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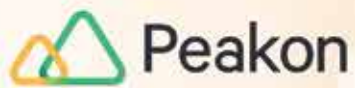


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PRODUCTIVITY

How to manage employee demands and productivity

The trade-off between what workers want and what's good for the business is becoming a trickier balancing act for leaders

Virginia Matthews

When it comes to understanding the drivers of employee productivity, relatively few firms look beyond fresh fruit and Pilates.

To many organisations, peering too closely at engagement “opens a dangerous and potentially expensive can of worms”, argues Dean Hunter, founder of HR consultancy Hunter Adams.

Yet the causes of a toxic workplace are far more likely to be about cultural failings, which are largely fixable, rather than salaries, which are often not.

“Fostering a high performance culture means tackling bad managers, providing clear career paths and having a business vision that makes people want to get up in the morning,” says Mr Hunter.

“Without these basics, all the free lunches and foot massages in the world won't stop your talent from walking out of the door.”

It was the apparently mystifying 60 per cent staff turnover at one consumer goods firm which recently prompted a request for help.

“The leaders weren't bad people,” says Mr Hunter. “They loved their business and were passionate about customers, but management was fixated on growth and EBITDA, and assumed everything else was OK.

“Yet staff told us they were expected to be at their desks for more than ten hours a day, had no career structure and described their work as ‘slave labour’. Clients were leaving because of bad service and disgruntled employees, who told focus groups they had no idea what management was for aside from ‘making money’, were costing the business more than £600,000 a year in mistakes and days off.”

A written undertaking to staff that things would change improved the atmosphere overnight and halted churn, while end-of-year results showed higher than usual productivity in response to a modest increase in human resources investment.

While some are sceptical of the view that employee engagement inexorably affects the bottom line, the credibility gap between new and established businesses is growing, says Niall Cluley, managing director of performance consultancy Dragonfish UK.

“Startups with a diversity of thought innately understand what makes a high-performance culture



and this is in stark contrast to more traditional set-ups, often in STEM [science, technology, engineering and mathematics], where new ideas are less welcome,” he says.

Yet at a time of record high employment, employers who fail to address engagement are playing a dangerous game.

“Demand for change by employees is driving the current market and if you want the best, it is essential to adapt the offer you make to your people,” he argues.

While Mr Cluley agrees keeping staff productive requires vigilance and effort, he refutes the suggestion that tackling workplace boredom and clock-watching automatically breaks the bank.

“Whatever your industry, you need to experiment with a range

of engagement solutions to fit your budget and circumstances,” he says. “There's no one single way to keep motivation levels high, but it's vital that you are seen to be making the attempt.”

Take the persistent, often unwelcome requests for more flexibility and the rigid, round-the-clock business model prevalent in hospitality.

“We are currently working with one big London hotel which is tackling poor work-life balance to recruit the best,” says Mr Cluley.

“Finding new configurations which satisfy the staff, without sacrificing guest goodwill or profits, requires more time and thought than many managers are accustomed to. But if a 24/7 hotel operation can get to grips with flexible working, then any employer can.”

While there can be no doubt that some employees have impossible visions of working life, the so-called “entitlement culture” needn't derail an engagement strategy.

In Mr Cluley's view, poor management is often at the heart of a boardroom-coal-face disconnection. While a skilled, empathetic boss will manage sky-high expectations with aplomb, a bad one will simply add fuel to the fire.

Whether you run a glamorous FTSE 100 company or sweep the floors of a toilet roll factory, though, all of us need to feel that our work has real purpose beyond meeting the bills.

“Genuine job satisfaction is more about buying into the values you experience at work each day, and less about your status and salary,” he adds.

Well up to a point. For while a highly motivated team won't need a box at Wimbledon or Wembley to keep them fizzing, they will expect a fair rate for the job, says Sharon Kennedy, founder of change consultancy Engage & Prosper.

“Given the different definitions and measures of engagement that are bandied about now, it's not surprising employers fear they can't match all the top-dollar gimmicks they hear about,” she says.

“What is clear though is that if you are paying people below the industry norm for their skills, they won't engage with the job. And if that happens, all the pinball machines in the world won't stop your business from losing money.”

It's horses for courses, however, and while senior bods could expect private air travel as standard, a tailor-made volunteering break for a promising new graduate may say more than cash ever can.

“Do a straw poll or a survey to find out exactly what people want because if you guess, you'll inevitably get it wrong,” Ms Kennedy advises.

While there is an inescapable trade-off between what a business can afford and what people want, there's no avoiding the “f” word when it comes to triggering discretionary effort.

“In truth, there aren't many jobs where greater flexibility can't be offered, but it requires the intelligence to see how important this is to whole swathes of your workforce and a determination to make it happen,” she says.

“Until line managers learn to trust people and abandon old thinking around presenteeism, your current and future talent will continue to look elsewhere.” ●

97% of HR leaders agree that employee expectations of their work experience are changing

62% conduct research with their employees to understand their needs

37% have an engagement strategy in place

Aon 2019

PARENTAL LEAVE

Progressive leave policies pay dividends

Enhanced parental leave, pawternity policies and regular unpaid time off may sound like over-generous ways of retaining employees, but businesses that have taken the risk are reaping the rewards

Magda Ibrahim

Before the birth of his first child, Peter Hamnett had a classic case of presenteeism. He would stay late at work, before returning home exhausted, yet unable to relax.

Fast forward to today, and the 37 year old says taking almost three months of parental leave with daughter Emmy has transformed his work and home life.

"Parenthood as a whole has made me get a better work-life balance," explains Peter, a business development manager in a low-carbon energy company. "Now I get home on time and I'm much more productive at work."

As one of around 9,200 parents who take shared parental leave – the policy introduced by the government in 2015 allowing parents to split up to 50 weeks of leave between them – Peter

is still in the minority. Government estimates take-up could be as low as 2 per cent of eligible parents, with lack of awareness a key factor.

"I didn't know anyone who had done it, but there wasn't so much as a raised eyebrow," says Peter. "It was hugely fulfilling to spend time with Emmy and I felt so supported, which has made me feel genuinely very positive towards my company."

Research from the *Modern Families Index 2019* found that employees' retention, motivation and discretionary effort were all boosted when organisations were family friendly. Yet 37 per cent of employees said they would look for a new employer in their search for greater work-life balance.

Those organisations that are supportive of bolstering shared parental leave, many of which offer enhanced packages above the statutory pay

rate of £148.68 a week, will reap the rewards, says Claire McCartney, diversity and inclusion adviser at the Chartered Institute of Personnel and Development.

"An organisation's reputation can help it become an employer of choice, which can give a competitive advantage," she says. "The culture needs to encourage people to talk about their responsibilities outside the workplace, getting senior-level role

“People feel they can take the time they need, whether with family or to climb a mountain, with no negative impact on their career

models and showing it hasn't had a negative effect on their career.”

Financial impacts are still a concern though, with 37 per cent of men saying they could not afford to reduce their earnings, rising to 48 per cent among those under 35, according to the latest Business in the Community *Equal Lives* report.

Businesses including Aviva, American Express and IBM are among those to enhance their parental leave packages, offering employees fully paid leave for up to six months.

This is an important move that could help tip the balance in favour of fathers taking leave, says Dr Sarah Forbes, co-leader of the Equal Parenting project at the University of Birmingham Business School.

"People often make decisions about shared parental leave based on family income," she points out. "Companies matching their maternity leave policies are making a statement that they want to give people this time. Millennials are really driving this agenda so organisations are using these enhanced policies to try to capture that talent. We are only going to see more pick up on this."

At Deloitte, a focus on culture change has driven a four-fold increase in shared parental leave uptake since it was introduced. The UK firm's policy matches its current level of enhanced maternity and adoption pay, which allows sixteen weeks at full pay, followed by ten weeks at half pay.



Getty Images/Westend61



Carl Court/AFP/Getty Images

'More loyal and more productive'

The latest company to offer enhanced parental leave to employees, Diageo has launched a 52-week scheme with the first 26 weeks fully paid.

The multinational beverage company offers the benefit to all its 4,500 UK employees whether they become parents biologically, via surrogacy or adoption.

Mairéad Nayager, chief human resources officer for Diageo, explains the business started developing the policy earlier this year, in consultation with parents working for the company and business leaders.

"We recognise that progressive family leave policies create happier, more loyal and more productive workforces," says Ms Nayager.

The response from employees has been overwhelmingly positive so far, she adds, and while Diageo is yet to reveal uptake numbers since the new policy's launch in

April, it is keen to highlight the importance of normalising family leave.

Driving cultural change is key, with Diageo shining a spotlight on role models in the business who have taken or plan to take paternity leave across all levels of the business.

Among employees taking the benefit is James Davies, a business unit director for Diageo GB, who calls the leave a "game-changer". "To know that I can play an equal role as a parent is massive," he says.

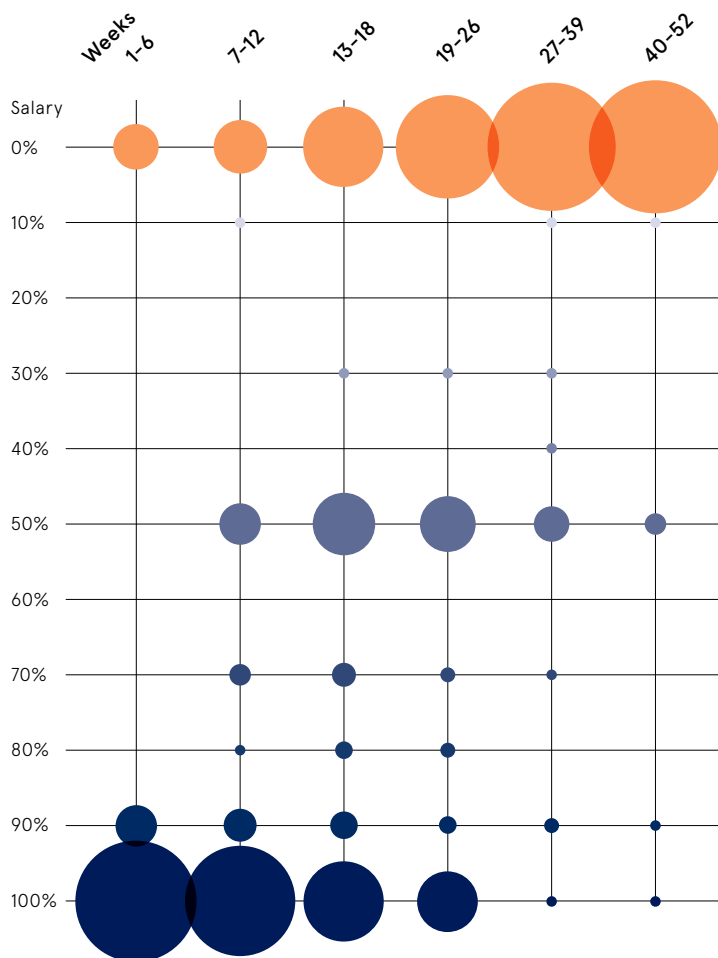
And James Ashall, chief executive of Diageo's Movement to Work scheme, adds: "It can so significantly impact your choice if your employer is actively supporting people into parental leave."

Diageo's new policy is part of a bid to support gender equality, retain and nurture talent, and remove barriers to career progression.

"We believe we need to shake up policies and cultural norms around parental leave if true gender equality is going to be achieved in the working world," says Ms Nayager.

CURRENT STATE OF MATERNITY PAY WORLDWIDE

Percentage of salary typically paid during the period of maternity leave



32% of global companies do not provide additional money above the statutory requirements for maternity leave

Aon 2019

Emma Codd, managing partner for talent at Deloitte, explains: “We have totally moved the culture of our organisation from one that was around presenteeism to one where people feel they can take the time they need, whether with family or to climb a mountain, with no negative impact on their career. People come back to work with a totally different mindset.”

But it is not just about parents. Flexible working, sabbaticals and time off to care for elderly dependants are increasingly important to all employees seeking to improve their work-life balance.

More unusual perks such as a week’s paid pawternity leave to look after a new dog is on offer at beer company Brewdog, while US delivery company Boxed pays up to \$20,000 towards the cost of an employee’s wedding.

Back at Deloitte, introducing its Time Out entitlement of four weeks unpaid leave each year on top of annual holiday is proving a huge success.

“We had low take-up at first, but the floodgates opened once a few people took it and realised they weren’t going to be judged,” says Ms Codd. “[Strong leave policies] will be a really positive change for business generally, because retaining your workforce and keeping happy, engaged teams means performance will go up.”

As shared parental leave becomes more deeply embedded in UK business

culture, there is growing pressure to tackle discrepancies in the system.

A draft bill to extend the benefit to the self-employed is awaiting its second reading in the House of Commons, while a judgment is expected from the Court of Appeal after it considered in two cases whether it is sex discrimination for an employer not to pay shared parental leave at the same rate as any enhanced maternity leave.

Meanwhile, senior doctors have written an open letter to the health and social care secretary calling for the NHS to equalise levels of shared parental leave pay.

In April, the NHS increased its shared parental leave to match maternity and adoption pay – eight weeks on full pay and 18 weeks on half pay – with the exception of consultants and specialist doctors, who are calling for an end to the disparity.

As Alison Koslowski, professor of social policy and research methods at the University of Edinburgh, points out: “The problem with leaving it to employers to ‘top up’ is that this will only be of benefit to fathers and mothers working in these organisations, and sometimes companies offer different benefits to different grades of staff, as well as across different types of organisations.”

