



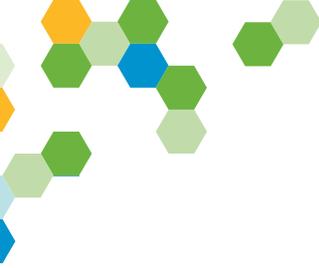
SPECIAL REPORT

Employee engagement: the pending subject

Madrid, June 2015

d+i developing
ideas

LLORENTE & CUENCA



“To win the marketplace you must first win the workplace”.
Douglas Conant, former President of Campbell's Soup.

- 1. THE CHALLENGE
- 2. EVIDENCE
- 3. EMPLOYEE ENGAGEMENT
- 4. KEY TO RETAINING
- 5. KEY TO ATTRACTING
- 6. KEY TO EFFORT AND PERFORMANCE
- 7. ADDRESSING EMPLOYEE ENGAGEMENT FROM A COMMUNICATION POINT OF VIEW
- 8. VIRTUAL WORKSPACE
- 9. LISTENING
- 10. CONCLUSIONS

AUTHORS

1. THE CHALLENGE

The people responsible for the management of employees are coming to a clear conclusion: the only advantage that the last recession entailed was the fact that they did not need to worry about attracting or retaining talent; now, we will start paying the consequences.

In many cases, this conclusion is based on their experience and their everyday business life. In others, they might have read one of the studies that confirm the aforementioned trend¹, which states that *6 out of 10 employees are actively looking for a new job and for 2 out of 10 people this will be their top priority for 2015.*

It is clear that several companies have put off the implementation of measures aimed at increasing the pride of belonging and the commitment of employees to the business project, mainly because the staff turnover rate was at an historic low across most markets.

However, others were forced to carry out various actions to retain and motivate their staff a long time ago, since the capacity to achieve this objective through wage increases has been non-existent or minimal in recent years.

In a context of economic recovery, even though the pace might differ in each market, it seems obvious that the talent has made the decision to, at least, be willing to change jobs during the following year.

In this competition to attract the best professionals for each organization, the companies with the best satisfaction index among their current employees will have the greatest recruitment advantage to guarantee the aforementioned objective. The challenge might be the fact that the way to measure the satisfaction and how a potential candidate can notice it has greatly changed in recent times. Nowadays, we rely more on the opinions of travelers when looking for accommodation for our holidays and the same can be said of the opinion of the current employees of a company; they have a much more significant influence on the candidates than any conventional HR rankings.

In our daily relations with companies, two questions are repeatedly appearing in recent months: is there still time to retain the people who have decided to leave? And... Where should we start to see results as soon as possible?

¹ <http://guiasalarial.hays.es/charts>

“After the customer, the most important stakeholder in terms of influence as regards meeting the objectives of the company will clearly be the employee”

The answer is, to a certain extent, the same for both questions. We need to start as soon as possible –since the enhancement of the relations between people and organizations will always be positive in the long term– and we probably need to start by telling the employees that this issue occupies us and is cause for concern. We are well-aware that certain changes will be slow, but the experience shows that the effects of a change can be first seen when these changes are announced–although the company obviously needs to fulfill the promises–.

In any case, it is already a breakthrough to see the company managers we usually work with express that, after the **customer**, the most important stakeholder in terms of influence as regards meeting the objectives of the company will clearly be the **employee**.

This paper analyzes certain key factors which can determine the success of retaining and attracting professional talent. This is not an exhaustive study, but merely tries to establish dialogue proposals for managers who head organizations and need to deal with this matter in their daily business life.

2. EVIDENCE

56% of the employees want to change jobs for a reason related

to their motivation and alignment with the company’s goals, while only 18% want a new job for a better salary².

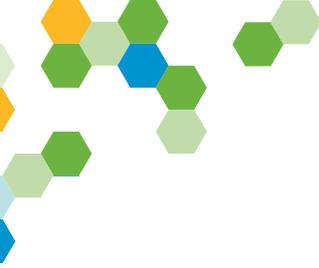
70% of the American employees say that they are not engaged at work, according to a survey carried out by Gallup about the state of the American workplace. On a different note, 89% of the companies think that their employees leave for more money, but only 12% of the workers actually do.

