

The Insync Surveys

Alignment Update

A series of five organisational updates on: leadership; engagement and retention; corporate social responsibility and risk management, reward and recognition; and market responsiveness.

Update two: Engagement and retention

September 2008



Further information:

Insync Surveys

Melbourne: Level 7, 91 William Street, Melbourne VIC 3000

Perth: Level 3, 1060 Hay Street, West Perth WA 6005

Sydney: Level 2, 110 Pacific Hwy, North Sydney NSW 2060

info@insyncsurveys.com.au

Phone: +61 3 9909 9222

Phone: +61 8 6461 6485

Phone: +61 2 8081 2000

www.insyncsurveys.com.au

Table of contents

Introduction	3
Methodology	3
Engagement and retention: key findings	4
About the sample	4
Bosses need to show they care	6
Women can raise expectations	7
Long-term staff want attention	8
White collar bond to profession	9
Age dictates attitude	10
Honest conversations needed	11
Tips for building a shared sense of commitment	11
About Insync Surveys	12
Contact us	12

Introduction

The Insync Surveys Alignment Update is a series of five insight reports which will confirm or debunk common perceptions held by senior leaders faced with mission critical organisational challenges.

Our second report is on engagement and retention. You'll gain an insight into maximising employee talent and building a shared sense of commitment.




The first report explored employee perceptions of leadership. Subsequent updates are corporate social responsibility and risk management, reward and recognition, and market responsiveness.

Subscribe to the full series of The Insync Surveys Alignment Update for free at www.insyncsurveys.com.au, email: gboyd@insyncsurveys.com.au or call: +61 3 9909 9222.

Methodology

Data gathered from the Insync Surveys Organisation Alignment Survey has been used as a basis for the five reports in The Insync Surveys Alignment Update. The Organisation Alignment Survey measures the connection of an organisation's vision and strategy with the actions, attitudes and outcomes of its employees. Organisations going through significant leadership changes or those adapting to new market pressures use the tool to take stock and then devise the best path for a sustainable future. The survey has 120 statements measured on a seven point scale where "one" represents strongly disagree and "seven" represents strongly agree.

This study highlights differences among demographic groups. To do this, the seven rating options are aggregated under the titles of "disagree", "neutral" and "agree" as follows:

Disagree = 	Neutral = 	Agree = 
Strongly disagree (1) Disagree (2)	Slightly disagree (3) Neither agree nor disagree (4) Slightly agree (5)	Agree (6) Strongly agree (7)

Engagement and retention: key findings

- Up to half of all employees in the workforce for more than a year don't know if their organisation is committed to them, indicating that bosses fail to show they appreciate employees and aren't effective in communicating interests in wellbeing (page 6)
- Despite fewer women making senior positions, they're more content with the effectiveness of development plans than men (page 7)
- Blue collar employees in the Manufacturing industry enjoy the most effective plans for developing and retaining staff, while people in the Professional, Scientific and Technical services industry say they have the poorest plans (page 9)
- Employees are frustrated between 25 and 45 years of age as they don't believe their skills and talents are utilised to their full potential (page 10)

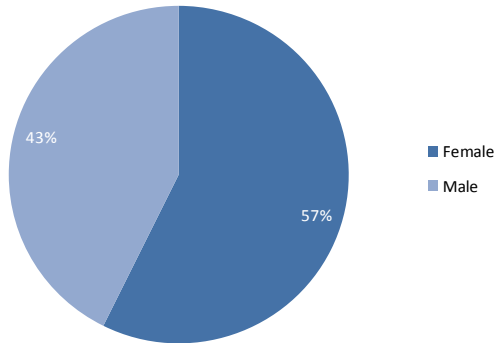
About the sample

A sample of over 14,000 employee responses from more than 70 organisations was drawn from Insync Surveys' international benchmark databases, which collectively contain the responses of more than 750,000 people. The responses used were submitted between 2004 and 2008.

