

BusinessConnect and SolutionsConnect

Its time to make bold moves.

Big Data Debunks the Top Three Myths of Employee Engagement and Leadership

Neal Knight-Turvey, Ph.D.



Importance of Engaging Employees

- The World Bank estimates global GDP grew 2.3% in 2012, with expected continued moderate growth in 2013.
- Between 2011 and 2012 90% of countries saw an increase in productivity (i.e., GDP per capita).
- Since 1993, revenue per employee has seen a 3.2% compound annual growth rate compared with little to no growth in revenue per cost of goods sold or per invested capital.

Employee engagement is increasingly seen as a fundamental mechanism through which to attain superior organisational performance.

Myth #1: There is a Global Crisis on Employee Engagement

- “Only 11% of the global workforce is engaged and 27% are actively disengaged.”
- “Globally, 40% of employees are passively or actively *disengaged*.”
- “In Australia and New Zealand, 24% of employees are engaged.”
– *the ‘disengagement epidemic’*

Neither the sky nor employee engagement is falling

Myth #2: People Join Companies But Leave Managers

- If a “...company doubled the number of great managers... [it would double the number of]...engaged employees.”
- “Retaining employees has more to do with the quality of the work experience overall ... [and] retention ... depends far more on the quality of employees’ relationship with their managers...”
- “Of the approximately 100 million people in America who hold full-time jobs, 30 million (30%) are engaged and inspired at work, so we can *assume* they have a great boss.”

People join companies but leave managers companies

Myth #3: The Recession Caused Disengagement

- “The global recession has certainly taken its toll on employees...making it more difficult to achieve or maintain healthy levels of engagement.”
- “Five years of economic turmoil, nearly a decade of competing in a “flat” world and more than a decade of being connected 24/7 have taken their toll [on employee engagement].”

The economic crisis cannot be used as a scapegoat

Big Data

14,000,000

Employees from 2010 to 2012

752,000,000+

Responses

Hundreds

of companies

WorldNorms

20

Industries

20,000

Average company size

215

Countries

4.5 million

Average # of employees surveyed annually

WorkTrends™

2012 Survey of over 33,000 employees across multiple countries, industries and organisations

How we define employee engagement at IBM



Satisfaction

Overall, I am extremely satisfied with this company as a place to work.



Pride

I am proud to work for this company.



Advocacy

I would recommend this company as a great place to work.