“The best way to support all parents is to make sure they have an individual entitlement to relatively well-paid, approaching wage replacement, statutory leave.” ●

Commercial feature



Food is the secret ingredient for wellbeing at work

As millennials and Generation Z flood the jobs market, food is becoming a key component for building and nurturing a motivated, productive and collaborative workforce

Generation Z are beginning to make their entrance into a global jobs market where millennials are already the largest segment and employers are realising their expectations are different. Salary is not the only important driver as younger workers instead look for perks and conditions that will make them enjoy going to work.

Meanwhile, employees are working longer hours: an average of 68 days more each year, according to a study by TotallyMoney.com, with Londoners leading the way by clocking up an extra 9.6 hours a week. As such, workers are not only expecting more from their employers, but are also increasingly having more meals in the office.

These emerging trends combined make food a central component to enhancing wellbeing and happiness among employees, not only to attract and retain the best talent, but also to maximise the workforce’s productivity. Indeed, scientists at Brigham Young University in the United States revealed that employees with unhealthy diets were 66 per cent more likely to report a productivity loss than healthy eaters.

Historically, large companies have built canteens to offer free or subsidised meals to their employees. They are expensive to run, however, and offer an unappealing selection of dishes that often give them a bad reputation among staff. Moreover, studies show that workers don’t use canteens as often as they used to. UK workers eat at them only two days a week, according to a study by Yoyo and Preoday.

Therefore, rather than maintaining an unpopular canteen, companies are now turning to services such as Deliveroo for Business to provide and curate more exciting food experiences and give employees access to a much wider selection of food, catering to all dietary requirements. Offering a curated food experience in the office is about providing the right food for the right occasion, from late-night dinners to healthy team lunches, or even pop-up restaurants for summer parties.

Deliveroo for Business is able to cover all corporate food needs, including delivering fruit boxes to boost staff morale, prevent fatigue and encourage employees to consume their recommended five-a-day portion, enabling organisations to provide a

company-wide experience that surprises and delights every team.

This service was originally launched three years ago to target late-night workers, but the opportunity and need for food in the workplace has evolved quickly. It’s now increasingly common for companies to promote on their job descriptions that they offer Deliveroo for Business allowances as part of their corporate rewards package.

As workplace expectations continue to evolve and flexible working models are increasingly deployed to suit the demands of millennials and Generation Z, companies must adapt and provide perks that are meaningful to their employees, while encouraging them to meet and eat together in collaborative environments.

“This won’t be easy, but services like Deliveroo for Business will allow them to foster collaboration in the era of screens and promote health in the workplace,” says Juan Diego Farah, global head of Deliveroo for Business. “Eating the right food at the right time is essential to giving employees the fuel they need to maintain productivity throughout the day. Creating an exciting food experience in the office can enhance collaboration, efficiency and engagement, while saving companies time and money.”

“Creating an exciting food experience in the office can enhance collaboration, efficiency and engagement, while saving companies time and money”

For more information please visit deliveroo.co.uk/business





RECOGNITION

Meet the companies getting recognition right

Employee recognition is the secret ingredient to successful engagement, but it is difficult to master

Peter Crush

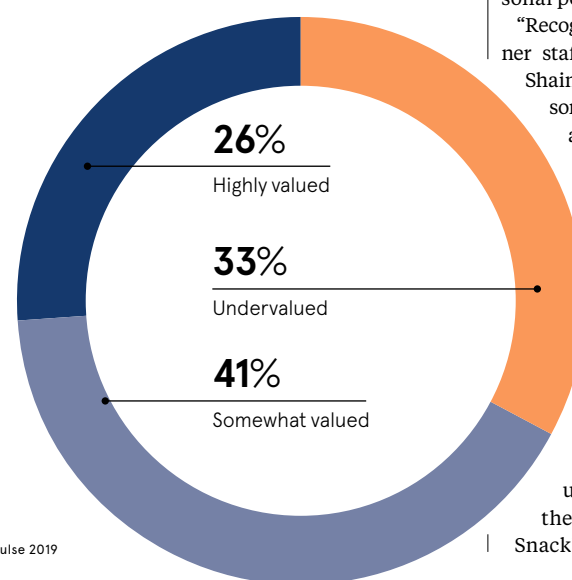
When Terry Virts, commander on board the International Space Station's 2015-16 Expedition 42, discovered fellow astronaut Samantha Cristoforetti would miss the one thing she really looked forward to, her six-monthly couture haircut, he decided to do something about it.

Before blast-off, he secretly took lessons from Cristoforetti's own hairdresser to perfect doing it himself. Mid-mission the surprise was revealed when, with scissors in hand, he set to work, even enlisting cosmonaut Anton Shkaplerov for vacuuming duties.

As lessons in what creates great engagement go, this one is literally

HOW VALUED EMPLOYEES FEEL AT WORK

Percentage of global employees



TINYpulse 2019

out of this world. But it's also much more than this.

"Virts tells this story in terms of how it's crucial to understand individual recognition," says Luke D'Arcy, UK president of ad agency Momentum Worldwide, who last year spent two months at Harvard to learn more about staff engagement and heard this anecdote direct.

"He learnt from others that her appearance mattered, especially as the only female. So he chose to recognise her great work with this gesture. The engagement it created was so powerful. That's when the penny dropped for me about what we could do in our organisation."

Mr D'Arcy now has measures in place to make recognition of his own people a lot more personal, including recently sending high performers with families to Disneyland, Florida, on a learning trip, rather than flying Disney executives in, because he knew the gesture would give his staff the chance to extend their time away and have a family break.

For some, who value other things, recognition is much different; it's trips to the theatre, or even something very simple, like letting an employee, who he knew had just moved house and would be busy unpacking, start late.

"Recognition is the secret ingredient to engagement, motivation and overall business success," argues Dawn Smedley, culture and engagement strategist at recognition experts O.C. Tanner Europe. "And, in today's diverse workforce environment, having a personal approach to recognition is more important than ever."

But the trouble is, even when recognition occurs – a damning Gallup survey showed 65 per cent of staff haven't received any in the last year – much of it fails at this more personal point of delivery.

"Recognition is all about the manner staff are appreciated," explains Shainaz Firfiray, associate professor of human resources management at Warwick Business School. "A one-size-fits-all approach comes across as superficial and empty. What employees really want is for their efforts to be noticed with personalised appreciation, something that's relevant to them. Often it's not."

Trailblazers in taking a more personal approach to recognition are US start-ups. For example, each Friday the entire team at LA-based SnackNation take it in turns to



CHANGING THE SHAPE  OF EMPLOYEE ENGAGEMENT.

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“

We specifically want our managers to really get to know staff, so on-the-spot recognition feels authentic and appropriate to them

go around the room and celebrate someone they think has helped them that week.

These so-called Crush it Calls are whoop-whoops that might make us Brits cringe and, for introverts, it's probably the very definition of what's mortifying. But, argue experts, that's the whole point of making things bespoke, doing what you know will work for one, but not the other.

"Knowing people as individuals means not making generalisations," says Amrit Sandhar, founder of The Engagement Coach. "It's realising that extraverts might like the whole company to know they do a great job, but maybe a handwritten card with voucher is all the person who likes to stay under the radar needs."

Being personal doesn't just mean recognition budgets can work harder – for some, small tokens work better than grand gifts – it can actually

save firms creating disengagement.

A famous Harvard Business School experiment found that when a laundry firm introduced a prize draw to recognise perfect monthly attendance, productivity actually fell by 6 to 8 per cent because those who routinely arrived on time anyway disliked how those habitually late were now potentially being rewarded to do something they considered normal. It strikingly reveals how staff values are important to understand and recognise too.

"The worst thing you can use recognition schemes for is to solve a problem [like attendance]," argues Rita Trehan, author of Unleashing Capacity, and former human resources director at AGL Energy. "This is also when understanding people's values come in. For some, there is a difference between reward and appreciation. If it's the latter, money won't engage them."

Aligning recognition to values is predicted to be the next big step in reward, according to Mr Sandhar. "Grouping people as millennials or Generation X creates confusion," he says. "We know that it's not just the young that value having a sense of purpose, so organisations need to tap into people's outlooks. By rewarding along these lines, staff then create more value of their own, in terms of extra productivity, to the business. It's a virtuous circle. But the only way to do this is via regular management check-ins."

Knowing people at an individual level can, of course, feel like an onerous task for some organisations. But at 100-year-old high street jeweller Beaverbrooks, its managing director Anna Blackburn says it needn't be. "I hold at least 12 focus groups a year to understand exactly what type of recognition staff want," she says.

"Some really enjoy being part of a league we run, where we recognise the best performing stores, while others have highlighted wanting to take time off for volunteering or fundraising, which we do with a promise to double-match what they raise.

"We specifically want our managers to really get to know staff, so on-the-spot recognition feels authentic and appropriate to them, be it giving time off so they can go to their kid's nativity, to giving cakes, flowers, wine, small items of jewellery."

Ms Blackburn attributes this personal approach to recognition as part of what keeps staff stay, with 30 per cent having 15 years' service or more. And her ethos is now being followed by others.

1-4wks

how long employee happiness tends to last following a pay rise

University of Toronto Rotman School of Management/Evolv study from 2014

Four top tips on recognition

1 Understand people

"It's vital you understand people's aspirations," says Teresa Boughey at strategic human resources consultancy Jungle HR. "For some, recognition might be an opportunity to do stretch-learning. Others need more regular guidance and support. Once you tune in to what individuals want, you can start to see if what you already offer fits in with the majority position."

2 Be aware

"A risk of having different recognition for different people is that you can forget that even those who like money still like a thank you every so often too," says Jungle HR's Ms Boughey. "Not saying this enough can disillusion them."

3 Offer choice

"While absolute personalisation is the ultimate ideal, in reality employers with lots of staff might find the most practical way to crack this nut is to offer a range of rewards or benefits from which staff can select," says Rachel Meadows, director at Broadstone Financial Solutions. "This might be via flex, voluntary benefits, or a total reward or 'recognition pot' approach."

4 Involve colleagues

"Our employees are worldwide, so we recognise each month by asking colleagues for peer-to-peer feedback," says Lee Ali, managing director and exhibition specialist at Expo Stars. "We find the biggest motivation people can get is recognition from their peers; they literally walk two inches taller and have a genuine spring in their step."

"Meals out really work for some employees, for others it's a weekend away or vouchers according to performance targets," says Karen Barley, head of sales operations at Hattons, the specialist in rare and exclusive coins. "On top of this are more general activities like the chance to win a car, team socials and even taking the entire team to Ibiza."

"But given we hire people from all walks of life – we have former midwives, ex-care assistants and hairdressers – it's the tailored approach we want to take. When each new employee joins, we specifically ask what engages them; typically it's anything experiential rather than money."

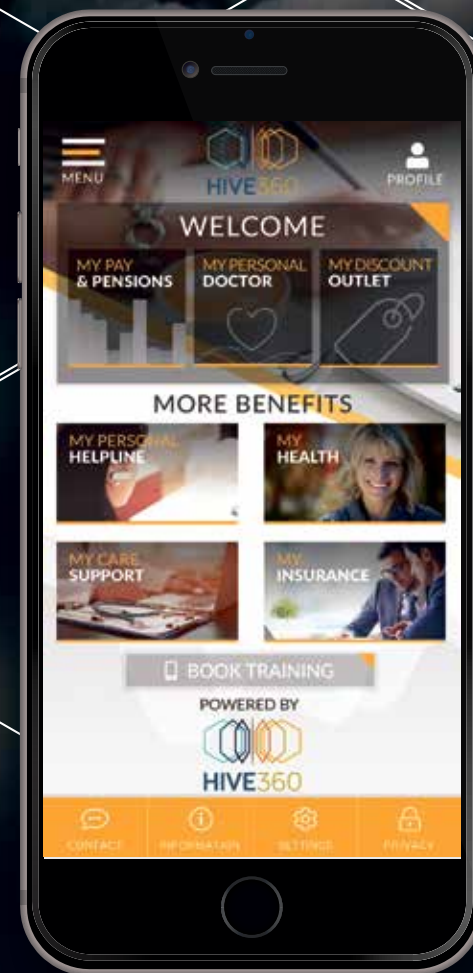
Get recognition right though and true engagement could only be a short step away. As O.C. Tanner's Ms Smedley concludes: "With a more individual approach to recognition, everyone from the cleaner to the CEO can be commended. This is absolutely key for both and everyone in-between." ●



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Moving past the employee engagement hype

The concept of employee engagement has dramatically changed in just a few short years. Once considered a hyped-up buzzphrase, it is now clear employee engagement has the potential to transform fundamentally how businesses operate in an increasingly complex labour market

Factors such as an ageing population and falling levels of work-immigration to the UK are placing jobseekers in the driving seat. Employees are more able than ever to move from company to company, often just for small increments in salary.

In an environment where employers are increasingly struggling to manage costs, retaining staff is becoming critical and firms are racing against each other in a bid to find sustainable ways to differentiate themselves as employers. Effective employee engagement is now without doubt one of the most effective and well recognised ways to achieve this common goal.

One company that has led the charge to address this problem and offer employee engagement as a solution is Centralus. The company has led the creation of a whole new industry in employee engagement and helped many clients transform their businesses over the last three years. To propel employee engagement further in the UK, through additional thought and expertise, Centralus has formed a joint venture with US specialists MIT Ventures Inc to create MIT Ventures Ltd.

