

EMPLOYEE ENGAGEMENT & BENEFITS

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IT'S TIME TO ENGAGE THE DISENGAGED LEADERS

The pivotal importance of engaged leadership must not be overlooked

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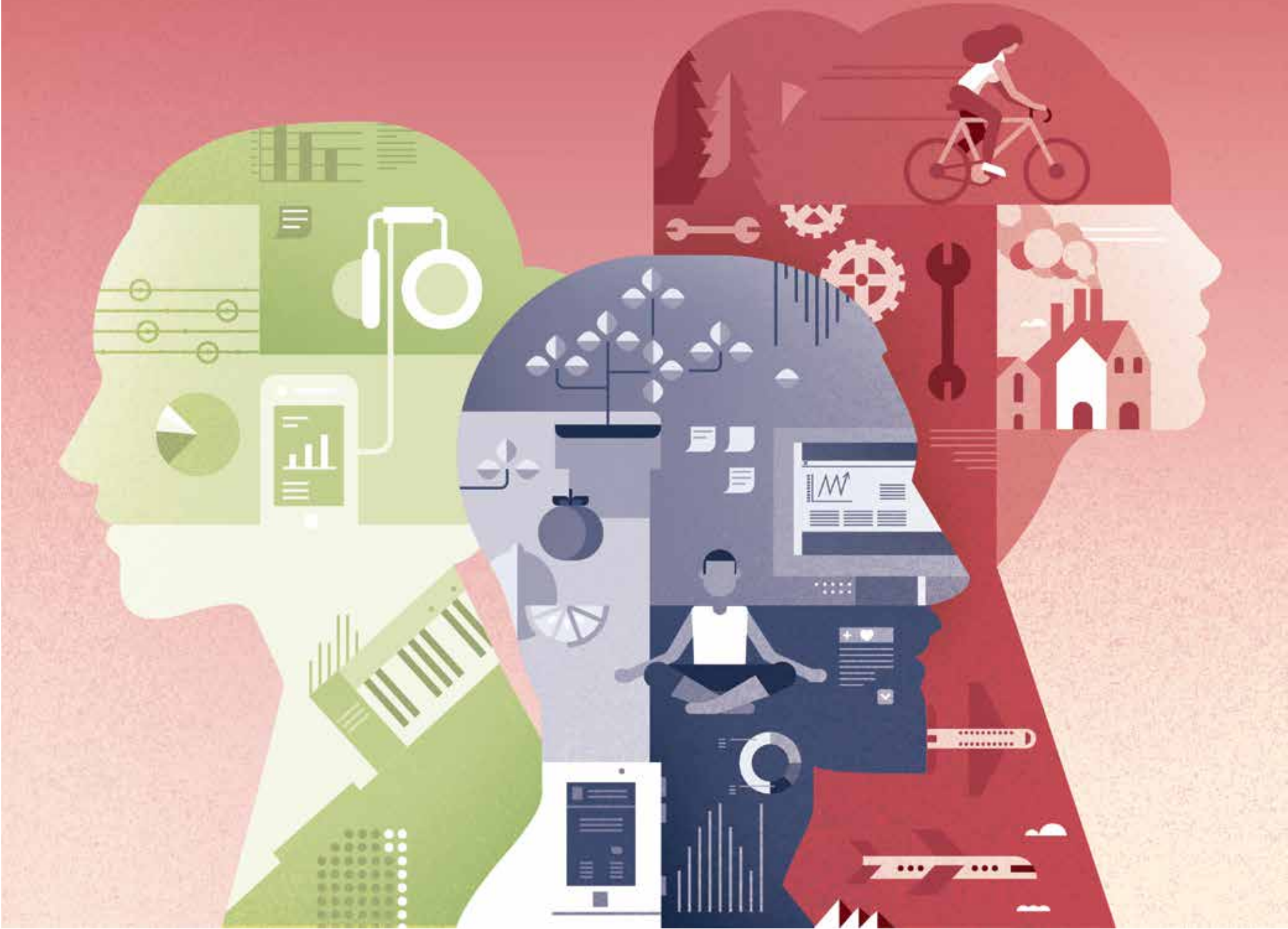
HEALTHY MINDS MEAN BETTER BOTTOM LINE

Poor mental health brings anguish to individuals and costs businesses dear

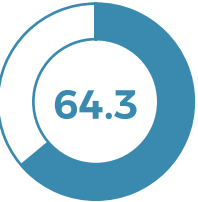
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OVERVIEW

Engaging the disengaged leaders

The pivotal importance of engaged leadership must not be overlooked in the drive to achieve employee engagement

PETER CRUSH

Take a look at almost anything written about engagement and it is almost a given the words “staff” or “employee” will feature. Globally, 87 per cent of employees are not engaged, proclaims Gallup; employee disengagement costs the UK economy £340 billion a year in lost productivity, according to Hay Group; and so the list could go on.

But the eagle-eyed may have noticed all these statistics ignore one key person – the leader. If employees’ engagement oscillates, it’s surely common sense leaders suffer the same ups and downs. But here’s the \$64,000 question: how much does this really matter?

“It’s absolutely the case leaders set the tone. It’s they who set the standard, so leaders actually need to be even more engaged,” argues Kate Cooper, head of applied research and policy at the Institute of Leadership and Management. “Even when things aren’t going well, they almost need to rise above this.”

Even though academics have veered away from the great leaders’ mantra, preferring a holacratic, everyone-in-it-together approach to organisational design, what has not disappeared is the notion companies can either have inspiring leaders or leaders who inspire disengagement.

A recent Bain & Company study found 60 per cent of employees didn’t know their company’s goals, strategies and tactics, so if leaders haven’t clarified this vital ingredient for creating engagement, responsibility for poor business performance lies squarely on their shoulders.

“It’s interesting lots of leaders still don’t focus on their own engagement or what I call their own energy,” says Charlene Li, author of *The New York Times* best seller, *The Engaged Leader*. “Yet it’s even more important they maintain this over time.”

According to Ms Li, the tale-tale signs leaders are becoming disengaged are when they go missing in action, take longer to return e-mails or calls, say “no” more often, and start to support and promote those who most agree with them. And when this attitude sets in, it can have a corrosive impact on the bottom line. Staff who are “actively disengaged” – around 20 per cent, according to Gallup – specifically say they do not find their work or their leader motivating.

“Leadership is a contact sport,” says Chris Bones, professor of creativity and leadership at Manchester



Shannon Fegan/Getty Images

Business School, and partner at Good Growth. “Being an engaged leader is about being visible and present. What’s interesting though is that a reason leaders often become disengaged is because it can take time for staff to believe them. Paradoxically, leaders can become disengaged just at the point when their staff start to buy in to their vision.”

One leader acutely aware of the power of engaged leadership is Ken Allen, chief executive of DHL Express, who in 2013 launched what business journal *HR* magazine described as the “world’s biggest engagement scheme”. In what was a do-or-die decision, as the company

had lost €2.8 billion between 2002 and 2009, the business has since transformed itself.

But according to Mr Allen, engagement starts from him and particularly from being imbued in the business. “I’m a company man,” he says. “I’ve been here since 1985. Today I see lots of leaders parachuted into businesses, but they will only inspire their staff if they embrace the good things that made the business successful and don’t try to do things ‘their way’.

“Until every employee thinks they can grow personally too, leaders can’t grow their business, so it’s leaders who need to create stories. I

take it upon myself to be in front of people all the time, delivering my message. I don’t want to be seen as a suit from head office.”

Although Mr Allen admits leaders still “have to force themselves to be engaged”, Ms Li believes the very act of being in front of staff is not only engaging for employees, it’s engaging for the boss too. “When they challenge their people to be engaged, it’s engaging for themselves,” she says. “They reconnect; they rediscover their passion for the business.”

Because human resources literature focuses on “authentic leadership” and about being honest with staff, Ms Cooper argues leaders can be confused about the sort of engagement they have to present to staff. For instance, whether they should admit they’re feeling low or whether being emotionally bare facilitates better “followership”.

She says: “Authenticity is about saying ‘I’m having a bad day’. That’s fine, but the best leaders still need to present control. What leaders must do is create a team around them, one that has their backing rather than waits for them to fail.

“Engagement needs to be a strategic activity. Leaders need to recognise what sort of person they are. If they thrive setting businesses up and are engaged doing that, fine. But, if they also know their enthusiasm wanes, they need to know when it’s best to bring someone else in who has more energy.”

The good news is as more leaders understand the bottom-line value of having engaged staff, the more leaders themselves are understanding their role in it.

Eric Garton, partner at Bain & Company, and author of *Time, Talent and Energy*, says leaders need all three of these qualities, but it’s their energy or engagement that has the most power to transform. “All businesses suffer organisational drag, but the most drag is caused by lacklustre leadership,” he says. “Engaged staff are 44 per cent more productive than satisfied staff, but employees who are inspired are 125 per cent more productive than a satisfied staff.”

Mr Garton argues engaged leaders “presume trust and empower accordingly”. He says: “Millennial companies have inherently more energy because their leaders don’t tend to micro-manage. While some leaders get worn down by their own organisation, the best don’t worry about people challenging them. The best leaders demonstrate engagement by owning it – simple as that.” That’s the challenge. Now it’s up to leaders to embrace it. ●



Gallup/Bain & Company

GOVERNMENT

Legislating to increase engagement?

Government has a central role to play in offering incentives to organisations to promote staff engagement, yet there have been cutbacks

NICK MARTINDALE

UK productivity remains depressingly low, lagging way behind the other six countries in the G7. Research by Korn Ferry suggests only 48 per cent of people in UK organisations are as effective as they could be and, even in high-performing companies, this only rises to 55 per cent.

It is now widely accepted that engagement is a key driver of productivity and both measures have been something successive governments have been keen to improve. “Given the link between engagement and productivity, the government ought to take an interest in figures like this for improving the effectiveness of the UK workforce,” says Mark Thompson, head of reward consulting at Korn Ferry.

The government has previously run initiatives designed to raise engagement, notably through its Engaging for Success programme in 2009, which at least served to improve awareness of the issue in UK businesses. “Many public and private sector organisations now recognise the importance of employee engagement and reflect this

through relevant policies,” says Jeff Fox, principal of Aon Employee Benefits. “Measurement of employee engagement is, for many organisations, a standard part of the annual employment experience.”

But there are other, more practical ways in which government can help create conditions for more engaged employees. Sheila Forde, a consultant at Forbury People, believes the government should promote, subsidise or reward training. “It’s vital that the government continues to value investing in the individual, empowering workers with the ability to drive a company forward in both good times and bad,” she says.

The recent apprenticeship levy, which came into force in April, is an example of a government initiative that should help to drive productivity by developing, rather than buying in, skills, says Steve Hill, external engagement director at The Open University. “Adult education and training has a role to play in raising engagement and productivity, increasing employee motivation, co-operation, ownership of work and a desire to learn,” he says. “If we are



Atlantide Phototravel/Getty Images

“ There have been legislative measures recently which run the risk of reducing, rather than increasing, engagement

to make progress towards improved productivity, especially in a UK outside the EU, then now is the time for the UK to embrace lifelong learning.”

Encouraging a healthier workforce can also help to drive engagement, says Jack Curzon, head of scheme design at Thomsons Online Benefits. “Government could allow businesses to claim back tax on wellness days or spend on physical wellness activities, rewarding companies for proactively trying to improve the wellness of employees,” he says. “Our research shows that employees who feel that their employer is looking after their health and wellbeing are more en-

gaged, and more productive.”

This should also extend to helping employers looking to implement flexible working arrangements. “Whether it’s changes in legislation regarding flexible working or parental leave, or the ability to offer holiday-trading arrangements, they all contribute to engagement by helping employees manage work-life integration,” says Debra Corey, group reward director at Reward Gateway.

Yet there have been legislative measures recently which run the risk of reducing, rather than increasing, engagement. While the changes to salary sacrifice arrangements exempt many benefits, such as childcare vouchers, bikes-for-work and pension contributions, they do impact employee-funded health screening and company cars. “Health and wellbeing-related benefits are valuable but, as a result, expensive,” says Kevin Gude, director of Gowling WLG. “Offering them through a salary sacrifice arrangement made them just a little easier for employees to buy.”

Company cars are also affected with employees choosing vehicles emitting more than 75g/kg of CO₂

Recent changes to salary sacrifice arrangements exempt many benefits, such as childcare vouchers and bikes-for-work schemes, but do impact employee-funded health screening and company cars

facing benefit-in-kind charges. “Changes to company car taxation will certainly have an effect on employee engagement and productivity as many employees will choose to ‘opt out’ and take cash as preferable to a company car,” says David Jones, communications manager at leasing firm Alphabet GB.

The introduction of the living wage has also had a detrimental impact. Mr Fox points out that national living wage payments cannot be used towards salary sacrifice arrangements. “In effect, the amount of pay an average employee receives and can put towards benefits is being eroded,” he says. “This will affect those on lower incomes.” Some organisations are also cutting back on benefits and putting more into cash packages in a bid to cover the additional costs.

Increases in insurance premium tax (IPT) may have an effect by forcing companies to withdraw cover from employees. “IPT has doubled in cost in the last two years, making it a major investment for any business looking to offer insurance benefits,” says Morag Livingston, head of group risk and wellbeing at Second Sight. “For some employers, the increasing cost of private medical insurance, dental cover and cash plans may even force them to stop offering some of these much sought-after benefits altogether, going against the entire theme of employee wellbeing and engagement.”