These are just some of the most surprising data on employee engagement that Office Vibe published on its website³. Even more relevant: 75% of the people that end up quitting do not leave their job, but their boss; or the fact that an engaged employee has 89% less chance of quitting the company.

A quick overview of these and other statistics shows several highly-representative conclusions about the cornerstone of today’s talent management. It is not enough to have a sound communication with the employees; experience shows that companies seeking to become benchmarks in the sector, which really want to motivate and engage their employees will need to empathize and connect with, listen to and inspire people. As neuroscientist Donald Calne said: “*The essential difference between emotion*

² <http://guiasalarial.hays.es/charts>

³ <https://www.officevibe.com/blog/stats-employee-engagement-infographic>



“Engagement refers to the fully committed employee”

and reason is that emotion leads to action while reason leads to conclusions”.

3. EMPLOYEE ENGAGEMENT

What is Employee Engagement exactly? Translating it could prove difficult, but understanding it should not. Employee Engagement is the emotional commitment that employees have to the organization for which they work and to the objectives that the latter seeks. An engaged employee is the person who shares the vision of the company, finds meaningful the work he carries out in the company and is willing to make efforts beyond those established in his contract. The actions made in this field to increase the internal feeling will influence several external elements, such as consumer satisfaction, sales and, above everything, the capacity of the company to attract new differential talent.

Therefore, when we talk about engagement we are not merely focusing on the happiness of an employee –an employee can be very happy and at the same time not have the appropriate attitude to give his best–, we do not merely refer to the satisfied employee. Engagement refers to the fully committed employee;

the person committed to the business objective willing to “go all out” for it.

4. KEY TO RETAINING

The composition of the staff of companies has been dramatically changing in this period and, along with it, the requirements for a company to be considered as a good workplace –a crucial factor to retain talent–.

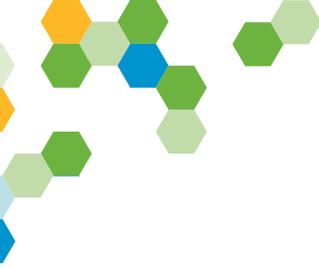
The known as millennials or “Generation Y” –the people born between 1980 and 2000–⁴ will account for 75% of the working population in just ten years. Unlike the previous generation –the “Generation X”, born between 1960 and 1980–, millennials do not expect to find a job for “the rest of their life”. In fact, 91% state they expect to stay in the same company for less than three years⁵. Similarly, 46% of the people prioritize flexibility over salary in their working environment⁶. Another key data to understand the mentality of this generation is the fact that 78% would choose to spend money on a desirable experience over buying something desirable⁷, which clearly shows the need that companies must address to offer unique experiences to their employees.

⁴ http://es.wikipedia.org/wiki/Generaci%C3%B3n_Y

⁵ <http://www.forbes.com/sites/jeannemeister/2012/08/14/job-hopping-is-the-new-normal-for-millennials-three-ways-to-prevent-a-human-resource-nightmare/>

⁶ <http://millennialbranding.com/2013/cost-millennial-retention-study/>

⁷ http://eventbrite-s3.s3.amazonaws.com/marketing/Millennials_Research/Gen_PR_Final.pdf



“Crucial role played by employees as a credible source”

Motivating and retaining this type of professional calls for a change in the traditional approach carried out by companies. Companies need to adapt themselves to the needs and concerns of this generation, which cares not only about business performance, but also about the business contribution to the community, the commitment to the environment or the necessary balance between professional and personal life, among others.

This new type of employee, increasingly common in today's organizations, needs to find the aforementioned emotional connection with the workplace allowing oneself to feel fulfilled. And it seems clear, more than ever before, that only the companies that manage to create a unique and consistent story, which choose correctly the messages to be conveyed (storytelling) and have the right attitude and actions to carry it out (storydoing), will be in a better position to retain the most valuable employees.

5. KEY TO ATTRACTING

Who would you rather believe? An ad on a job website announcing a great company in which to make a career or an employee telling you that, based on his experience of over five years in that company, no

efforts are made to promote the best professionals?