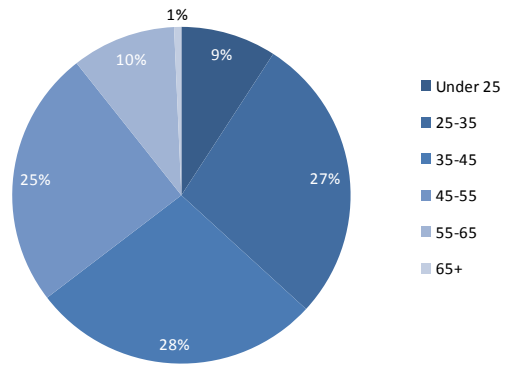
Most industries are represented, including logistics, health care, education, government, not for profit, resources, finance, tourism, services, manufacturing and research. Data were collected in line with the privacy policy of Insync Surveys. This policy informs survey invitees that their responses may be used for the purposes of research. It also guarantees that their identity will not be linked to their responses.

The pie charts below illustrate the distribution of respondents across the various demographic groups.

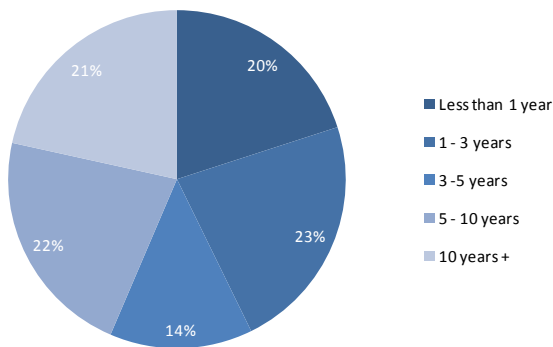
Population distribution by gender



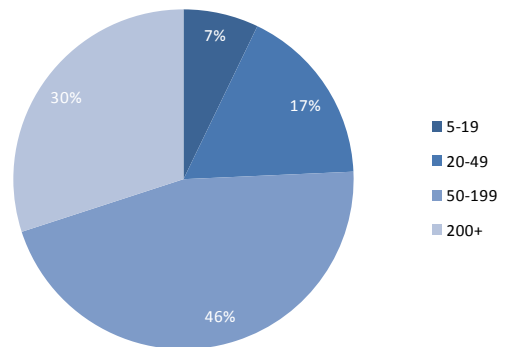
Population distribution by age



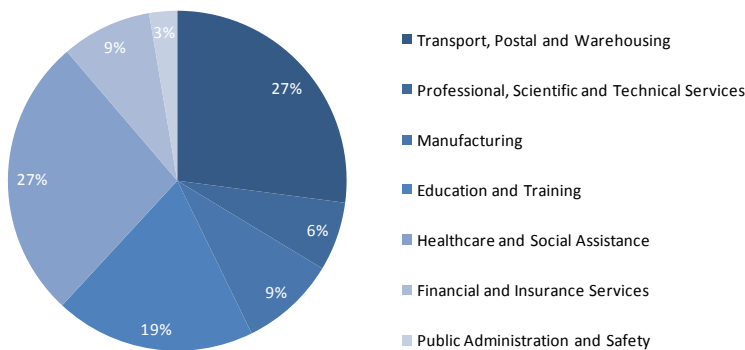
Population distribution by tenure



Population distribution by organisation size (based on number of employees)