Yet despite all the government-led changes, whether positive or negative, it will still come down to employers to develop an engagement strategy that works for their staff. “It is not simply the government’s responsibility,” says Marcus Underhill, director of engagement and insights at Staffcare. “The government can incentivise and support initiatives, but it is UK employees and businesses that control the outcomes.” ●

CHANGES TO SELECTED SALARY SACRIFICE SCHEMES

TAX AND NATIONAL INSURANCE (NI) CHANGES, EFFECTIVE FROM APRIL 2017

BENEFITS	CURRENT SAVING	SAVING FROM APRIL 2017
Childcare vouchers	Tax and NI	No change
Workplace nursery	Tax and NI	No change
Cycle to work	Tax and NI	No change
Gym	NI	No change
Mobile phone	NI	No change
Will-writing	NI	No change
Car parking	Tax and NI	Removal of tax, but will continue to save on NI
Dining card	Tax and NI	Removal of tax, but will continue to save on NI
Car scheme	Tax and NI	Orders placed before April will save tax and NI until 2021; orders placed after April will save tax and NI dependent on the energy efficiency of cars



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Secret to employee engagement

Why bravery combined with vulnerability is a winning formula

EngagementMultiplier®

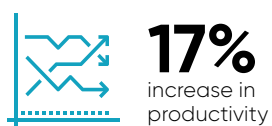
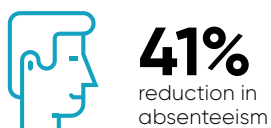
In a study by Mercer, 26 per cent of human resources professionals saw increasing employee engagement levels as a top priority for 2017. However, raising engagement levels in an effective and sustainable way relies on a particular characteristic of business leadership – bravery, says Stefan Wisenbach, founder and chief executive of Engagement Multiplier.

A leading adviser, speaker and author on employee engagement, Mr Wissenbach has spent more than 20 years helping business owners achieve the high levels of engagement that lead to increased productivity and profitability.

He says: "In that time, the three main challenges for business owners have consistently been how to attract and retain top talent, how to create a great culture and high levels of morale, and how to grow a profitable business. The answer in all cases lies in employee engagement, which is why, at last, it's become a hot topic for businesses today. But it's also one that many business owners have failed to understand and grasp.

"Effective engagement requires transparency and an environment where people can openly share their views or opinions on what is happen-

HIGHLY ENGAGED BUSINESS UNITS REALISE...



ing in the business. And this is where bravery comes in. Before you can take any actions to increase engagement, as the business owner you have to be brave enough to find out what is really going on in your business, the good as well as the bad."

From his experience of working with business owners, Mr Wissenbach knows that many find this difficult to do and would rather avoid it.

"Keeping the lid closed on problem areas doesn't mean they aren't there," he says. "And you can be sure that the rest of the team are already discussing them, over lunch or by the coffee machines. The bravery comes not from hearing the feedback, but from opening yourself up to showing your vulnerability while hearing it. It takes a huge shift of mindset for a business owner to realise that giving those problems airtime is the quickest way to resolve them."

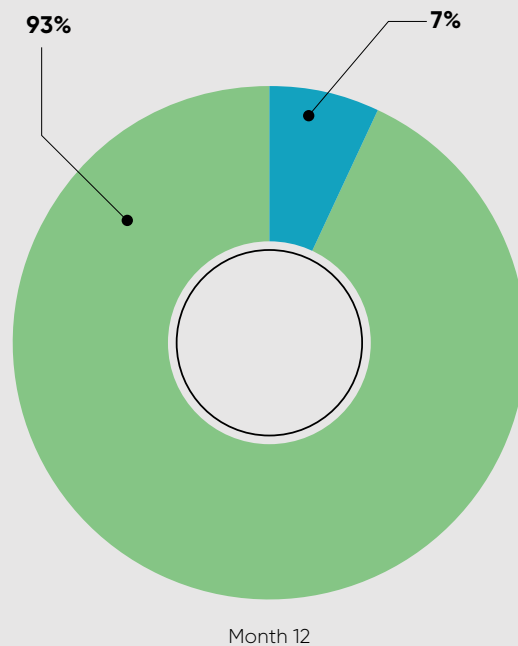
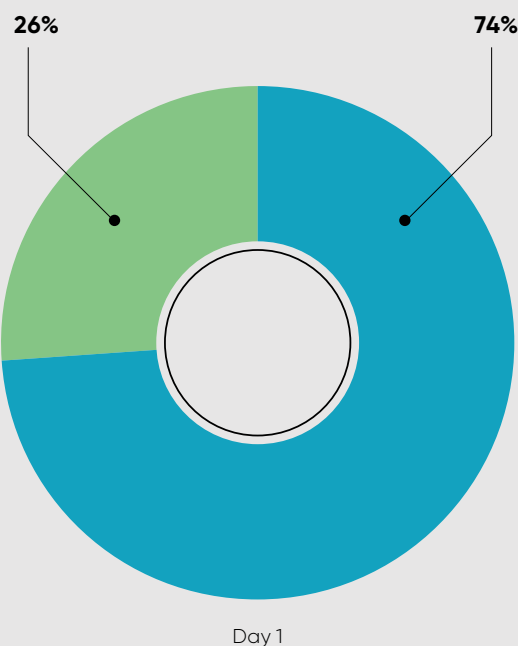
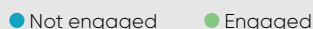
There may be reluctance among employees to tell their boss what they think is wrong with the business, concerned perhaps they could be putting their job at risk. The only way a business owner will get a true picture of what is happening in the organisation is to create a safe space for honest communication.

Traditional methods of inviting staff feedback have generally involved conducting surveys but, as Mr Wisenbach points out, in most cases they fail to deliver meaningful results.

He says: "There are many reasons why staff surveys don't work, from the frequency they occur to the way they are executed. When they are run internally, they create lots of work for those running them. People don't often trust them and they may not be confidential or anonymous, or certainly they are not perceived as such. Having carried out a survey it then takes a lot of time to analyse and respond, so in some cases the company doesn't do anything with the results.

"The mistake that many business owners make is to regard employee engagement as a topic that should

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WHAT BENEFITS DO ENGAGED ORGANISATIONS EXPERIENCE?

Companies that are engaged perform far better than the average organisation



WHAT HAPPENS TO COMPANIES WHEN WORKERS ARE NOT ENGAGED?

67 per cent of workers
are not engaged resulting in...



Gallup Workforce Study 2017

be addressed just because it's being talked about. If you treat this as a box-ticking exercise, passing the project to HR to do something with, you are really missing the point.

"Successful and brave business owners take an active interest, and treat the topic as something they are responsible for, with the support of their HR team. The goal must be to create an environment where you have a truly engaged team and not to see that as the prize, but as the beginning of the journey. The real prize is what an engaged, motivated and productive team is able to deliver."

This is the principle behind EngagementMultiplier.com, a digital platform that enables businesses and individuals simply and efficiently to measure and improve engagement levels every 90 days.

"The simple act of providing staff with an opportunity every 90 days confidentially and anonymously to say what they think, and know they are listened to, pushes the engagement score up," says Mr Wissenbach.

"They will also understand and accept that you cannot deal with every issue raised before the next session in 90 days' time, so our advice is to choose the top three issues that emerged and find a way of addressing them."

Working primarily with growth businesses, typically employing 20 to 500 employees, programme participation rates exceed 85 per cent, while more than 93 per cent of clients achieve coveted engagement status in less than a year.

For both Engagement Multiplier and its customers, a new initiative launched at the start of the year has proved to be quite transformational. It allows firms to experience the platform and have a free engagement report produced on their business before deciding whether or not to engage.

"In every case, this free report delivers wonderful insight such that the majority of companies participating go on to become clients," says Mr Wissenbach.

As well as showing bravery and vulnerability, armed with open honest feedback from within the organisation, the strongest and most successful business leaders are those who will admit they don't have all the answers and, crucially, turn to their team for help in finding them.

"Some business owners are afraid this will be seen as an act of weakness, but the most successful business owners are gracious," says Mr Wissenbach. "A business owner who thinks they know it all is handicapping himself because the message he is conveying is that he is unwilling to learn from others."

And Mr Wissenbach is emphatic in saying that business owners and leaders who aren't brave will never win the engagement race.

By allowing themselves to be ruled by fear, they destroy their chances of establishing a productive company," he says. "Acknowledging vulnerability is scary for most of us. But the strongest leaders turn their vulnerabilities into strengths.

"If you can unite your team members around a shared vision and purpose for the business, you can create a structure and framework that will enable people to understand how they can tell you what's really going on in your business. You will also have an environment where they are focusing on outcomes rather than tasks and with that you can build a fabulous business."

For more information please visit
www.engagemultiplier.com/free

“ The strongest leaders turn their vulnerabilities into strengths

MILLENNIAL MYTHS

Making sense of ‘mythical’ millennials...

There are many widely held beliefs concerning millennials at work, but are they valuable pointers for managers wishing to engage this important swathe of staff or simply pointless myths?

CHARLES ORTON-JONES

Teasing millennials is a national sport. Born between 1980 and 2000, these are the “lazy”, “feckless”, “snowflakes” who are struggling to buy houses and get married. They don’t even have a distinctive culture. Their peers, Generation X had grunge and metal. Before then was pop and disco. Millennial music? Justin Bieber and Taylor Swift? Hardly up there with Led Zeppelin. That’s the narrative. But is it true? Companies who want to get the most out of this cohort of fresh-faced workers need to know. ●



JOB-HOPPING

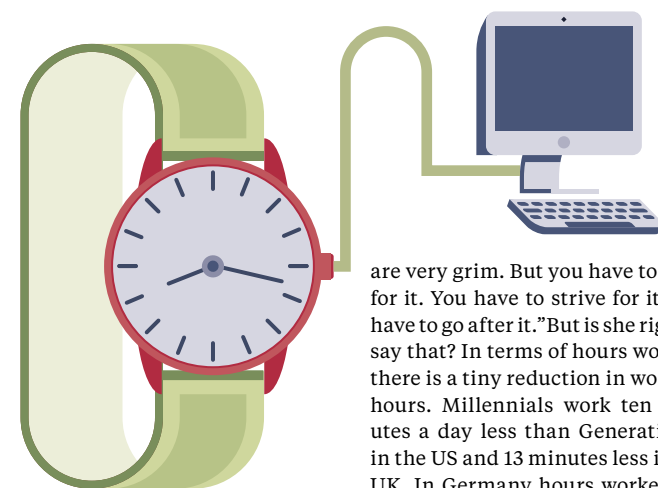
1 We know the stereotype. The flighty young things want a leg up on the career ladder and will leap on to the next rung at the first chance. But is it true? A recent report by Ipsos MORI into millennials looked at the evidence. US Bureau of Labor data found no big change in behaviour in a generation. Millennials are no more likely to job hop than employees in 1983. However, there has been a big change in older generations as median tenure in the 55 to 64 age group fell from 13.6 years in 1983 to just over ten years in 2014. Although it is true millennials will stay in a job for less time than older workers, averaging 3.5 years. In the UK, millennials are staying in jobs longer than before. The Resolution Foundation found workers born in the 1980s were slightly more likely to have stayed in a job for more than five years than workers in the 1970s (47 per cent compared with 43 per cent).



FINANCE

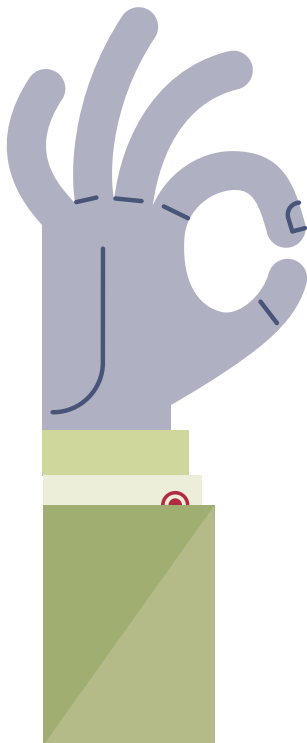
Millennials treat finance with a surprisingly old-fashioned conservatism. A survey by HSBC conducted across 11 countries, asking 12,000 people, found millennials interact with banks pretty much in the same way older generations do. For example, 37 per cent of millennials visit bank branches to manage money. This is only slightly less than their grandparents (47 per cent). Online banking is used by 67 per cent of millennials. Generation X and Baby Boomers report the same usage levels. Even their fears are similar. The major worries are personal data being

leaked (56 per cent on average), credit card cloning (54 per cent) and identity theft (50 per cent), and there’s barely a percentage point of difference between the age groups. Which isn’t to say millennials are technology averse; they are twice as likely to want stuff like video conferencing with an adviser and twice as well informed about fingerprint logins for online banking. But are they a distinct banking category? Not on this evidence.



COMPANY BENEFITS

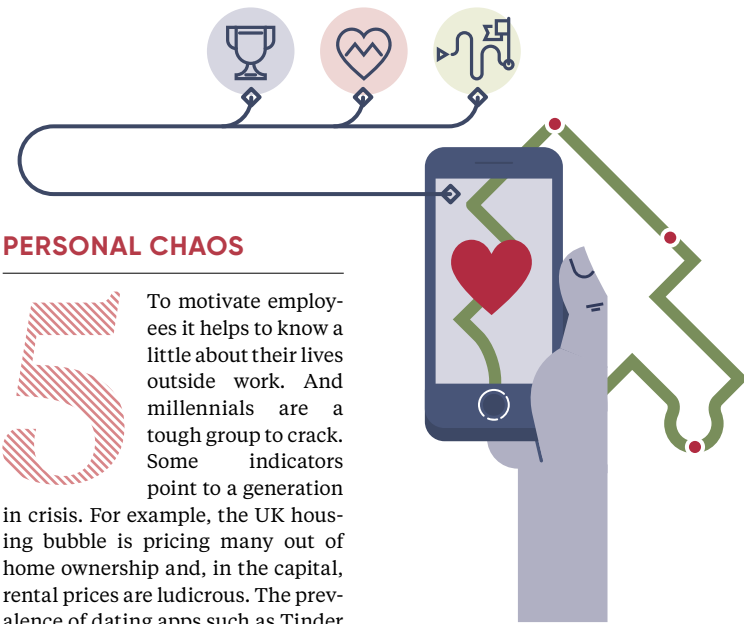
2 Although the pressures on the young are different today – rental costs are up, social media experts a malevolent pressure to look good and screen time is through the roof – the basic things millennials want from their company are identical to older workers. The 2016 *Edenred-Ipsos Barometer* poll found the number-one quality of an ideal company was “rewards for everyone’s efforts”, according to 57 per cent of millennials compared with 62 per cent of workers aged 30 and over. There was similar agreement on the next most important offerings that a job must offer growth opportunities, management must care about people and working conditions must be decent. And do millennials want to work in a trendy “horizontal” management structure, where everyone is their own boss? Not really. Only 7 per cent want a less hierarchical structure, 1 per cent fewer than older workers.