"If organisations continue to pay just lip service to their employee engagement and don't now start to implement a fully formed strategy, they could face devastating staff turnover figures in less than a year," says David Callaghan, chief executive of MIT and Centralus.

Why? Most people would now say they are more stressed than ever, with greater financial issues, feeling undervalued by employers and being demotivated in their careers becoming major challenges for employees. However, they are looking to their employers to

offer them support in all aspects of their life.

Unhappy, unengaged employees are less productive, which affects business success. They then have an effect on both the team around them and newly recruited members. So you eventually lose experienced members of staff and are forced to make new, costly hires, leaving the business to suffer.

You must start to implement a well-structured plan for employee engagement before you are left behind. It's not enough to just implement one-off or small-scale initiatives without a clearly defined strategy of what you offer and how this will be communicated to the workforce.

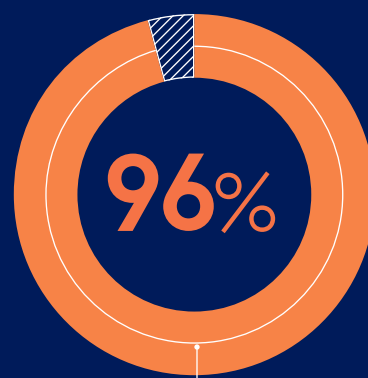
"This results in a lack of cohesion, confusion for staff, but maximum effort for those implementing it, with no recognition, and high cost to the business. Essentially firms spend small fortunes on what they think is employee engagement, but fail to get the benefits," says Mr Callaghan.

For example, many employers spend millions on pension contributions, which they see as a huge benefit for employees. However, many employees have no idea of actually how much their employer has invested for them, often not even knowing where to start to look for this information.

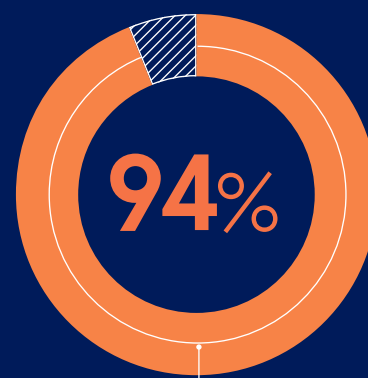
Providing this information via a personal portal transforms the whole pension experience so that it now adds value. The employee gets real-time access and appreciates what their employer has put in place for them.

MIT offers an advanced employee engagement solution that addresses these issues head on, ensuring all elements of the employee's wellbeing are catered for from financial to mental and physical. It's the ability

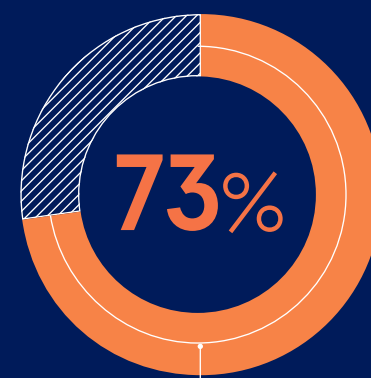
WHY ARE BENEFITS IMPORTANT?



of millennials say that great healthcare benefits are important in choosing a job



of millennials and 92 per cent of Gen X say that non-traditional benefits make an employer more attractive



of employers are now using benefits as a tool to attract talent

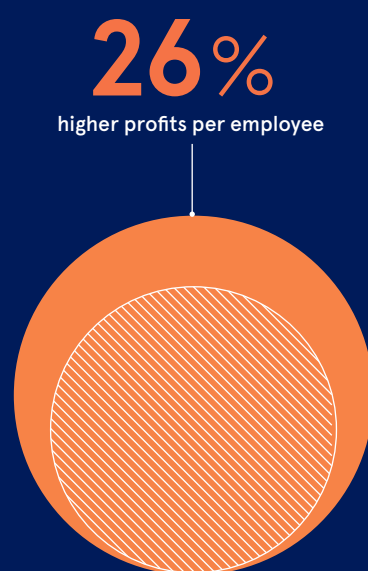


of working carers felt that managers did not understand the impact of caring



of the workforce would turn down a job that lacks benefits

FINANCIAL IMPACT OF EMPLOYEE ENGAGEMENT



higher profits per employee



higher sales revenues

It can cost your business as much as...

£30k

for every new employee you bring into the business

A lack of employee engagement is costing businesses around...

£340 bn

every single year

“

Getting a handle on your employee engagement strategy now will help you become the employer of choice tomorrow, not the former employer of yesterday

to bring all aspect of the employee engagement experience into one, easy-to-access place that makes this approach so successful for the employee and employer.

The portal provides the user with access to their pensions progress and payslips in the same place as a 24-hour confidential helpline, expert counsellor and qualified doctor, while also only a click away from potential savings of thousands of pounds with retail discounts for everyday purchases. Staff can make use of a great selection of tools that have a tangible effect on their lives.

Mental health and staff wellbeing go hand in hand and happy staff make a huge difference to a company. Having an asset that shows you actively care about your staff is more valuable than monetary recognition of an "hour of manpower" alone.

Addressing these pressing employee issues really can affect the bottom line of your business. MIT works with clients whose challenges range from not being able to attract the right calibre of staff through to businesses that are simply finding it hard to compete due to unhappy staff who are not being as productive as they could be. Both of these ultimately affect the central business objective of growth.

The MIT solution helps businesses address these issues directly with one complete response that has proven increased engagement rates. Rather than simply providing a suite of tools with no analytics or data on how they are being used, MIT concentrates on giving clients accurate data on how employees are using these solutions, as well as the ability to adapt and therefore increasingly capitalise on it.

Employee engagement strategies have been proven to achieve up to...

5x more revenue growth

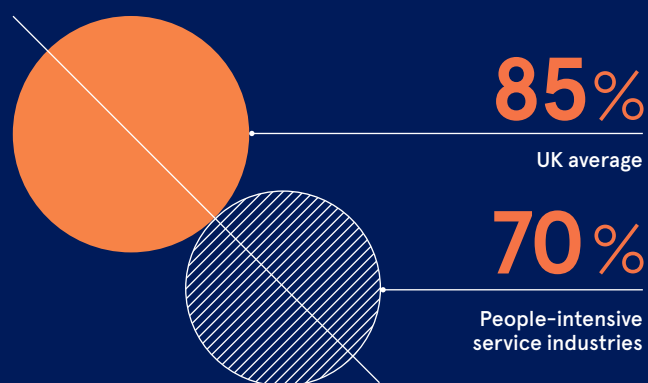
65% reduction in staff turnover

50% improvement in productivity and efficiency

20% increase in profits due to customer retention at higher rates

41% lower absenteeism rate at highly engaged workplaces

RETENTION IN PEOPLE-INTENSIVE SERVICE INDUSTRIES



This reporting enables companies to see how engaged their staff are with their benefits package on offer, with users of the MIT portal reporting engagement rates of more than 90 per cent as opposed to most individual offers, which often get less than 5 per cent engagement.

"This information helps our clients differentiate themselves in a competitive market, with tangible data and information about the benefits their staff are using while working for them, which is better than simply promising we do employee engagement. This has already helped our clients secure more work and contracts themselves as long-term staff members build confidence in the business", says Mr Callaghan.

Those often hard-to-measure aspects of employee engagement, happiness and motivation, are shown in reduced staff turnover and increased productivity

levels. This means fewer costs in the recruitment and training process, where companies can spend hundreds of thousands of pounds each year training new team members only to lose them for small salary increases elsewhere.

"Ultimately this is a must for all businesses; getting a handle on your employee engagement strategy now will help you become the employer of choice tomorrow, not the former employer of yesterday," Mr Callaghan concludes.

For more information please visit www.mitventures.co.uk



EE focus with MIT will transform your business

The benefits many employee engagement consultancies purport to offer can appear to be intangible and hard to quantify, making it difficult for prospective clients to weigh up the potential merits of an employee engagement strategy. Leading employee engagement consultancy MIT focuses on providing material business benefits by enabling improved staff retention through making staff feel rewarded in other ways than just wages.

"We are reducing the likelihood of people leaving a business," says David Callaghan, chief executive of MIT. "Some of the industries we work in are extremely competitive and the supply of people forms a large part of the overall service. As a result, the difference of just a few pence an hour can mean people move to another company."

A number of these labour-intensive, tight-margin companies have already worked with us to help reduce the high level of staff turnover found in their sectors. Cambridge-based security services and systems specialist Dardan Security went from a staff turnover rate of 34 per cent last year to 26 per cent now. Alton Nutile, head of commercial at Dardan Security, believes this improvement is due to the MIT employee engagement portal.

Through a staff survey completed earlier this year, they found their team members were both aware of their benefits and happy with the tools available to them. The company is also reaping the benefits of the improved employee satisfaction in financial terms, adding more than £1.5 million in revenue over the past year.

Stuart Lodge, chief executive of Lodge Service International, recognised that in a challenging labour market, it is important to provide the benefits that are relevant to their people.

"Throughout our 100 years of service, we have always hired great talent. We take great pride in our social values and so we looked at ways of improving our employment proposition.

"Through our partnership with David and the team we have been able to offer a range of additional benefits including doctor on call service, medical and health advice, and a well-managed pension scheme. We recognise this is helping us attract great quality talent and the results have shown the average cost to hire reduce substantially, through increased levels of retention," he says.

For industries where staff are paid the minimum wage, which currently stands at £8.21 an hour, even a relatively small pay increase may mean skilled staff will move to another company; effective employee engagement can help overcome this.

With employee turnover costing businesses thousands of pounds for each employee, rising to tens of thousands for senior management, even a slight improvement in this area can transform an enterprise.

Derek Scott, managing director of Project Resource, is a firm advocate of MIT as an engagement partner for this reason. "Since our partnership, we have seen a dramatic improvement in staff retention, performance and morale," he says. "I would estimate the savings in staff turnover in recruitment, training and lost

opportunities to be in six figures."

Mr Callaghan comments: "Providing the opportunity to have significant discounts on cinema, food shopping, travel and insurance for staff could be far more than the difference over a year of a minor pay increase.

"This is win-win for our clients as they have better staff retention without losing their profit margin, which in turn means they are not paying significant fees to recruit new employees."

David Marchio, national accounts director at Brooknight Security, agrees that to retain employees, businesses have to offer benefits above and beyond those competitors are offering.

"Clients are looking for staff retention and a stable workforce when agreeing contracts and this has improved recently. We have offered our employees the portal which in turn means we are retaining clients and growing our business," says Mr Marchio.

While reduced staff turnover is a major advantage for companies, partnering with MIT can also provide firms with a competitive edge for acquiring new talent.

"For those in hourly paid employment, often considered as lesser roles, these benefits received bring them more in line with their salaried counterparts. This makes them feel more valued and looked after which in turn reflects through higher self-esteem, greater work ethic, reliability and overall enhanced performance.

Being able to offer this package is incredible as employees are now actively looking for what benefits they get, and this makes us stand out as an employer," says John Malcolm, chief executive of Pace Security.

ENGAGEMENT STRATEGY

Pitfalls of clickbait engagement

Engagement initiatives too often try to encapsulate ever-changing trends that promise the earth, as companies boast about progressive ways of working for public relations purposes or “about us” pages. But what happens when the idea doesn’t quite live up to reality? Here are some revealing case studies

Peter Crush



No hierarchy

When app company Blinkist, whose technology distills the content of weighty academic tomes into short, 15-minute bite-sized reads, started growing rapidly during 2016 and 2017, its chief executive and founder Holger Seim noticed that holacracy, a system of self-organisation where hierarchy is non-existent, seemed to be the latest management trend.

Lauded by the likes of Zappos, the Amazon-owned shoe brand, it seemed to be the perfect answer for creating more distributed leadership.

“We started implementing it when we reached 20 people because it seemed to allow what we wanted: empowerment of teams,” says Mr Seim. Very quickly though, he realised it was a big mistake.

“By the time we’d gotten to 35 people, it simply wasn’t working,”

he concedes. “People just didn’t seem to understand it. There were at least ten different versions of what people thought it was.

“When discussing new business opportunities, we found all people were doing was discussing how we could fit that around the model, rather than the opportunity itself. It was a distraction.”

Since pulling the system, Mr Seim has instead created a series of “circle teams” where everyone can still be empowered, but in a more controlled structure and with line-manager oversight. Now the business is 100 people, he says it was the right choice.

“We believe in leadership, but not micro-management, and I think we’ve reached a compromise position,” he says.

“It’s working way better. We’ve exceeded our business goals and key performance indicators; people are proud to work for us and they also feel heard.”

