You can’t control most of what your employees say about you in the outside world but you can influence it. Be open and honest in your communications with employees and give them the whys behind the whats wherever possible so they have a full picture. And if you do get bad feedback, listen to what your employees are saying and look at how you can address the issues.

You may even decide to encourage your employees to share their views about you online. Organisations are starting to use the power of advocacy in their employer branding by empowering internal brand ambassadors to promote positive messages about their employer on social media. Online advocacy is something we cannot ignore so manage it well and consider how you can use it to your advantage.

5 http://news.monster.com/a/other/how-to-engage-employees-in-social-media-marketing-5-datadriven-steps-43a7c9
CREATE SUPERFANS
ENGAGE AND INSPIRE IN THE HERE AND NOW
Loyalty is important but it is no longer realistic to expect our workforce to remain for five, ten or twenty years as we might have done in the past. In our survey, 42% of employees said they would rather move employment every few years in order to get the best career opportunities than stay with their current employer and work their way up the ranks.

As we saw earlier in the report, engagement peaks after three to ten years of service but if employees don’t stick around that long we need to work out how to get the maximum contribution from them earlier. Getting recruitment and on-boarding processes right will help engage new starters and provide a better chance of retaining them a little longer.

Organisations need to accept that the workplace of the future may be a more transient one. So practicing a bit of mindfulness might be a useful strategy.

Mindfulness is big news at the moment. It’s about tuning into the present and not worrying about the future. If we apply this principle to the workplace we stop being fixated on longevity and seek to make the most of our people while we have them.

How to manage your people in a mindful way:

- Invest in them even if you’re concerned they may move on before you have had your returns. As we will see later in this report, development is important for engagement and as a strategy to tackle the talent crisis.

- Help them derive meaning and purpose from their work so they feel a greater connection to the organisation and gain a greater sense of fulfilment from their work.

- Provide a healthy workplace in which they can work sustainably. You don’t want your people to burn out, so work at providing wellbeing support.
WINNING WORKPLACES...
3. EMPOWER LEADERS

The statistics from our survey show that if you get leadership right you not only influence engagement, but how employees view your organisation. Whether they believe it is successful; how customer-centric they feel it is; how sustainable; and how creative. The message? If you want to be up there with the best, start by looking at your leadership.

In other papers we’ve shared our predictions on the future of leadership. Future leaders need to be four things – authentic, inspiring, connected and agile. This year’s survey shows that there is room for improvement on all of these areas.

Figure 3: The ORC International Pillars of Leadership

- **AUTHENTIC**
  - True to beliefs, values and purpose
  - Trustworthy and consistent
  - A respected role model

- **INSPIRING**
  - Passionate and ignites passion in others
  - Creates an engaging strategic narrative that fosters a sense of purpose

- **CONNECTED**
  - Emotionally and socially aware
  - Encourages collaboration
  - Empowers and motivates through trust and empathy

- **AGILE**
  - Responsive and adaptable
  - Open to ideas and new ways of working
  - Builds resilience and embraces the future

LEADERS NEED TO BE AUTHENTIC AND HAVE AN AGILE APPROACH TO CHANGE

With change on the agenda of so many businesses, employees rightly want to have trust and confidence in their leadership team’s ability to get them through rocky patches and emerge buoyant on the other side. Without this, employees start to question the future of their organisation: whether it can evolve with changing business needs; whether it will continue to provide strong customer service; or ultimately whether it is a place they still want to be working. Uncertainty breeds fear and stress and attacks organisational sustainability.
LEADERS NEED TO ENCOURAGE CONNECTION

Employees don’t like an ‘each for their own’ attitude; a leadership team that encourages collaboration is more engaging. Technology supports collaborative working but leaders need to be careful that working together isn’t just about bringing people together remotely, they need to work hard at making time for employees from across the organisation to come together face to face, providing opportunities to share ideas and different perspectives.