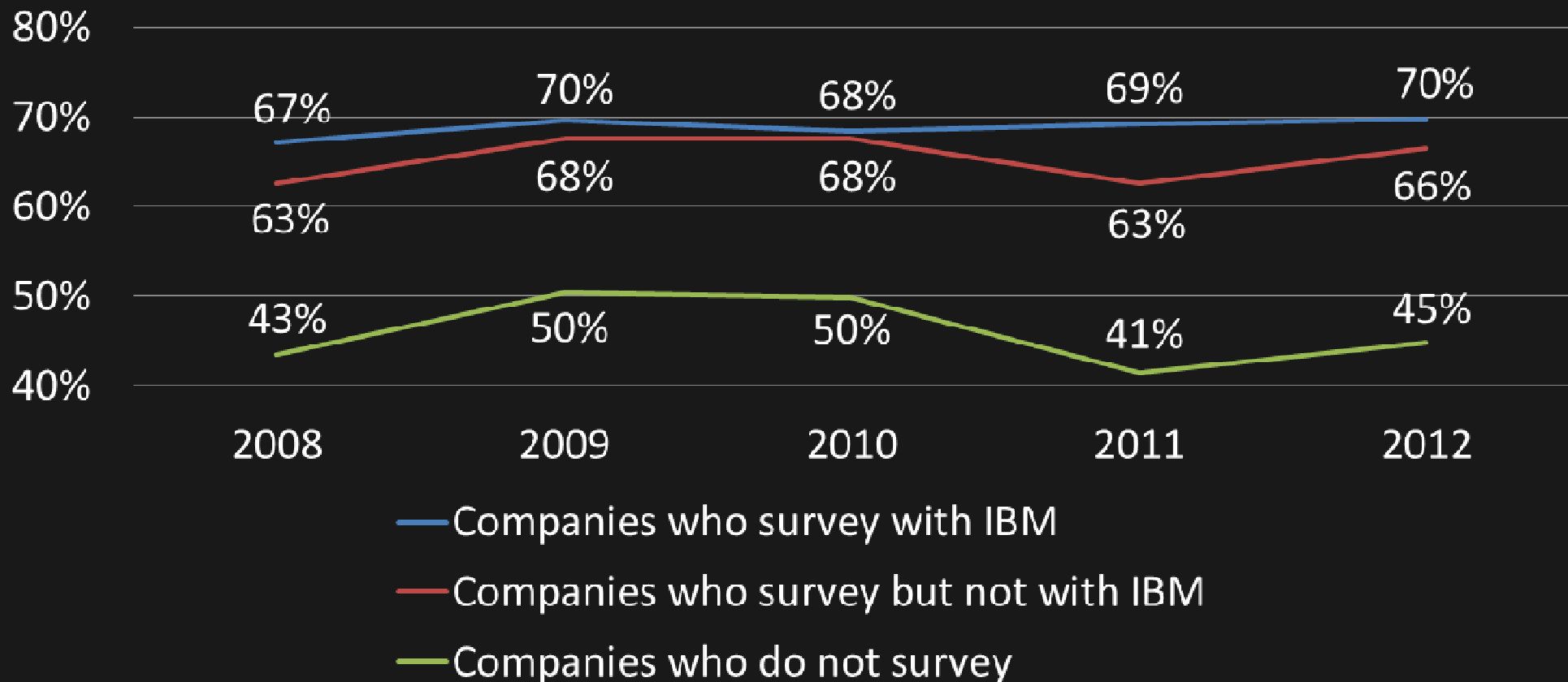
Commitment

I rarely think about looking for a new job with another company.



**Neither the sky nor
employee engagement
is falling!**

