



Employee Engagement Enables a High-Performing Workforce

How workforce management technology
helps optimize employee motivation
and productivity



A truly engaged workforce is the critical factor in attracting and retaining the best talent in a fiercely competitive job market. With trust and engagement, employees are more likely to drive even **greater levels of productivity and financial success.**

Employee engagement is much more than just the latest HR buzzword. Typically defined as an individual's degree of positive or negative emotional attachment to one's organization, job, and colleagues,¹ employee engagement is an important HR metric that has real bottom-line impact — perhaps now more than ever.

As manufacturers strive to retain highly skilled labor in today's tough economic climate, increasing employee compensation is not always an option. A more feasible yet highly effective retention strategy focuses on increasing employee engagement. And when organizations prioritize employee engagement, it not only helps them retain successful employees, but also helps boost the organization's overall level of performance. According to a recent study, engaged employees have productivity rates that are 21 percent higher than those of nonengaged workers. Organizations also enjoy a 65 percent lower turnover rate, a 48 percent higher safety record, 37 percent lower absenteeism, and 22 percent greater profitability.²

In fact, Gallup's CEO estimates employee disengagement is costing U.S. organizations about half a trillion dollars per year.³ Given this level of disengagement, it's no wonder that 32 percent of U.S. workers are seriously considering leaving their current employers,⁴ a trend that will cost organizations even more when you factor in onboarding and retraining expenses. Faced with growing economic pressures and a proliferation of overseas competitors, U.S. manufacturers simply cannot afford to ignore the importance of employee engagement for driving productivity and profitability.

ENGAGED EMPLOYEES HELP YOU OUTSMART THE COMPETITION

Over the past decade, the manufacturing industry has faced increasing global competition and the movement of assembly jobs overseas, making continuing innovation and the retention of highly skilled employees even more critical for long-term success. And when employees are engaged, they will likely encourage innovation and respond well to the creative ideas of their peers. An engaging work environment is likely to motivate employees to try harder and go the extra mile — which, in turn, can differentiate an organization from its competitors. Most important, employee engagement appears to be closely linked to bottom-line results.

Aon Hewitt's research continues to show a strong correlation between employee engagement and financial performance, even in times of financial turmoil. High-engagement organizations continue to outperform the total stock market index, and posted total shareholder returns in 2010 that were 22 percent higher than average in 2010. On the other hand, low-engagement companies had a total shareholder return that was 28 percent lower than the average in 2010.⁵ These findings suggest that increasing employee engagement is a smart move for manufacturers looking to boost innovation, retain top performers, and drive higher profits. But how can organizations create a more engaged workforce?

¹ Ken Scarlett, *What Is Employee Engagement?* (Scarlett Surveys International, The Survey Company), accessed November 19, 2011, www.scarlettsurveys.com/papers-and-studies/white-papers/what-is-employee-engagement.

² Brian S. Lassiter, *Workers Are Mad As Hell: 14 Ways to Increase Employee Engagement*, Performance Excellence Network June 25, 2013, found at <http://www.performanceexcellencenetwork.org/persights/workers-are-mad-as-hell-14-ways-to-increase-employee-engagement/>.

³ Ibid.

⁴ Devin Banerjee, "One in Three U.S. Workers Wants to Leave Job, Mercer Study Says," *Bloomberg*, June 20, 2011, <http://www.bloomberg.com/news/articles/2011-06-20/one-in-3-workers-wants-to-leave-job-mercer>.

⁵ Aon Hewitt Consulting, *Trends in Global Employee Engagement* (Aon Hewitt Consulting, 2011), 6.

- Three out of five employed Americans (60 percent) are disappointed with their current career path.
- Among those who are disappointed, nearly one out of three (32 percent) say the reason is because they are not in a career that they dreamed of having, while 30 percent feel that there is a lack of opportunity in their career path, for example, advancement opportunities and the ability to expand on their skills.⁶

WORKFORCE MANAGEMENT: THE MISSING LINK

On the job, employees face enough distractions that are out of their employers' control. One way organizations can improve the employee experience is to simplify those processes that are within their control. While the occasional perk may produce short-term spikes in motivation and productivity, strategies that build employee engagement into day-to-day business operations and workplace culture are more likely to bring about long-term results.

Manufacturers that implement workforce management technology are better able to integrate employee engagement initiatives with their corporate objectives, making it a win-win proposition for employee and employer alike. Workforce management systems empower employees through self-service and HR process automation, enabling them to handle more routine HR transactions on their own — without having to rely on HR assistance — and to participate more actively in functions such as scheduling. At the same time, workforce management systems help HR and managers to manage talent more effectively and retain top performers while controlling labor costs and improving workforce productivity.