Transparent pay

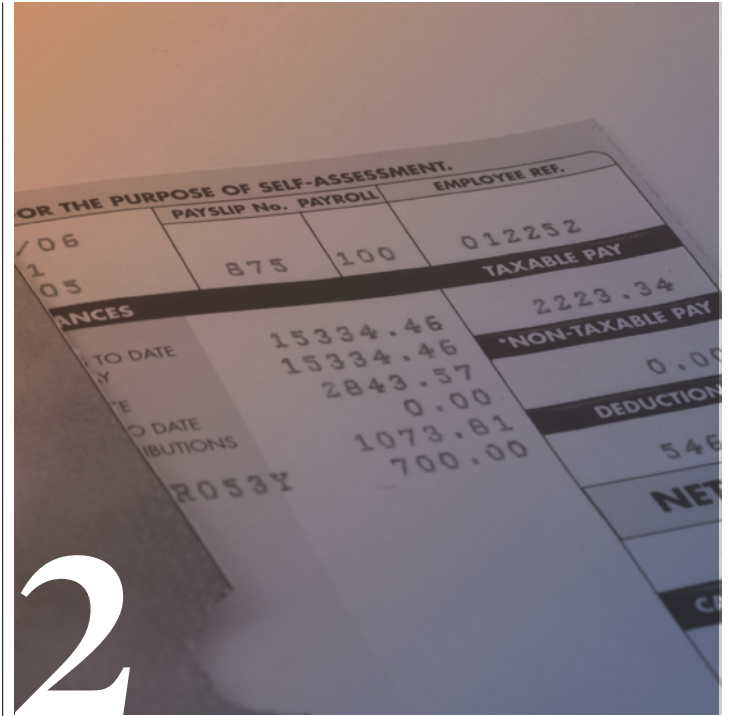
Flamboyant British businessman Charlie Mullins, founder of Pimlico Plumbers, almost invented the recent trend for “going transparent” about pay, long before gender pay gap reporting was in the news.

Volunteering for Channel 4’s *Show Me The Money* to film the experiment back in 2012, the series highlighted the initially disastrous impact it had, including angry scenes where staff saw perceived injustices in pay.

“It was pretty shocking,” he says. “There were big discrepancies. Some people were taking home less or more than others, even though they were doing exactly the same job. The fur started flying.

“There was a lot of bitterness, including people demanding pay rises. I was made out to be a villain because of what I paid myself, even though I’d started the company and made it what it was through years of toil and sweat, worry and risk.”

Reflecting on it now though, he says, eventually he was glad he did it. Although, he says, firms need to be aware of fallout and be aware transparency need not necessarily mean equal pay.



“We didn’t have a structure in place; pay was messy,” he admits. “When we introduced pay transparency, yes, we lost a few people, but some actually got pay rises, while others realised just what a good deal they were already on.

“I would definitely say it’s made us more gender balanced because staff

can clearly see that everyone is on a level playing field, regardless of their sex. Our pay rises are set each May – this year it’s 3 per cent across the board – and now that we have a proper structure, it means we’re not bogged down, week in week out, with people talking about pay behind everyone’s backs.”



Unlimited holiday

It was partly the sheer struggle of booking her two-week honeymoon at a previous employer, such that she had to work alone during Christmas and New Year to “make up for it”, and part being aware of the perk from the press, that convinced Claire Crompton of the need to

introduce unlimited holiday when she co-founded her own business, boutique marketing agency The Audit Lab, in 2017.

“Unlimited holiday naturally seemed like a way we could differentiate ourselves,” she says. But while it might be successful now – it has reduced official sickness days by 34 per cent – it wasn’t always the case.

“We’ve definitely had to evolve it,” says Ms Crompton. “Initially there was an element of using it when people were actually hung-over or wanted a duvet day. Also, people initially took days off at very short notice, leaving others to have to cover for them.

“So we instituted a policy where staff have to give at least a week’s notice for holiday. We will also crack down on people if they book two weeks off every few months, for example.

“Another caveat we’ve developed is to insist people are ‘available’, that is check their phones for emails either at the start or end of the day, while off. While we’re respectful of not bombarding staff with requests we can’t handle ourselves, at the same time we expect any urgent matters only they can deal with to be looked at.”

According to Ms Crompton, the policy gets real employee buy-in, but she cautions it can be seen as an attractive of-the-moment perk which needs proper thought.

“We’re less than ten people, so it works at the moment, but I expect we’ll probably need to revisit it as we get larger. As a business, our priority is to not only keep the employees happy, but also our clients as well, and there’s nothing worse for a client than their main point of contact never being in.” ●

OPINION

‘We need to make bigger heroes of these types of employers who treat staff fairly’

Too often I see employers tick box their way out of a workplace problem by buying benefits. This is the easy, lazy and most expensive way of using these human resources tools. Employee wellbeing, for example, is frequently boiled down to putting in perks such as free fruit and mindfulness sessions with the management team left wondering why employees do not appreciate these lovely gifts.

The reason is the big, hairy, difficult challenges have been glossed over. The upcoming Reward & Employee Benefits Association/AXA PPP healthcare Employee Wellbeing Research 2019 shows that 72.8 per cent of employers believe their high-pressure work environment is the biggest threat to employee wellbeing. This frightening proportion is a virtually unchanged statistic from our 2018 research.

If high-pressure working is the biggest threat, then offering staff counselling or running blood pressure clinics is a jaw-dropping reaction. A recent tweet from a UK worker went viral a few weeks ago when she summed up the problem perfectly, in sentiment, if not in grammar: “Why is every job description like ‘This is a fast-paced environment! If you come work for us you’ll be so f****g stressed! You will s**t out your own internal organs!! Pizza and ping-pong on Fridays’.” The reply thread is a must-read for every management team in the country.

If this level of workload is commonplace, no wonder so many company executives are concerned with mental wellbeing: 62 per cent of our research respondents said it is the biggest wellbeing concern for their board. Employees feel overstretched, overstressed and undervalued.

Where a company puts its shareholders or venture capitalists ahead of its own employees there will be a problem. Seeing others get money off the back of your hard work is never going to play well and permanently damages any sense of wellbeing.

Where a company believes that change is the new normal and staff need to be agile without well-supported development coaching, skills training and experienced, caring management, then wellbeing will deteriorate. No perks can solve that folly.

Executives from France Télécom, now known as Orange, recently went on trial for alleged ill-treatment of staff. They stand accused of allegedly creating a climate that led to 19 employees taking their own lives. Less dramatically, but also tellingly, Uber workers went on strike in May days before the company listed on the New York Stock Exchange. They were asking for a minimum wage and holiday pay, while watching Uber founders and investors about to make billions of dollars.

I have been reading Dan Lyons’ 2019 book *Lab Rats: Why modern work makes people miserable*, and what had been making me feel uncomfortable for a while now is spelt out very clearly in his pages: using employee benefits can be a great sleight of hand to justify paying people less than they should. The companies named and shamed in Dan’s book are not unable to pay people properly, they choose to treat ordinary staff badly for the few to get extremely rich.

There are many organisations which do treat staff well and reap the reward for everyone. Richer Sounds has had a fantastic reputation for many years for how it treats employees. Last month it’s owner Julian Richer announced a plan to hand over control of the TV and hi-fi retailer to staff, which will result in large cash bonuses for all 531 of them.

We need to make bigger heroes of these types of employers who do treat staff fairly, with dignity and where everyone shares the rewards for hard work. Employee benefits have their place to support business strategy, but it’s not to paper over the cracks of greedy management or poor culture. ●



Debi O'Donovan
Director
Reward & Employee Benefits Association

Get on board for the induction revolution

Onboarding represents the most extraordinary opportunity to build your optimal company climate from the ground up. So why are so many organisations missing the mark?

Sally Earnshaw shares her insights

According to *Harvard Business Review*, 22 per cent of companies have no formal onboarding system and those that do still tend to relegate induction to a purely technical task. Little time is spent on sparking new starters’ personal passion for the company mission, nurturing an early sense of community or fast-tracking essential competencies. No wonder 33 per cent of new employees look to move within six months on the job.

Induction programmes have barely evolved in 20 years, yet businesses have become more complex and fast moving. With attrition rates rising, organisations are hemorrhaging money into the gap between why new hires join and what their employee experience really feels like. Get those first weeks right, however, and the benefits extend well beyond the obvious.

Leaders need to change the way they view the whole idea of onboarding. The question isn’t just how to build an agile, memorable induction process. It’s how to build one that inspires, informs and engages your entire workforce, not just the fresh recruits.

So what do the best onboarding journeys look like?



They start early

Pre-joining is such an underexploited time. Employee experience must now start earlier and run deeper than ever before. Your new talent is having their first experience of your organisation. They’re curious, motivated and porous. This is the opportunity to create a lasting first impression. Personalised welcome packs should be teeming with opportunities for peer-networking and support on platforms such as tessello, while other digital onboarding tools can streamline the clunky, but all important, workflow processes.

They involve real-world learning

This can be a challenging time for new starters. They’re deluged with a massive information overload and they’re feeling the pressure as they navigate this new climate. Drip-feed information when they’re actually working through a customer journey and test their focus on real-world outcomes, so they feel connected to the job in hand.

Now is also the time to ramp up the social side of onboarding to ensure new starters settle into their teams and connect with the right people across the organisation. Build a blended learning ecosystem that supports independent self-directed learning, so new starters can keep improving and realise their full potential. Immerse your new starters in challenging and memorable role play, simulation and virtual reality activities that facilitate learning by doing.

They have character

The secret to success is knowing how to create a connection with your new starter. Establish your tone from the outset, starting with the offer letter and continuing with engaging ideas, such as invites to the new starter’s first day, accompanied by a tea bag and a

chocolate biscuit. Yes, we really did that as part of a major redesign of a large telco’s induction process and it helped to reduce attrition from 44 to 19 per cent.

Climate – the real secret to successful onboarding – is barely mentioned in traditional induction literature. Perhaps it’s because it contains the uncomfortable message that onboarding must start at the top of the tree. Nowadays, onboarding will only be effective if it is designed to build a thoroughgoing climate of learning in the company.

They achieve tangible ROI

Blue Sky was able to reduce attrition for home improvement giant Wickes from 33 to 8 per cent by transforming the way they onboarded their design consultants. In addition, because the training was designed around sales behaviours rather than processes or systems, Wickes also achieved a faster time to sales competency, higher return on investment (ROI), increased coaching capability of in-store managers and higher overall employee engagement. Achieve results like these and your leaders will start to realise that induction isn’t just a chore, but a huge opportunity.

Sally Earnshaw is managing director of award-winning people transformation businesses Blue Sky, Brightwave and G2G3.

Gold winners of UK Employee Experience Awards in 2019 and 2018



8

months for a new starter to reach full productivity

33%

of new starters look for another job within six months

100–300%

of salary is the estimated cost of hiring and then replacing early-leavers

MENTAL HEALTH

IN THE WORKPLACE

With three fifths of employees experiencing mental health issues related to work, business leaders have acknowledged that the wellbeing of their staff is at least partly their responsibility. But, while there has been some improvement in the amount of support offered to workers, more needs to be done...

61%



of employees have experienced mental health issues due to work or where work was a related factor

64%



of managers have had to put the interests of their organisation above staff wellbeing at some point

54%



of employees feel comfortable talking generally in the workplace about mental health issues

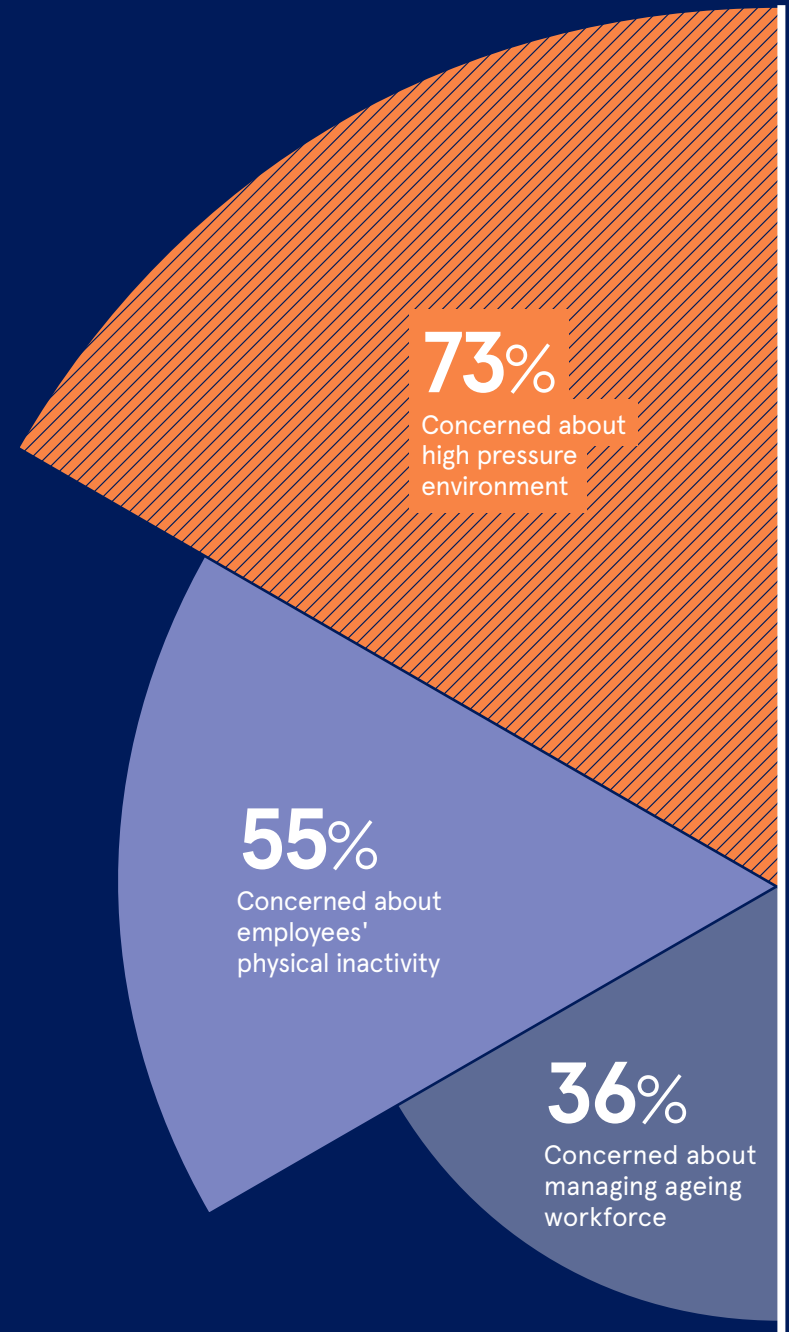
1 in 3



of the UK workforce have been formally diagnosed with a mental health condition at some point in their lifetime

MENTAL HEALTH SEEN AS ONE OF THE MOST IMPORTANT

What are business leaders' top concerns for employees?