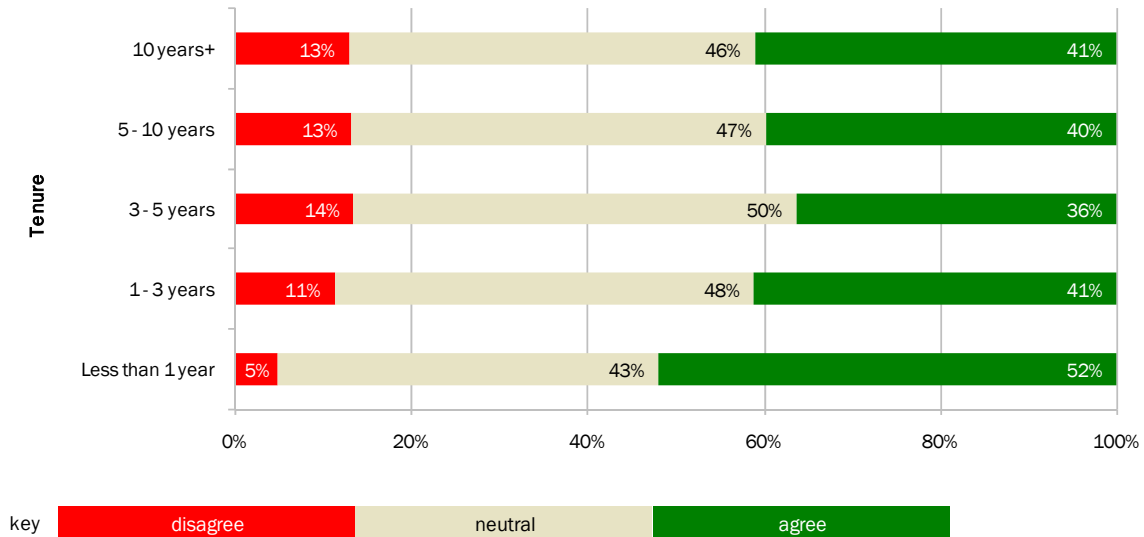
Population distribution by industry



Note: Industry breakdown based on the Australian Bureau of Statistics' ANZSIC 2006 codes.

Bosses need to show they care

Figure 1 – “Our organisation cares about and is committed to me”



The above results illustrate a troubling state of affairs – over half of all employees with over a year of service either don't believe or aren't sure if their organisation cares or is committed to them.

In our experience, it's hard to find anyone in business who genuinely doesn't care about their staff. Bosses do think about their employees' wellbeing, families and livelihood. However, these results indicate that organisations fail to show this concern to employees.

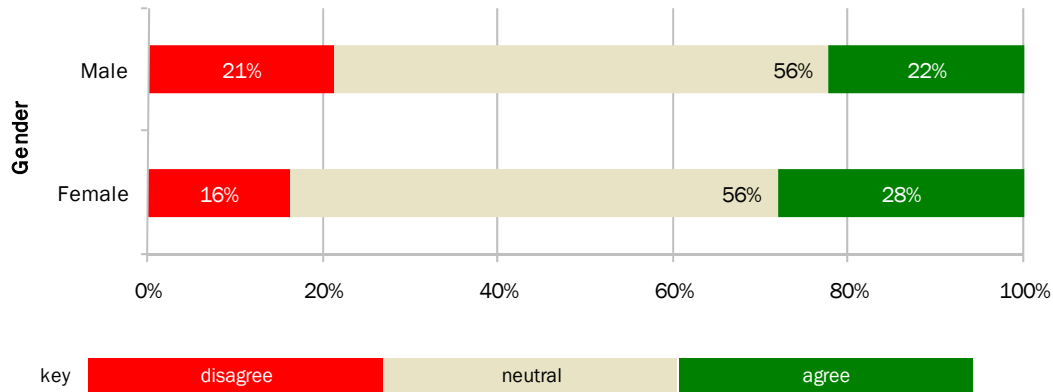
Support and commitment is necessary for the retention of skilled employees, however the above graph suggests that longer serving employees don't feel as supported or cared for as they'd like. Specifically, employees with 3-5 years of service display the lowest levels of agreement and highest level of disagreement in relation to commitment from the organisation. In the graph above, this trend remains constant. This suggests that employees who are unsatisfied with the care and commitment provided by the organisation either leave after a couple of years or stay but with views unchanged as tenure goes on.

Employees in their honeymoon period, with less than one year of service, hold an optimistic view. The majority of new employees (52%) believe their organisation is committed to them to a greater extent than all other employees. Furthermore, disagreement levels in this group are also low (5%) and suggest that new employees feel adequately supported.

Organisations can benefit from higher employee commitment by being understanding and flexible about employees' family or life pressures. Insync Surveys' clients use work life balance options for employees to actively demonstrate their support; in return they hope to retain engaged employees for longer. The challenge for organisations lies in communicating that they care about the wellbeing of their workforce.