WHAT DRIVES EMPLOYEE ENGAGEMENT?

Based on an analysis of data from 12 major studies conducted by top research firms, The Conference Board, a nonprofit U.S.-based business membership and research organization, defines employee engagement as “a heightened emotional connection that an employee feels for his or her organization, that influences him or her to exert greater discretionary effort to his or her work.”⁷ This analysis also enabled The Conference Board to identify the following common drivers of employee engagement:⁸

- Trust and integrity
- Nature of the job
- Alignment between employee performance and company performance
- Career growth opportunities
- Pride in association with company
- Co-workers/team members
- Employee development
- Relationship with one's manager

⁶ Kronos Incorporated, *Kronos Survey Finds Many Americans Know Very Little About the Manufacturing Industry* (October 4, 2016), found at <http://www.kronos.com/pr/kronos-survey-finds-many-americans-know-very-little-about-the-manufacturing-industry.aspx>.

⁷ Patricia Soldati, “Employee Engagement: What Exactly Is It?” *Management-Issues*, March 8, 2007, <http://www.management-issues.com/2007/3/8/opinion/employee-engagement-what-exactly-is-it.asp>.

⁸ Soldati, “Employee Engagement.”

CREATE CONNECTIONS THROUGH SELF-SERVICE

As HR teams rethink the way people work, they must aim to adopt a new design thinking that puts the employee at the center with a productive employee experience through solutions — like self-service — that are enjoyable and simple.⁹

What's driving the growing trend toward self-service? Employee self-service creates connection: employees to managers, managers to employees, and everyone to the workplace. Giving employees access to their own information through online self-service empowers them to take ownership of their information. When employees are trying to find an answer, they can access the organization's HR system from a PC, terminal, or mobile device to update their profiles, review their performance history, request a schedule change, swap shifts, and more. On the payroll side, self-service allows employees to update their direct deposit information, make changes to W-4 deductions, view their pay statements and W-2 forms electronically and more, for greater self-sufficiency and control.

Self-service also delivers significant convenience and time savings during the open enrollment process. Employees can select medical, dental, and other benefits online, reducing what is typically a one- to two-month manual enrollment process to less than one week. When the enrollment period ends, the automated HR system can upload employee benefits selections directly to the organization's benefits carriers, saving valuable HR time and eliminating rekeying errors.

Self-service applications not only give employees more control over their benefits and responsibilities, but also reduce reliance on outdated, error-prone manual updates, and help free HR to focus on strategic projects. In addition, self-service supports Lean initiatives by eliminating wasteful paper-based processes that generate redundant efforts, such as rekeying information from hard-copy timecards into payroll systems.

Best of all, most employees are ready and eager to embrace self-service technology. As more people perform day-to-day activities such as shopping, reading the news, paying bills, and socializing with friends online, they want the same flexibility and instant access to up-to-date information on the job. For example, why would an employee prefer to wait days for the busy HR department to process a handwritten leave request, when he or she can submit it online in seconds using self-service? As more employees leverage self-service technology in their personal lives, they are increasingly willing to adopt it in the workplace too.

⁹ Deloitte University Press, *Global Human Capital Trends 2016* (2016), 71.

According to The Aberdeen Group, businesses with best-in-class scheduling capabilities **increased year-over-year workforce capacity utilization by 30 percent.**¹⁰

GIVE SCHEDULING FLEXIBILITY TO MAINTAIN WORK / LIFE BALANCE

Especially in a 24/7 production environment, scheduling is a balancing act. Managers need to assign employees with certain skill sets and certifications to each shift to keep production on track and stay compliant. At the same time, some employees want shifts that allow them to spend time with their families, while others prefer shifts that pay the highest wage. When it comes to generating schedules that maximize productivity and employee satisfaction, workforce management systems can really help. According to The Aberdeen Group, businesses with best-in-class scheduling capabilities increased year-over-year workforce capacity utilization by 30 percent.¹⁰

Using automated scheduling solutions, managers can create schedules that optimize labor utilization and drive productivity while still accommodating individual preferences. Hourly workers can enter shift preferences and availability, as well as current skills and certifications, into the scheduling system. That way, when a manager creates a schedule, the system automatically factors this information into shift assignments. By enabling employees to participate in the scheduling process, workforce management systems make it easy for manufacturing organizations to create schedules that make cost-effective use of labor while improving worker morale.