Neither the sky nor employee engagement is falling



Engagement and Change from 2010 to 2012





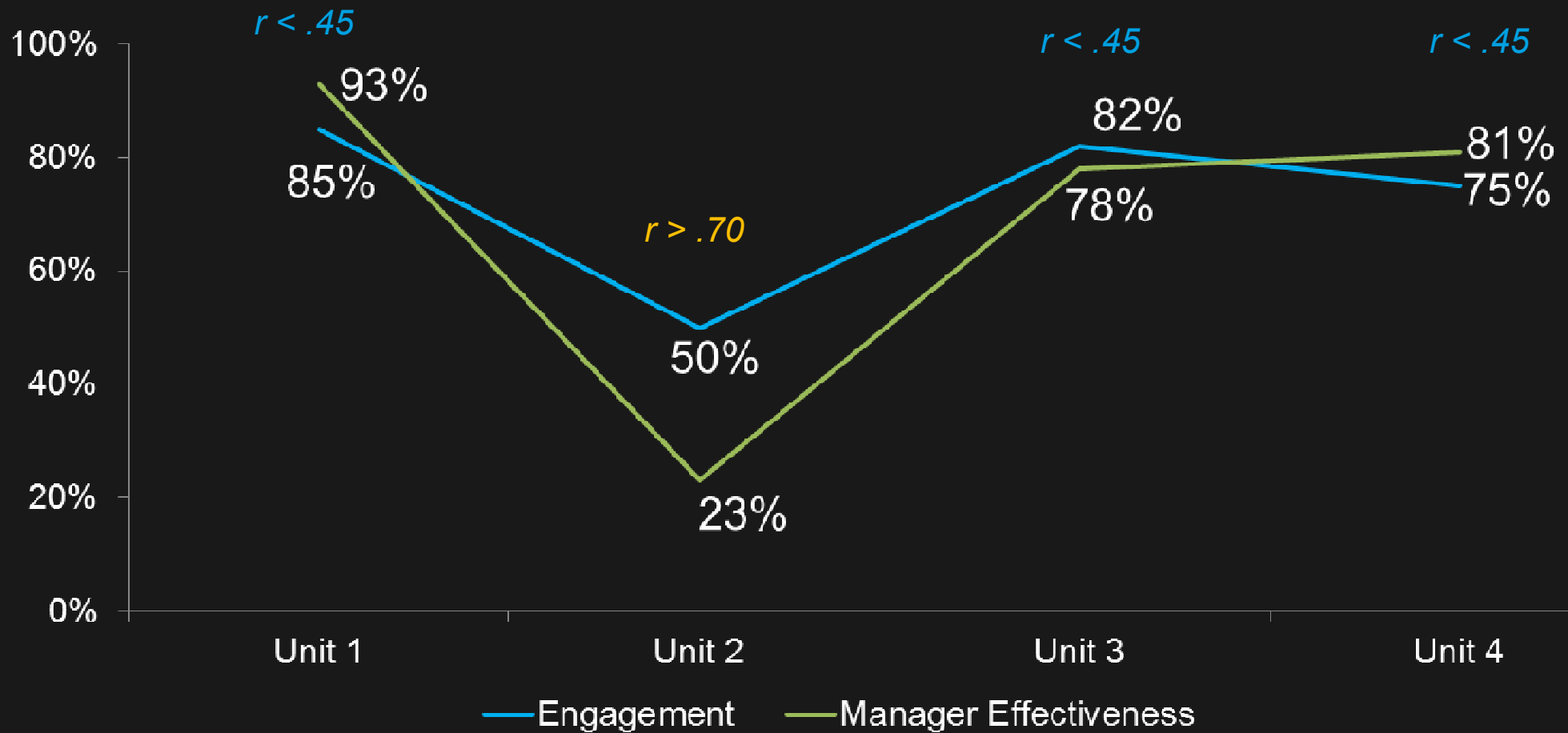
**People join companies
but leave managers
companies!**