WORK SHY

American lifestyle guru Martha Stewart had a good rant about millennials. “Now we are finding out that they are living with their parents,” fumes Ms Stewart. “They don’t have the initiative to go out and find a little apartment and grow a tomato plant on the terrace... The economic circumstances out there

are very grim. But you have to work for it. You have to strive for it. You have to go after it.” But is she right to say that? In terms of hours worked, there is a tiny reduction in working hours. Millennials work ten minutes a day less than Generation X in the US and 13 minutes less in the UK. In Germany hours worked are the same. However, this is part of a decades’ long trend for all workers to work fewer hours. In investment banking, for example, where hours can be long and hard, millennials more than hold their own. At Goldman Sachs, which on average pays “material risk takers” \$2.7 million, 75 per cent of all staff are under the age of 35.



PERSONAL CHAOS

5 To motivate employees it helps to know a little about their lives outside work. And millennials are a tough group to crack. Some indicators point to a generation in crisis. For example, the UK housing bubble is pricing many out of home ownership and, in the capital, rental prices are ludicrous. The prevalence of dating apps such as Tinder ought to mean a hook-up culture. In fact, there’s a counter-narrative of what *Vanity Fair* magazine calls the “dating apocalypse”, as jaded users struggle to find anyone they actually can commit to. Marriage age is rising. Loneliness is soaring. The US *General Social Survey* found the number of people with zero friends has tripled since 1985. But the data

is complex. A better metric is wealth. The rich get married and the poor are half as likely to. And housing is more expensive, but the interest rates of the early-1990s were horrendous. Repossessions became normal. The picture is complicated. The truth is that millennials are just as varied as any generation before them.

Why it pays to engage

Emotional engagement among employees and customers is the single-biggest determinant of business growth, says **Sue Stoneman**, founder and chief executive of NKD



How do we define engagement? Academics have poured over this apparently simple question – and rightly so. Countless studies show that when it exists in organisations (because, oddly, we know it when we see it), individuals and teams are far more productive; they’re happier; they’re more innovative; they take less sickness; and ultimately the people they deal with – customers – buy more, and more often.

That’s the easy bit though. Because somehow, trying to translate theory into action has seen businesses getting stuck. In the 90s, customer relationship management was where we thought the answers to customer engagement lay; in the 00s, attention switched to the employee, and onboarding and making sure the corporate culture was right. And yet despite all this, engagement levels in firms are no better than they were and in many cases are worse. So why is this?

Some may not want to hear this, but we feel too many researchers have actually been searching too hard. We believe the quest to find a magical silver bullet has caused many to forget first basics that we are all, actually, humans and so while complex, so-called engagement strategies might be all well and good, if they don’t consider this very important concept, they won’t deliver the changes in performance leaders were hoping for.

Let us explain. Work may have changed, but basic human biology hasn’t. It’s a well-known fact humans will react emotionally to something long before they’ve had time to think about it, within a 200th of a second. They’ll have reacted to it with thought by a 20th of a second. Still quick, but essentially we are all hard wired to react with our emotions and no amount of evolution is going to change this soon. This is true for your customers and your employees.

Fast but negative emotional responses from customers can be devastating to firms’ profits. Last year alone, 28 per cent of UK consumers said they’d spent less with a company or had taken their custom elsewhere after receiving poor service, at a cost of more than £37 billion. This is the reality of increasing choice and equally increasing customer indifference. To us though, emotion doesn’t have to be the problem; it’s also the answer. If people are wired to react emotionally, then the key to real engagement is understanding how the best organisations emotionally connect with employees and how those employees then connect better with customers at a genuinely emotional level.

OK, that too is easy to say, because working this out is still hard. However, just by understanding engagement is about emotion and relationships, we believe organisations can already be half way there.

So what does real engagement look like? I say imagine you’re at a party with your closest friends. The chances are your host likes you as much as you like them. In these situations, the party host doesn’t wait until their guests’ drinks run dry before asking if they need another. They’re already checking, topping people up as they go along. This to me demonstrates engagement – it’s about people thinking ahead, looking out for other people, making sure they can make them happier because they themselves want them to be happier.

Just think about how powerful this could be if employers could create this sentiment among their people – having employees who want their customers to be the happiest they can, because that’s what makes them have a great day at work too.

This doesn’t have to be impossible. The key characters responsible are line managers. It may sound simple

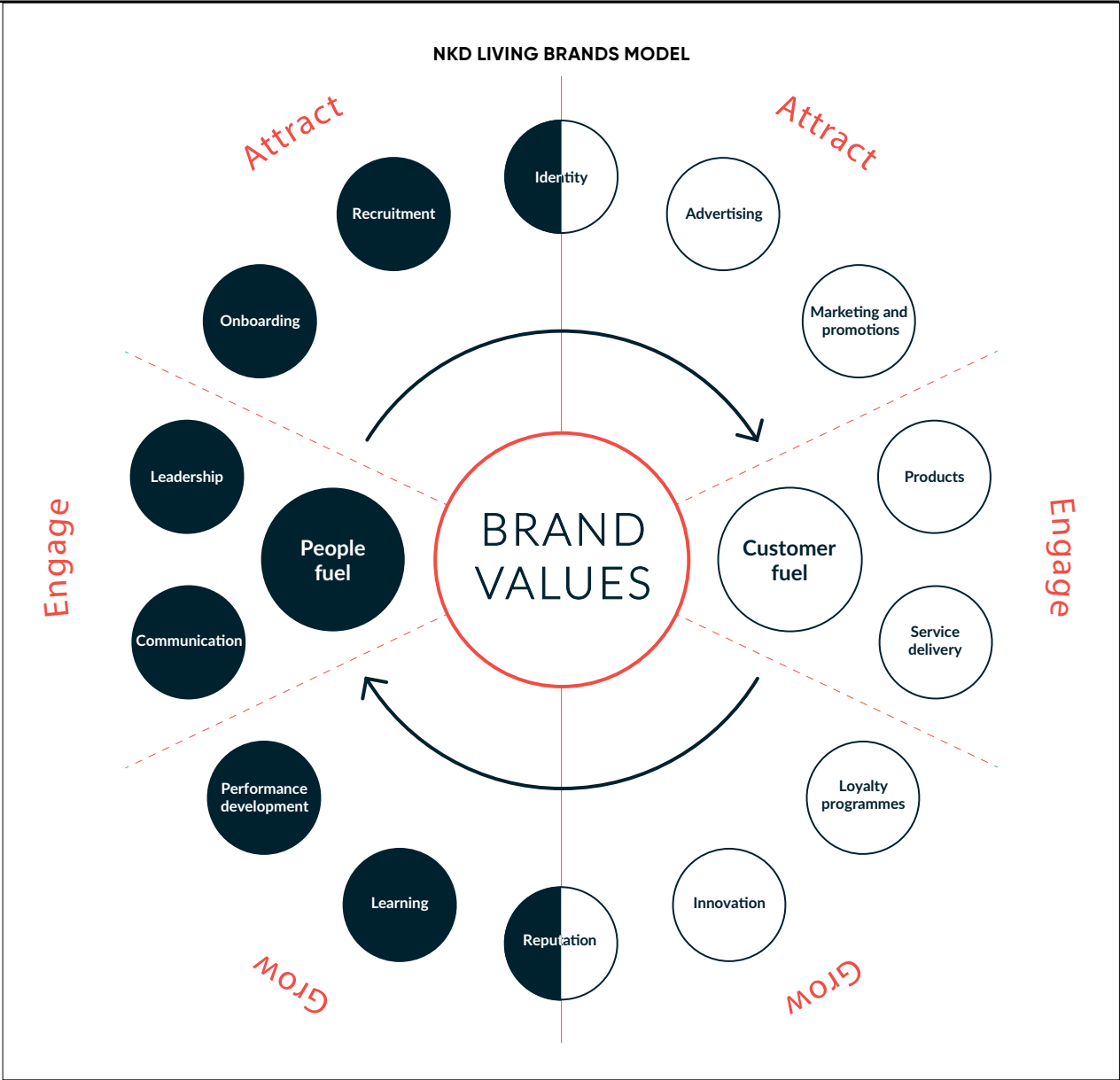
again, but you can do all the research you like, and I have done it, with the likes of McKinsey and Bain in a former private equity life, producing all sorts of key performance indicators on different measures, but time and time again it’s common sense that prevails – the single-biggest predictor of performance in people is the relationship they have with their managers.

Great managers make people feel great. Leaders either light up a room when they enter or the room lights up when they leave. The fact is great leaders create physiological changes in people and it’s these emotional responses that motivate people to want to do well themselves.

When we work with clients, we’re all about infusing people with enthusiasm, reconnecting the brand to its people so their people can reconnect positively with customers, putting the brand’s values at the heart of all customer and employee activity (see graphic above). Sure, there is a serious side of human resources, and there are important policies and processes that matter, but after this we believe engagement is about how brightly you can make your employees’ eyes shine.

One global chief operating officer we work with exemplifies this perfectly. He says that for all the com-

“Great leaders create physiological changes in people and it’s these emotional responses that motivate people to want to do well themselves



plexity his role has (and it is complex), his job is really actually very simple – to make sure he’s done all the right things to ensure all his people have their best day, every day.

It might sound cheesy, it might even sound over-simplified, but we know it works. One of our longest-standing clients, DHL Express, has transformed itself and its fortunes by redefining its business as an “insanely customer-centric” organisation. It has hired people who support this strategy and said goodbye to management who didn’t believe in this journey. Imitation, as they say, is the greatest form of flattery and so successful has this strategy been that Deutsche Post DHL is now using this emotion-led engagement blueprint across its 500,000 global employees.

Further proof brands increasingly want to create emotional connections with their people and create purpose for their teams, especially millennials, can be found in Deutsche Post’s recently restated purpose. You won’t find anything about it wanting to be the best post

and parcel deliverer; it’s much more human than that. Its purpose on this Earth is “connecting people, improving lives”. Helping global communities connect, share and thrive.

With a strategy that reconnects people at an emotional level with their work, we believe the workplace doesn’t have to be a place of indifference at best and disengagement at worst. When everyone in a business is allowed to be a chief energy officer, not only can everyone feel they’re able to make a difference, but everyone has a desire to make a difference too.

As we continue to move more and more into a “purposefulness economy”, where people want to align themselves with an organisation that shares their own personal beliefs, there’s one thing we can safely predict: harnessing people’s emotions will only become more important, not less. At the end of the day, it always pays to engage.

For more information please visit nkd.co.uk



11%

increase in employee engagement at DHL express



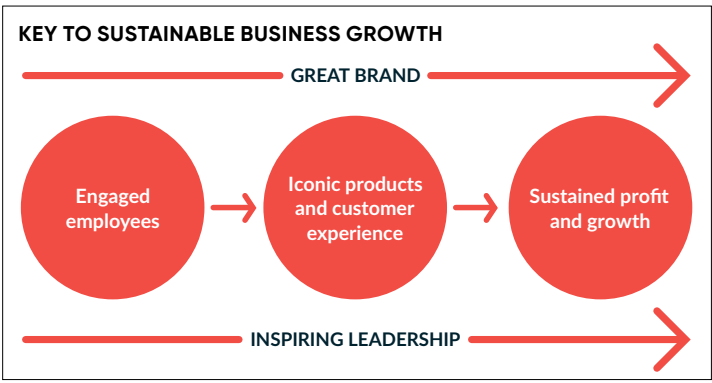
9%

increase in employee engagement at ITV



10%

reduction in complaints about cabin crew at Virgin Atlantic



COMMERCIAL FEATURE



Innovating the employee experience

Create the right environment for productivity and performance to flourish, says **Bill Paris**, director of employee solutions at Motivait

How often have you come across organisations striving to address their demotivated staff? Perhaps they're wishing there was a way they could boost productivity and participation without saying "work harder"?

Often, what these firms are really looking for are the signs of an engaged workforce; people who go the extra mile and demonstrate real pride in what they do; people who give great customer satisfaction, leading to return spend, sales growth, higher productivity, profit uplift, higher retention and less sickness absence.

There's nothing wrong with wanting all this. But you can't achieve high levels of engagement simply by flicking a switch. The motivation of employees is currently one of the biggest challenges organisations face and numerous studies show that significantly high numbers of employees, in some cases more than 70 per cent, are disengaged.

There are a number of factors that influence engagement. But building and sustaining greater engagement is not simply the result of a quick adrenaline hit like the once-a-year away-day or the free bar after work on a Friday night. Rather it's a deep-rooted, psychological and emotional commitment people have towards their work and their organisation. Engagement grows from conditions that trigger intrinsic motiva-

“Our technology platform enables us to monitor and calibrate solutions continuously to ensure objectives are achieved over a long period of time



70%
of employees are disengaged in some cases



22%
of executives rated their companies as excellent at building a differentiated employee experience

Deloitte 2017

tors. In other words, when great work becomes something employees want rather than feel obliged to do.

Over the years, the world of work has been engineered to increase efficiency and productivity, sometimes removing the human elements from it. Modern employees are surrounded by distractions, have boundless information and options at their fingertips, and find it harder to switch off completely from work as e-mails ping their way on to their phones. Traditional practices of managing or developing people are struggling in the evolving workplace, let alone the traditional processes employees are expected to follow.

This is why we value and focus on the daily interactions people have at work. The employee experience has matured to an era where "because I said so" no longer drives the same results as before.

We work with organisations to address specific business and operational challenges where there is a need to increase commitment and motivation across the employee experience. It could be improving the process of onboarding new staff, to make it more inconsistent and less ad-hoc. Or it could also be redesigning a pre-existing e-learning platform, which was once

the solution to all training needs, but is now showing a drop in uptake. Or it's something around the desire to create a much stronger customer focus and deliver exceptional service.