Scheduling automation also helps manufacturing organizations find last-minute replacements so they can meet production deadlines. When an employee calls in sick, some scheduling systems can automatically recommend replacement workers, prioritizing them by wage, seniority, skills, or other company-defined criteria. Some scheduling systems can even notify qualified replacements via email, text, or a manager call list to speed the process and further minimize impact on production.

EMPOWER EMPLOYEES TO TAKE OWNERSHIP OF PERFORMANCE

It's difficult for employees to stay motivated and go the extra mile if they don't know how their performance stacks up against manager expectations. Detailed labor tracking gives employees and managers visibility into the time and ultimately the cost associated with each task performed throughout the day.

With labor-tracking capabilities, employees and managers can calculate the amount of time it takes an employee to complete a given task — including time spent on value-add and non-value-add activities — and determine how that performance compares with established standards. This way, managers can immediately acknowledge a job well done or provide advice and encouragement for improving future performance. Manufacturing organizations can also use employee performance data gathered over time to develop and fine-tune performance standards that keep employees focused on continuous improvement.

¹⁰ Aberdeen Group, *Workforce Optimizations, Managing the Quality, Cost and Speed Paradox* (Aberdeen Group, March 2010), 6.

The Link Between Workforce Management Technology and Employee Engagement

A fully automated and integrated workforce management solution can help manufacturing organizations increase employee engagement by:

- Encouraging ownership of information through self-service applications
- Enabling workers to participate in scheduling by specifying shift preferences, swapping shifts with other workers, and maintaining current skill/certification information
- Providing labor activity data that measures individual performance
- Sending automated alerts to managers when performance reviews are due, so employees receive evaluations in a timely manner
- Tracking training to help managers organize and manage employees' skills development

When it comes to motivating and retaining top talent, ongoing feedback and timely rewards are critical. Nothing makes employees feel less valued than late performance reviews or delayed pay raises. Workforce management systems can help your organization gain control over processes such as compensation cycles and performance reviews by automatically letting managers know when preliminary budgets and employee evaluations are due. Automated alerts help organizations keep their compensation planning and performance review processes on schedule, so employees receive feedback and rewards in a timely manner.

FOSTER CAREER DEVELOPMENT AND PROFESSIONAL GROWTH

As most manufacturers continue to seek fractional reductions in cost, the ongoing development of employee skills — one of the most significant drivers of improved business performance and profit margin — is too often overlooked.¹¹ After all, many of today's manufacturers are facing a potential skills shortage due to the large number of employees nearing retirement age. Properly managed training programs can help ensure that manufacturing organizations develop workers with the necessary skills, keep employees challenged and motivated, and nurture future leaders.

At the same time, ongoing professional development has been proven effective in retaining top talent, maintaining quality levels, and achieving a competitive advantage.¹² Some workforce management systems offer a training tracking feature that assists in the organization and management of employees' training needs, including education and skills development related to:

- OSHA
- International Organization for Standardization (ISO)
- Hazardous energy control (lockout/tagout)
- Material safety
- Food safety

Professional development programs, backed by automated training tracking capabilities, help keep employees' jobs fresh and interesting by introducing them to new approaches and skills that will improve their performance and improve their chances for advancement. Training and development create opportunities to keep employees motivated and engaged while demonstrating the employer's willingness to invest in their futures.

Workforce management systems can also help manufacturing organizations track employee certifications and licenses — automatically notifying managers when those critical qualifications are about to expire — to minimize compliance risk and maximize workforce safety.

¹¹ Phelps and Brossoit, "Key Drivers of Employee Engagement."

¹² Ibid.

"Two factors top the list of satisfaction drivers for employees in nearly every region across every engagement level: 'career development opportunities and training,' and 'more opportunities to do what I do best.'"¹³

BlessingWhite Inc.

INCREASE EMPLOYEE ENGAGEMENT — AND THE BOTTOM LINE

Faced with growing global competition and economic pressures, today's manufacturers are looking for new ways to achieve differentiation and protect profit margins. When manufacturers have engaged employees, the long-term benefits translate to the bottom line. Research continues to show that a well-substantiated relationship exists between employee engagement — the degree to which workers demonstrate commitment, belief in organization values, pride in their employment, and motivation to excel — and business results.

Workforce management technology can help manufacturing organizations increase employee engagement. By providing employee self-service applications and automating processes such as time and attendance tracking, scheduling, human resources, and labor analytics, manufacturers can empower employees to take a more active role in HR and scheduling activities, take advantage of training and professional development opportunities, and get the continuous feedback on performance required to motivate and encourage innovation. For manufacturers looking to control costs and increase productivity, increasing employee engagement through the effective use of workforce management technology may be the answer.

¹³ BlessingWhite, *Employee Engagement Report* (2011), 14.