The Edelman Trust Barometer⁸ has been highlighting the gradual shift in the credibility of companies for years. In the last decade, we have witnessed how the traditional wardens of the credibility of a company (CEOs, managers, etc.) have lost this feature in favor of the employee. People tend to trust their peers. This is similar to the phenomenon taking place in the advertising sphere: consumers tend to rely more on the recommendations of other people (earned advertising) than on pure advertising⁹.

It is precisely this crucial role played by employees as a credible source to describe what happens inside of the company which makes Employee Engagement a basic tool to attract or retain talent. It could be said that an engaged staff will be the main builder and sustainer of the reputation of the company as an employer brand.

6. KEY TO EFFORT AND PERFORMANCE

Performance and efforts come from within. An employee has two types of motivations, extrinsic ones –money being the most obvious example– and intrinsic factors –the pleasure experienced while working, the pride

⁸ <http://www.edelman.com/2015-edelman-trust-barometer/>

⁹ <http://www.nielsen.com/us/en/insights/news/2013/under-the-influence-consumer-trust-in-advertising.html>

“Employee engagement can never be achieved through an exclusively communicational approach or an exclusively human resources-related strategy”

of belonging to a specific company whose vision he shares, etc.-. Extrinsic motivations make the worker “do the job for which he is being paid” and that is it. However, a truly committed employee will be willing to give his all, to work harder, to continue training, to be better and to stay in the company for many years.

7. ADDRESSING EMPLOYEE ENGAGEMENT FROM A COMMUNICATION POINT OF VIEW

As clearly stated above, engagement calls for a collective approach, yet the result is individual. Engagement is the result of a series of experiences that the employee has at different levels within the company. Mainly, the engaged employee is the person who trusts his bosses –from whom he receives and to whom he provides a constant feedback–, who enjoys working with his colleagues, likes his workplace and considers his work to be meaningful. However, despite the importance of these factors, they are not enough to generate the type of commitment we are referring to. It is also necessary to have an appropriate storytelling which motivates employees and makes them feel part of a unique project.

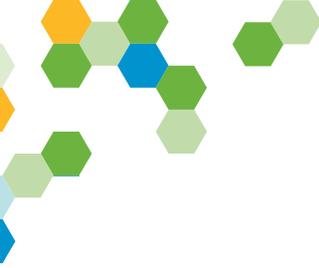
This shows that employee engagement can never be achieved through an exclusively communicational approach or an exclusively human resources-related strategy. The projects that will succeed are those who manage to combine both point of views

to “make it right and make sure people notice it”. And listening too. As described below, one of the main challenges that companies need to tackle in order to attract and retain the best talent is listening to their employees to know what they really think, what concerns them and what needs improvements.

All levels of the company can make a contribution to building the perfect place for talent to work:

- Senior management plays a critical role in employee engagement. It must be real, convey the objectives of the company passionately, play an active role in the internal conversation and be close and communicative.
- Meanwhile, middle management is the most important communication channel of a company. In a highly information-saturated scenario, the immediate superior is one of the few resources capable of attracting the attention of employees. His role is essential to align and motivate employees, but also to recognize and reward outstanding work.

Communication with employees is an essential factor to generate a true employee engagement. The company must ensure a solid storytelling which motivates the employees and makes them feel part of a mission, vision and values well worth the daily efforts. Each employee must



“One of the main tools to promote engagement in companies is the Virtual Workspace”

know where his organization comes from, where it is heading and, especially, the reason for it. Likewise, it is key for each person to understand his mission and role within the company and to make sure that everyone is motivated and excited about the challenge.

Communication with employees is also crucial to establish a solid, credible and sound corporate culture of transparency. To this end, the commitment of middle managers is essential, since they are responsible for conveying the main mission of the company to employees. They have to guide them, treat them on an individual basis, listen to them, give them feedback and, ultimately, motivate them. It is imperative to implement corporate cultures which focus on the employee, which make them the cornerstone of the soul of the company. Moreover, it is necessary to combine the classical model of the annual performance appraisal with the healthy philosophy of celebrating small victories and milestones that take place throughout the year.