Because engagement can mean different things to many people, our team look at the problems employees face from different perspectives. Our experts range from occupational psychologists to cutting-edge technologists to creative designers, and they come together to analyse key stumbling areas for organisations. Only once they understand these can they build real business improvement outcomes that create real, sustainable behaviour change.

In leveraging the power of natural human emotion and intrinsic motivation, we deliver immersive and impactful experiences that really help, and drive individuals in their day-to-day work. Moreover, our technology platform enables us to monitor and calibrate solutions continuously to ensure objectives are achieved over a long period of time.

The more organisations can stimulate people's natural desires for self-expression, creativity, choice, a sense of belonging, purpose, self-development and progression, the greater the chance we all have of creating workforces where people are truly engaged.

Real, genuine engagement is derived from within, brought on by experiences, interactions and bonds, and is not something that is simply predestined to disappear. But it will if you let it. People can still feel just as motivated as they ever did. They just need to be given the right environment and opportunities to allow this feeling to flourish and, when it does, you'll be amazed at the results it can produce.

For more information please visit www.motivait.net

motivait
INSPIRING ENGAGEMENT

DEHUMANISATION

Let's all talk

Sometimes seen as the answer to staffing problems, human resources technology cannot replace face-to-face chat

MARK FRARY

On a global scale, employees seem pretty fed up. Regular surveys by Gallup show that fewer than one in seven employees around the world feels engaged with their work.

Faced with what Gallup calls an employee engagement crisis, many organisations have turned to technology to monitor and, hopefully, improve engagement levels.

Yet engagement, as measured by Gallup, has stubbornly remained at or around this level for some time, leading human resources leaders to question whether disengagement is actually written into employee DNA.

Some analysts believe the introduction of technology is dehumanising the workplace and a hybrid approach to employee engagement would be more successful.

Joe Ales, co-founder of Under-score HR, which specialises in the delivery of human resources technology in large organisations, says: "Business cases for HR tech will nearly always state an explicit intention to automate time-consuming transactional tasks, freeing up capacity for more human interaction, whether that's more time for managers to spend building relationships with their teams and understanding what's important to them as individuals or more time for HR to spend coaching leaders



Some analysts believe the introduction of technology is dehumanising the workplace

on building the talent the organisation needs to be successful in the long term."

Adam Hale, executive vice president at human resources technology provider Sage People, says the magnitude of change happening now is similar to the transformation that took place in the 1990s when personnel morphed into human resources.

"Part of the change is an automation of the HR operations that are currently done by people, but honestly should not be done by people, such as reconciling the HR system with the payroll system or double-keying information into systems which should be handled through self-service," says Mr Hale.

"Companies are now really focused on growth and you need great people to create that growth. We are in a skills crisis, not just in the UK, and I know some organisations have an attrition rate of 40 per cent. Try to grow a company when almost half the people in it are new. If you can get attrition down, even by one or two percentage points, that makes a huge difference."

FACTFILE

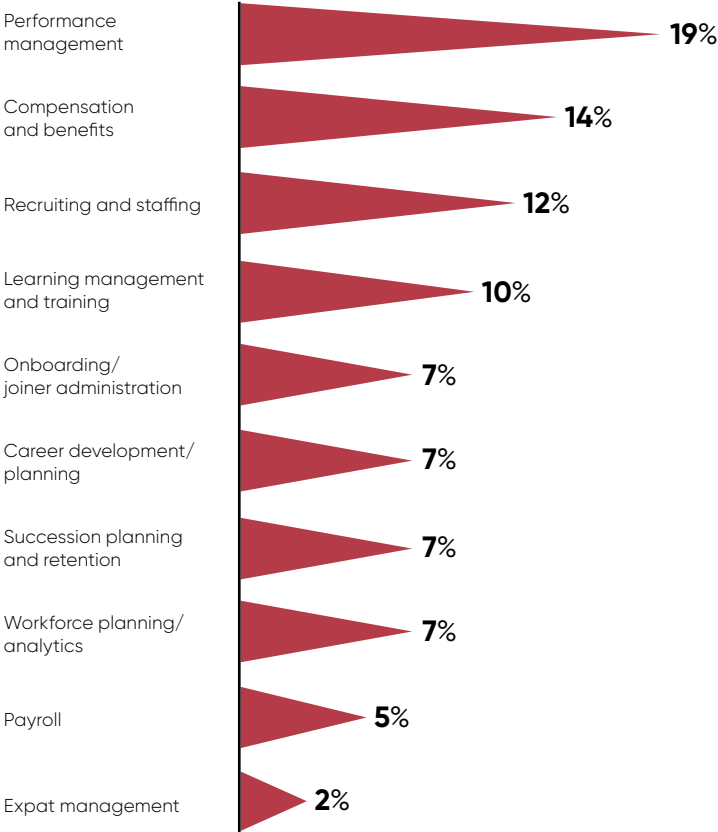
PERFORMANCE REVIEWS

21% of employees worldwide believed their organisation's performance-review process was very good, according to a 2017 report by TINYpulse. The remaining 79 per cent of staff from the 1,000 organisations surveyed said an absence of discussions about long-term opportunities was the top reason for disliking reviews. A lack of valuable feedback and untimely reviews were also common complaints among employees.

and keep up personal contact



TOP TECHNOLOGY AREAS FOR FUTURE INVESTMENT
GLOBAL CROSS-INDUSTRY SURVEY OF HUMAN RESOURCES PROFESSIONALS



“The value comes from sitting down and talking to people about what is really happening

Slack or Workplace by Facebook, allow CEOs and board members to build direct connections with employees at all levels of the organisation. These always-on, two-way communication channels have been a steep learning curve for some senior execs.”

Sweden’s Celpax started life as a sort of Facebook for companies to garner feedback from employees, but quickly realised people who were disengaged at work were the last people who would use it. They pivoted and stripped their concept down to something incredibly simple, a hardware panel with two faces, one happy and green, one sad and red, which employees could press to show their mood.

Celpax’s co-owner Rebecca Lundin says the aggregated feedback is then presented to managers. “Of course, you can see how their day was, but the most important thing is whether, over the long term, you are improving.

“This technology is the perfect tool to get richer conversations. The value comes from sitting down and talking to people about what is really happening. In the workplaces where these face-to-face conversations are happening, they have the happiest mood.”

So while shiny, new technology is all very exciting, it is clear that actually speaking to employees on a regular basis is never going to go out of fashion. ●

One of the company’s most interesting solutions is Flight Risk Radar, which combines analysis of a range of employee statistics along with benchmarking to identify key staff and whether they are engaged to mitigate the attrition risk.

“Employee experience is the number-one trend in HR in 2017,” says Matias Rodsevich, of the real-time feedback and performance review platform Impraise. “This is mainly because of one thing: recruitment and retention is becoming super-hard, and HR is shifting from its transactional role to become more of an enabler, embracing the concepts of speed, collaboration, adaptability and innovation.

“HR is adapting tools from other areas, such as IT or software development, to decide what the employee journey should be from hiring and onboarding to performance management, and on to exit and post-exit. The question is how can we improve the status of the employee, making them feel recognised and rewarded, making them feel that work is their second home?”

The benefits of replacing the annual performance review are obvious. “It enables employees to give upward feedback whenever they want and not have to wait for a year to do it,” says Mr Rodsevich.

This is particularly important for the millennials entering the workforce, who have grown up on social media and do not understand why there is no real-time feedback on company culture.

Celpax says its hardware panel, which records daily employee happiness, is a starting point for employers to have richer conversations with their staff

But it’s not just about millennials, according to Mr Rodsevich. “The way people work is changing. You have traditional companies such as IBM, Accenture or Ford that are shifting their core approaches to human resources. Traditionally companies kept their clients happy, then their investors happy and finally their employees happy. Now employees come first,” he says.

“We encourage people to have one-on-ones with employees and

give advice on how to do it. It is very important to have face-to-face feedback because it is important to see facial movements in response to how they take that feedback. We spend many hours talking to companies about how to give and receive feedback in a good way.”

Underscore HR’s Mr Ales says the best chief executives and chief human resources officers are using the big data this technology provides to understand what is really driving employee engagement, seeing

which managers employees truly connect with and what those great managers are doing that can be spread across the organisation.

“No matter how charismatic and personally engaging the CEO is, line managers are the driving force behind employee engagement,” says Mr Ales.

“CEOs on transmit, broadcasting messages through town hall meetings or newsletters, have never built more than the most basic levels of employee engagement. Corporate social media platforms, such as

CASE STUDY
COSATTO: NOT LETTING THINGS SLIDE



In 2016, the HQ of Bolton-based pram company Cosatto was voted one of the UK’s best places to work. The list of employee-friendly initiatives is almost as long as the giant slide that connects the office’s floors: Fruity Mondays where staff get free grapes and bananas; “street” parties in which staff get to throw wet

sponges at directors; and an annual staff vote where one employee gets to live their “once in a lifetime” dream, such as climbing Everest.

Chief executive Andrew Kluge says: “If you have a happy, motivated team of people, then they will look after consumers better and they will make better decisions.”

The 2008 economic crisis saw Cosatto undergo extensive restructuring and a rethink of the company mindset.

“I said to myself that if we have to go through the trauma of making people redundant, then we are going to rebuild a business that is fun and engaging,” he says.

This included implementing technology to get rapid employee feedback, including a Celpax panel where employees press a button to indicate their mood as they

leave and regular anonymous surveys using the TinyPulse platform.

Mr Kluge says: “Celpax gives us a barometer on how the business is feeling; if the general mood is going down, we can ask why.

“With TinyPulse, the question can be anything – what do you think of our future prospects, how good is your manager on a scale of one to ten? We ask them to qualify what they have said. As people have understood that it is anonymous, they have become incredibly honest.”

The board meets regularly to discuss the feedback and any employee can ask to come along to see how this is acted on.

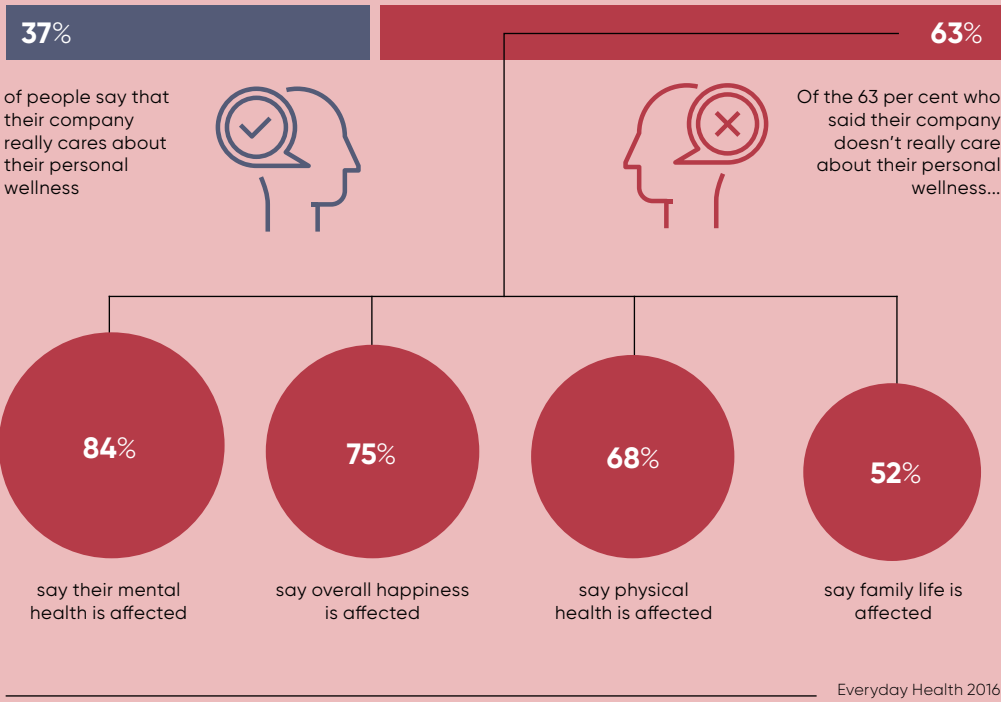
“The technology is not a replacement for face-to-face,” says Mr Kluge. “It has to be a conversation. I have one-to-ones on a regular basis and I encourage my senior managers to do so too.”

WELLNESS AND WELLBEING

IN THE WORKPLACE

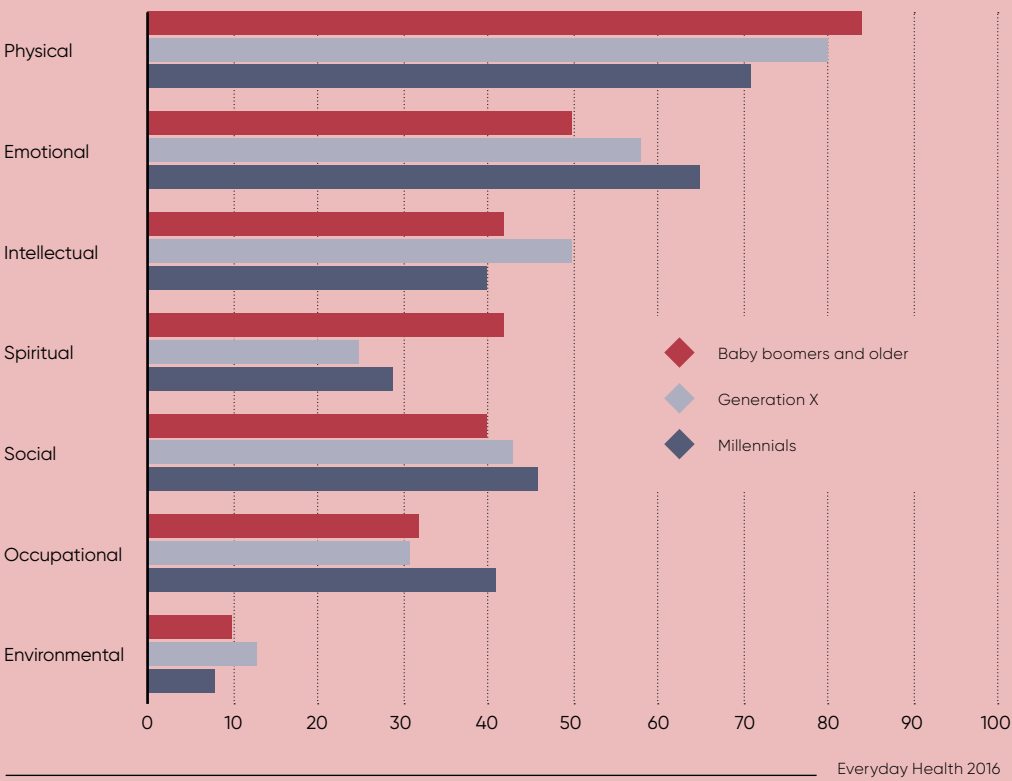
Employee wellbeing is a vital component of a healthy workplace, improving workforce engagement, productivity and happiness. Yet a misunderstanding of what staff want and need can mean initiatives aimed at wellness often miss the mark and are solely seen as a business expense. So what is the current state of wellbeing and what strategies are being used to lift standards of wellness in the workplace?

