# THE BOTTOM LINE

Workforce Mobility and
Employee Engagement

IT'S HOW
WE CONNECT

# CONTENTS

# CREATING VALUE BEYOND THE SUM OF THEIR PARTS

What has workforce mobility got to do with employee engagement? Why should technologists and ICT transformation experts aim to help establish, grow and maintain employee engagement? And how best can you do so?

What we can say for sure is that employee engagement continues to accelerate up the priority list for executive teams and people managers, as well as for the employees and contractors who work for them.

The technologies driving workforce mobility – and the workplace redesign currently being undertaken by many future-focused organisations – are intrinsically linked to employee engagement. This latest Telstra discussion paper looks at this issue from a fresh perspective, with input from international thought leaders in the field.

'The Bottom Line: Workforce Mobility and Employee Engagement' is the first of several follow-on papers to the 2015 Telstra whitepaper 'Business without Borders'. Read on to learn about how you can combine the twin powers of workforce mobility and employee engagement to create value for your organisation, beyond the sum of their individual parts.

# PEOPLE MATTERS

'Engaged' employees are more likely to love their work, to treat customers better, to seek new and better ways of doing things – not to mention championing your business and adding to the bottom line. (We've all met the disengaged waiter or manager plodding their way to retirement, and know the impact of that workplace dynamic…)

We also know, as individuals and employees, how good it feels to be fully present and valued in our own work, and also the satisfaction of a job well done. Enthusiastic, inspired, innovative, empowered and confident? Congratulations, you are an engaged employee, and it feels good to be so. There's as much in it for you, as there is for your employer.

In today's fast-evolving world, where technology and social disruptions are changing the fundamentals of entire markets seemingly overnight, organisations are fast waking up to the fact that having a truly engaged workforce will be crucial if they are to survive and thrive. Now, more than ever before, they need that enthusiasm, creativity, confidence and commitment from their employees.

Indeed, in Deloitte's 2015 Global Human Capital Trend report[1], culture and engagement emerged as the number one trend in terms of importance – 50 per cent of respondents rated it as "very important", double last year's number. Other insights bear this out too, with The Conference Board's 2015 research[2] showing that raising levels of employee engagement is a key means by which companies plan to meet their top five challenges of the day – from human capital to operational excellence, customer relationships, innovation and sustainability.

Professor Peter Gahan, founder and Director of the Centre for Workplace Leadership and Professor of Management at the University of Melbourne, isn't surprised that employee engagement is moving up the corporate agenda. "It's reflective of an evolution in our thinking about what drives employee behaviours and attitudes at work," he says.

From the 1950s to 1970s, companies were most interested in what made workers happy, believing that employee satisfaction would lead to a better performance at work. Then in the 1980s, the focus moved to commitment – the idea that engaged workers would be willing to go above and beyond the call of duty to serve their company.

From the 90s onwards, there was another shift in thinking about engagement. "[Practitioners and academics] started taking a more holistic view of what people bring to work: in broad terms, how willing they are to truly be themselves and give of themselves. We also began looking at the conditions that would give rise to that kind of engagement with the organisation and the work itself. The question was – and remains – what can we do to drive the attitudes and behaviours we want from employees?" says Gahan.

1. http://public.deloitte.com/media/human-capital/main-dashboard.html
2. http://pages.conference-board.org/rs/conferenceboardusa/images/TCB_1570_15_STO_CEO_Challenge_%20Strategic%20Overview.pdf

# GLOBAL TOP FIVE STRATEGIES TO MEET THE TOP FIVE CHALLENGES

CEOs focus on creating strong cultures around innovation and customers; employee engagement is seen as a critical driver to meet multiple challenges.