Companies seeking to generate a true engagement must place the employees at the center of the communication, making sure to give them a voice and listening to what they have to say. Ideally, communication with employees has to be an instrument for transparency to show the integrity of the company. In this sense, we would like to further analyze the concept of virtual workspace as a particularly use-

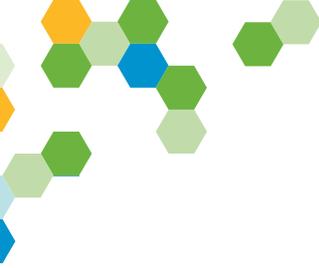
ful tool to implement effective engagement programs.

8. VIRTUAL WORKSPACE

One of the main tools to promote engagement in companies is the Virtual Workspace. It is a comprehensive resource that can generate a thorough change in the way in which the company relates to its employees, the way in which employees relate to their company, the way in which employees mutually relate and the way they work.

A virtual workspace conceived as a social intranet which provides several alternatives for collaborative work greatly facilitates the communication of the objectives, mission, vision and values of the company and at the same time gives a unique voice to the employees. It promotes a mutual understanding –through the personal profiles of the employees and the interactions that take place in this type of platforms– and hugely streamlines the way in which the company works, thus increasing the satisfaction of the members of the organization.

Document management services, the possibility of organizing various working groups, task and project management tools, working from anywhere or the capacity to generate ideas' crowdsourcing events are a few examples of how this type of resources can enhance and efficiently modernize the way in which a company works, making it easier and more fun for employees.



“Ad hoc surveys are a quite important source of information”

9. LISTENING

There are many different resources that enable companies to listen to their employees and detect the state of key issues for employee engagement, such as the capacity of providing or receiving feedback, the alignment of the company, the relationship with the management and colleagues or welfare.

There are four main ways to know what employees really think of a company:

- **Climate surveys:** Climate surveys are a quite common tool for companies as they are a reliable option to analyze the actual state of a company. However, they have some shortcomings and, therefore, are insufficient to assess the degree of engagement in a company.

The first weakness of this type of surveys is their frequency, held every two years on average. This period of time is too broad to assess the engagement, which is created and destroyed on a daily basis, and allows the human resources and communication departments very little room for maneuver to correct the course when something is not working properly.

The second major weakness is that these surveys ask employees to evaluate many different aspects of their professional life. Therefore, sometimes they might not be

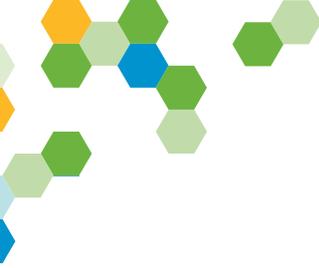
useful to measure the degree of commitment.

Finally, the large number of questions that these surveys usually include reduce the reliability of the answers, since respondents often end up answering in an automatic and uninterested manner.

- **Ad hoc surveys:** *Ad hoc* surveys are useful to focus on specific aspects which are critical to the engagement. Their frequency can also be adjusted to the specific features of each company. For some companies, making a single question once a week might be better (for example: score 0-10, how likely are you to recommend this company to a friend?) and for others it might be more useful to ask fifteen questions four times a year.

Ad hoc surveys are a quite important source of information and, if properly used, can provide immediate feedback to enhance the way in which the company works as well as the working environment.

- **Workshops:** Workshops are a very important source of information. The moderators of the meetings should not be part of the company's staff so as to ensure that the meeting takes place in a relaxed atmosphere, that participants can express themselves freely and that there is no feeling that the



“It is essential to give voice to all persons in the company, listen to them and use the feedback to carry out changes”

company wants to detect critical voices to censor them or retaliate.

- **Personal meetings:** As previously stated, engagement is something that companies seek in a collective way but, in the end, has an individual result on each person. With this in mind, it seems clear that a company seeking to ensure the success of a program which pursues the goal of having more committed and emotionally linked professionals to a company should consider holding personal meetings.

This type of events, which foster mutual understanding between all employees, departments and levels of the company, are a priceless resource to collect feedback informally. If these meetings are also designed to be fun and relaxed (using, for example, gamification techniques¹⁰) the quality of the collected information will even be higher, not to mention the positive effect they

will have on the cohesion among the members of the company and on the feeling of fellowship.