EMPLOYEES NEED TO FEEL SUPPORTED FROM THE TOP, BUT

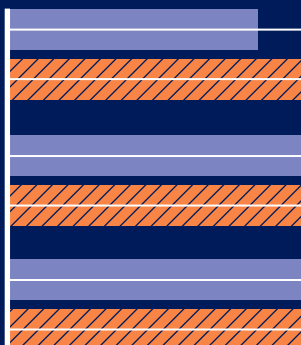
Percentage of line managers

● 2016 ● 2018

Who have taken part in mental health training

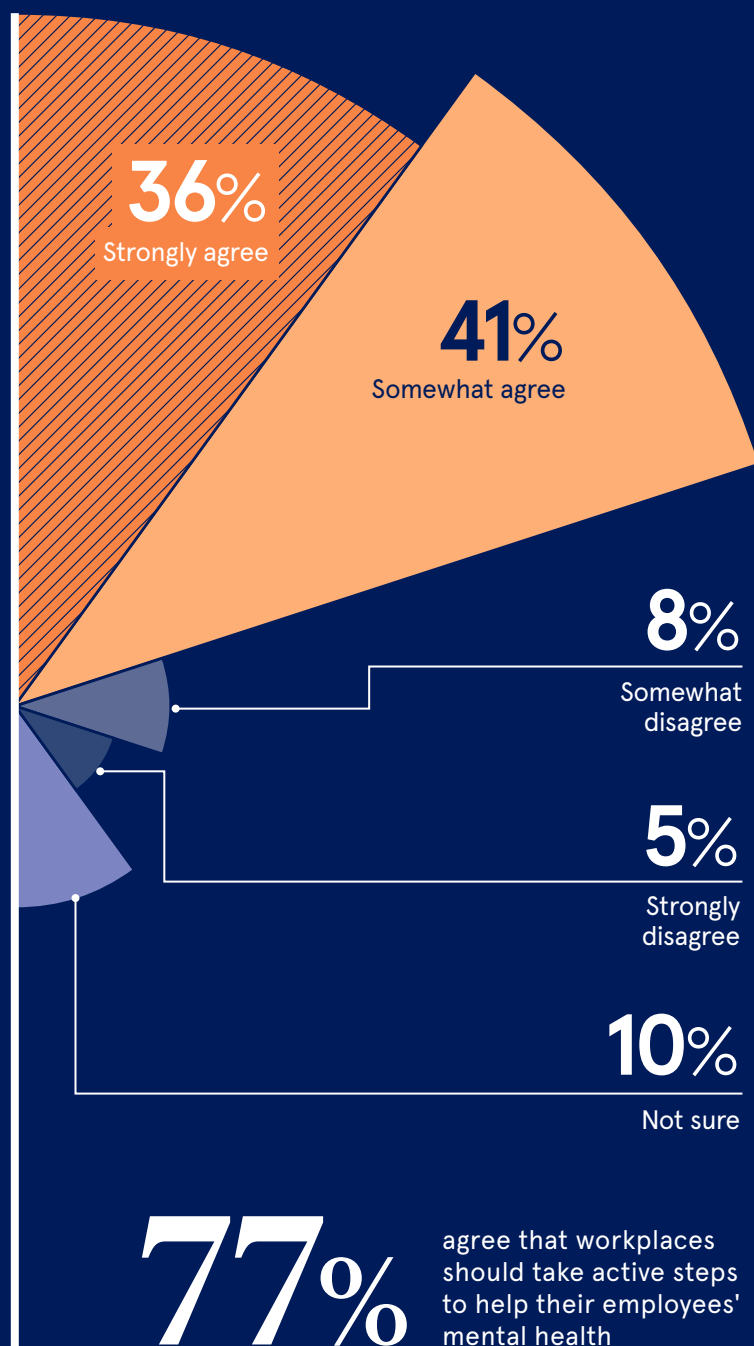
Who employees felt were genuinely concerned for their wellbeing

Who now acknowledge that employee wellbeing is their responsibility



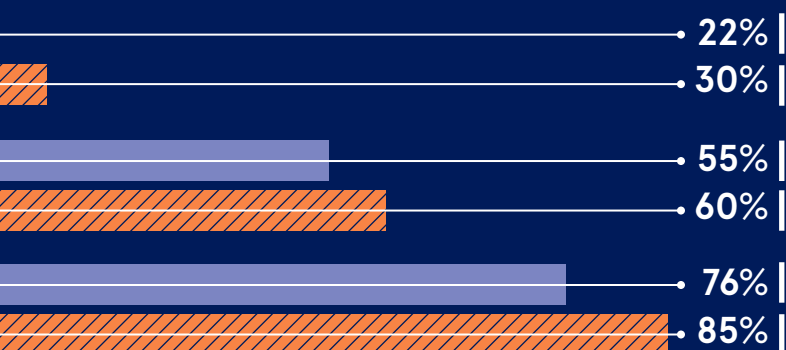
PRIORITIES IN THE WORKPLACE

Should workplaces take active steps to help their employees' mental health?



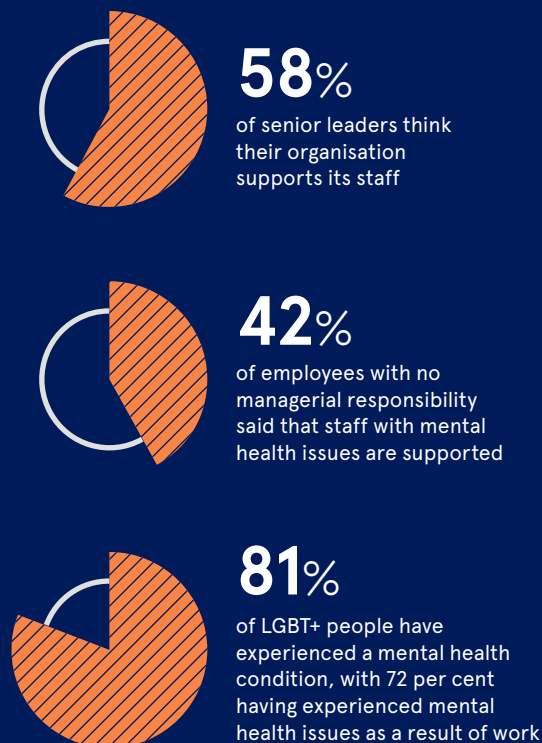
Yougov/REBA & Punter Southall 2018

UT PROGRESS HAS BEEN SLOW

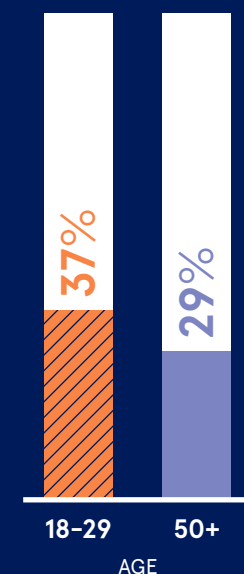


Business in the Community 2018

PROGRESS HAS BEEN MADE, BUT FURTHER WORK TO BE DONE



Employees who have been formally diagnosed with a mental health issue

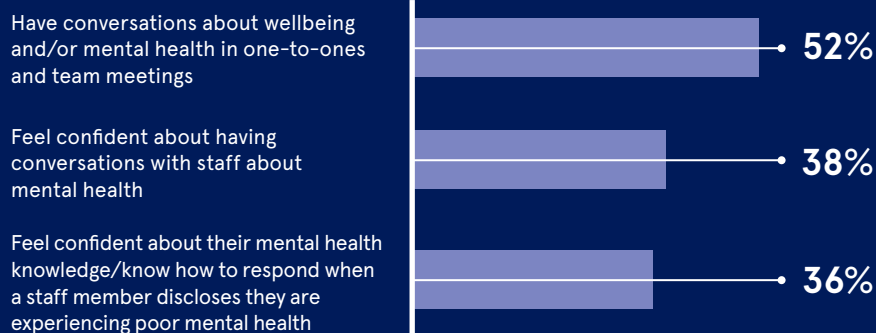


Business in the Community 2018

FAULTS LIE IN THE WAY MENTAL HEALTH IS MANAGED

The issue is that one-to-one people management is largely focused on target setting and performance, rather than mental health and wellbeing

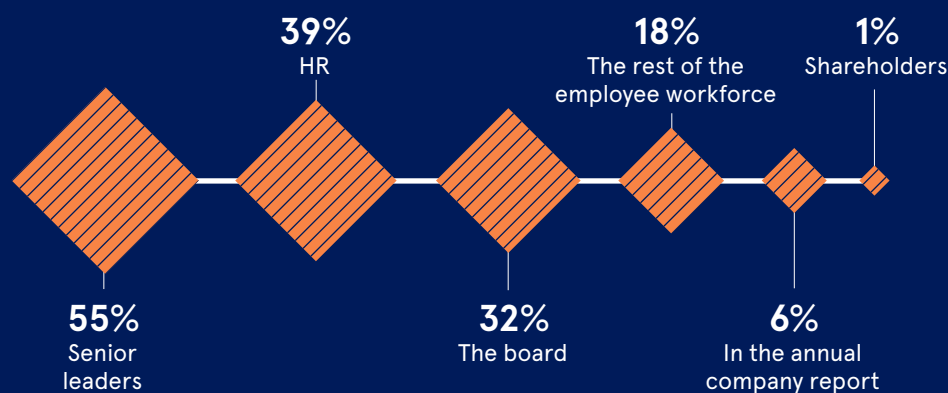
Percentage of companies with managers that...



Mind 2018

...AND, NOT EVERYONES VOICE IS EASILY HEARD

Where employee wellbeing is being reported to



REBA & Punter Southall 2018

Making it personal with meaningful employee health and wellbeing

Driving employee engagement with health and wellbeing initiatives requires more than a one-size-fits-all approach. Small businesses that take the time to attune to their employees' needs from the outset are a step ahead in fostering an engaged and positive workforce

There is little doubt that healthy and engaged employees are a significant driver of business success. As part of this, bosses must create a culture of openness and honesty that ensures health and wellbeing initiatives genuinely help employees. Yet traditionally many employers have fallen into the trap of making generalised assumptions about what their people need or want.

"In many situations, assumptions have driven organisations' wellbeing strategies. As well-meaning as this might be, it often leads to a disconnect between what employees need and what businesses offer," says Dr Mark Winwood, director of psychological services at AXA PPP healthcare. "Engagement is crucial if the health and wellbeing process is to work for each individual and deliver positive returns."

As the first step in personalisation, business owners should ask their employees what they want. They can canvass views through surveys, focus groups or simply informal discussions, helping to gain a reliable understanding of what employees really need in health and wellbeing benefits.

"There's no sense in closing your office early on a Friday, for example, if it is clear that day is the most important day of the week for large parts of your workforce. And covering the costs of gym memberships could be a great

offer to make to your employees, but many staff may say they prefer access to mindfulness classes or for healthy food to be made available each day," says Dr Winwood.

Responsibility for creating the conditions in which positive engagement can happen lies, in large part, with leadership. When staff feel appreciated and there is genuine interest from the top, the workforce will flourish.

Senior managers should model behaviour on the culture they want to see, Dr Winwood says. "It's all well and good telling your staff to have a good work-life balance, but that position is undermined if, in reality, the leaders are sending out work emails at 3am on a Sunday," he says. "Also, it's counter-productive for companies to insist that they have an open policy on flexible working if employees who seek to take up those options are fearful of being frowned upon."

Alex Malcolm, founder of Jacada Travel, a tailor-made luxury holiday company, agrees that providing personalised support to staff is essential. "The key for us is offering different things, whether that's allowing employees to come in late or take a long lunch break so they can squeeze in a gym shift, or supporting our team with bi-monthly mindfulness coaching sessions," he explains.

"We also have a meditation room. And we offer 'improv' classes a few times a month; sometimes, people just need the excuse to get a bit out of their comfort zones and laugh for an hour."

Charlie Walker, founder of Harmonic Finance, a specialist accountancy and finance recruitment firm, is in no doubt that focusing on health and wellbeing strategies should be a priority for employers. "If you're not upping your game on that front, you will struggle with your talent pipeline," he says. "In my experience, the businesses that don't invest in health and wellbeing end up with unproductive staff."

AXA PPP healthcare encourages businesses to take a proactive approach to safeguarding each employee's physical and psychological health. Building and sustaining a positive, supportive workplace culture, where employees are encouraged to lead healthy, active lives



“It's crucial that company leaders are able to walk the walk on health and not just talk the talk

and have a good work-life balance, is a good place to start.

There is clearly a growing trend towards the provision of employee health and wellbeing support that is more holistic, and there are positive steps that can be taken at no cost whatsoever.