| | 1 HUMAN CAPITAL | 2 INNOVATION | 3 CUSTOMER RELATIONSHIPS | 4 OPERATIONAL EXCELLENCE | 5 SUSTAINABILITY |
|---|---|---|---|---|---|
| 1 | Improve performance management processes and accountability | Create culture of innovation by promoting and rewarding entrepreneurship and risk taking | Engage personally with key customers/clients | Raise employee engagement to drive productivity | Enhance portfolio of sustainable products and services |
| 2 | Provide employee training and development | Engage in strategic alliances with customers, suppliers, and/or other business partners | Enhance quality of products/services | Seek better alignment between strategy, objectives, and organisational capabilities | Ensure sustainability is part of the corporate brand identity and culture of the organisation |
| 3 | Enhance effectiveness of the senior management team | Find, engage, and incentivise key talent for innovation | Develop a more outward-looking, customer-centric culture | Improve our organisational agility/flexibility | Incorporate sustainability goals into corporate strategic performance objectives |
| 4 | Raise employee engagement | Apply new technologies (product, process, information, etc.) | Increase speed of products and services to market | Redesign business processes | Engage with stakeholders to balance short-term performance pressures with long-term sustainability goals |
| 5 | Improve leadership development programs | Develop innovation skills for all employees | Use competitive intelligence to better understand customer/client needs | Continual improvement (LEAN, Six Sigma, etc.) | Treat sustainability issues as long-term risk issues |

Source: The Conference Board, 2015.

# MEASURING THE INTANGIBLE

Academic research[3] was behind one of the most widespread tools to have been adopted by industry: the Annual Employee Engagement Survey (of which Gallup's Q12 Engagement instrument[4] is probably the most prominent). But Gahan says there are flaws in the traditional model. Firstly, it depends on how the employee is feeling that particular day, and may not be representative of their general attitude to work or their working environment over the course of a full year.

"The other common experience is that workers fill out the survey and the results go to the senior leadership team, but there is little accountability for addressing the issues that may have been highlighted. We're good at measuring, but not so good at doing something to improve levels of engagement at work."

Another reason, he believes, is the timescales involved. "Because there is a lag between the measurement and reporting of results, there is often a sense that things have now changed, so why try to address the past?"

Dr Brad Shuck, an Assistant Professor in the Department of Evaluation, Leadership, and Organizational Development faculty at the University of Louisville, agrees that as a tool, the annual survey remains a fairly blunt instrument. "In reality, when companies focus exclusively on measuring engagement rather than on improving engagement, they often fail to make necessary changes that will meet employees' workplace needs. Metrics on their own might tick a particular corporate reporting box, but they don't improve business outcomes."

For all of the above reasons, it's generally agreed that it is time to move to a more holistic, real-time view of employee engagement. By measuring employee engagement more often, surveys and collection methods don't need to be monolithic, catch-all projects. They can be smaller, more focused and faster to complete – intruding less upon employees' everyday activities and providing a more realistic view of their attitude to work over time. This way, important issues – such as time of day, everyday stressors, deadline pressures, location or team relationships – can help organisations see what's really going on (or going wrong).

Says Gahan: "In the future, I believe it will be about moving from an omnibus measure of engagement, to a more modular, multi-dimensional measure of engagement that is carried out more frequently."

Information from these 'quick hits' can then be fed back to supervisors almost instantaneously so that remedial action can be taken on any hot spots. More regular and insightful reporting makes accountability more transparent too – the individual manager not only knows the problem right away, but can also be expected to fix it.

As anyone who has ever worked for an employer will understand, how engaged you are can be affected by many factors – the attitude of your boss or work colleagues being the most immediate. But it's not a one-way street. In essence, engagement needs to be all about creating an open and honest dialogue between employees and employers. Says Shuck: "The most important thing a company can do with a traditional survey is to use the numbers they get to build a discussion, rather than using them to judge people. Leaders need to listen just as much as they talk."

Shuck says that it is also up to employees to take responsibility for their own 'engagement' – not that this is a term you'll often hear being bandied around the water cooler, unless it's in the HR office. One website - www.workhappier.com - even gives people a chance to measure their own level of satisfaction with their role and company, then analyses the results and provides useful tips on how they as an individual can get more out of their work.