10. CONCLUSIONS

It is essential to highlight the crucial importance that employee engagement will play in the business competitive environment that we are slowly heading into. Companies that manage to create an emotional bond with their employees will be able to attract and retain talent willing to go beyond the usual expectations, be more productive, generous, happy and willing to constantly improve.

In order to successfully tackle this challenge there will have to be a clear involvement of, at least, the senior management, middle management and the departments of human resources and communication. As we have previously seen, it is essential to give voice to all persons in the company, listen to them and use the feedback to carry out changes so that everyone slowly builds a wonderful workplace which shall last for many years to come...

¹⁰ Gamification is the use of game thinking and game mechanics in non-game contexts.

Authors



Luis Miguel Peña is senior director of Organizations and Persons at LLORENTE & CUENCA. Luis Miguel Peña has 15 years of experience in the field of communication consulting, developing strategic plans of communication in several areas of the company, usually in crisis projects and legal procedures for clients across all sectors: food, tourism, consumer, technology, financial and public institutions, etc. He has

worked in many cases covering several branches of law (criminal, procedural, trade and tax). In 2008 and 2009 he received two awards thanks to projects led by his team: an International Stewie Award and a European Excellence Award.

Impena@llorenteycuenca.com



Jon Pérez Urbelz is senior consultant at LLORENTE & CUENCA. He has a degree in journalism from the University of Navarra and a Master in Political and Corporate Communication at the University of Navarra and The George Washington University.

Jon has over seven years of experience in communication, mainly developed in the legal sector, in which he has worked in corporate communication, online communication, internal communication

and crisis communication.

jperez@llorenteycuenca.com

CORPORATE MANAGEMENT

José Antonio Llorente
Founding Partner & Chairman
jallornte@llorenteycuenca.com

Enrique González
Partner & CFO
egonzalez@llorenteycuenca.com

Jorge Cachinero
Corporate Manager Innovation
jcachinero@llorenteycuenca.com

MANAGEMENT SPAIN AND PORTUGAL

Arturo Pinedo
Partner & Managing Director
apinedo@llorenteycuenca.com

Adolfo Corujo
Partner & Managing Director
acorujo@llorenteycuenca.com

MANAGEMENT LATIN AMERICA

Alejandro Romero
Partner & CEO Latin America
aromero@llorenteycuenca.com

Luisa García
Partner & CEO Andean Region
lgarcia@llorenteycuenca.com

José Luis Di Girolamo
Partner & CFO Latin America
jldgirolamo@llorenteycuenca.com

HR MANAGEMENT

Antonio Lois
HR Manager for Latin America
alois@llorenteycuenca.com

Daniel Moreno
HR Manager for Spain and Portugal
dmoreno@llorenteycuenca.com

SPAIN AND PORTUGAL

Barcelona

María Cura
Partner & Managing Director
mcura@llorenteycuenca.com

Muntaner, 240-242, 1º-1ª
08021 Barcelona (Spain)
Tel. +34 93 217 22 17

Madrid

Joan Navarro
Partner & Vice President
Public Affairs
jnavarro@llorenteycuenca.com

Amalio Moratalla
Partner & Senior Manager
amoratalla@llorenteycuenca.com

Lagasca, 88 - planta 3
28001 Madrid (Spain)
Tel. +34 91 563 77 22

Lisbon

Madalena Martins
Partner
mmartins@llorenteycuenca.com

Tiago Vidal
Managing Director
tvidal@llorenteycuenca.com

Carlos Ruiz
Director
cruiz@llorenteycuenca.com

Avenida da Liberdade nº225, 5º Esq.
1250-142 Lisbon
Tel: + 351 21 923 97 00

MEXICO, CENTRAL AMERICA & THE CARIBBEAN

Mexico City

Juan Rivera
Partner & Managing Director
jrivera@llorenteycuenca.com

Av. Paseo de la Reforma 412, Piso 14,
Col. Juárez, Del. Cuauhtémoc
CP 06600, Mexico, D.F.
(Mexico)
Tel: +52 55 5257 1084