IMPACT ON EMPLOYEES OF NON-CARING COMPANIES



EMPLOYEE WELLNESS PRIORITIES BY GENERATION

WORKPLACE WELLNESS SURVEY OF FULL-TIME WORKERS (%)



WELLBEING INITIATIVES WITH LITTLE INTEREST

PERCENTAGE OF UK



71%
ON-SITE GYM



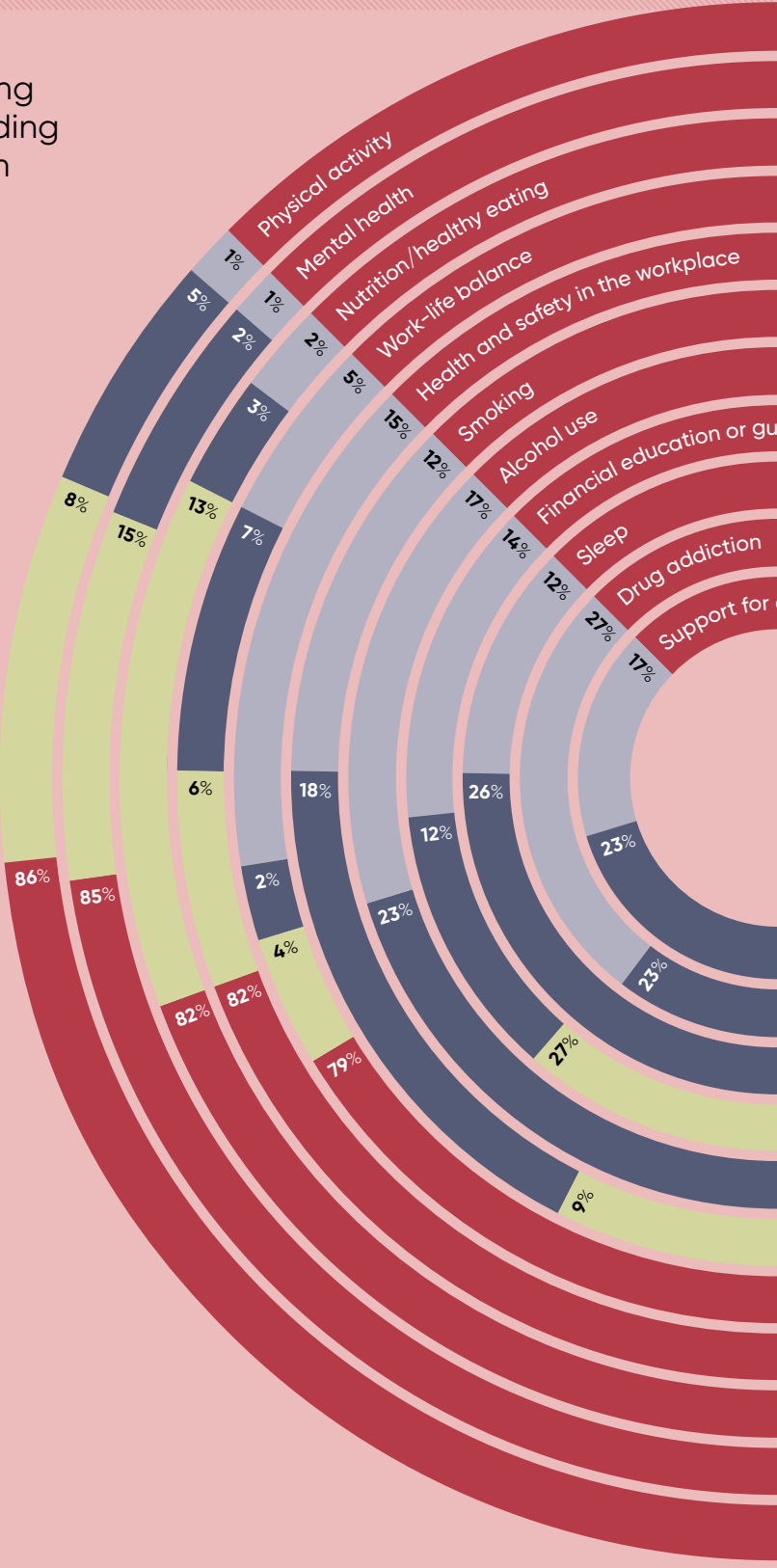
62%
ON-SITE MEDICAL SUPPORT



62%
WEARABLE DEVICES TO TRACK PHYSICAL ACTIVITY

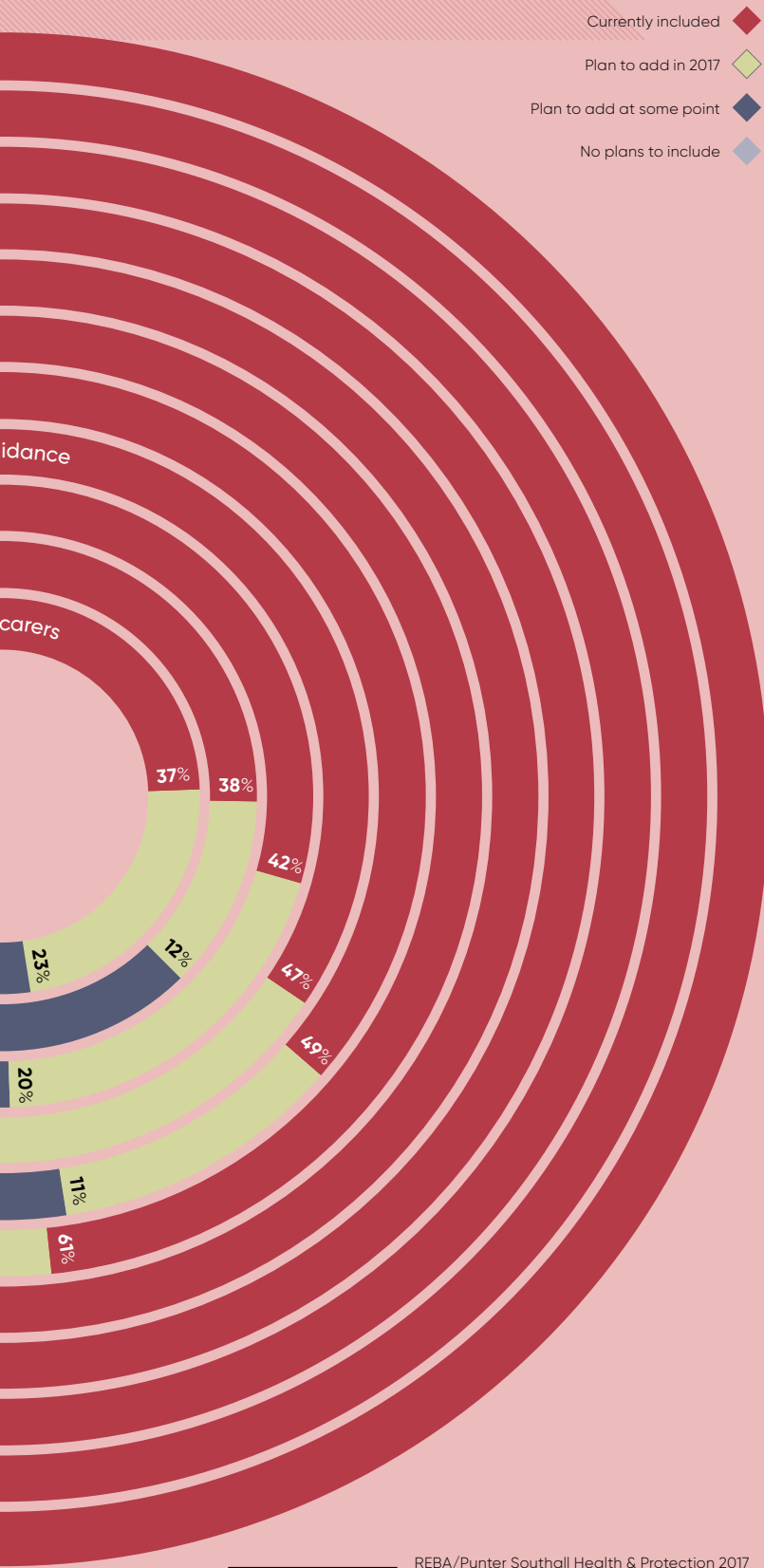


57%
VACCINATION VOUCHERS



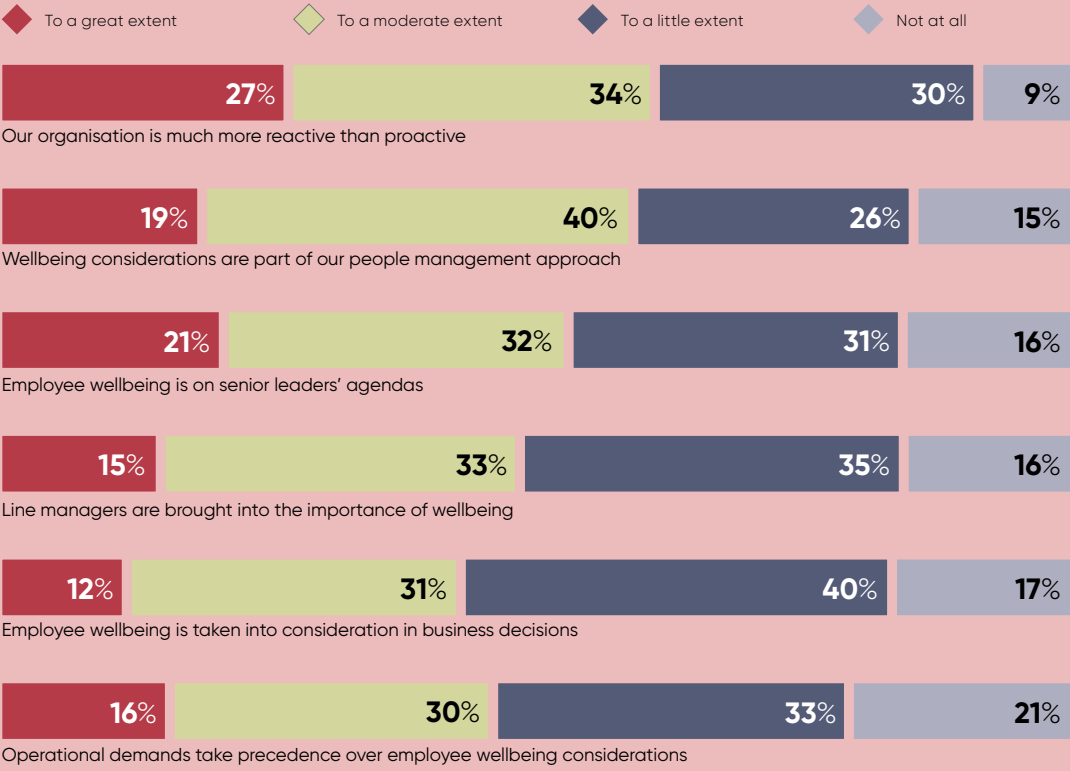
AREAS ADDRESSED IN WELLBEING STRATEGIES

SURVEY OF UK WELLBEING, HUMAN RESOURCES AND EMPLOYEE BENEFITS SPECIALISTS



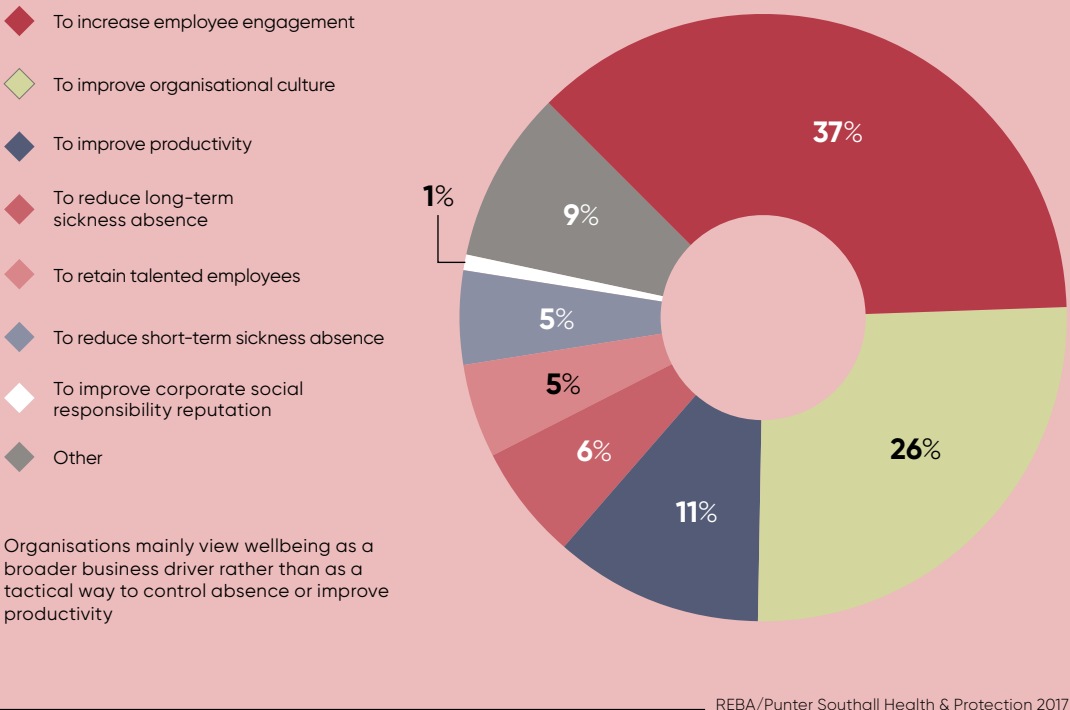
EMPLOYERS' APPROACH TO EMPLOYEE WELLBEING

SURVEY OF UK ORGANISATIONS



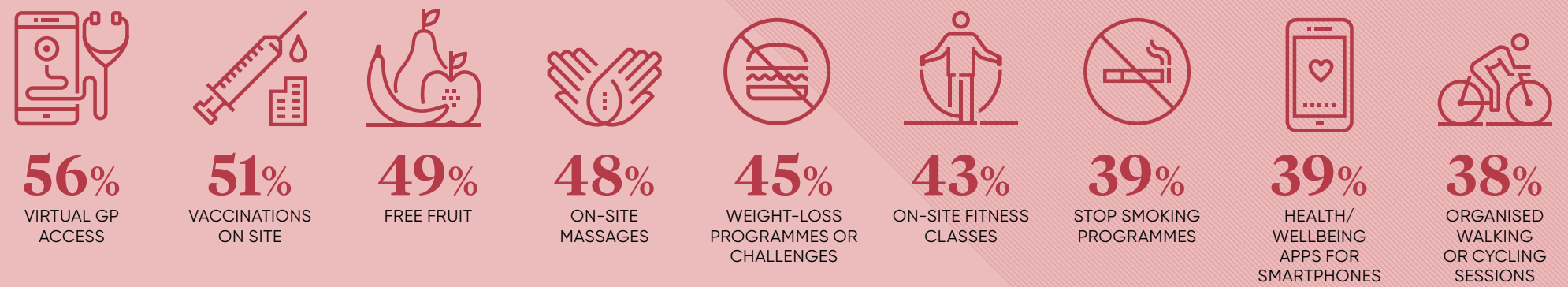
NUMBER-ONE DRIVERS OF WELLBEING STRATEGIES

SURVEY OF UK WELLBEING, HUMAN RESOURCES AND EMPLOYEE BENEFITS SPECIALISTS



WELLBEING, HUMAN RESOURCES AND EMPLOYEE BENEFITS SPECIALISTS WHO HAVE NO PLANS TO INTRODUCE THE FOLLOWING

REBA/Punter Southall Health & Protection 2017



Engagement at work is a choice we can all make

2017 is proving to be a period of almost unprecedented disruption. With political instability across the world, Brexit getting underway on our doorstep and the increasing rise of disruptive technologies, organisations are being challenged in new and unexpected ways on a regular basis



Leaders are trying to future-proof businesses in an atmosphere of increased anxiety about access to markets and free movement of labour, as well as trying to divine what opportunities or risks disruptive technologies might bring. After all, we're looking at a near-future of virtual reality, driverless cars and ever-increasing use of artificial intelligence.

In the aftermath of last year's US presidential election, employee engagement took a hit. There was a 9 per cent shift in Democrats from "engaged" to "not engaged" and we can reasonably assume that a seismic referendum and the calling of a snap election here in the UK has impacted our national psyche. In fact, across Europe only 58 per cent of employees consider themselves engaged at work and that's down 2 per cent on 2016.



58%

of employees across Europe consider themselves engaged at work



70%

variance in engagement levels from leaders



50%

of people change jobs to escape a manager during their career

But this means the opportunity afforded business leaders is potentially massive. Imagine what companies could achieve if they harnessed the full-hearted engagement of the remaining 42 per cent.

PERSONAL CHOICE

Every significant change begins with the individual. We're firm believers that everyone carries the responsibility for their own engagement at work.

So how does everyone in an organisation get and stay engaged? It begins with self-awareness. When everyone accurately understands both what unleashes and blocks their motivation, they're able to own their level of engagement.

For example, if someone is disengaged by ambiguity, they should seek clarity wherever possible. Someone who is motivated by doing good in the world should look for opportunities to shape the corporate social responsibility policy.

The point is this: unless everyone in an organisation does the work of self-awareness, they won't be able to appreciate fully what's blocking their engagement and make the changes that will help them get there.

CONTEXT FOR ENGAGEMENT

According to Gallup, leaders are accountable for a 70 per cent variance in levels of employee engagement. To counterbalance this, leaders must take responsibility not for getting everyone engaged, but for creating the fertile soil in which individual engagement can grow.

In 2013, Korn Ferry analysts David Zes and Dana Landis confirmed the "direct relationship between leader self-awareness and organisational financial performance".

To this end, just like everyone else, leaders must become wholly self-aware, and understand what type



“ Leaders who don't understand themselves are never fully effective

of leader they are, how they show up and what impact their leadership style has on others.

Leaders who don't understand themselves are never fully effective and when one in two employees change jobs to escape a manager at some point in their career, that's not a risk the C-suite should be willing to take.

Self-aware leaders create the context for engagement, by making openness, inclusivity, individual empowerment and a growth mindset the foundations of an agile and high-performing team.

PSYCHOLOGICALLY SAFE

If people don't feel able to ask questions, challenge decisions and share their opinions, there's no at-

mosphere of psychological safety. Leaders can instil a safety culture by encouraging risk-taking, an open dialogue and getting back up off the mat after mistakes are made. Leading by example is key, so leaders must make sure they are open to challenge, can swallow risk if the rewards are great and that there are no career repercussions for those who ask tough questions.

MOTIVATORS AND BLOCKERS

Everyone has their own mix of engagement factors; what motivates and blocks us from feeling engaged are different for everyone. Leaders must understand what these are for each person in their team to create conditions in which engagement can flourish. Motivations are individual; if someone on your team is rewarded by public recognition, build that into your relationship with them. If someone's engagement is blocked by the buzz of an

open-plan office, could they work from home sometimes to focus?

Engagement is a constant balance of motivating and detracting factors, and there's no shortcut to providing the right conditions for everyone. But exceptional leaders will truly see the individual and not one homogenous workforce.

ANSWERS AND ACTIONS

Many organisations run annual engagement surveys to take the temperature of the workforce, but in the 21st century that seems antiquated. Now we have technology that makes it easy for employees to give real-time feedback, through quick pulse checks and online conversation tools that offer anonymity.