THE LEADERSHIP MESSAGE DIFFERS DEPENDING WHERE YOU WORK

Perceptions of leadership are slowly improving and currently 60% of employees trust and respect their leaders, 59% are confident their leaders can manage through change and 60% think they encourage collaboration. Whereas leadership consistently emerges as a key driver of engagement around the world, where people work influences the perception they hold of their leaders.

- We noted earlier that engagement and satisfaction decline down the organisational hierarchy, but where this decline is most apparent is in relation to communication and leadership. More on the communication trend later, but when it comes to perceptions of leadership here’s the problem.

Senior leaders work hard at forming a connection with the front line because that is where the greatest disconnect occurs, but they are often blind to the impact they have on their line and middle managers.

This squeezed middle layer has less confidence, respect and trust for their leaders compared to the most senior team and this needs to change if line and middle managers are going to engage effectively with their teams.

- Perceptions of leadership is where the employee experience in the private sector differs most from the public sector. Employees in the private sector trust and respect their leaders more and have greater confidence in their abilities to lead through change. This is something organisations are well aware of – a third of public sector HR professionals rated leadership development as their most pressing challenge compared to only a fifth in the private sector7.

Figure 4: % agreeing or strongly agreeing to leadership questions by sector

<table>
<thead>
<tr>
<th></th>
<th>Private Sector</th>
<th>Public Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust and respect</td>
<td>64%</td>
<td>54%</td>
</tr>
<tr>
<td>Senior management</td>
<td>63%</td>
<td>53%</td>
</tr>
<tr>
<td>Have confidence</td>
<td>64%</td>
<td>55%</td>
</tr>
<tr>
<td>Senior management</td>
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<tr>
<td>Can lead through</td>
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<td>Change</td>
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<tr>
<td>Believe leaders</td>
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<td></td>
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<tr>
<td>Encourage collaboration</td>
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</table>

7 HR Reflections 2015, ORC International’s global survey of 1,000 HR Professionals
WIN WITH WORDS
A compelling strategic narrative delivered from the top is essential for employees to understand their organisation’s vision, values and business objectives and it is a cornerstone of customer centricity. For it to resonate with employees and engage them on their organisation’s journey this narrative needs to be inspirational - the remaining pillar in our leadership model (Figure 3). Yet, in this year’s survey, fewer than half of employees (49%) believe the communications they receive from their company make them feel inspired or excited.

Just as with perceptions of leadership, communication effectiveness deteriorates down the organisational hierarchy:

Senior management are twice as likely to feel inspired by the communications they receive compared to non-managers. And only 51% of non-managers think the communications they receive help them do their job better, 81% of senior managers do.

These discrepancies highlight a worrying breakdown. If communications are driving engagement then there needs to be a much more consistent flow of information across the organisation. And for larger organisations where engagement is typically lower and the challenge of effective communication is greater, this is a particular priority. If employees feel involved and empowered to share their ideas and opinions at work, and if they feel those opinions make a difference, their individual performance can increase. Sadly we see from Figure 5 that six in ten line managers believe they have this level of empowerment and involvement, and this drops below 50% at non-managerial level.

Communication is such a fundamental part of the employment experience and plays a pivotal role in creating a unified and energised company culture. Transformational communications can influence performance, creativity and change behaviour. Strive towards passion-filled communications, consistently delivered across the hierarchy in a way that is open and receptive to employee voice.
WHAT MAKES A WINNING WORKPLACE?

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WINNING WORKPLACES...
5. SHOW APPRECIATION AND VALUE

Feeling valued for who they are and what they do brings meaning to employees’ work. It also gives them a sense that they are contributing to a greater purpose. These are both important for psychological wellbeing and individual performance. Across regions and demographic groups, an average of 65% of employees feel valued.

Our research has found there to be three main ways in which employees feel valued:

1. Greater recognition and performance based reward – take care though, recognition is very personal and what works for one person may not for another.