Companies can, for example, highlight and endorse public health initiatives such as National Stress Awareness Day or National Mental Health Awareness Week. Promoting these and other initiatives reinforces that an employer genuinely cares about the wellbeing of each staff member and contributes to an atmosphere of openness concerning a full range of health and wellness-related issues.

"It's crucial that company leaders are able to walk the walk on health and not just talk the talk," says Dr Winwood. "It all begins with the evidence of what your workforce most needs and can benefit from."

Successful health and wellbeing initiatives rely on inviting openness and creating a supportive workplace

culture, with personalised offerings that resonate with individuals. He concludes: "That creates a positive environment where people feel energised, engaged and creative, so often differentiating factors when it comes to success in any market."

To find out more about how AXA PPP healthcare can support your business with flexible healthcare cover please visit axapphealthcare.co.uk/SME

As with all insurance plans, terms and conditions apply



PPP HEALTHCARE

85%
think staff should receive health and wellbeing support

60%
of organisations now offer mental health service

2nd
greatest health insurance challenge is getting the right level of cover

Jacobs Stock Photography Ltd / Getty Images



“Neuroscience shows that if people feel excluded, the same area of the brain is affected as when they experience physical pain

style not only damages team spirit, it's also damaging to the team's mental health as it leads to stress and depression.”

The art of getting it right, on the other hand, is about ensuring everyone feels appreciated, valued and trusted equally, no matter what their strengths and weaknesses or their manager's personal feelings towards them.

“The critical thing is people want to be recognised for what they do,” says Professor Sir Cary. “So it's about managing by praise, reward and recognition, rather than fault-finding. It's also about giving constructive feedback on how to do something when people make mistakes.”

But such activities must be timely and, just as importantly, genuine. “Only give praise when people have done a good job and they know it,” he advises. “The problem is, if you say ‘that was outstanding’ all the time, the currency of recognition becomes devalued.”

Another important consideration is to make it clear why an individual deserves to be praised. Mr Ordever at O.C. Tanner explains: “If you just tell everyone that ‘Sam is great’, it won't go down very well. But if you explain why and link that to corporate strategy and values, it feels less about favouritism and more about an acceptable meritocracy.”

The idea, he says, is to create a culture of appreciation that is based on nurturing and supporting both the weakest and strongest performers, as well as playing to their strengths.

“When you publicly reinforce what good looks like, and that changes, you continue to raise the bar and challenge people,” Mr Ordever points out. “It's difficult to accuse leaders of favouritism at work if employees are recognised and praised for reasons that are shared and open.”

Ultimately though, it is important to ensure every leader is held accountable for developing their people and that they have the skills and know-how to do so.

“I'd estimate that between 20 and 25 per cent of managers have natural people skills, about 50 per cent would benefit from social-skills training, and 10 to 15 per cent are untrainable personality-wise and should never be let near a management role,” Professor Sir Cary concludes. “The issue is that managers, who are socially unskilled, are harming their team's mental health and favouritism is one of those behaviours.” ●

FAVOURITISM

Favouritism can be a company's worst friend

One of the biggest problems with favouritism in the workplace is that managers are often unaware it exists. So how do business leaders tread the fine line between meritocracy and prioritising their favoured employees?

Cath Everett

Managerial favouritism at work tends to be one of those things that is rarely recognised, acknowledged or talked about, unless you happen to be an employee who experiences it.

One of the reasons why the issue is so seldom proactively addressed at the leadership level is that such behaviour is often unconscious and so managers either defend or deflect it.

As Robert Ordever, managing director at employee recognition and rewards specialist O.C. Tanner Europe, points out: “For someone with favourites, it's easy to say ‘they're the best people and

those who are complaining aren't, but if they did a better job, there wouldn't be an issue’. But what is a leader's job if not to develop and nurture others, and if you have favourites, you're neglecting that.”

Managers are, of course, only human, which means it is inevitable they will personally like some employees more than others and place more trust in those they perceive to be high performers.

But because their behaviour is bound to be scrutinised, analysed and magnified in the minds of staff, it is vital they are seen to be as even-handed as possible. Otherwise

activities that are often construed as favouritism at work, such as regularly going to lunch with a select few, or consistently giving the same person the choicest jobs or that coveted promotion, will quickly be picked up on by others, particularly if it is not seen as justified.

A key issue is that people outside of the inner circle feel unappreciated and excluded, which leads to feelings of disillusionment and disengagement. This situation, in turn, has a negative impact on productivity and ultimately means they are more likely to leave.

Harriet Heneghan, director and

executive coach, Europe, Middle East and Africa, at leadership development and training consultancy Black Isle Group, explains the rationale: “It goes back to ‘in’ or ‘out’ group-thinking, with people wanting to be part of a group as it makes them feel safe.

“Neuroscience shows that if people feel excluded, the same area of the brain is affected as when they experience physical pain, but they also feel unfairly treated and angry, which is toxic if it builds up over a length of time.”

Another challenge is that, as individuals become increasingly demotivated and inevitably start to underperform, a negative spiral results in which their managers become even less inclined to give them interesting and challenging work due to a fear they can no longer be relied upon.

But Sir Cary Cooper, professor of organisational psychology and health at Manchester Business School, University of Manchester, warns that showing this kind of favouritism in the workplace, which is only one element of an “entire complex of behaviours of the socially unskilled manager”, is very destructive.

“They use favouritism at work in a punitive way because, while they may not verbalise it, the implication of their actions is that ‘you're not as good as Fred and you have to be like him to succeed’,” he says. “But this kind of management

TOKENISM

Data must be matched with action in fight for gender equality

There has been some progress in addressing gender imbalances in the workplace, such as public diversity reports. But data only goes so far and must lead to corporate action if companies want to end tokenism for good

Rachael Revesz

In early-2017, hundreds of people in Manhattan crowded round a statue called *Fearless Girl*. The girl stood in the power pose, hands on her hips, facing down the bronze bull on Wall Street. *Fearless Girl* was designed to challenge sexism and tokenism in the workplace, and serve as a public relations campaign for State Street Global Advisors (SSGA), which had just launched the first investment fund in America to reward companies with more women in senior positions.

SSGA was later forced to make financial settlements with more than 300 of its own female executives who had been paid less than their male peers.

The rationale for more women at the top is clear. But having a few more women on boards across the world – 34 per cent in 2018, 4 per cent up from 2017 – is more of a symbolic effort and does little to increase female representation at other levels of the company.

Tokenism in the workplace also doesn't address equal pay. In fact, according to a 2018 Equileap report that monitors almost 3,500 companies globally on gender equality, only two – General Motors and



The Fearless Girl statue facing the New York Stock Exchange in January

StarHub, a telecommunications firm in Singapore – could prove they had no gender pay gap overall.

Yasmine Chinwala, partner at New Financial, a think tank on, among other things, diversity within the financial sector, advises companies use the data to their advantage.

“Issues like parental leave and flexible working are not the silver bullet. I think it's such a multi-pronged problem,” she says. “You have to chip away at bias in the sector and the way to do that is to use the data to understand where there may be bias in the process or from individuals.”

Data in this area is booming, especially since the UK became the first country in the world to mandate companies with more than 250 employees to report their gender pay gap. Gapsquare launched in 2015, offering gender and ethnicity pay gap reports, while 2018 saw the launch of Umbrella Analytics, which uses artificial intelligence and machine-learning to spot corporate biases and even analyses a company's written content to identify gendered language.

But data only takes us so far. A lot of it is voluntarily supplied by companies and can be manipulated.

“

What is it about the system that doesn't allow other people to reach the top? That can be a hard conversation to have

Some companies are incorrectly reporting their pay gap figures, while New Financial found in 2017 that a quick way to boost female numbers was to promote people in certain support roles like the head of human resources, often a woman, to the executive committee level.

“If companies applied as much effort to sourcing, managing and developing employees as they spend on product, they might see quite an evolution in their retention and promotion rates,” says Ms Chinwala.

Data that exposes tokenism in the workplace must lead to corporate action. Recent examples of action include HS2 trialling “blind” job applications, and now 43 per cent and 36 per cent of the apprentice intake are women and BAME (black, Asian and minority ethnic people) respectively.

FTSE 100 beverage company Diageo announced in April it would offer fully paid parental leave for 26 weeks for all employees. The same month, investment firm Billie Gifford extended a similar policy to all staff. Law firm Linklaters now allows employees to request to work from home without having to give a reason.

True diversity goes beyond female representation to minority groups, disability, socio-economic status, sexual orientation and education. A positive example is the UK civil service's move to record more data on the background of its staff to track social mobility.

There are no quick fixes to move beyond tokenism in the workplace, however.

“For diversity and inclusion (D&I) to work well, it has to be thought about in everything that the organisation does. It's not just a standalone, tick-the-box thing,” says Vix Anderton, D&I consultant and associate with EW Group. “As we make improvements, whether in recruitment or in the supply chain, how are we doing that through the lens of D&I?”

Geoffrey Williams, global head of D&I at Thomson Reuters, says it is central to all their activities, from the way they recruit staff to how they generate profit. In 2016, the firm launched the *Diversity & Inclusion Index*, ranking the top 100 businesses globally, demonstrating the firm's central values in action.

“If you're a consumer-led organisation, as we are, your community is made up of disparate people and you need to find a way to speak to them that's authentic to your business, rather than just creating ‘diversity ads’ or running a one-off workshop for a small group of people,” he says.

Mr Williams also writes internal blogs on the subject, including explaining that a disability can range from cancer or having HIV to being in a wheelchair and that a disability is not always visible. He says the key is allowing staff to ask questions.

Those companies that are most likely to have tokenism in the workplace are resistant to change. Last May, research looking at the lack of female chief executives quoted male bosses arguing that “the good ones have already gone” and “they don't fit in”.

“Don't try to fix the women, try to fix the system,” advises Diana van Maasdijk, chief executive at Equileap. “Some companies say they want to help women become more ambitious or ask for a raise and they end up blaming the women subconsciously for not reaching the top positions.

“We need to understand why, if men and women have equal distribution of skills and ability, do we end up with male-only teams or companies? What is it about the system that doesn't allow other people to reach the top? That can be a hard conversation to have.” ●

POLICY ACTION TO SUPPORT GENDER EQUALITY

Analysis of publicly available organisational policies, including visions, mission statements and core strategies



Rise in investment to engage employees

Employee engagement isn't just a trendy new buzzphrase, but the driving force of workplace performance

A term that's been knocking about since the nineties, employee engagement has moved to the forefront of company agendas having become, according to Deloitte, "the top issue on the minds of business leaders, directing us to an entirely new model of management".

Why the rise in concern? Reports from researchers such as Gallup have prompted a shift, finding high-scale mismanagement has seen a dip in business productivity. With nearly 85 per cent of employees reportedly disengaged at work, it's no wonder interest in more effective management techniques has become a hot topic. No matter the industry, businesses running with high numbers of disengaged staff are more likely to run into obvious problems, such as loss of output and stagnated growth.

In much the same way as customer experience, 20 years ago employers focused solely on the tangible elements of the employment process. Monetary gain was pretty much the sole reward for an employee's efforts, with the occasional target-driven bonus thrown in to increase motivation. Now the modern employee expects at least something in the way of non-tangible reward, whether that's flexible working, healthcare services or personal development plans. The employment relationship is no longer a one-way transaction of cash.

According to the *State of the Global Workplace* Gallup report, the economic consequences of global disengagement

is a massive \$7 trillion in lost productivity. When it's broken down, the link seems obvious that how employees behave will have an impact on the employer's success.

Because of this, more and more organisations are examining how engagement strategy can benefit them. Businesses are increasingly finding value in areas such as management training, personal development plans and non-monetary reward packages. Findings by the McKinsey Global Institute and others show how funding areas like these is advantageous, with a noted 20 to 25 per cent productivity increase in organisations with engaged employees.

As can be presumed, if your workforce is engaged and is therefore more productive, it will have an impact on the customer experience. Picture this: if an employee has no support from managers, no responsibility and is just getting through each day as it comes without being fully invested in the company, are they going to be as enthusiastic as they can be when meeting a customer? Probably not.

However, if they are engaged and they do have the right support in place and understand completely how their role fits in with the company vision, when the employee spends time with customers they are more likely to try and spread this enthusiasm to work well or secure a sale. Study after study has shown that investing in employee engagement can generate a higher return on investment for the company.



“ Study after study has shown that investing in employee engagement can generate a higher return on investment for the company

Through regular one-to-ones with line managers, giving employees adequate responsibility alongside all the additional perks should help to create an efficient and effective workforce. If your employees understand how their role fits in with the bigger picture, and see you wanting to invest in them and their career, then they are more likely to produce better results and feel a greater commitment towards the company doing well. It's not surprising that companies with engaged employees see 22 per cent higher productivity, 38 per cent higher customer satisfaction and up to 19 per cent higher profits.

The tide of management is turning, and more and more business leaders are investing in employee engagement techniques to reap the mutual benefits of employee satisfaction and its by-product of increased job performance.

In a competitive job market, employees are shopping for the right workplace culture and employee experiences that best suit them. Zenefits found that more than 70 per cent of employees agreed that fringe benefits would be a key consideration in evaluating future jobs. It's a bit of a "what have you done for me lately" mindset and that's exactly why a culture that focuses on employee engagement is so critical. Happy, satisfied, challenged, learning, growing employees stick around. They are happy in their jobs and it shows, leading to increased work performance.