Determinants of Turnover Intentions

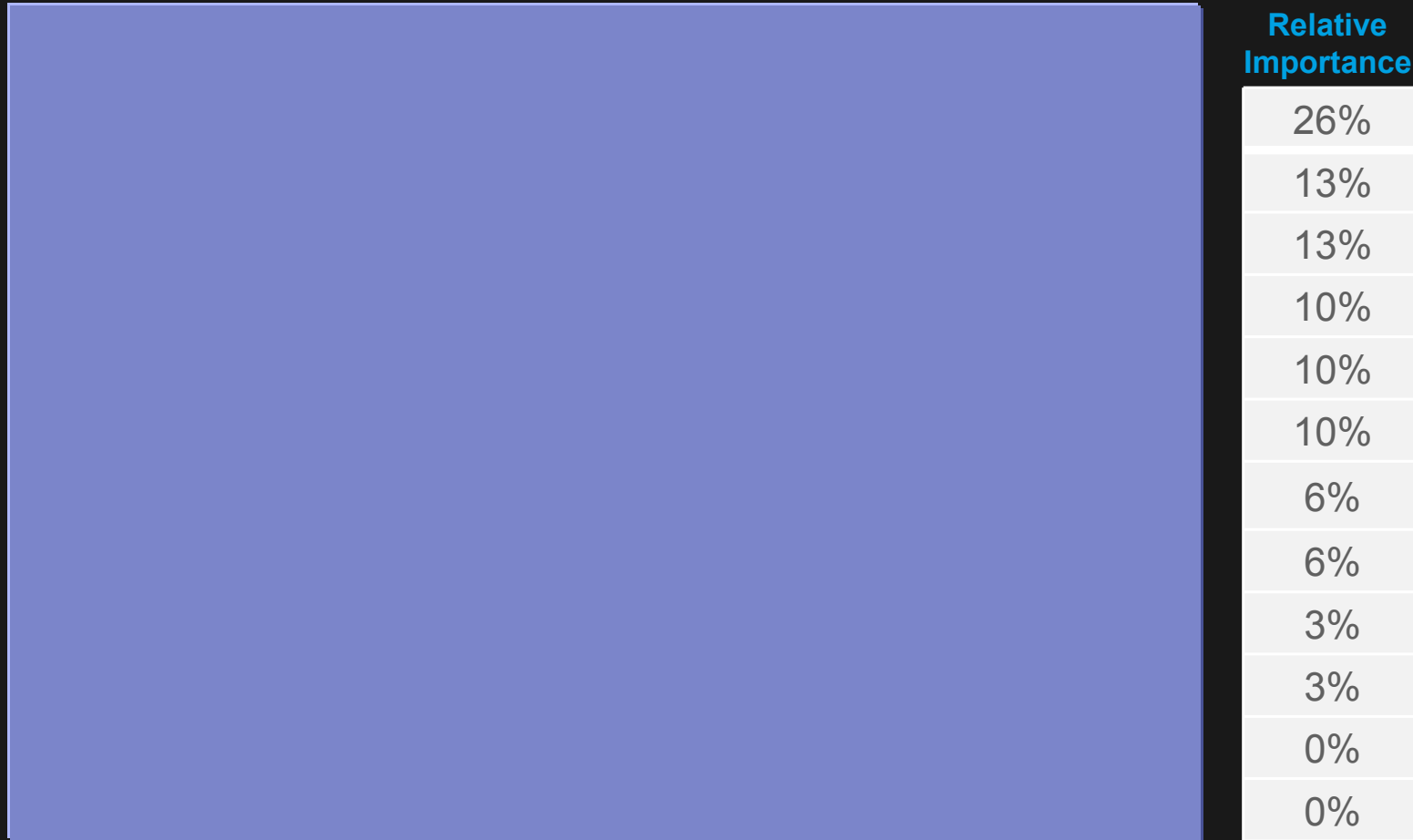
Relative Influence On Turnover Intentions*	Determining Factor
34%	I can achieve my career goals at this company.
30%	I believe my organisation has an outstanding future.
14%	I am paid fairly for the work I do.
12%	My life is well-balanced between work, family, friends, and my personal needs.
11%	My manager treats me with respect and dignity.
100%	Total variance explained was 49%