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3.  e.g. Psychological Conditions of Personal Engagement and Disengagement at Work, William A. Kahn (Academy of Management Journal, 1990, Vol.33 No.4 692-724)

4.  https://q12.gallup.com

# SO WHY SHOULD THE BOARDROOM CARE?

Correlating employee engagement with the bottom line has always been a challenge; however, one piece of research from Gallup suggests that companies with 'engaged' employees outperform those without by a whopping 202 per cent.[5] No wonder boardrooms around the world are moving the topic up the agenda.

It is a big change from when Dr Brad Shuck was first doing his dissertation. He says that he was basically "laughed out of boardrooms across the country" when he first suggested the link. "Business is becoming much more interested now there is evidence that when you fully engage your people, you can transform your organisation," he says.

"Work undertaken in collaboration with Gallup found strong effects on a range of financial and other indicators at a business unit level," explains Gahan. And it's particularly worth making sure that people in roles with high strategic value feel engaged, he points out. "This is known as workforce differentiation. Depending on the impact of a particular role and the uniqueness and difficulty in procuring the human capital, a company may differentiate the HR arrangements for that job to maximise the employee's engagement. For a generic role that almost anyone could do, they may see no need to invest to the same extent."

5.  http://www.gallup.com/services/178514/state-american-workplace.aspx

# THE AUSTRALIAN FUTURE

By 2030, demand for locally-based labour in Australia is expected to outstrip supply, due mainly to the combination of an ageing population, low birth rates and low immigration.[6]

Faced with this sparse labour market, it's predicted that Australian businesses will continue to draw upon the knowledge and capabilities of older workers seeking to prolong their careers through more flexible, reduced working hours.[7] Talent will also be more extensively sourced from the global market, especially well-educated, highly mobile professionals from Brazil, China and India.[8]

But with skills shortages also on the horizon in other countries, competition for these workers will intensify.[9] Experts and business leaders believe that in coming decades talent attraction will become the leading source of competitive advantage.[10] To attract these mobile professionals, employers need to be responsive to shifting expectations regarding the workplace experience and its rewards.

Gahan believes that those companies most successful in both initially attracting and then engaging employees have one thing in common: they are purpose-driven organisations. "People like their values and identify what the organisation is all about. Engagement with the corporate mission definitely helps companies like these to recruit high-demand individuals."

The same holds true for innovation. "Innovation can't just be about the bottom line – for employees to really get on board, it needs to be about a purpose to which people are willing to devote their time and talent." Shuck sums it up succinctly: "People can smell it if an organisation's mission or values or culture is not transparent or authentic."

6.   'It's (almost) all about me'. Workplace 2030: Built for Us, Deloitte Australia, July 2013.

7.   'Australia to 2050: Future Challenges', The 2010 Intergenerational Report, Commonwealth of Australia, 2010.

8.   'It's (almost) all about me'. Workplace 2030: Built for Us, Deloitte Australia, July 2013.

9.   Trend Compendium 2030, Roland Berger, 2011.

10.  Fast Forward 2030. The Future of Work and the Workplace, Genesis Research Report, CBRE, October 2014.

# OUTSIDE THE BOX: WHEN ENGAGEMENT CROSSES BORDERS

Given how our workforce is likely to change, the real question for business today is: how can you create and sustain engagement when you are not working within the bounds of a traditional employee pool in an old-style, cubicle-based office? And what about when you have a blend of contract and permanent employees, some of whom are not even in the same time zone or country?

Again differentiation is the key, says Gahan. "If a role has strategic value – even on a short-term contract basis – then it pays the business to build a relationship with the person doing the job and to invest in high engagement strategies." Technology may have made offshoring more viable, but it can also be used as a means of keeping employees around the world connected to each other and the mission of the business.