Women can raise expectations

Figure 2 – “Our organisation has effective plans for developing and retaining its people”



Analysis reveals that the survey statement, “our organisation has effective plans for developing and retaining its people”, has a big impact on employee commitment.

Men are more likely to believe that their employer doesn’t have effective plans for developing and retaining its people (21%) compared to women (16%). On the positive side, women were more likely to agree with the statement (28%) than men (22%). Women’s contentment suggests that they may be more open to development plans which they put into action, or that men have higher expectations.

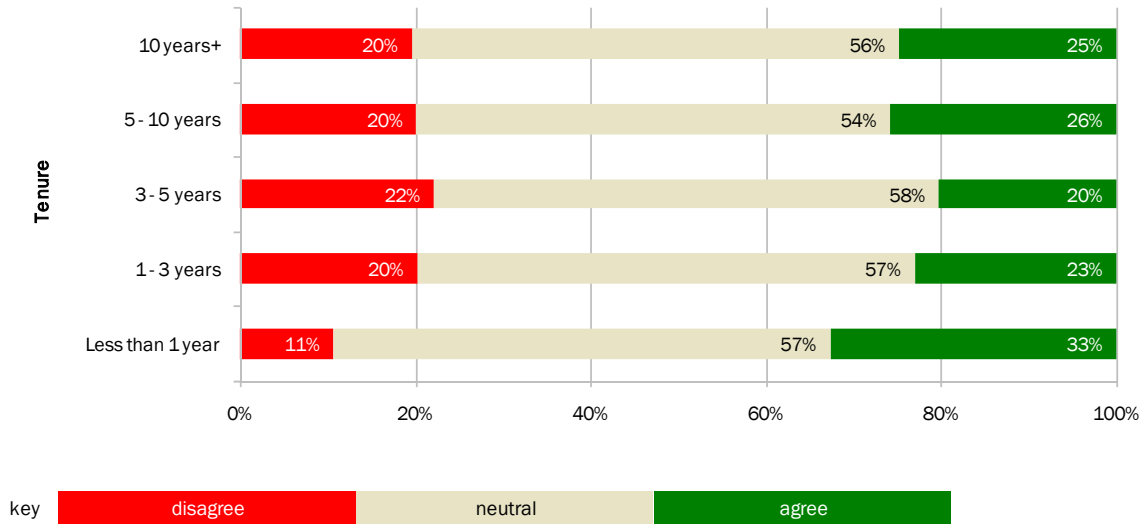
Given the scarcity of women at senior executive and director levels, it’s a revealing statistic to see that they report a higher level of satisfaction with their employers’ efforts to prepare them for greater responsibility or effectiveness. Development opportunities may be less of a priority for women who are trying to juggle family needs with work.

The finding to this survey statement is ironic because paid maternity leave, additional family leave and flexible conditions are still a struggle for many organisations. As a result, retention and development of women is more challenging.

To address this finding, organisations need to understand if it is their most or least talented and valued employees who are claiming not to be well looked after.

Long-term staff want attention

Figure 3 – “Our organisation has effective plans for developing and retaining its people”



The findings displayed in figure 3 suggest that some longer serving staff believe they're taken for granted. One in five employees who've been with their employer for more than one year don't think there are effective plans for developing and retaining key talent. This is important for organisations to address given the shortage of talent and the costs of employee turnover.