**Relative influence on turnover intentions derived from analysis of 2012 WorkTrends™ data. Turnover intentions was measured by the combined average of responses to “I rarely think about looking for a new job with another company” and “I am seriously considering leaving my organisation within the next 12 months”. Values represent relative weight of each factor in explaining turnover intentions. Factors were identified using Stepwise Regression analysis with relative influence determined by Relative Weights Analysis.*

“Toxic Managers” can destroy engagement and drive turnover



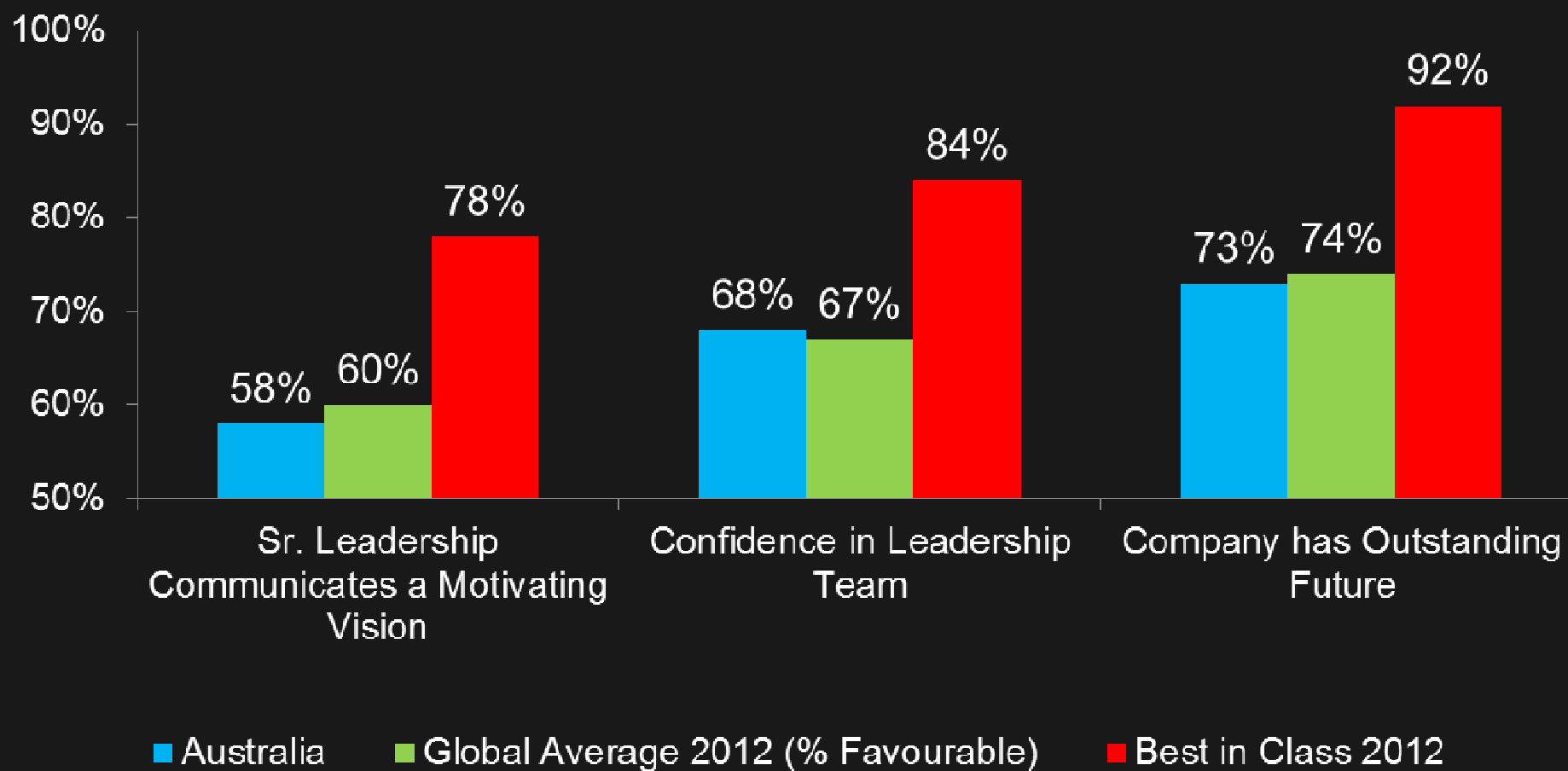
Ranked Drivers of Employee Engagement



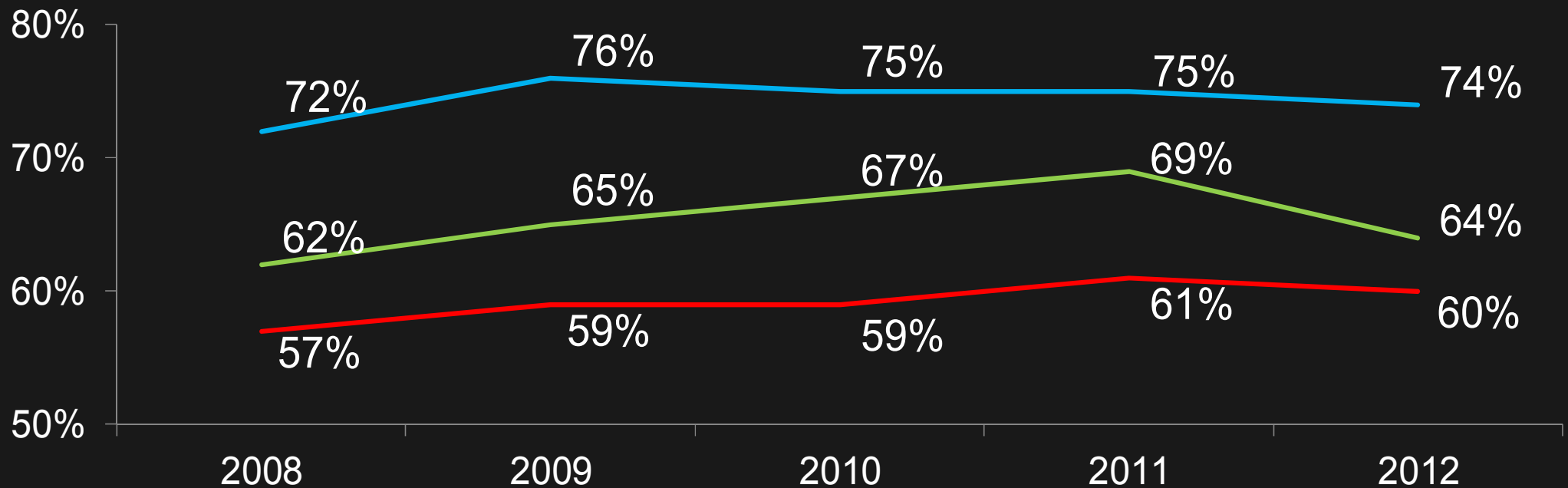
When it Comes to Engaging Employees, Managers Can't Go It Alone

	Manager Effectiveness Low	Manager Effectiveness High
Future Vision/Trust High	78% Engaged	94% Engaged
Future Vision/Trust Low	16% Engaged	37% Engaged

How Well are Leaders Creating a Vision?