In his role, Professor Gahan has been struck by the number of international organisations that draw in talent from different places to create crack teams – not necessarily relocating them under the one roof, but encouraging them to work remotely on a particular project. He says the benefits are twofold: "Organisations benefit from increased innovation and engagement, while employees or contractors are given the chance to broaden their experience base and build a portfolio of skills over the course of the project. I've also come across interesting cases of smaller companies collaborating with other businesses in a similar fashion. Both approaches can help inspire employees and deepen engagement."

Dr Shuck again stresses the power of the personal relationship. "It's no longer just about the person sitting next to you. You may be working with people who are five thousand miles away, so it's important to consider their perspective, and how your work meaningfully contributes to the team. You also need to be intentional with your communication to foster a strong relationship."

## 5 TIPS FOR EMPLOYEE ENGAGEMENT

**1** Senior leadership must articulate a clear vision to all employees.

**2** Employees should be encouraged to communicate openly and influence the company's vision through their input.
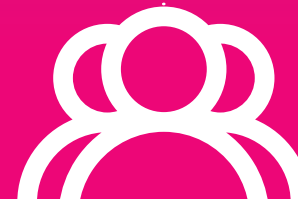
**3** Direct managers should foster healthy relationships with their employees.

**4** Senior leadership should continuously demonstrate that employees have an impact on their work environment.

**5** Managers should show employees that they are valued as true contributors, giving them a sense of empowerment.

# ENABLING ENGAGEMENT: THE ROLE OF TECHNOLOGY AND WORKPLACE

Addressing the 'soft skills' involved in employee engagement is one thing, but an equal emphasis is needed on the technologies and work spaces that also fuel employee engagement.

Employee engagement is closely intertwined with 'enablement' – the way in which employees are empowered to achieve their work[11] and today's employees expect that their employer will provide access to both digital media and collaborative technologies. Millennials, who will increasingly dominate our ageing workforce, routinely use their own technology in the workplace. Three-quarters (78%) consider access to technology makes them more effective workers. They view technology as an enabler of work performance and consider provision of state-of-the-art technology to be important when deciding upon an employer.[12]

Indeed, Millennials seem to be less interested in the traditional perks and more interested in filtering potential employers through a rigorous analysis. What is your culture, and how do you see that changing over the next 12 months (forget 12 years)? Do you have a modern and energetic workplace? What tools will you give me, and will they work everywhere? Can I use mine if I want? Surely you have the policies and management style to allow me to work out of the office whenever it suits me, right?

What might, from a traditional management perspective, appear to be an array of precocious requests is, in fact, increasingly the norm. Have you checked your organisation's profile on Glassdoor? You can be fairly sure your potential employees have.

But the answer is not as simple as buying the latest app or collaboration platform – technology can actually inhibit productivity should you take the wrong punt on a piece of kit, or fail to help your people make the most of the tools at their disposal.

It all comes down to usage and adoption. In other words you can have the best collaboration solution, borderless network and devices in the world to offer your employees, but beware the assumption that just providing 'the best' is enough. (Interestingly, Professor Gahan points out that it is generally managers and employees that identify this as a problem, and not the IT department.)

It's also worth thinking about the personalisation of technology. For many, a company laptop is their office – a portable one, decked out with family photos, games and music playlists, as well as everything they need to get the job done. Organisations that maintain strict control over exactly how employees use their work tools may well be discouraging engagement.

The message here is something that Dr Shuck can relate to on a personal as well as professional level – when you don't regularly work in the same office or at the same desk, or indeed if you're not allowed to personalise your desk any more, then being able to personalise your laptop becomes more important to psychological wellbeing and helps avoid disengagement. This is particularly relevant given the move to flexible workspaces and the enablement of mobile workforces, as outlined in the following section.

11.'Why does Employee Engagement Matter to CEOs?', Hay Group, 2012.
12.Millennials at Work: Reshaping the Workplace, PricewaterhouseCoopers, 2011.