2. Increase in basic pay, particularly if that pay is not perceived to be fair compared to other similar positions.

3. Effective communication, both in terms of there being channels to feed views and opinions upwards and for receiving constructive feedback.

But valuing people will backfire if it is not done in a fair and transparent way. Encouragingly 71% of employees believe that individual differences are respected where they work and 68% say they are treated with fairness and respect. This is pretty consistent across different groups.

But it is not just about treating people fairly, organisations send out an important message by taking action if employees feel they have been treated unfairly. This demonstrates to employees their organisation cares about them and can be trusted to act in their best interests. Only 59% are confident their organisation would take action on fairness issues and if we look at different employee groups this drops to 50% of non managers. Confidence also declines with length of service and age.
SHOW APPRECIATION AND VALUE
GIVE OPPORTUNITY TO DEVELOP
WINNING WORKPLACES...
6. GIVE OPPORTUNITY TO DEVELOP

We saw earlier that 42% of employees would move employer in order to get a better job. This is perhaps not surprising if we consider that only 55% of employees believe they have an opportunity to get a better job in their current organisation. And, although more people (61%) believe they have opportunity for personal growth and development, for many regions including some of our core mature markets, this is a decline since last year (Figure 6).

With dwindling loyalty and the importance of the relationship between development and engagement, these results are a red flag. Employees want better career prospects and if they aren’t going to get them where they are, they will go somewhere else.

Most organisations around the world are still operating within a climate of skills shortages and recruitment challenges. 64% of HR professionals think there is a skills gap between their current employees’ competencies and their future needs and 66% say they are finding it harder to fill positions with the right people compared to a year ago.

In this climate, commitment to learning and development is a tool organisations can’t afford to neglect. Talent may be a high value quality for which the business world is searching, but is talent just an illusion? There is evidence to suggest that high performers are made, not born, which makes development incredibly important.

We are seeing more and more organisations assess skills gaps in order to prioritise learning and development investment, identifying precisely where to focus development so that its impact is targeted, rapid and effective.

It is important to note some of the groups for which development should be a particular focus.

- Our survey found that part time employees are significantly less satisfied with their career and development opportunities compared to their full time counterparts – fewer than half (49%) think they have the opportunity to get a better job in their current company.

As flexible working practices become increasingly common-place, organisations need to be careful about how to develop talent that is working non-standard hours.

- We might expect Millennials to take the risk of moving employer to find the career opportunities they want but still a significant proportion of Generation X and Baby Boomers are prepared to do the same (Figure 3). So don’t rest on your laurels and expect loyalty from your older workers, you still need to work to retain them.

- Employees’ satisfaction with career and development opportunities peak between three and five years of service. But, considering career opportunities are one of the most important criteria people look for in a new employer, many high potentials may have left before their career aspirations are realised.

Figure 6: % agreeing or strongly agreeing they have opportunity for personal development and growth in their organisation by region, 2015 vs 2016

8 HR Reflections 2015, ORC International’s global survey of 1,000 HR Professionals
9 The Myth of Talent and the Power of Practice, Matthew Syed, 2011
Safety has started to emerge as a more important theme for workplace engagement following numerous high profile incidents. It is no longer sufficient to insist employees comply with rules and regulations. Embedding safe working practices into company culture is a more future-proof strategy.

Our research shows that confidence in organisational focus on safety drives both sustainable and customer-centric engagement. Having confidence that safety is never compromised to deliver performance is really important for employees to feel their company cares about their health and wellbeing, and their customers.’ And the very act of encouraging employees to report unsafe working practices and providing a named person to which to go with any health and safety concerns helps to push engagement upwards.

Reassuringly, 73% of employees are encouraged to report unsafe acts and know where to go with concerns, and this is consistent across most regions and industries. But it is concerning that only around six in ten are confident their organisation places safety ahead of performance. And this doesn’t change much by industry. In fact employees working in some of the industries we would expect to be more vigilant about safety, have the lowest perceptions: only 58% of employees within the transport industry and 54% of employees in health and care services believe their senior managers never place cost of schedule over safety.