Panama

Javier Rosado
Partner & Managing Director
jrosado@llorenteycuenca.com

Av. Samuel Lewis,
Edificio Omega - piso 6
Panama
Tel. +507 206 5200

Santo Domingo

Alejandra Pellerano
Managing Director
apellerano@llorenteycuenca.com

Av. Abraham Lincoln 1069
Torre Ejecutiva Sonora, planta 7
Santo Domingo
(Dominican Republic)
Tel. +1 809 6161975

ANDEAN REGION

Bogota

María Esteve
Managing Director
mesteve@llorenteycuenca.com

Carrera 14, # 94-44. Torre B – of. 501
Bogota (Colombia)
Tel: +57 1 7438000

Lima

Cayetana Aljovín
General Manager
caljovin@llorenteycuenca.com

Av. Andrés Reyes 420, piso 7
San Isidro. Lima (Peru)
Tel: +51 1 2229491

Quito

María Isabel Cevallos
Director
micevallos@llorenteycuenca.com

Avda. 12 de Octubre N24-528 y
Cordero – Edificio World Trade
Center – Torre B - piso 11
Quito (Ecuador)
Tel. +593 2 2565820

SOUTH AMERICA

Buenos Aires

Pablo Abiad
Partner & Managing Director
pabiad@llorenteycuenca.com

Enrique Morad
President-Director
for Southern Cone
emorad@llorenteycuenca.com

Av. Corrientes 222, piso 8. C1043AAP
Ciudad de Buenos Aires
(Argentina)
Tel: +54 11 5556 0700

Rio de Janeiro

Yeray Carretero
Director
ycarretero@llorenteycuenca.com

Rua da Assembleia, 10 - Sala 1801
Rio de Janeiro - RJ - 20011-000
(Brazil)
Tel. +55 21 3797 6400

São Paulo

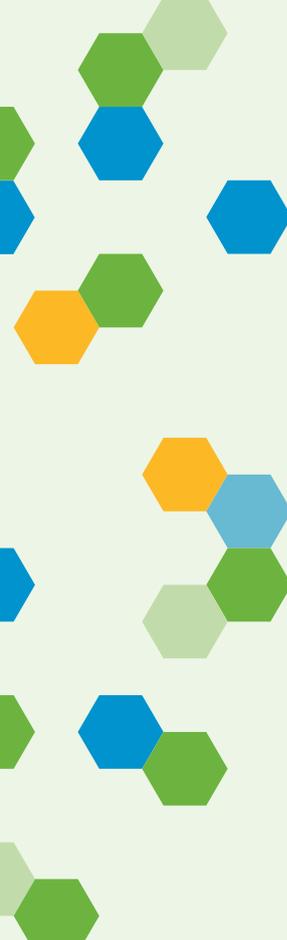
Juan Carlos Gozzer
Managing Director
jcgozzer@llorenteycuenca.com

Rua Oscar Freire, 379, Cj 111,
Cerqueira César
São Paulo - SP - 01426-001
(Brazil)
Tel. +55 11 3060 3390

Santiago de Chile

Claudio Ramírez
Partner & General Manager
cramirez@llorenteycuenca.com

Magdalena 140, Oficina 1801.
Las Condes.
Santiago de Chile (Chile)
Tel. +56 22 207 32 00



d+i developing ideas

LLORENTE & CUENCA

Developing Ideas is the Thought Leadership Unit of LLORENTE & CUENCA.

Because we live in a new macroeconomic and social context and communication moves forward.

Developing Ideas is a global combination of partnership and knowledge exchange, identifying, focusing and communicating new information paradigms, from an independent perspective.

Because reality is neither black nor white, **Developing Ideas** exists.

www.desarrollando-ideas.com

www.revista-uno.com



AMO is the leading global network of strategic and financial communications consultancies, with over 940 professional consultants and offices in more than 20 countries.

The network brings together local market leaders with unrivalled knowledge of financial markets and cross-border transactions in the key financial centers of Europe, Asia and the Americas.

Providing sophisticated communications counsel for M&A and capital market transactions, media relations, investor relations and corporate crises, our member firms have established relationships with many S&P 500, FTSE 100, DAX 30, SMI, CAC 40 and IBEX 35 companies.

www.amo-global.com