Telstra worked with one customer to ascertain if their approach to deploying collaboration tools had been successful, and the answer was a resolute 'no'. They had decided to choose the best products on the market for certain collaboration scenarios, and deployed everything from unified communications to mobility, content collaboration and enterprise social media solutions. They had many thousands of staff across all age ranges, and the #1 communications challenge they faced was the over-use of email (sound familiar?). Telstra's workshop and analysis process uncovered a disappointing picture – email remained, by far, the most useful tool (in the eyes of staff) for everything from working on a document as a group through to sharing ideas, finding skills and gaining help. The company had only deployed the technology, and missed the cultural change aspect. Collaboration environments must be properly embedded to have a positive impact on employee engagement.

# ROOM TO ENGAGE: EXPLORING TOMORROW'S WORKPLACE

A lot has been said about – and invested in – flexible workplaces and the overall evidence is that, for many organisations, cost savings remain the biggest goal. Think of the money saved in introducing hot desking or Activity Based Working (ABW) and halving floor space – it's all very compelling. Now think of the cost to your company should you get it wrong, disengaging your employees and making it harder for them to do their jobs well… now that's a definite fail.

Like all things, hot desking and ABW involve careful planning and balance (and no, hot desking is most certainly not ABW – that's another discussion entirely). For either approach though, employee acceptance is the biggest test. Any workplace change needs to be done well, if it is to deliver its much touted engagement and productivity benefits.

Success also depends on enabling workforce mobility. If you've reduced the ratio of desk space to people in order to save money, then your staff must be able to work 'anywhere', or they won't be working at all when they're not in the office or at their very own desk.

Dr Shuck has seen some startling successes in the corporate world – and some dire failures. "If change is forced on people, disengagement is a real possibility – people will push away from the table both physically and emotionally. In my experience, it is best to start small with a team that has some openness to the idea, build a pilot, ask the difficult questions, celebrate successes, and only then build out from there."

From his experience, Gahan says that the largest downside to ABW is often noise annoyance. "People can also find it harder to locate the people they need to interact with – they waste significant time working out where the people they need may be. This needs to be dealt with as an explicit piece of the team working process."

Management attitudes to remote working are another barrier, Gahan believes. "If some managers can't physically see an employee, they don't believe any work is being done." Shuck agrees: "An organisation that authentically trusts its employees to do their best work – whether they are in an office or a coffee shop – sends them a very powerful message. The important thing is the relationship of trust, which has to work both ways. Both employer and employee have a responsibility to each other."

And then there are the risks of designated collaborative spaces. "Fed up with the limitations of the new status quo, some people choose instead to turn collaborative spaces into default offices," says Gahan. But there are solutions. "Management needs to take human nature into account. If you focus on cost savings, rather than what is appropriate for your workforce or making the change palatable, that's when you will run into trouble and you'll find employees disengaging from work rather than being enabled to do it better".

# CONCLUSION

The connected dynamics of workforce mobility and employee engagement.

It is increasingly clear that mobility doesn't work if your employees are not engaged, or if mobility does not genuinely deliver what they require for their wellbeing. Equally, you must enable mobility – and the flexibility it provides – to create engagement in the first place.

Mobility and employee engagement are, in essence, dependent upon each another. By addressing the inter-relation between the two elements, you can help drive productivity and create real business value.

Workforce mobility involves more than a simple solution that you buy off the shelf. If you are to both leverage and feed employee engagement, you need to consider the human element too. (Collaboration can't be bought off the shelf either – collaboration is what people do, and only when they are motivated to do so.) Just investing in technology (and/or a new workplace arrangement) will miss the mark.

Above all, it is imperative to acknowledge and work with your people. Employee engagement is wholly dependent upon a shared responsibility between the employer and the employee – any measurement should result in a two-way dialogue, not more paperwork for the archives.