Not all organisations may feel that safety is a priority and may question the importance of it as a driver of their peoples’ engagement. But with its close ties to wellbeing and customer centricity, a public and unwavering commitment to safety is a reflection that an organisation cares and is getting the basics right.

What’s more the definition of safety is changing from a largely operational issue to an issue that has the potential to affect all parts of an organisation, any organisation. With aggressive technological change comes an increasing risk of cyber security breaches. And then there is the ever present threat from terrorism. Whereas the likelihood of a terrorist attack happening to your average business may be low, the perceived risk is high.

By developing a safety culture and demonstrating to employees and customers alike that they have a policy in place should the worst happen, organisations reassure people and deliver a message that says ‘you are important and we are going to do our best to look after you if anything bad happens’.

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**Figure 7: % agreeing or strongly agreeing to safety questions by industry**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and quarrying</td>
<td>64%</td>
<td>82%</td>
</tr>
<tr>
<td>Professional services</td>
<td>63%</td>
<td>75%</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>62%</td>
<td>73%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>61%</td>
<td>77%</td>
</tr>
<tr>
<td>Finance &amp; insurance</td>
<td>61%</td>
<td>74%</td>
</tr>
<tr>
<td>Transport &amp; logistics</td>
<td>58%</td>
<td>79%</td>
</tr>
<tr>
<td>Education &amp; skills</td>
<td>57%</td>
<td>73%</td>
</tr>
<tr>
<td>Retail &amp; wholesale</td>
<td>57%</td>
<td>71%</td>
</tr>
<tr>
<td>Government</td>
<td>56%</td>
<td>70%</td>
</tr>
<tr>
<td>Health &amp; care services</td>
<td>54%</td>
<td>77%</td>
</tr>
</tbody>
</table>
WHAT MAKES A WINNING WORKPLACE?

CARE AT ANY COST
CREATE A LINE BETWEEN EMPLOYEES & CUSTOMERS
Do you put the customer at the heart of everything you do? Our survey found that 73% of employees believe their organisation is customer-centric so the chances are your employees agree with this. But do you make sure this message stretches across your organisation, to the people who wouldn’t consider themselves customer facing, employees working in ‘back office’ roles for example?

There is a substantial body of evidence to show the impact engaged employees have on organisational performance through an improved customer experience. However, our survey highlighted an interesting trend: how customer-centric an organisation is perceived to be influences employees’ engagement. Figure 8 shows that 83% of employees who believe their organisation is customer-centric are engaged, but only 22% of employees who do not believe their organisation is customer-centric are. What is more, when we compare employees in customer-facing and non-customer facing roles this difference still exists. True customer-centricity is about consistently putting the customer front of mind, in all parts of the organisation regardless of how far removed they are from the end user.

If you are unsure whether your employees think you put the customer at the heart of everything you do and if you want to improve customer-centricity:

1. Encourage employees to make suggestions as to how the customer experience could be improved.
2. Create a clear vision of what customer-centricity means for you as an organisation and empower and inspire those who work for you to exceed customer expectations.
3. Train managers in motivating and inspiring their employees to deliver an excellent customer experience.

Remember, it is crucial that these measures are not just taken in customer facing roles, but also with employees who aren’t liaising with customers. Employees from “back office” roles should be receiving customer updates and involved in any idea sharing exercises.

We have discussed how the line between customer and employee is blurring. If we work on the premise that every employee is a potential customer or at least is no more than a click and a ‘like’ from a potential customer, delivering a consistent, positive message about the customer experience in your organisation will support more than just your employee engagement strategy.