But the employee experience is not just about human resources, it's not about your company touting what a great place it is to work, and it's not just about how many employees are engaged socially and supporting the brand. Employee experience is not about perks, ping-pong tables, free lunches or the availability of nap pods in every corner.

Your business needs to be projecting itself in a positive light even before the start of the recruitment process, developing your company culture and a sense of community, as well as offering incentives that matter.

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85%

of people worldwide are not engaged or actively disengaged at work

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an employee a salary, we care about the other factors influencing staff welfare. By doing this, employees feel secure and valued, making them want to go out to customers and act as an advocate for the way your company runs.

One of the giant takeaways from the heavily researched topic of employee engagement is to treat your employees almost as if they are a customer of your business. Instead of exchanging money for a product or service, they are offering up their skills, knowledge and efforts to buy in to your business and to what you can offer them.

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EMPLOYEE EXPERIENCE

Why the employee experience begins before their first day

A common misunderstanding of the importance of recruitment and onboarding in cultivating engagement and nurturing employees is setting businesses up for failure

Heidi Vella

In an increasingly competitive jobs market, employee engagement is paramount, but it should extend beyond established employees to job candidates and new hires. Research has shown fostering a positive experience during the recruitment and onboarding stages is key to securing the best and brightest candidates.

“A common mistake most companies make is not understanding how competitive the labour market is. Managers wrongly assume people who accept a job are ‘lucky’, yet we see situations where new employees don’t show up to work on the first day

or quit after a few days for another job because they are poorly treated during this critical time period,” says Brian Kropp, group vice president of research at Gartner’s human resources practice.

A recent survey by Cezanne HR of 250 senior human resources practitioners across the UK found nearly two thirds have had new recruits quit before they even start.

But what should business leaders do to create that all-important positive first impression?

For starters, they need to think beyond the interview and job-offer stages, and look at their overall

employer brand, says Beverley Nicholas, UK talent director at recruitment company PageGroup.

“Engagement starts when somebody sees a job ad and considers applying for it, therefore it’s important for a company to consider how it positions itself externally when trying to attract new talent. What is your employer brand? Are you giving candidates enough exposure to your business vision and values in an authentic way? Then it’s about being consistent from then on, with an onboarding programme that reinforces your message,” she says.

One of the biggest barriers to early engagement is that line managers feel they are simply too busy. To combat this problem, many human resources departments are turning to technology to automate some of the process.

Google, for example, uses an electronic checklist to remind managers to discuss things such as roles and responsibilities with new hires. Similarly, employee engagement tech firm, Reward Gateway, has a 48-hour promise of communication to all job applicants that it fulfils with the help of prompts from its smart hub technology.

Furthermore, candidates and new hires get access to the platform for pre-interview resources, videos and other materials to help them engage with the company brand. They also get access to another portal, called Smart Spending, where they can take advantage of discounts and cashback.

“By the interview and first working day, we want new employees to have a high level of brand knowledge and to be excited because they recognise the people they meet and the things they encounter; that is really, really important,” says Gemma Matthews, head of talent acquisition at Reward Gateway.

Online platforms can also be used to do much of the administration “heavy lifting” before a new starter’s first day to save managers and the human resources department’s time, says James Allen, group operations director at Airswift, a workforce solutions provider to the energy and infrastructure industries.

“Technology can help issue policies, procedures, guidelines and other information before recruits start so they are familiar with the company before they join, which can help breakdown nervousness about starting a new job, as well as taking care of all the admin,” he says.

It’s equally important, according to Talya Bauer, Cameron professor of management at Portland State University, Oregon, to integrate new employees to the social side of work right away, because onboarding “is much more than just about orientation”.

A meta-analysis conducted by Professor Bauer and a colleague examined 70 separate studies and determined that feeling socially accepted was a key factor in new-comer success.

“When new employees feel accepted and like they belong within an organisation, better individual and organisational outcomes follow; investing in this relationship early on sends a positive signal that the company cares about its employees,” she says.

In fact, the complete onboarding process shouldn’t stop when the paperwork is complete, but should take anything up to a year, depending on the complexity of the role and business, says Ms Nicholas. But the first month is critical.

“During this time, successful businesses will buddy people up, run breakfast sessions between CEOs and new starters and generally be fairly creative about the whole onboarding process,” she says.

Companies such as Google and Zappos, an online shoes retailer

based in America, offer induction courses over several weeks.

A focus on employee engagement during onboarding is doubly important when new hires are relocating for a job; companies should consider both the financial and emotional impact of such a move.

“Forty per cent of all international assignments still fail, yet research has shown providing adequate support throughout the relocation and onboarding process is the key to better adjustment in the new environment,” says Dr Washika Haak-Saheem, associate professor in human resource management at Henley Business School.

As a minimum, companies should consider assigning a local sponsor to support the relocation and human resources managers should stay in frequent contact with employees



“When new employees feel accepted and like they belong within an organisation, better individual and organisational outcomes follow

to act quickly if any intervention is needed. They should also consider the needs of the immediate family, as maladjustment of family members is one of the major reasons for assignment failure, she adds.

For business leaders and human resources departments, installing processes and investing in technology to foster positive engagement between the company and new recruits can be overwhelming, but whatever firms do, they should aim always to reflect the mission and culture of their company.

“Start with the basic foundations and build from there,” says Ms Nicholas. This might be as simple as listing employee benefits, such as flexible working on job adverts. And the best place to seek further direction? Direct from employee feedback. “Engage with new starters and find out about their experience,” she adds. “There may be some really quick-and-easy wins you can implement right away.” ●



Five top tools for onboarding and employee experience

1

Onboarding platforms

Shifting the onboarding process to an online platform can save human resources departments and line managers time and effort.

Reward Gateway has partnered with online onboarding platform Enboarder to create on-brand messaging, distribute learning materials and necessary information for job candidates before interviews and for new employees on their first day.

The platform, which is used by McDonald's and ING, creates customised welcome notes for new hires, provides prompts to managers and will monitor their engagement, as well as provide a tool for employee feedback.

2

Employer surveys

Fostering a culture of open communication and shared feedback between new starters, HR and business leaders is a great way to ensure an employee's needs are met, and company processes and procedures are working as intended. Online staff survey platform Glint offers a tool to start conversations between managers and staff. At LinkedIn, all new employees are sent a Glint survey on day 5, day 45 and day 90, and are prompted to share feedback about their onboarding experience which is then passed to managers. LinkedIn liked Glint so much it acquired the company in 2008. The tool helps "open the doors of communication", according to LinkedIn's senior vice president and chief people officer Christina Hall.

3

Interactive videos

Some companies are using virtual reality (VR) and similar technology to create immersive and interactive videos that convey company culture and provide a unique insight into their operations.

Toyota Motor Europe offers video tours, created by digital learning company Sponge, of the entire customer journey to induct new hires into the company ethos, aims and goals.

Similarly, DHL uses VR training platform Immerse to challenge new recruits and existing employees to compete against each other to stack virtual packages against the clock while following standard operating procedures. The task has created friendly competition between new and old employees, and training for new hires.

4

Employer brand

There's nothing like public online feedback to motivate good recruitment and onboarding performance. Website Glassdoor, much like TripAdvisor, allows job searchers to write and read reviews of more than 600,000 companies, including PwC, KPMG and Tesco, to discover what the firms are really like from people who've actually worked there.

Not only can the platform be used as a way to create a great independent insight into company culture and ethos, but it can encourage staff to engage with the feedback. For example, the leadership team at Reward Gateway has an in-house commitment to reply to every review left on the platform.

5

Collaboration tools and apps

Inviting future employees on to online social tools, such as apps and messengers, can be a great catalyst for interactions between new and soon-to-be colleagues. Branded communications company Speakap found 19 per cent of the 1,000 global respondents it surveyed said being invited to join an employee messenger app to chat with colleagues before the first day of work made them feel connected to the company.

Speakap, which is used by Bosch and IKEA, provides mobile or desktop apps to co-ordinate company communications, as well as provide a place for news updates, employee profiles, document management and event-sharing.



Another enduringly popular work communications app is Slack, which now has more than ten million daily active users globally.

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PEO: the new way to engage your staff

The role of the human resources department in a modern workforce is changing drastically

Traditionally, human resources has been seen as focusing on employment of staff and managing their employment contracts. But the growing number of younger millennial workers entering the workforce, who view salary as only one part of the employment jigsaw puzzle, coupled with the changing dynamics of the working population, is reshaping what is expected from both human resources and the wider organisation.

"Millennials are looking for more than just a good salary. They want to work for businesses that truly embrace social responsibility and they're looking for more defined benefits. The pension aspect of employment is also becoming much more of an intrinsic expectation of the individual worker, who wants instant detailed access to their pension pot," says David McCormack, chief executive of Hive360, a leading employee engagement firm.

As a direct consequence, firms must be proactively looking after both the current and future needs and expectations of staff, including their mental and physical health, and their financial wellbeing. Failure to do so can lead to employees not performing at their peak and becoming unmotivated or disengaged. Such employees often don't leave their jobs immediately and can negatively impact other productive staff.

"The phrase 'one bad apple ruins the whole bunch' is very apt when it comes to unhappy staff who are not engaged in their job in the way they should be. They can often start to breed discontent within the entire workforce," says Mr McCormack.

With the average cost of replacing an employee sitting at just under £14,000 at the lower end and rising to as much as £50,000 for senior leadership, it's clear the bottom line of an enterprise is at risk from discontented staff. It's not just the cost of recruiting a new

member of staff, and maybe paying a recruitment fee, that adds to this total, but the cost of lost productivity can also be significant.

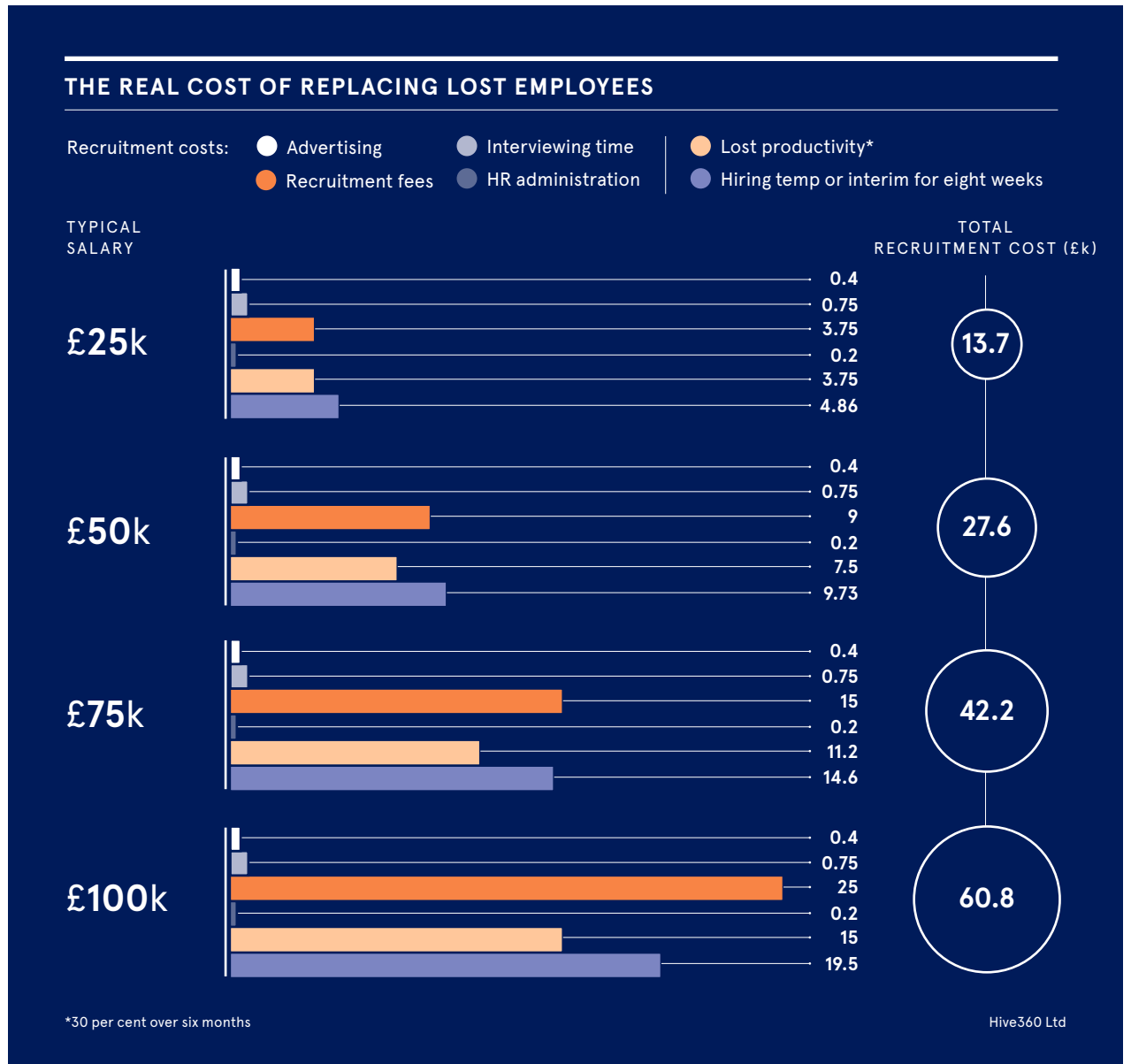
If a business is able to help employees who are facing challenges by giving them access to a solution that is going to assist them cope with stresses, and support a healthier lifestyle, then hopefully this will reflect in the success of the wider business.