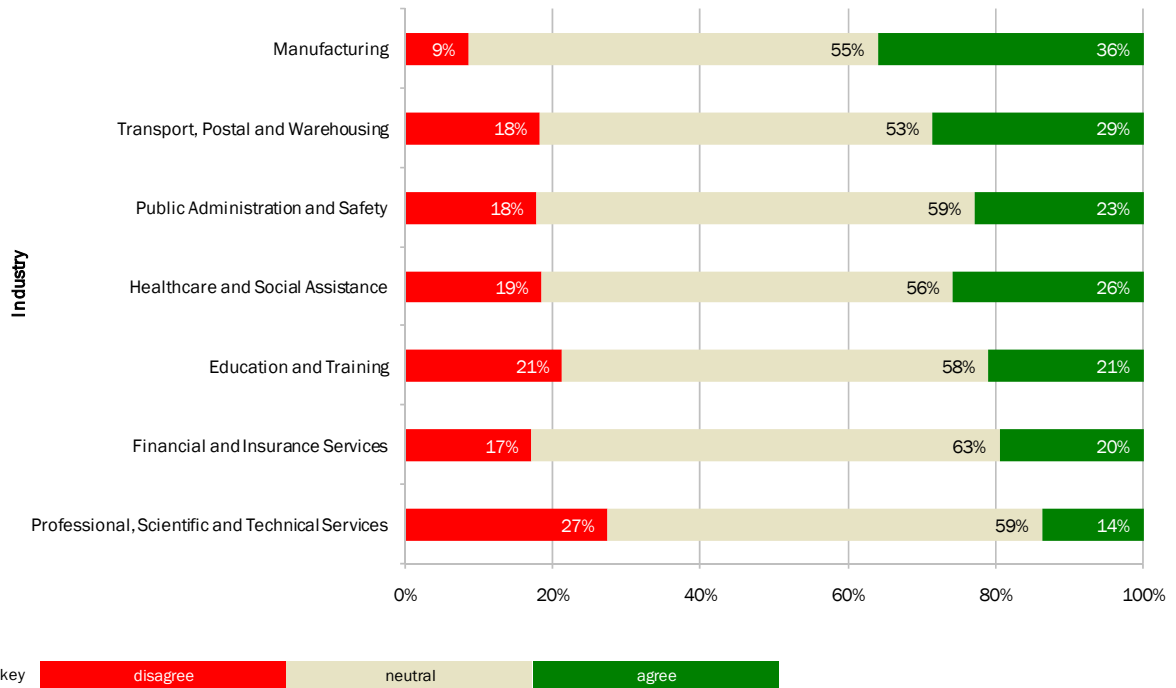
One obvious explanation for these results is that employers are developing staff to the point where they are proficient in their roles, but no further.

Organisations need to be aware that as employees become more capable, they want to be further developed. In return, they become more engaged and likely to stay. Having effective plans for developing and retaining people presents an opportunity to improve retention and increase levels of commitment.

Employees in their honeymoon period, with less than one year of service, are most likely to believe the organisation has effective plans for developing and retaining people. New employees provided the lowest level of disagreement (11%) and the highest level of agreement (33%). New staff often bring a fresh perspective and a positive attitude. They're often appreciative of the organisation's recruitment and induction effort and the extra attention provided by bosses. This theme is consistent with The Insync Surveys Alignment Update's first report into leadership which found that new employees were most satisfied with their managers.

White collar bond to profession

Figure 4 – “Our organisation has effective plans for developing and retaining its people”

