

THE **HIGH**
COST
of A
Disengaged
Employee

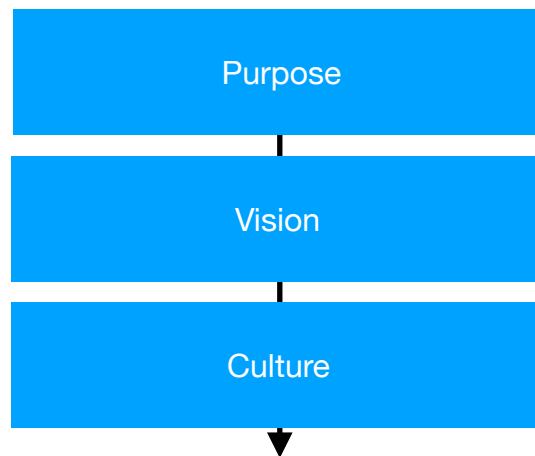


LARRY ANDERSON
CONSULTANTS

What is Employee Engagement Anyway?

When an employee feels respected, listened to and valued, in other words, their internal needs are met, they become interested in helping the business they work for achieve their goals. However, this can't happen if the company doesn't have a clear idea of who it is, where its going and how it will get there, so the employee can see how their needs and those of the company align.

The three main building blocks that must be in place before you can start to build an employee engagement strategy are:



Today's employee, especially millennials, have a strong desire to feel connected to where they work. This doesn't mean you have to have a charitable connection or an altruistic utopian environment, rather you simply need a clear reason of why you exist, your purpose. And this needs to be easily communicated and understood.

This may sound like a lot of fluff, but by 2020, millennials will represent close to 48% of the workforce as baby boomers retire by the thousands everyday. They tend to gravitate toward companies they feel connected to and empowered by.

While your purpose explains why you exist, your vision is a clear picture of where you are going. Engaged employees need to be able to see this in their minds eye so they can understand how they fit into the plan.

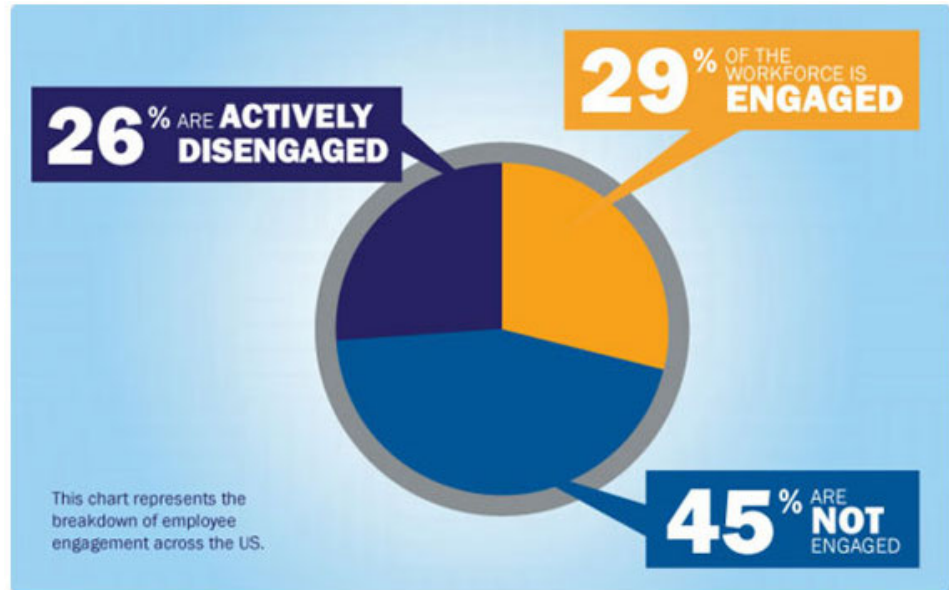
The last part of the employee engagement foundation is a strong culture. A company's culture is the sum of what is celebrated (the things that make a company great like a strong product or service, systems or a training program) and what is tolerated (the elements that take away from that greatness like chronic absenteeism, us vs. them mentality and lack of accountability). The culture of a company is about what you believe in and what you stand up for. Ultimately a company's culture is determined by the people it employs. What type of people are you attracting?

The High Cost of a Disengaged Employee

Engaged employees are 38% more likely to have above average productivity, while an employee with low engagement can have up to 17% lower productivity; that's a swing of 55%.

In other words, a disengaged employee can cost a business \$3400 for every \$10,000 in salary. This is a combination of additional sick time (6.19 average days vs. 2.69 for an engaged employee) and higher safety incidents (58%).