However organisations listen to people, it's critical to close the loop on what they hear. If feedback shows management appear remote and uncommunicative, the leadership would do well to make sure they communicate openly and effectively with their teams. But they'd do even better to let the entire workforce know what they're doing differently and why.

Companies that don't build a bridge between employee feedback and the actions they subsequently take are missing a massive piece of the puzzle. People may not connect the feedback they gave in last year's survey to a change implemented many months later, so leaders need to show clearly the link in the ask-listen-act chain.

If it's important to listen, it's even more important to be seen to be listening. If you do, your company-wide engagement levels, along with productivity, customer satisfaction levels and retention rates, are much more likely to buck the national trend.

For more information please visit www.insights.com

DENMARK



Happy Danes work shorter hours than UK

The Danes consistently rank as one of the world’s happiest workforces, but what makes this country unique?

KAREN HIGGINBOTTOM

In 2016, Denmark grabbed the top spot in a global workforce happiness index by Universum. The survey of more than 200,000 young professionals in 57 markets used three criteria to determine employee happiness – employee satisfaction, an employee’s willingness to recommend a current employer and an employee’s likelihood to switch jobs in the near future.

According to the Organisation for Economic Co-operation and Development (OECD), Denmark has a better work-life balance than any other country surveyed. Only 2 per cent of

“The UK could mimic aspects of Danish working life such as a more widespread adoption of a flexible working hours’ culture

employees regularly work very long hours, compared with the OECD average of 13 per cent. There is no national legislation in Denmark on the length of the working week, although the vast majority of collective agreements stipulate a 37-hour week. The Danes even have a word for workplace happiness: *arbejdsgloede*.

Why is it important that employees are happy and engaged? Economists from the University of Warwick carried out a number of experiments to test the idea that happy employees work harder and found that happiness made people around 12 per cent more productive. “Talent wants to be in a place where they can be happy. Organisations want to make sure they attract that talent and retain them,” comments Jesper Dansholm, managing director, Denmark at Universum.

There are definitely cultural factors that contribute to the happiness of Danish workers, says Mr Dansholm. “We have a flatter organisational structure, and a high level of trust between owners and employees. With that level of trust comes the flexibility to get the work-life balance. People feel they are being respected by the company by being given a high level of flexibility in their working hours.

There is also an informal atmosphere between bosses and employees.” Statistics from Mercer-Sirota’s global engagement database reveal that 86 per cent of Danes trust their immediate manager, and recognise a spirit of co-operation and teamwork where they work.

Denmark has a strong tripartite arrangement between unions, employers and the government, says Lesley

Giles, director at The Work Foundation. “They have a high union membership in Denmark that influences the conditions of work. If you’ve got the conditions of ‘good work’ and support them socially and economically, then employees will be more committed and have the space to make a positive collaboration,” she says.

Historically, Denmark doesn’t have a strong industrial heritage, but it has a lot of medium-sized businesses, says Mr Dansholm. “This means that often the employee comes first. It’s easier to live by that phrase if you have a company with 50 employees and you know the reason you’ve grown by 20 per cent last year was due to your people. The individual contribution of the employee becomes very visible,” he says.

Dan Rogers, co-founder of software firm Peakon, which has its headquarters in Denmark’s capital Copenhagen, employs 50 people. He says: “There is a much stronger focus on work-life balance in Denmark. By nature of being a small company, we have a flatter organisational structure. In Denmark, they are very team focused and most Danish companies that I know of have a fixed lunchtime when everybody eats together. There is no barrier between the managers and their employees.”

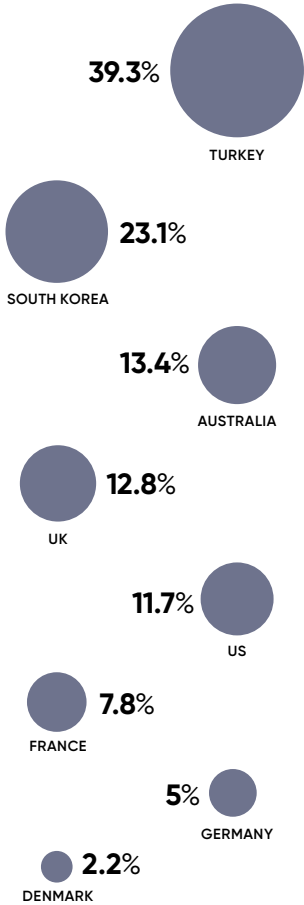
Cary Cooper, professor of organisational psychology and health at Alliance Business School, believes Denmark does well in terms of employee happiness as they don’t have a long working hours’ culture. “The Danes also have very good salaries and are mostly in full-time employment,” he says.

Denmark has one of the strongest social security systems among OECD countries. “Flexicurity” is the Danish model for flexibility in the labour market and is essentially a blend of generous social security measures and an active labour market policy with rights and obligations for the unemployed. “It’s one of the best countries to be in terms of being made redundant. Your loss of earnings will be 2.3 per cent compared to an OECD average of 6.3 per cent,” says Professor Cooper.

He believes the UK could mimic aspects of Danish working life such as a more widespread adoption of a flexible working hours’ culture. “Do we need to work 40 hours a week? The Danes have had flexible working for a long time and for

EMPLOYEES WORKING VERY LONG HOURS

Percentage of selected countries’ employees working 50 hours or more a week on average



OECD 2015

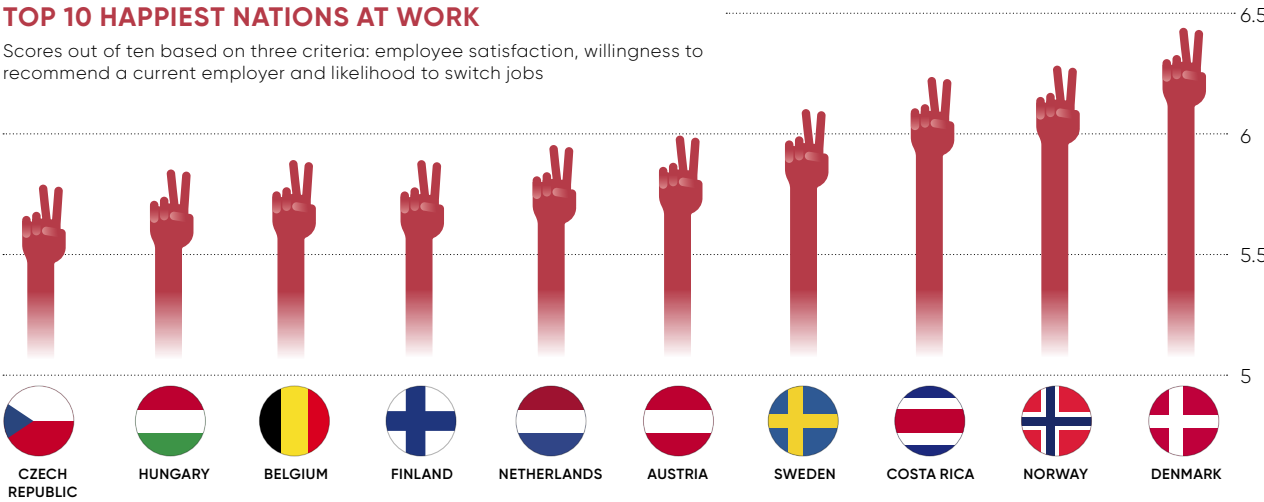
me work is not about having long working hours.”