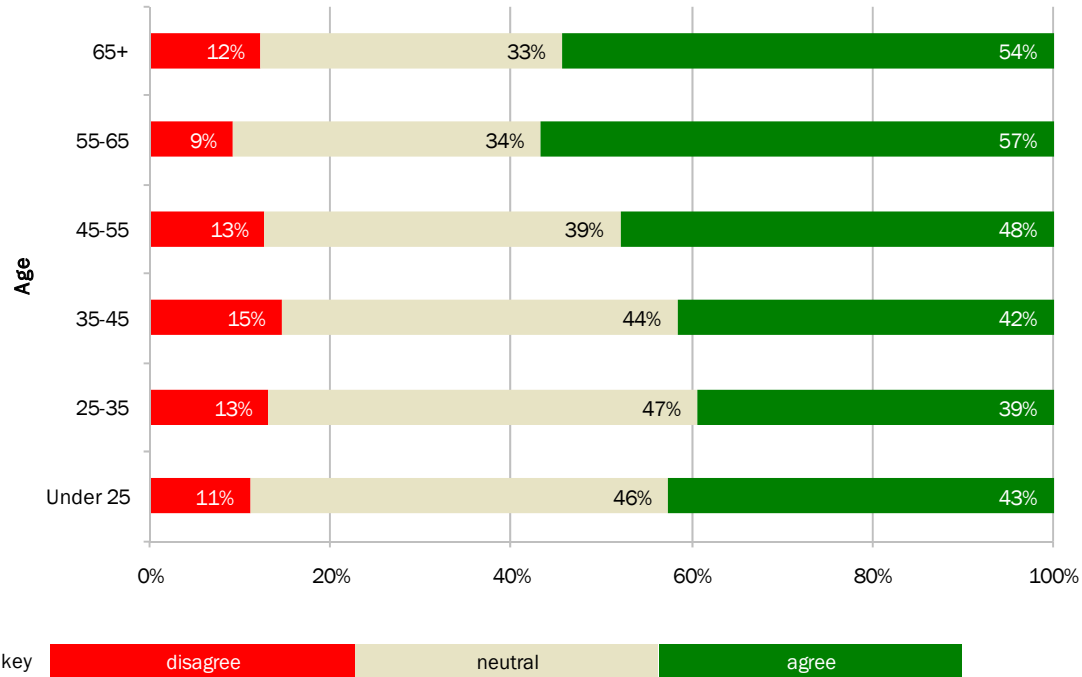


The blue collar Manufacturing industry displayed the lowest percentage of disagreement (9%) and highest percentage of agreement (36%) for their organisation having effective plans for developing and retaining staff.

However, the white collar Professional, Scientific and Technical Services industry recorded the highest level of disagreement (27%) and the lowest level of agreement (14%) for their employers’ development and retention plans. Retention may be more important in the Professional, Scientific and Technical Services industry given that its workers sell knowledge. In this sector, if an employee walks out, so does their knowledge and clients. With low unemployment levels, training and development could be used as a retention tactic, however this can be challenging as training must be varied to meet individual needs and as many white collar workers are university educated, their expectations can be even more difficult to meet. These results highlight the need for organisations to create and promote effective development and retention plans tailored to the needs of individual employees rather than adopt a “one size fits all” approach.

Age dictates attitude

Figure 5 – “My skills and talents are used to their full potential”



When looking at the statement “my skills and talents are used to their full potential”, agreement varies depending on age. For those employees who are approaching retirement (55 and 65 years), there’s more agreement that their skills and abilities are being used to their full potential (57%).

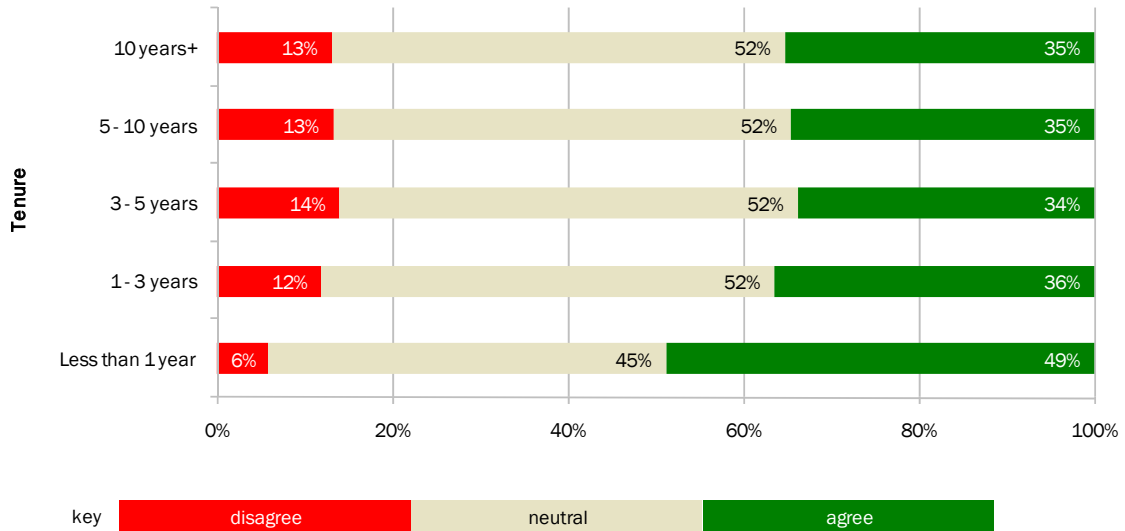
Employees aged between 25 and 45 are the least convinced that their skills and talents are being utilised to the extent they should, displaying the highest disagreement percentages (13%-15%) and the lowest agreement percentages (39%-42%). These employees expect their career to fast track. The findings illustrate a gap in perceptions between job market reality and illusion.