Disengaged employees also lead to higher turn over sometimes as high as 48% in some industries.



In a 2017 study by Deloitte, employee engagement has become one of the top issues on the minds of business leaders, requiring an entirely new model of management.

In a recent Gallup poll as shown in the image above, only 1/3 of the current North American workforce is engaged. Meaning they are aligned with their company as it relates to purpose, vision and culture. While the study indicates that approximately 45% are not engaged, the more troubling statistic is that over 1/4 of the workforce is actively disengaged.

Disengaged employees are not the same as actively disengaged. Actively disengaged can be dangerous. Not only do they lead in increased sick time, absenteeism and safety issues, but also theft, sales losses and loss of productivity. If today's businesses are not careful, this group can become like a cancer and spread across the organization.

The Secret Weapon to Combat Disengaged Employees: The Engagement Formula

The number one way to affect change in an organization as it relates to employee engagement is to empower your leaders. While training is required and very beneficial, when coupled with coaching, it has a much more lasting impact.

Coaching is very different from management. Managing is primarily about setting direction and focusing resources while coaching is about working with your people individually to help them see their strengths and set their own paths to success.

The problem is most managers are not coaches. It can be a very tough position for a manager to assume both roles. Managers want to control things and direct people's choices where a coach asks questions and allows the individuals to make their own choices and then help them to learn how to be accountable to those choices.

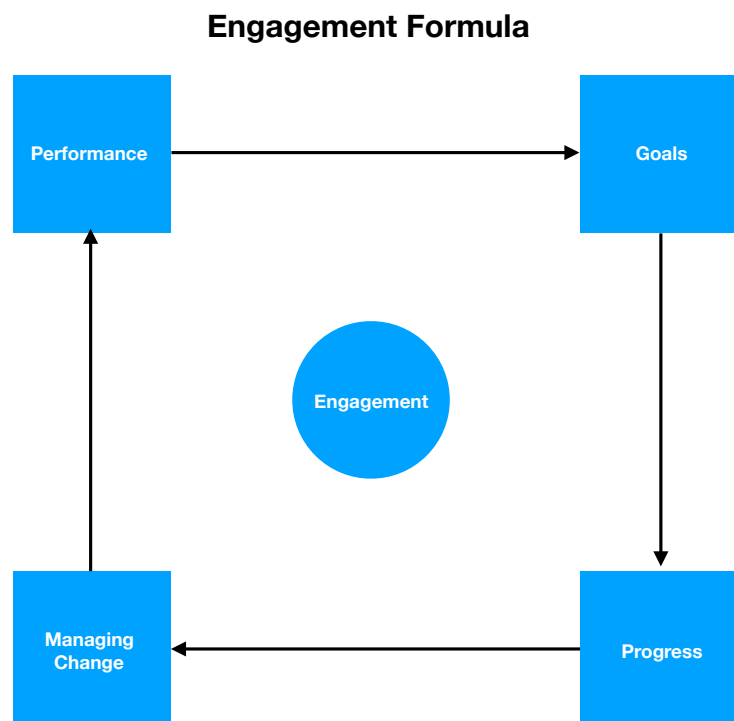
To ensure your organization is set up to increase the engagement of your employees, there is a four part coaching engagement formula that we recommend is in place.

The Four Parts of the Engagement Formula

Goals

Engaged employees want to know the why before the how and the why relates to goals. Why are we trying to achieve "x". While there are numerous ways to set goals, we strongly believe that when you explain to an employee why the company is trying to achieve something, they become interested in developing their own goals to help achieve it.

Helping your employees create their own goals encourages ownership of their success.



Progress

While goals are necessary as goal posts, employees need to see how they're doing and that their efforts are paying off. You need to set up a simple to manage measurement process that allows each employee to see their progress as it relates to both their goals and those of the company.

This process also helps to identify skill gaps that need to be trained in order to maintain progress.

This process builds momentum and is critical to keep the team inspired to continue when they hit inevitable bumps in the road.

Managing Change

Most employees don't mind change if it's the right kind. The challenge is determining what type of change will work.

When you speak with employees about potential new tools or technology, especially millennials, they are eager, even excited about its possibilities. Especially if it will reduce workload or make things more efficient.

However, when new processes, tools or changes to the organizational chart take place without first explaining why, this type of change feels forced on them and there is resistance and sometimes revolt.

Helping your team understand that change is not a one-off situation, but rather it is now a constant necessity to keep them and the organization moving forward, change reluctance can be reduced.