"Somebody who has been in a job for a year is going to be far more efficient than someone who is only taking on the job today. So the knock-on impacts are quite considerable in financial terms, too," adds Mr McCormack.

An innovative new form of employment administration support is being pioneered by Hive360. The PEO, or professional employment organisation, model allows businesses to outsource their employment tasks to a corporate co-operative that uses its bulk buying power to create access to a range of employment engagement and welfare support services at a massively reduced cost.

This organisational model was started in the United States and has been in use for more than 30 years, but it's only just starting to gain traction in the UK. While there are more than 900 PEOs in operation in America, there's only a few in the UK at the moment. Hive360 is at the forefront of this revolution. "We're starting to see many businesses quickly understanding the benefits of this form of employment structure and realising there is a strong business case behind it," says Mr McCormack.

In an increasingly competitive hiring environment, companies need to be able to offer the most attractive proposition to jobseekers to be seen as the employer of choice. Smaller businesses usually lack the economies of scale required to offer the same level of employee benefits that large corporations can.



“The PEO, or professional employment organisation, model allows businesses to outsource their employment tasks to a corporate co-operative that uses its bulk buying power

“Job seekers are attracted to the glow of that bigger company and the support mechanism which goes with that job. The PEO model links a wide range of employers together for bulk purchasing power and, ultimately, tries to level the playing field in terms of employment. So those smaller employers aren't just losing all the best talent to the big guys, they're finally able to compete,” says Mr McCormack.

Businesses can gain massively by partnering with a PEO provider that has more expertise in aspects of employment compliance and employment support. As far as employees are concerned, what they see is an improved

level of care and support, as they're given access to various benefits, from online doctors and mental health counsellors, to money-saving discounts and financial planning tools.

Making the switch to a PEO model can be an uncomplicated project, as long as the right partner is sought. The Hive360 migration process is far from convoluted with support being offered at every stage of the journey.

“Once we've agreed that the process is about to happen, we have a team that guides and supports clients through a detailed onboarding process, to bring them under the Hive360 banner. Within that process, we engage with their own staff to ensure that everybody understands what is being done and how they can gain access to their benefits,” says Mr McCormack.

The whole transition process can be as short or as long as a client prefers. But the typical changeover process will take around four to six weeks, from implementation to delivery.

The employee benefits portal offered by Hive360 is web based, enabling users to login via mobiles, laptops or even their TVs and provides access to a range of services, including counselling services and a discount portal, as well as core elements

such as digital pay slips and pension performance information.

“It's all about using technology to make things simple. We are trying to put everything in the palm of the hand of the worker, so they can easily access all their welfare support and benefits at the click of a button on their phone,” says Mr McCormack.

The Hive360 solution is designed to become a vital part of an overall employee engagement strategy and empowers firms to go much further in how they enable employees to be happy and productive at work.

“What we are is a stepping stone to help a client to start that journey. And as we grow, we will add more services and offerings, which hopefully will then help the client improve their engagement process even further,” Mr McCormack concludes.

For further information please visit www.hive360.com



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INTERNAL HIRES

How to hire from within

The possibility of promotion is a huge incentive for employees, but how do you become a company with an internal conveyor belt of talent?

Charles Orton-Jones

There's nothing like a promotion to inspire staff. A survey by the consultancy Great Place to Work of 400,000 US workers revealed when people believe promotions are effectively managed they are twice as likely to put in extra effort at work and five times more likely to believe their bosses act with integrity.

A clear policy on promotions also correlates with share price returns at triple the market average, and staff turnover half that of rivals.

Those are some serious findings. But companies often hesitate to hire from within. External candidates for top jobs can seem alluring, offering qualities such as a diverse experience, knowledge of rival enterprises and a fresh mindset.

So how can companies improve the way they hire from within? One outstanding role model is JDX, a financial services company focused on regulation. It's a member of the Sunday Times Virgin Atlantic Fast Track 100 list of high growth companies and ranked as one of the best places to work in the UK.

"Externally recruited senior hires have been virtually non-existent," says Sarah Brennan, head of learning at JDX. "And this has not happened by accident."

The JDX formula relies on education. Ms Brennan explains: "We have a world-class six-tiered learning academy, specifically designed to support the pathway from graduate to director, and our rapidly growing business means there are opportunities aplenty."

The JDX Academy keeps all 750 staff on the talent conveyor belt. New hires go to the Bootcamp. It's a four-day intensive training course, covering regulations, history and professional behaviour.

Stage two is onboarding. This mixes online learning with tutor-led sessions. Everyone gets a personal suite in the online learning management system.

Above this sits another four tiers of tuition. The full curriculum is as broad as an MBA. It ends with executive coaching, for employees ready for leadership positions.

Another solid method is to keep bright employees on their toes. Bored staff are likely to do a runner. "A significant number of our employees have been with us for ten, twenty, thirty and even over forty years," says Simon Winfield, managing director of Hays UK and Ireland, a FTSE 250 recruitment company.

"By offering people a challenge to work in different areas of our business, our employees can constantly



“By offering people a challenge to work in different areas of our business, our employees can constantly upskill, learn and develop

upskill, learn and develop. We also encourage global transfers – something I've done personally – and you get diversity through this. If you have talented people, you don't want to lose them, and internal promotions are a great way to support their careers and ensure you don't."

It also helps to let staff define their own roles. If they want to take on more, encourage them. For example,

Prezzybox is an online gifts retailer based in Warwickshire. Founder Zak Edwards says: "Wherever we can, we try to hire staff for new roles internally. We want our team to push themselves and progress inside and outside work. Every member of the Prezzybox team is encouraged to push the boundaries of their roles and get involved in projects they are passionate about, even in other teams and departments. This drives a culture of continuous learning and naturally people's roles evolve into something other than they were hired for."

Fast-growing companies may feel they need to hire outsiders when expanding. In fact, there is a strong argument for using existing staff in new locations. For example, Frank Recruitment Group now employs 2,000 staff and is opening up branches across the globe. It uses existing staff in new locations.

"Although we've benefited from strategic external hires, we place a great emphasis on promoting from

within," says chief executive James Lloyd-Townshend. "Over the last 18 months, we've opened eight new offices and each location is managed by an existing employee. This means when you walk in, it feels familiar, whether you're in London, Dallas or Singapore. Promoting internally also gives employees a goal to work towards. When your people make you who you are, hiring from within is an essential part of maintaining that brand."

Of course, if it's not possible to hang on to the brightest stars, you can always let them go. And lure them back later.

"A favourite scenario is when we are able to hire 'boomerangs', people who have worked at BBH, gone elsewhere, and then returned with a whole host of new skills and perspectives they can deploy in a rapid and relevant way," says Neil Munn, group chief executive of global advertising agency BBH. "They know our culture, but combine this with an appetite for positive change. They are the embodiment of T.S. Eliot's 'We shall not cease from exploration. And the end of all our exploring will be to arrive where we started. And know the place for the first time.'"

It's the poetic way of saying your company should be the sort of place people want to end up at. After all, if they don't, what on earth are you doing? ●

OBSTACLES TO INTERNAL TALENT MOBILITY

Most challenging barriers to internal hiring, according to global hiring managers



Deloitte 2019



“Correlations between wellness, engagement and productivity are there for all to see

47%

of employees believe it is normal to feel stressed and anxious at work

Capita 2019



WELLNESS

Tackling the wellness crisis head on

Caring for workplace wellness is more important than some leaders think, and so is the indirect impact it can have on the bottom line

Peter Crush

It's sobering to think that only a cursory look at most organisations' staff absence figures is all that's needed to indicate there is a full-blown wellness crisis in the UK.

In 2016, stress, anxiety and mental health issues overtook the traditional cause of sickness absence – muscular-skeletal issues – for the

first time, and latest Health and Safety Executive data reveals 15.4 million days are now lost each year to mental rather than physical health problems.

Not only is this shocking in its own right – Capita's just-published *Workplace Wellness Report 2019* also reveals 79 per cent of employees say they have felt stressed

in the last year, with 47 per cent admitting it is normal to feel stressed and anxious at work – but the transition to wellness being a predominantly mind rather than body-related condition should be a worrying one for employers. Not only are staff themselves clearly suffering, but the business impact of this is severe.

Those with wellness issues linked to stress take an average of 25.8 days' absence a year compared with 7.1 for those with other ill-health. Overall mental ill-health alone is estimated to cost the UK economy £94 billion a year, more than half of which is due to lower employment and productivity. In short, solving employee wellness is just as critical to employers as it is to staff themselves.

“The link between wellness and a whole range of metrics, like productivity, attrition and the employer brand in terms of attracting talent, is increasingly being proven,” says Sarah Williams, reward and engagement officer at software management solutions firm Ideagen.

She's just launched its Mental Health and Wellbeing Vision, after staff said mental health was an area they wanted particular help with. From this month, access to on-demand psychologists will be company-wide, while mental health awareness and management training will also roll out.

“Our mission is to make talking about overall wellness as open as talking about having a cough or cold; the last thing we wanted was people ringing in sick, but not telling us the real reasons,” she says.

But what's the proof it works? Well, after oil company Schlumberger Oilfield UK introduced a suite of wellness initiatives, including health assessments, yoga classes, fitness days and even installing on-site treadmills staff are encouraged to use for taking ten-minute breaks on, sickness absence fell from 9,739 days among 3,046 staff in 2017 to 2,893 days' sickness in 2018, a sure return-on-investment gain.

A programme of staff empowerment

For Angela Lockwood, group chief executive of North Star Housing Group, a housing association with more than 4,000 homes in the Tees Valley, North Yorkshire and County Durham, wellness is a broad term. In her eyes, it is closely linked to culture.

From 2010 to 2017, stress from government policy changes were taking their toll, a fact she says was feeding into absence. “At one point, we were losing 8.9 per cent of our time through staff

sickness, 38 per cent of which was down to stress,” she says.

Her response was to see what needed changing at an organisational level, leading to a programme of staff empowerment, rather than management scrutiny, and eradicating blame cultures. A new vision, based on relational leadership, was embedded between 2013 and 2017 with accompanying work to foster a culture of trust and personal responsibility.

“Staff surveys since reveal 98 per cent of staff say they feel trusted to make decisions, 99 per cent say they have trust in their leadership, while 98 per cent

believe the organisation they work for has a great future,” says Ms Lockwood.

But it's the impact this has had on lowering stress and improving wellness that has been transformational. She reports the association's sickness absence is now just 1.4 per cent, with no absence due to stress. In 2016, North Star was recognised by Business in the Community as a National Wellbeing Winner.

“By focusing on our people and concentrating on how we can help them do their jobs better, overall wellbeing has been substantially improved,” Ms Lockwood concludes.

Increasingly, evidence also suggests candidates judge whether to join a company based on the wellness support they provide. Recent analysis, by TheKnowledgeAcademy.com, of benefits staff say they actually want, found the top perk (43 per cent of respondents) was private medical cover, while nearly a third (30 per cent) now think gym membership could be included in any benefits package. That wellbeing perks are increasingly perceived as part of the employment deal is revealed in that 26 per cent want employer-provided health screenings, with only 9 per cent prepared to pay for this themselves.

“Correlations between wellness, engagement and productivity are there for all to see,” says Linda Aiello, vice president, international employee success, at Salesforce.

“Our own take on wellness – under our *ohana* concept, the Hawaiian word for bound together – is backed up by data, and we can see those who report better engagement are also those who report better happiness and display better productivity. Most recently, we've added tackling any financial worries staff have to our definition of wellness, as there is increasing evidence this impacts stress and anxiety too.”

With even the World Health Organization announcing that burn-out has become an official medical condition, the likelihood is wellness will only continue to be a cause that enlightened employers need to continue to focus on.

Employers must rise to the challenge though. Recent data-crunching by Perkbox of 8,700 job advertisements found employers are not making the most of promoting their wellbeing credentials. Just 1 per cent of job adverts mentioned offering yoga classes as a perk to attract candidates, while only 18 per cent mentioned they offer free or subsidised gym membership.

But with the evidence clear that any resources devoted are likely to be money well spent, the case for investing in wellness will only strengthen. ●

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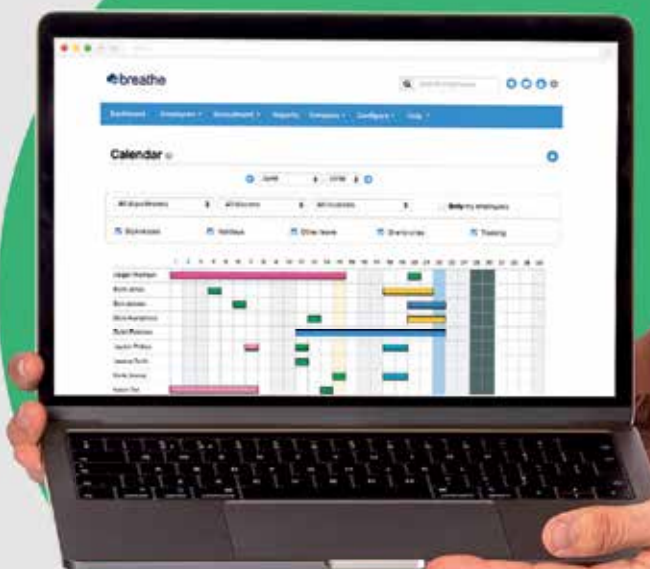
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