Figure 8: Difference in employee engagement for organisations that are and are not considered customer-centric.
In the current climate, innovation is critical for businesses to succeed. Disruptions are entering every industry, customer expectations shift quickly, and organisations need to embrace and involve their people in change if they want to remain relevant. Currently 58% of employees think innovation and creativity are highly valued by their organisation. But perhaps not surprisingly innovation is considered most accessible by senior and middle managers. True innovation culture should involve anyone and everyone regardless of role, experience or seniority.

Many organisations are not taking advantage of this opportunity – the results show that fewer than half of non-managers think innovation and creativity are valued where they work. Larger organisations also struggle to make innovation accessible to all and part time employees do not feel the same opportunities as their full time counterparts.

When we talked about the role of leaders earlier in this report, we raised the importance of agility in adapting positively to change. Innovation plays a big part in agility: thinking ahead, taking managed risks and learning constructively from mistakes helps organisations to evolve in line with change, and more importantly in anticipation of future change. The risk-taking part is actually quite key. Fear of failure is a common reason organisations don’t take managed risks. This is despite there being plenty of evidence to show the value failure has on future performance if that failure is turned into a learning experience and positive actions are taken from it to ensure a different and better course of action is followed next time. Although 70% of senior managers believe their organisation recognises failure is part of the innovation process and agree it learns from its mistakes, this message does not resonate across organisations (Figure 9).

So, if harnessing the creativity and innovation of people across an organisation is going to be used to that organisation’s advantage, there is a need for an innovation strategy that is easy to scale up and weave into day-to-day jobs.

But what about those “Google” type workplaces we hear so much about? They are designed to aid creativity, but is a fun and funky working environment central to innovation culture? Our survey showed that an office with great office/workplace design is one of the least important considerations when looking for a new employer, even for the millennial generation.

Organisations with a reputation for treating their employees well, with values that employees relate to and which offer flexible working are rated more important.

So, instead of heading out to buy a pool table and some beanbags, consider these three statistically proven ways organisations can demonstrate to employees that they value creativity and innovation:

1. Regularly encourage and inspire employees to come up with innovative solutions to work-related problems
2. Recognise employees for coming up with new and innovative ways of working
3. Communicate that failure is part of innovation and manage it constructively
Employee wellbeing is vital if we want our workforces to be sustainable. Even if employees aren’t long serving, organisations have a responsibility to create an environment free from burnout. Wellbeing at work is a big topic right now and 46% of organisations expect their investment in it to increase over the next couple of years\textsuperscript{11}. Organisations need to ensure they take a holistic approach to wellbeing and match it to what their employees want.

Currently 54%\textsuperscript{11} of employees believe their organisation cares about their health and wellbeing. Employees working in corporate roles such as IT and finance are more likely to feel positively about their organisation’s approach to wellbeing compared with people working in non-office based roles such as retail, manufacturing or logistics. Baby Boomers and temporary employees are also less positive than their colleagues.

Our HR Reflections survey showed that public sector organisations are actually providing more in the way of wellbeing to their employees than private sector organisations (Figure 10), but they are not benefitting from more positive perceptions of workplace wellbeing: 58% of public sector employees are satisfied with the health and wellbeing policies and practices their organisation offers compared to 63% of private sector employees. Consulting with employees over what would make a difference to them and tailoring packages to demographic groups could help.

When it comes to addressing wellbeing, strategies need to consider the emotional and physical aspects. On the emotional side, the statistics show that to have a sense of wellbeing, employees need to feel valued, and have a good support network. On the physical side, clear safety standards are important to give employees comfort their leaders are prioritising safety and coming to work is not going to jeopardise their health.