Most times how you frame the change is more important than what the change is to maintain an engaged team.

Performance

One of the biggest complaints we hear from business owners and senior managers is that employees lack accountability. When you break down the word the part that jumps out is "ability". Most employees don't have the skills to hold themselves accountable. Management focuses on getting things done and meeting deadlines (as they should), but this doesn't breed accountability. Rather it breeds dependency.

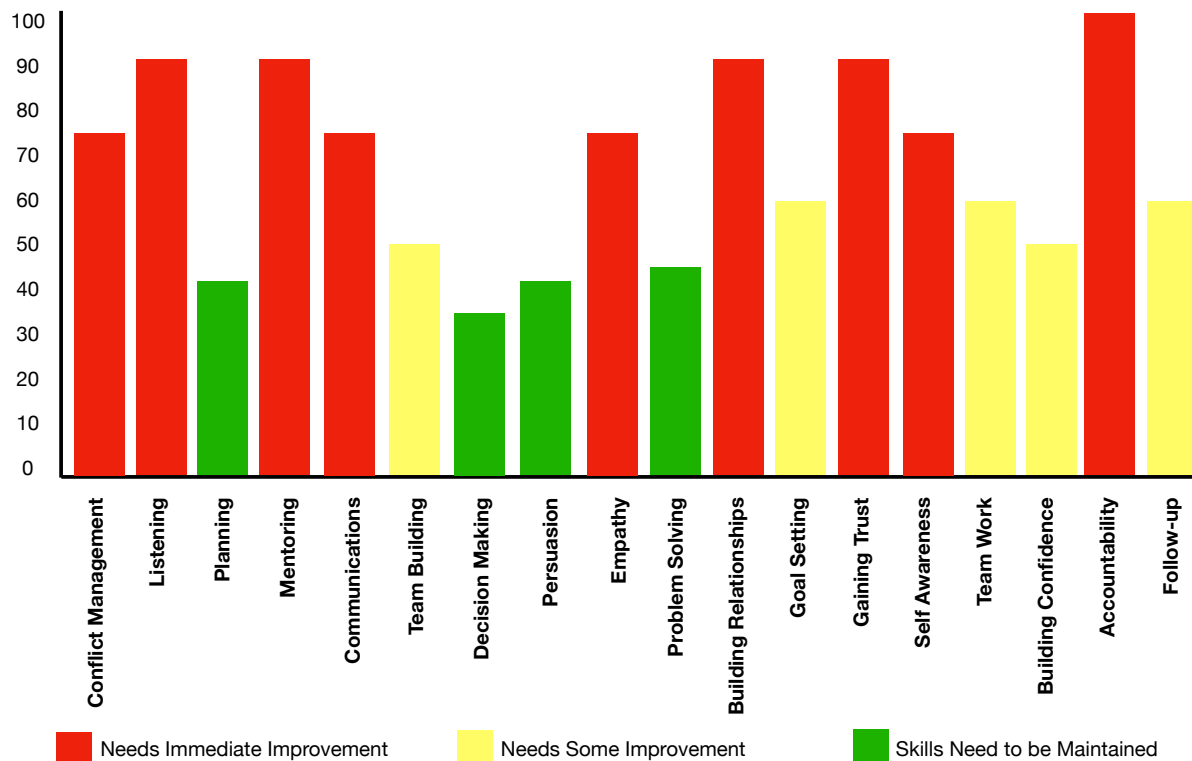
Accountable employees are engaged employees but they are also coached and mentored vs. only managed. It's about helping the employee see their own strengths and limitations and taking ownership of them both.

Building Today's Leaders

While introducing coaching to your leadership team is critical to creating an environment where employee engagement can thrive, your leaders also need to be trained.

Based on the work we have done with hundreds of companies in the Golden Horseshoe we have compiled the key skills that businesses are demanding of their leaders as shown below.

Top Leadership Skills Needed Today



The question becomes how can we train and sustain these new skills? Through a combination of training and ongoing coaching, skills can be learned, applied in real world situations and then nurtured to become engrained habits that affect long-term behaviour.

Coaching paired with training is a powerful team. Once your leaders master their new skills, they are in a better position to lead their own teams through coaching, creating a more engaged company.

Coaching the coach

One of the best models we have used is the combination of internal and external coaches.

Developing your leaders to become coaches is a great investment as it can move your culture from meeting basic requirements of work to accountability and even personal responsibility and ownership of results.