For most organisations, the wages bill still trumps the property bill, with both tending to dwarf the ICT bill. What should be taken from this is that any investment in your workspace or technology should support employee engagement. Your people are your most important (and expensive) resource.

If your staff embrace the technology solutions you provide – and are confident in the support of their management – then you've got it right.

# KEY CONSIDERATIONS

**1** Consider all ICT investments through the lens of employee engagement, remembering that adoption rates are key and that an unused or under-used solution is a wasted opportunity.

**2** Assess the needs of your changing workforce, and ensure they have the mobility and collaboration tools required to perform their best work, wherever they may be.

**3** Measure often, measure widely, and ensure managers are accountable for taking action to improve engagement.

**4** Create focused business support and tactical change initiatives based upon analytics and measurement of awareness, usage and adoption of the mobility and collaboration environments you have deployed.

**5** Ensure that all employee engagement initiatives work both ways – the aim should be to create a dialogue that helps align individual and organisational purposes.

# ABOUT THE AUTHOR

Stuart Kirkby is a Managing Consultant – Future Ways of Working and Collaboration - within Telstra's Global Enterprise and Services, Practices Group.

At Telstra, Stuart is responsible for delivering strategy, organisational change and benefit realisation programs for government and enterprise customers around the world. Stuart has worked in multiple roles across the Unified Communications & Collaboration industry for close to twenty years, focusing on Management, Technology and Change Consultancy. In his view, to create and sustain genuine business transformation, organisations need to break down all pre-conceptions, and bring together the physical, virtual and behavioural imperatives of successful organisational change. And all this needs to be done against the backdrop of rapid technology advancements, evolving organisational challenges and the social intricacies associated with the workplace of the future. Stuart helps our customers to define what Future Ways of Working will look like for them, and then to actually achieve it.

# ABOUT DR BRAD SHUCK

Dr. Brad Shuck is Assistant Professor in the Department of Educational Leadership, Evaluation, and Organizational Development at the University of Louisville. His primary areas of research include the application, meaning, and measurement of employee engagement, emerging areas of positive psychology and leader development.

His research has appeared in refereed journals such as Leadership and Organizational Studies, the Journal of Happiness Studies, Human Resource Development Review, Human Resource Development Quarterly, Group and Organizational Management, Couple and Family Psychology: Research and Practice, Human Resource Development International, Journal of Children's Health Care and the Journal of Management Development, and his work has been highlighted in international media outlets including Forbes, The Washington Post and TIME.

Shuck was named the 2016 Early Career Scholar by the Academy of Human Resource Development and has received several awards for his work including the AHRD Excellence in Scholarly Practice (2016), the Child-Life Council Research-to-Practice Award (2015), the E F Holton III Outstanding Article of the Year (2013 and 2015) and the Advances in Developing Human Resources Outstanding Issue of the Year (2011). Shuck was recognised as a Faculty Favourite at UofL in 2012, 2013, 2014, and again in 2015. He is Director of the Leadership, Engagement and Development Lab (LEADLab), a multidisciplinary research team focused on understanding how human beings interact with their places of work.

# ABOUT PROFESSOR PETER GAHAN

As founder and Director of the Centre for Workplace Leadership and Professor of Management at the University of Melbourne, it is safe to assume that Peter Gahan is passionate about all things 'work' related.

Peter began his career with a Bachelor of Commerce (Hons) at the University of New South Wales and, since then, has held academic positions at UCLA, Monash, Deakin, UNSW and The European University Institute.

Peter has added extensive hands-on experience in business management training to his CV along the way, including four years as Director of Workplace Innovation in the Victorian Department of Industry, Innovation and Regional Development (DIIRD).

When he manages to find the time (and if the Sydney Swans aren't playing), Peter contributes to his already published work, which encompasses over 70 journals, books and reports commissioned for both State and Commonwealth governments.

Peter's expertise covers high performance work practices, managing conflict and negotiations, management and leadership, industry trends and labour markets, and employment relations.

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