UK organisations could flatten their hierarchical management structure, says Mr Dansholm. “This can be done in the UK, but it’s easier in Denmark as we have smaller companies and a smaller population. Organisations need to leave the ‘old school’ management style and trust employees to deliver their goals,” he says.

Workplaces in the UK need a paradigm shift that re-envision the world of work, argues Jenna Kerns, research and policy assistant at The Work Foundation. “This should include a recasting of what a healthy, good work-life balance is, and a balance that not only benefits the employee, but ultimately benefits the employer as well and has a positive knock-on effect on their bottom line.” ●

TOP 10 HAPPIEST NATIONS AT WORK

Scores out of ten based on three criteria: employee satisfaction, willingness to recommend a current employer and likelihood to switch jobs



Global Workforce Happiness Index, Universum 2016



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MENTAL HEALTH



Healthy minds mean a better bottom line

Poor mental health not only brings
anguish to individuals in the workforce,
it costs UK business dear

MARTIN BARROW

Every organisation in the UK is
affected by mental ill health
in the workforce. At any one
time, one worker in six will be
experiencing depression, anxiety or
problems relating to stress. Some 91
million days are lost each year due
to mental health problems.

The total cost to UK employers is
estimated at nearly £26 billion each
year, according to the Centre for
Mental Health. That is equivalent
to £1,035 for every employee in the
UK workforce.

There is broad acceptance of the
scale of the problem and many
employers are willing to make a
commitment to provide better
support at work. Yet despite this
high level of engagement, there is

a concern that workplace mental
health and wellbeing are getting
worse, not better.

In 2016 a survey of almost 20,000
people by Business in the Com-
munity (BITC) revealed that 62
per cent of employees with mental
health problems said work was a
contributing factor, while only 11
per cent felt able to discuss a recent
mental health problem with their
line manager.

Theresa May, who has described
poor mental health support as a
“burning injustice”, put wellbe-
ing in the workplace at the centre
of the government’s strategy
to transform mental health care
across society, which was an-
nounced in January. She set up a
review of employment practice,
led by Lord Stevenson of Codd-
enham, former chairman of HBOS,

and Paul Farmer, chief executive
of the mental health charity Mind.
The ambition is to forge a new
partnership with employers to
improve mental health support in
the workplace.

In the UK employers, including
Unilever and Anglian Water, have
won plaudits for their approach
to mental health at work. Uni-
lever, which has 7,500 employ-
ees in the UK and Ireland, pro-
vides mental health training for
all line managers, and encourag-
es senior managers to share their
own personal stories of men-
tal problems. The initiative
has delivered tangible benefits,
the company says, including
reducing absence and improving
productivity.

Peter Simpson, chief executive
of Anglian Water, says: “There is
not only a moral urgency to act on
mental health, there is also a clear
business case for doing so. As well
as improved lives for millions more
people, it means more productive,



It is no longer
an option for
an employer to
assume that
mental health is
somebody else’s
responsibility

‘Workplace wellbeing is about driving business because organisations which look after staff attract and keep the best talent’

DEBI O'DONOVAN
Director
Reward & Employee Benefits Association



Business leaders are wising up to the power of using workplace wellbeing strategies to drive up engagement, improve company culture and ultimately boost productivity. This is not about merely replacing the crisp machine with bowls of fruit for staff, although that is a good idea, but rather about propagating deep cultural changes, which span employee health, wealth and happiness to leadership, development, talent management and workforce planning.

A key success measure of wellbeing for all employers, including listed companies whose investors are increasingly monitoring employee satisfaction, is employee engagement. According to the *Employee Wellbeing Research 2017* conducted by the Reward & Employee Benefits Association (REBA) in association with Punter Southall Health & Protection, 82.3 per cent of organisations which measure the effectiveness of wellbeing programmes primarily look at the impact on engagement rather than absence.

Workplace wellbeing is essentially about driving the business because it's been found that organisations which look after their staff attract and keep the best talent. They will be better prepared for the new wellbeing demands of an ageing workforce of the future, when fewer younger workers will come into the workplace and many older workers are unable to retire due to low pension savings.

But there are three other forces which are shifting employers into the wellbeing hot seat.

Firstly, the NHS is creaking to the point of breaking. So government will no doubt shift some of the burden on to employers just as it is doing with pension savings via auto-enrolment. This came up in the NHS *Five Year Forward View* report in 2014 and again in the *Improving Lives: Work, Health and Disability* Green Paper in October 2016.

Secondly, we are experiencing a global rise in chronic diseases, such as diabetes, hypertension and heart disease. According to the World Health Organization, these non-communicable diseases are expected to rise by 57 per cent by 2020. These conditions are astonishingly expensive to treat, but relatively inexpensive to prevent or mitigate through healthy behaviour and lifestyle adjustments. Again,

employers are ideally placed potentially to promote any government-led agenda on wellbeing. So watch this space.

And thirdly, there is a huge global consumer trend towards wellbeing. Be it royal princes becoming publically vocal on mental wellbeing, apps of every conceivable sort measuring our daily steps and sleep patterns, or the upsurge in demand for mindfulness sessions and chia seeds. Employers who take note will win the healthy hearts and minds of all generations of workers.

Workplace wellbeing focuses on three strands of physical health, emotional health and financial wellness.

Physical health is the most obvious, covering both prevention and cure. For example, bike-to-work schemes, exercise programmes, nutrition, stop smoking campaigns, rehabilitating people back to work and so on.

Emotional wellbeing deals with stress, anxiety and more complex mental health issues. But increasingly it focuses on the positives such as building mental resilience and using mindfulness as a management tool.

Financial wellness as part of a wellbeing strategy is the newest, but fastest growing, kid on the block. For most of us, work is our primary, and often only, source of income, both immediately and for the future when we can no longer work. Money is the biggest cause of stress, while how much we have has the greatest correlation to our level of health.

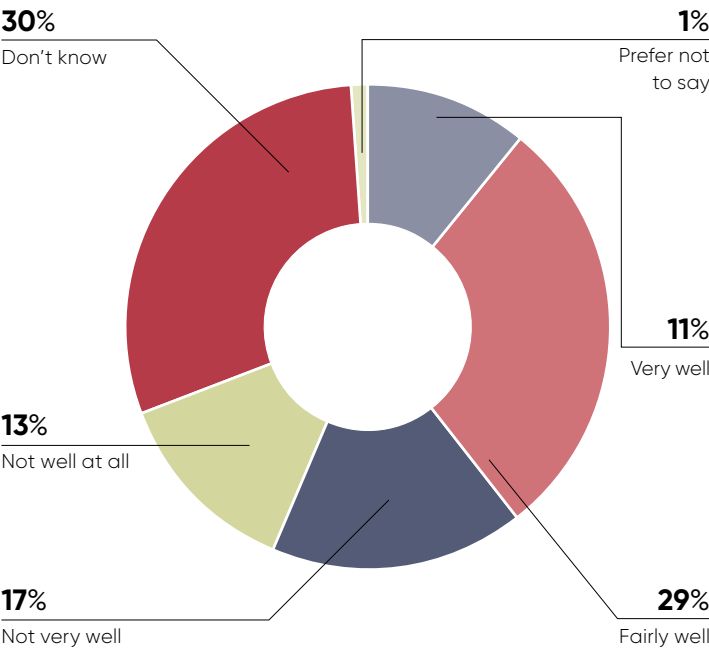
So employers are increasingly aware that they cannot ignore financial wellness within any wellbeing strategy. But they are still largely getting to grips with how to weave in debt management, savings and earnings without crossing a line with staff.

Ultimately, the drive for corporates to invest more in wellbeing strategies is as much about bolstering employee engagement as avoiding the business risks of doing nothing. REBA's recent *Employee Wellbeing Research* found that the proportion of respondents with a wellbeing strategy in place rose from 29.8 per cent in 2016 to 45.2 per cent in 2017.

Workplace wellbeing is a trend that seems set to rise unabated because 45.7 per cent of those without a wellbeing strategy are planning to introduce one in 2017.

EMPLOYEE SUPPORT FOR MENTAL HEALTH

How well organisations support employees who experience mental health problems



Percentages do not equal 100 per cent due to rounding

Business in the Community 2016

aries between their work and their private lives. This is particularly true of older employees, as the BITC survey indicated.

The dynamics of the modern workplace are ever-changing and complex. Business must respond quickly to the marketplace and restructuring is constant. Workforces are becoming more fragmented. Full-time employees often work alongside self-employed contractors, staff from outsourced activities and zero-hours casual workers. They have different employment rights and different levels of support at work. The challenge in the workplace is how to reach as many people as possible, not only when they need help, but before mental health problems take hold.

Initiatives to support mental health at work are also frustrated by poor access to care. Even when an employer identifies a concern and offers support, the relation-

ship comes under strain because of inconsistent treatment in the community. Business is concerned that, increasingly, it is being required to provide support that previously was provided by the NHS and social care.

Larger employers are extending private health insurance schemes that include mental health as well as physical health and working with providers of employee assistance programmes to support their workforce. For small and medium-sized enterprises the challenge is to address the issue of mental health within budgets that are under severe competitive pressure.

But it is no longer an option for an employer to assume that mental health is somebody else's responsibility. It makes good business sense by improving productivity and supporting recruitment and retention. It is also the right thing to do. ●

competitive and progressive businesses for the long term.

"For businesses to have real impact it requires clear and visible senior leadership. At Anglian Water ultimately the responsibility stops with me and I take an active role to send a clear message that this is how we do business."

But even the most enlightened employers acknowledge that the scale of the challenge is great. To begin with, many employees still feel uncomfortable engaging with employers about health, be it physical or mental health. It is partly down to stigma, but it is also about people's wish to maintain bound-

INSIGHT SUICIDE

George Cheese, an apprentice mechanic with Audi, was 18 when he died from suicide. The inquest into his death, which took place in May 2017, heard how he was bullied by colleagues. He would come home covered in bruises, with multiple holes burned into his clothes. On one occasion, workmates locked him in a cage and set fire to his clothes.

The coroner ruled that Audi staff were not responsible for the suicide. However, the inquest laid bare a corporate culture where bullying was tolerated and line managers had no process to assess the wellbeing

of employees or to respond to their mental health needs.

Suicide is the leading cause of death in adults below the age of 50, which is why many progressive employers now include suicide prevention in training for workplace mental health and wellbeing.

The sudden and often unexplained death of a colleague can cause deep trauma across the workforce. Many are left with a strong sense of guilt, for not being able to prevent the death, or for missing any signs of distress. The human cost is great and the disruption

to business can last for many months.

Suicide cannot always be prevented. But employers and employees want to be reassured that they did everything possible to provide support when it was needed. The Office for National Statistics has published data on the occupations at highest risk of suicide to help employers assess the risk in their organisations. Business in the Community and Public Health England have created a suicide prevention toolkit to support employers, and you can call the Samaritans on 116 123 on any phone.

Building a successful company which puts workplace culture first

Chief executive **Didier Elzinga** believes you can have a successful organisation which puts culture first – in fact, his company Culture Amp proves just that



Six years in, people are now holding up Culture Amp as a successful startup. It's certainly good to see the company at this stage, with funding from venture capitalists in London, Australia and America, and more than 1,000 happy customers. But truth be told, I'm less concerned with the financial side and more interested in what we've built along the way. We set out to understand whether we could build a successful culture-first company. That's the legacy I want to leave.

Our customers use Culture Amp to collect, understand and act on feedback impacting employee engagement, employee effectiveness and employee experience. We're constantly adding to Culture Amp as the shape of work changes. As an example, we just recently launched a diagnostic to empower teams to optimise their effectiveness as we saw how many organisations, including ours, were being restructured into flatter teams.

In Europe we work with innovative organisations, including Deliveroo, Bupa, Auto Trader, adidas and Airbnb, to drive company culture. I've had the pleasure of meeting with human resources leaders all over Europe and I'm always excited to hear how they're using people analytics.

My co-founders and I want to attract people to work at Culture Amp who really believe in the culture-first idea. Our first hire was our chief scientist Dr Jason McPherson who lectured in psychology, research methods and

statistics for many years, as well as working in several successful consulting firms. He has both the context and expertise to help imagine a new way of understanding how employees engage with workplaces.

“We set out to understand whether we could build a successful culture-first company. That's the legacy I want to leave

We now have people with PhDs in data science and organisational psychology on our teams in London, San Francisco, New York and Melbourne. They ensure that Culture Amp is shaped by the latest research in organisational psychology and data science, and guide our customers in collecting, understanding and acting on employee feedback.

Finding organisational psychologists who want to join a culture-first company isn't much of a challenge. Where it becomes interesting is attracting other employees. For example, our sales people aren't paid commissions. If you're not paying commission, you need to have mission-based selling. You have to have a company that people believe in. Our salespeople are some of the most motivated and committed you'll see anywhere.

Because we have so much data, we're able to do all sorts of analyses. We appreciate that not all organisations feel like they can prioritise culture and for them we share data about how increased employee engagement impacts metrics which hit the bottom line in a very real way.

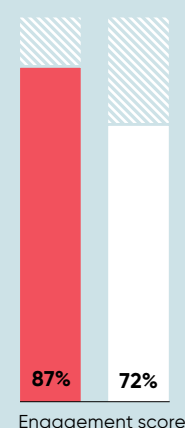
Another joy of working at Culture Amp is our community. We call them People Geeks. They're people who work in human resources and get excited about how data and insights can drive a better world to work in. Our People Geek community now brings together more than 60,000 human resources professionals and academics from all over the world. We hold regular workshops, geek-ups and webinars, and are constantly blown away by what people are achieving in their workplaces. We have a regular newsletter, *The People Geekly*, and release e-books and other resources on the subjects our customers tell us are top-of-mind for them.