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**Figure 10: % of private and public sector organisations that offer the following health and wellbeing benefits and support**

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Private Sector</th>
<th>Public Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>We offer flexible working</td>
<td>55%</td>
<td>59%</td>
</tr>
<tr>
<td>We have employee assistance programmes in place</td>
<td>53%</td>
<td>55%</td>
</tr>
<tr>
<td>We offer employee benefits that encourage physical activity</td>
<td>48%</td>
<td>50%</td>
</tr>
<tr>
<td>We frequently re-visit our health and safety policies</td>
<td>45%</td>
<td>47%</td>
</tr>
<tr>
<td>We provide stress management support for employees</td>
<td>43%</td>
<td>45%</td>
</tr>
<tr>
<td>We encourage employees to take an exercise break each day</td>
<td>42%</td>
<td>44%</td>
</tr>
<tr>
<td>We run/offer fitness classes and/or sporting events</td>
<td>41%</td>
<td>43%</td>
</tr>
<tr>
<td>We ergonomically design our office environment</td>
<td>40%</td>
<td>42%</td>
</tr>
<tr>
<td>We have on-site café/canteen which serves healthy food</td>
<td>39%</td>
<td>41%</td>
</tr>
<tr>
<td>We offer nutritional guidance and support</td>
<td>38%</td>
<td>40%</td>
</tr>
<tr>
<td>We train employees in emotional resilience</td>
<td>37%</td>
<td>39%</td>
</tr>
<tr>
<td>We make free healthy snacks available to employees</td>
<td>36%</td>
<td>38%</td>
</tr>
<tr>
<td>We use/encourage wearable fitness trackers</td>
<td>35%</td>
<td>37%</td>
</tr>
<tr>
<td>Other, please specify</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{11} ORC International HR Reflections survey 2015
If people are at the heart of organisations’ success then we are in a relatively positive place right now. Engagement is on the up and organisations are getting a little better at providing a satisfying employee experience. But in the middle of large scale global change where culture is constantly being disrupted and organisations are being challenged in increasingly complex ways, is this enough?

We think not. Fine tuning their focus on the ten themes we have discussed in this report will help shift organisations in the direction of the winning workplace we are all after.

If you want to create a winning workplace you need to be mindful of your employee mix and focus energies on ensuring that the key groups who tend to feel disengaged and disenfranchised are a key part of your strategy.

If you’re still struggling to get leaders to buy into the importance of investing in employee engagement start building the internal business case immediately, engagement IS good for business. People create organisational success.

We live in a world where talent is becoming increasingly more transient. It’s important to accept that, embrace the positive impact of new blood, new ideas and short(ish) term energy but create an environment where people are quickly able to engage with you and make a difference. Actively encourage them to talk about you. Create an environment you feel proud of and then allow them to share this pride with the external world.

And then focus on the things that will make the biggest difference...

- Leaders set the tone, their approach is fundamental to engaging people. Make sure they are leading by example, engaging the critical middle management group beneath them and are inspiring, agile, connected and authentic.
- Communicate in a way that inspires passion, tells a full story and create conversation if you want to transform and not just inform.
- Show your people you value them and create a culture of fairness.
- Develop your talent, stretch them and invest in building their skills.
- Demonstrate a commitment to safety – of both customers and employees.
- Encourage innovation and make it accessible to all.
- Embrace customer centricity.
- And make engagement sustainable, engage and inspire people to deliver their best – but support them so they can create balance at the same time.

If you think about all of these themes you’ll be well on your way to creating a winning workplace.
CONCLUSIONS
ABOUT ORC INTERNATIONAL

Through true intelligence ORC International help the world’s leaders optimise their business today, understand how they can win tomorrow, and realise the future.

Our employee engagement and culture experts are specialists in helping companies understand how to attract, engage and retain talent, creating happy, healthy and ultimately successful workplaces. We help leading organisations around the world every year to understand their people, and improve their business performance.

ABOUT THIS RESEARCH

This survey was undertaken in February 2016. Using an online panel we surveyed 8,880 employees across Europe, the US and APAC. The data was analysed and statistical techniques including regression and correlation analysis were applied. The trend data has been re-aggregated from previous surveys to take into account the slight changes to survey question and regional make up this year.

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