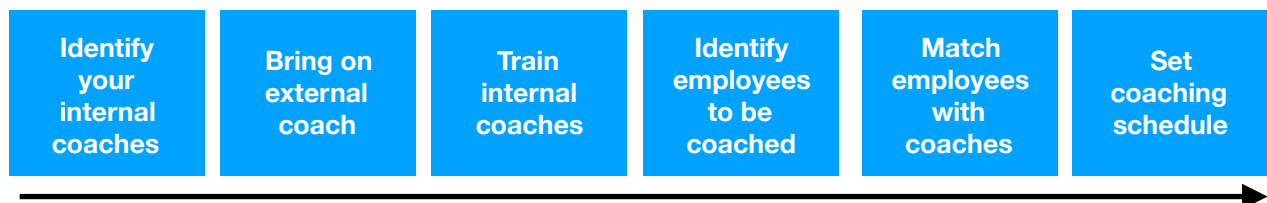
Because coaching is about helping the person being coached to find their own path and to learn to take responsibility for their actions and choices, it makes managing people easier and more effective.

The external coach brings two primary benefits; first it's an unbiased view of the team from someone who is not involved in the day to day operation. This can allow for identifying issues and opportunities that the management team can't see because they are too close to the situation. Secondly, a third party can generate different types of conversations that an internal coach can't, because of confidentiality or the boss/employee relationship.

Where do I start?

So the big question is, how do you get started creating a coaching program for your organization?

We have identified six primary steps:



Identify your potential internal coaches

Your leadership team will fall into two groups; current leaders and future leaders. Your current leaders are your established management and supervisory team. Future leaders, are those employees that you know are destined for more and have shown leadership instincts. From this group you need to determine who would be a good fit to be a coach.

A good candidate to become a coach has the following key attributes:

- Good listener
- Strong empathy
- Ego does not need a lot of pampering
- High self esteem
- Focused
- Easy to get along with

Bring on external coach

Finding an external coach is a big decision. You want to hire someone with a proven track record of results, professional and that your team like and want to work with.

Before you engage in any agreement with a coach, make sure your team have met them and feel comfortable and motivated to work with them.

Train your new coaches

Now that you have identified your coaching team, you can work with your external coach to train your leaders to be coaches. This process can take months to complete and some will take to it quicker than others.

Identify the employees you want to invest in

Now that you have your coaches in place, you need to identify what employees will be coached. There are many ways you can tackle this. You can coach your leadership team or just key employees or you can coach everyone. There is just one critical rule that must be followed. The employees that are invited to be coached, must want to be coached.

We have seen it too many times where a company embarks on developing a coaching program, invests a lot of time and resources and then only coaches their problem or underperforming employees and ignore the rest.

This is a mistake.

Anyone can be coached, that is true. However, if an employee doesn't want to be coached, it will be a complete waste of time.

Start with your employees that want to be coached. The results they achieve can inspire others to want to participate.

Match employees with the right coach

Coaching is a very intimate relationship that is based on trust, respect and rapport. It's very important that each employee has a connection with their coach for there to be any lasting results.

Set the coaching schedule

For a coaching program to work, it must become as important as anything else the employee is responsible for. Missing sessions or constantly moving them around means that everyone is not taking it seriously and thus the results will show.

Let us help you get started

In this report we have laid out the case that engaged employees are critical to the future success of your business and that disengaged employees can not only be a huge risk, but a drain on you and your resources.

We have been coaching thousands of individuals and developing coaching programs for hundreds of companies since 2005 and we would love to help you develop yours.

If this is a program you would like to investigate further, please call us at (905) 321-2663 or email larry@larryandersonconsultants.com to arrange a no obligation conversation. We will walk you through the process of setting up a coaching program and how to best roll it out.

*He took us to another level that we wouldn't have gotten to on our own.
He challenged us and helped us grow as a team and as individuals.*

Stacy Elia, General Manager
GBF Community Services



When I met Larry I was super impressed with how real and practical he was. He is really easy to talk to and we developed a bond. There is a really high level of trust. He is completely different and a fresh set of eyes. He sees things most people don't see.

Paul Bongers, Owner
Country Basket Garden Centre



Larry Anderson Consultants is a fantastic resource for any organization. Larry indicates that as a 'Disruptor' his job is to challenge you, and he does just that. He provides his perspective in a professional and valuable manner. We were fortunate enough to work with Larry on a number of different items including leadership development. This training involved staff in many different roles within our organization and Larry was able to engage everyone; this in itself can be a challenge for a business. Larry's experience, ability to be candid and his genuine nature make him a pleasure to work with.

Kate Flynn – Director of Operations
Stolk Construction



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