While younger people under 25 have a lot to learn, they’re also frustrated by the limited opportunities to show what they can do with just 43% agreeing with the statement.

These results provide startling evidence for real conversations to take place between leaders and their staff. Leaders must be proactive and have honest conversations with their staff about their potential. In this way, realistic and attainable career paths can be forged and existing roles can be enriched to assist employees, particularly those between 25 and 45, achieve their career goals and become more satisfied.

Honest conversations needed

Figure 6 – “Our organisation is committed to maximising the potential of each person”



Employees with less than one year of service displayed the highest level of agreement for the organisation maximising the potential of each person (49%). New employees hold their managers in high esteem. However, after one year of service, employees become disenchanted. Of concern is the finding that agreement decreases 13% after the first 12 months and over half of all employees no longer believe the organisation is committed to maximising the potential of each person.

Organisations can address this by improving their performance review system, by giving talented employees the opportunity to take on greater responsibility, increasing their involvement in strategic planning and by giving coaching so career goals are met, especially after the first year. Organisations should also avoid mixed messages and creating expectations which will never be met. If you can't do much to maximise the potential of a person, don't suggest you can; instead, be honest about career options and set realistic expectations.

Tips for building a shared sense of commitment

- Work life balance options show the organisation cares; in return, retention and engagement can be earned from longer standing employees
- Understand talented employees' expectations to make development and retention plans that fit their needs

-
- Provide individual and targeted development for seasoned employees, not just new starters, so talent loss and recruitment costs are reduced
- Employees in the Professional, Scientific and Technical Services industry have a stronger allegiance to their profession than their organisation; enhancing their professional skills could represent more valuable development and retention plans
- Provide employees aged 25 to 45 with concrete career advice and opportunities, such as role enrichment, to increase commitment and satisfaction levels
- Improve the performance review process by boosting responsibilities given to talent, involving employees in strategic planning and by offering coaching so career goals are met

About Insync Surveys

Insync Surveys is a 2009 *BRW* Fast 100 company. With offices in Melbourne, Sydney and Perth, we deliver customer, employee, board and other stakeholder surveys for some of the largest organisations in Asia Pacific, including: Cathay Pacific, Foster's, Toll, AXA, Medibank Private, WorleyParsons, the New South Wales Department of Community Services, the Victorian Department of Primary Industries, Tourism Western Australia, iiNet, Fairfax Digital, QLD Department of Emergency Services, TT-Line (Spirit of Tasmania), Melbourne Cricket Club, many local councils, most university libraries and Mission Australia. This experience allows us to benchmark your results. Insync Surveys' organisational psychologists help your organisation to improve performance and the working lives of your people.

Contact us

To discuss your organisation's alignment needs or to subscribe to the subsequent reports in The Insync Surveys Alignment Update for free, contact:

Genevieve Boyd
Insync Surveys
gboyd@insyncsurveys.com.au

Melbourne: Level 7, 91 William Street, Melbourne VIC 3000
Perth: Level 3, 1060 Hay Street, West Perth WA 6005
Sydney: Level 2, 110 Pacific Hwy, North Sydney NSW 2060
info@insyncsurveys.com.au

Phone: +61 3 9909 9222
Phone: +61 8 6461 6485
Phone: +61 2 8081 2000
www.insyncsurveys.com.au