We are hard at work on achieving our goal: a successful culture-first organisation. But one thing we've learnt is there's no one perfect approach to human resources. That's why we've created the *Modern HR Playbook*, which draws on not only our experience, but the experience of our customers. I'd love to share it with you.

For your free copy of the *Modern HR Playbook* please visit www.cultureamp.com/londontimes

EMPLOYEES IN ENGAGED COMPANIES

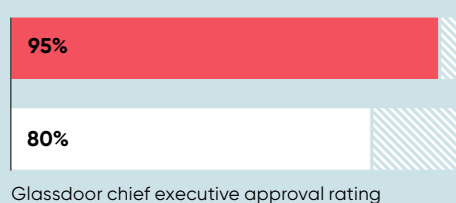
● Top 10% most-engaged companies ● Other companies



Employees at the top 10% most-engaged companies are...

30% less likely to be looking for a job

20% more likely to recommend their company on Glassdoor



Culture Amp New Tech Benchmark 2017

RETIREMENT

So helping staff to retire is a win-win

Ensuring staff save enough for retirement can engage employees and avoid low productivity among those who cannot afford to give up work

PETER CRUSH

It used to be said there were only two certainties in life – taxes and death. Until recently, there was hopefully a third – retirement. But thanks to the removal of the default retirement age, even this once-sacrosanct expectation is under threat – and it's bad news for employee engagement.

Between 2005 and 2015 the number of employees aged 65-plus doubled from 635,000 to 1.19 million. Earlier this year the Office for National Statistics reported 15.5 per cent of men still work past 70, while the number of women working past retirement age had doubled to 11.3 per cent since 2012.

And yet here's the problem: “The vast majority of those continuing to work are doing so not because they want to, but because they cannot afford to retire,” says David Blake, professor of pension economics at Cass Business School. He believes there's a huge engagement issue looming in firms being stuck with staff who don't want to be there, but can't be exited either. “Bosses face a very rude awakening,” he says.

With the link between disengagement and low productivity well known, it may sound paradoxical, but the best way for employers to en-

gage staff is ensuring they can leave at their chosen retirement age. “It doesn't benefit firms to have people who don't want to be there,” argues Professor Sarah Harper, co-director at the Oxford Institute of Population Ageing. “But too many HR departments see retirement as an event rather than a gradual process both should work towards.”

Professor Harper argues that the taboo around talking about finances needs to go, so a phased approach to retirement, such as by altering roles or hours worked, including getting retrained, can be agreed. The University of Wolverhampton recently found firms facing just a 1 per cent rise in staff aged 50-plus are 29 per cent less likely to boost productivity, because older staff are passed over for promotion or training causing demotivation.

“I now work three days a week,” says 66-year-old Mike Dyer, who has had a new role created for him by his employer, Sodexo, when he didn't want to retire at 65. “Ironically, I handle staff engagement, including running our Investors in People reaccreditation,” he says. “For me, carrying on has been a massive boost to my own engagement, but I've grown my division's engagement by 12 per cent since last year, so it's win-win.”

Although Mr Dyer says he could have afforded to retire, he argues staying has enabled him to plan better. He says: “For the last two years I've been able to reduce my spending and quadruple what I'm paying into my pension. It's put me in a much better fiscal place when I do retire.”



The vast majority of those continuing to work are doing so not because they want to, but because they cannot afford to retire



“
The best way for employers to engage staff is ensuring they can leave at their chosen retirement age

It’s still the case that a quarter of workers aged 55 to 64 don’t have a private pension, meaning it’s Generation X, often regarded as most comfortable, who still need support. But, despite automatic pension enrollment creating more young pension savers, current minimum contribution rates of 2 per cent of earnings in total risks creating a false picture of retireability. Last year’s *Independent Review of Retirement Income* report suggested 15 per cent was needed, so engaging younger, already financially

pressed, staff is the real challenge. “They may have more time, but retireability is a huge issue for younger people,” says Keith Sully, head of pensions at Intercontinental Hotel Group (IHG). It’s why IHG this year began rolling out a financial modelling tool from provider Wealth Wizards, where staff can set different saving rates, retirement age or income targets and see what they need to save to achieve it. “Those aged 30 to 39 are our biggest cohort and getting staff to model their pension pot size has been a game-changer,” he says. “We had a 40 per cent response to our financial education seminar and of these 20 per cent took up the tool. Most have boosted pension saving to our maximum total contribution level of 12.5 per cent of earnings because they can see how making small changes now really impacts being able to retire when they want. It has massively boosted engagement.” But while there are always firms ahead of the curve – IHG also plans to trigger communications to staff if they look unlikely to meet their



87%

increase in the number of employees aged 65-plus between 2005 and 2015

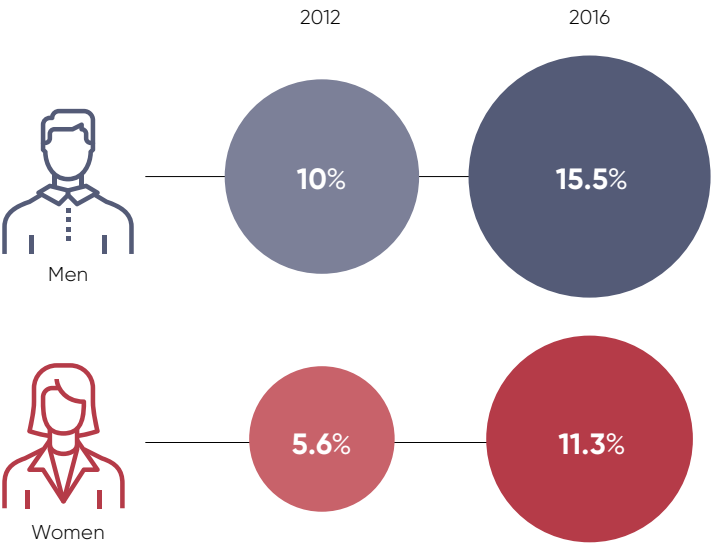
retirement age or income targets – the bad news is that not all are responding this way. A recent poll by Capita Employee Benefits found half of employees said financial planning is the benefit they need to help them save for retirement, but research only last month by financial adviser Chase De Vere found 29 per cent of employers still thought workers’ financial affairs were their own responsibility.

Perhaps because employees now have on average 11 different jobs over their careers, employers aren’t incentivised to offer costly financial education. But Professor Blake argues it’s short-sighted. “Employers all need to agree the retireability of their staff is important for the time they’re with them. It’s not fair that one doesn’t do enough, leaving the next employer to make up the shortfall,” he says.

According to Canada Life, 73 per cent of staff expect to work past the traditional retirement age, so employers don’t have long to act. “If we’re not careful, the whole issue of retireability will be the next wave of workplace presenteeism,” says Michelle Bradshaw, compensation and benefits director for the UK, Ireland and Israel at Oracle.

Ms Bradshaw has already put more than half her staff through its financial education programme with partner Secondsight. She argues that more employers need to follow suit. “With the right information, people can and should retire happy,” she says. “We’ll be heading for a car crash if it’s not got on top of now.” ●

PROPORTION OF PEOPLE WORKING PAST THE AGE OF 70



Office for National Statistics/Hargreaves Lansdown 2017



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QUIRKY BENEFITS

Weird and wonderful world of benefits...

A kind word can motivate staff more than cold cash. But what else can fire them up? Here are ten unusual benefits proven to work

CHARLES ORTON-JONES



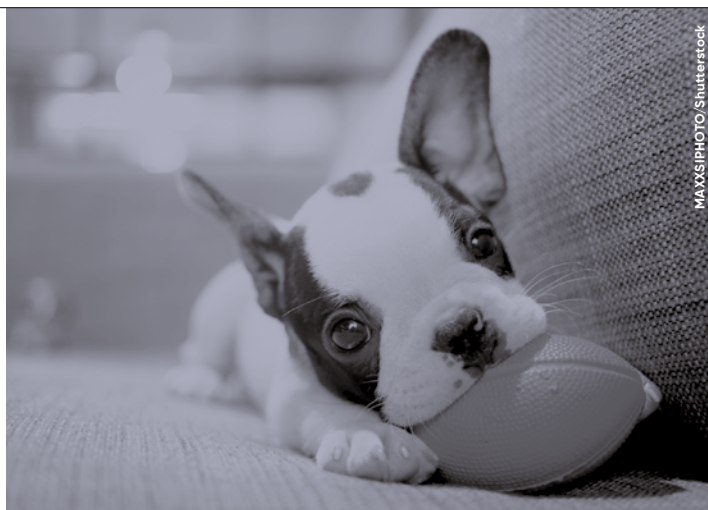
nito/Shutterstock

1 TRANSGENDER SURGERY

Software companies compete ferociously for talent and consulting giant SAP has a benefits system to reflect that. In addition to health coverage, which includes cutting-edge molecular analysis for cancer suffers not available on the NHS, it will pay for gender reassignment surgery. This includes feminisation or masculinisation procedures, puberty suppression, treatment for complications derived from previous procedures and counselling. With at least one in a hundred people partially intersex, it's the sort of health programme which could move towards mainstream in the near future.

2 'PAWTERNITY' LEAVE

Britain is a nation of animal lovers. Hence "pawternity" leave. Software company CA Technologies offers three fully paid days to anyone with a new pet. If little Tiddles gets hit by a reversing rubbish lorry then there's another three paid days for you to grieve. It's part of a new package at CA which tries to build loyalty by going beyond the normal gamut of perks. The pawternity concept is catching on. Scottish beer company Brewdog has launched a week's paid leave for employees with a puppy or rescue dog. Goldfish don't count. Sorry.



MAXX/PHOTO/Shutterstock



Photographie.eu/Shutterstock

3 SEX EDUCATION

You might expect a sex toy retailer to be a bit risqué in the benefits department and Lovehoney is no let down. The sex toy and lingerie website has created a sexual happiness qualification for staff, in conjunction with Bath College. The sexual happiness qualification covers a wide and diverse range of subjects, including sexual health, erectile dysfunction, sexual identity and more. Guest lecturers Dr Jamie Lawson of Bristol University and Victoria Lehmann, a long-established sexual and relationships therapist, provide expert guidance. Graduates get a level 2 qualification in sexual happiness.



Y Photo Studio/Shutterstock

4 HACKATHONS

When day-to-day work feels dull, why not spice up the routine with a competition? App development agency Progress holds hackathons, with a decent prize for the winning team. This year the task is to pitch a new concept for the business. "A hackathon is when individuals or teams gather together over a one to two-day period to design and develop software applications that solve a particular problem or challenge," says chief technology officer Dmitri Tcherevik. "The purpose is to spark innovation and creativity by letting participants work on projects they feel passionate about." This year around 20 teams will compete for a prize of £1,500 and a day off for all who enter.

5 HOME COOKING

Piccolo is a baby food brand based on London's Strand and in keeping with this theme offers a free home-cooked lunch for staff every day. Head of communications Clemmie Turner explains: "We take it in turns to bring stuff in and often it's home cooked by our founder Cat or our in-house nutritional chef and co-founder Alice. Cat also brings in a freshly baked cake every other day, often using our fruit pouches as part of the ingredients. We eat around a communal table, either in the office or at Cat's house down the road." The move seems to be good for morale as turnover at the startup has hit £4 million.



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6 WANDERTAG

Team-building exercises bond employees into a single unit. Finding the right event isn't easy. Abseiling in Snowdonia will appeal to fitness nuts, but not to couch surfers. German e-commerce company Spreadshirt has an event which it believes everyone enjoys. It's an awayday called Wandertag. "Every German

schoolchild knows about Wandertag; it's the equivalent of a school summer outing," says Stefanie Frenking, the company's feel-good manager. "It's not just a day out though. The date is announced, but the location remains a secret, so the curiosity and excitement builds in the weeks before the outing. We usually try and keep the retro feel by organising buses, mixing up groups and getting our colleagues out to the countryside."

7 PAID 'PRO BONO' WORK

Charity work is growing in popularity as a way to make employees feel they are valued for more than their salaried contribution. Helsinki-based digital consultancy Futurice sponsors staff an extra €15 an hour on top of their salary to work on

open source coding and other social impact projects. Employees have worked on open source applications such as the VLC media player and the blogging platform WordPress. In a recent employee survey, 40 per cent said the scheme made them enjoy working at the company more. Also, staff who took part showed higher engagement levels.

8 THE GOLDEN PINEAPPLE

Key to the employee benefits market is the fact that people want to be recognised for their achievements, not just handed wads of cash. Marketing agency The Pineapple Lounge runs an award called The Golden Pineapple to give over-achievers proper recognition. The winner gets a take-away and bottle of

wine for their partner. Founder Emma Worrollo says: "The unique thing about it is how personal it is. In the team meeting, I read out nominations, show pictures of contenders when revealing the winner and, because the reward is enjoyed at home with a loved one, it's more meaningful. It's often partners or family who face the brunt of people working long hours or putting in extra hard work, so it's nice to include them too."

9 STAGE A FESTIVAL

A few companies send staff to music events. But how about going the extra mile and hosting your own rival to Glastonbury? Public relations agency Octopus Group runs an annual festival called Rocktostock. Last year's event was held in a quiet field in Marlow, where the company put tents, banners, fairy lights, sound systems, hay bales and all the paraphernalia you normally see at a festival, only a wee bit smaller. During the day the company built Mardis Gras floats and in the evening partied to the in-house band. There was festival style food from around the world, karaoke and a fair amount of alcohol. ●



10 EVERYTHING INCLUDED

Benefits can't be seen in isolation. It's the whole package that matters. And some companies include almost everything you can think of. Fletchers Solicitors, a negligence and serious injury specialist, includes mental health awareness training, subsidised gym and yoga class membership, free fruit daily, free flu jabs, early finishes, family days, a pension scheme, childcare vouchers, enhanced maternity pay, free social events including a summer ball, flexible working, beauty and therapeutic treatments to reward staff and encourage breaks, and it gives staff a pedometer to encourage them to be active during the day. ●



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