

Happy days

The best staff will stick around if there are flexible conditions and they feel part of the decision-making process.

By Pam Kershaw



The idea of employee engagement has become something of a buzz concept in companies fighting to retain their best staff in an increasingly competitive market for the most able personnel.

When assessing an employee's level of engagement, work-life balance is seen as crucial to the degree of job satisfaction, commitment to the organisation and intention to stay. But some experts now say this is less important than many CEOs believe.

“Even janitors can be engaged if they're involved in the work design and how they go about getting their work done.”

- Peter Fuda, PCD

Dr Peter Langford, a lecturer in organisational psychology and human resource management at Macquarie University, recently released the results of a two-year survey of 10,000 employees from 700 organisations, including small, medium and large companies.

The study assessed which of 28 management practices had the greatest impact on an organisation; including employee engagement, staff turnover, absenteeism and profitability.

Even Langford didn't expect work-life balance to be the worst predictor of whether employees were engaged. “It was a surprise to us,” he says. “Work-life balance is such a hot topic and a lot of time, attention and money is being spent on it”

Langford says what does engage employees are what he calls the “three Ps”: purpose, participation and progress.

“Purpose means people believe in what the organisation is doing,” Langford says.

“Participation means they feel involved in decision-making, [are] recognised and are given opportunities in the organisation. Progress means they see the organisation as being successful and achieving goals.”

Of lesser importance were property (resources and technology) and people (teamwork and working with talented people). The least important was peace, which relates to stress management and work-life balance.

“This defies what is coming through most of the media at the moment, which implies that work-life balance is very important and most organisations are doing it badly,” Langford says. “The reality is completely the opposite. It's really not very important at all and most organisations are doing quite reasonably at it.”

Ironically, Langford notes, the most engaged employees are those with the

worst work-life balance.

“They may want some flexibility around how they spend their time, but they don't think they necessarily need to demarcate work and family any better than they are doing now.”

When the results were analysed by age and family status, work-life balance was important for those aged between 30 and 40, who were married or had children.

“But it doesn't increase dramatically and there are other things of greater importance for employee engagement,” Langford says.

He also puts forward a strong business case for improving employee engagement. His figures are modeled on a zoo-person firm that pays an average salary of \$80,000 per employee and has revenues of \$30 million.

Langford says if engagement can be improved by 5 per cent, turnover costs will fall by \$240,000, absenteeism costs by \$21,400 and profitability will be \$300,000 higher.

Peter Fuda, founder and managing director of PCD, a boutique change leadership consultancy, also believes work-life balance is a “bit of a furphy” in relation to employee engagement.

Fuda, whose clients include major banks, financial services companies and government bodies, says lack of engagement occurs in companies that still apply an “industrial-age mindset to the 21st-century economy”.