Five Year Trend in Leadership Ability to Drive Future Vision



— I believe this company has an outstanding future.

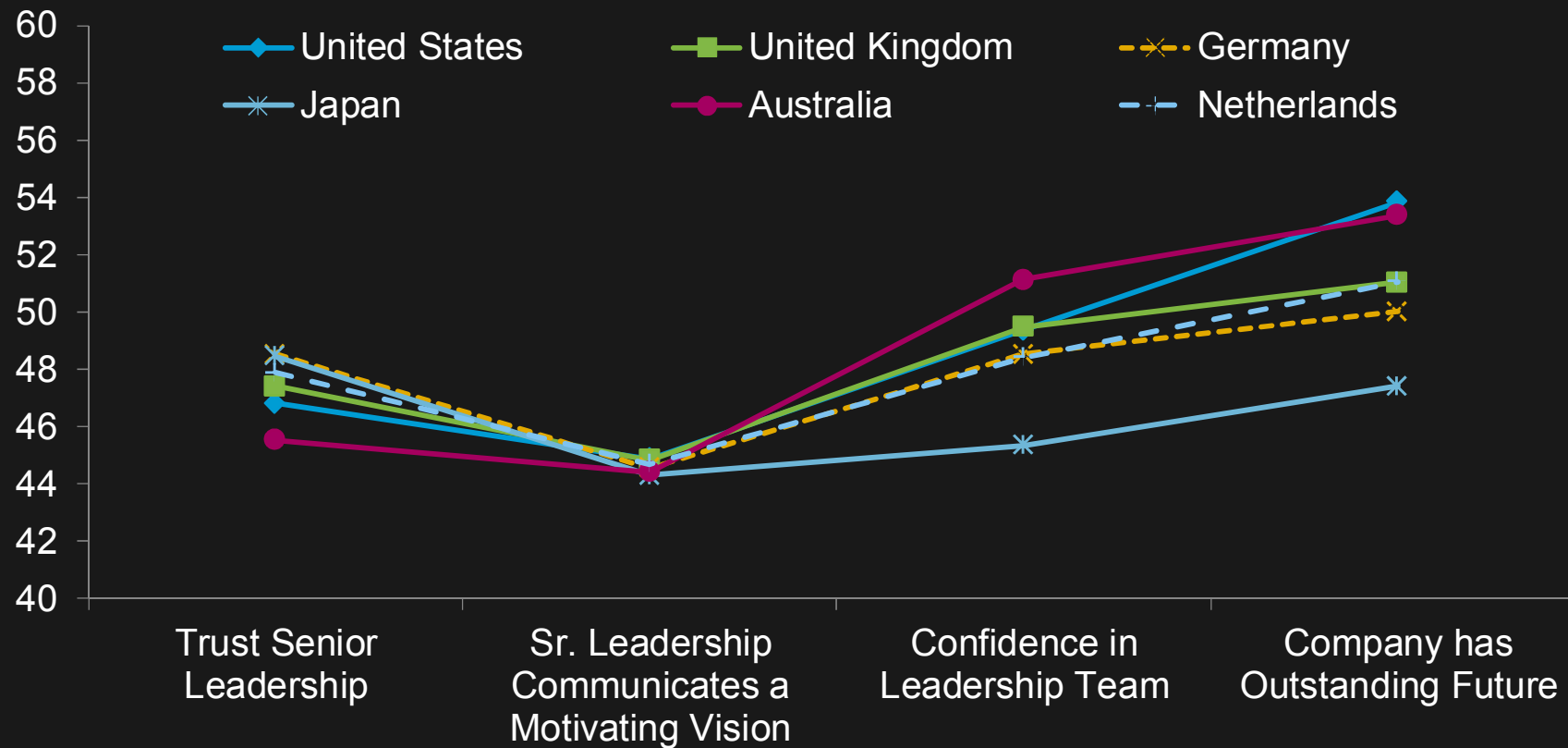
— I have confidence in the leadership team to make the right decisions for this company.

— The senior leadership of this company has communicated a vision of the future that motivates me.



**The economic crisis
cannot be used as a
scapegoat**

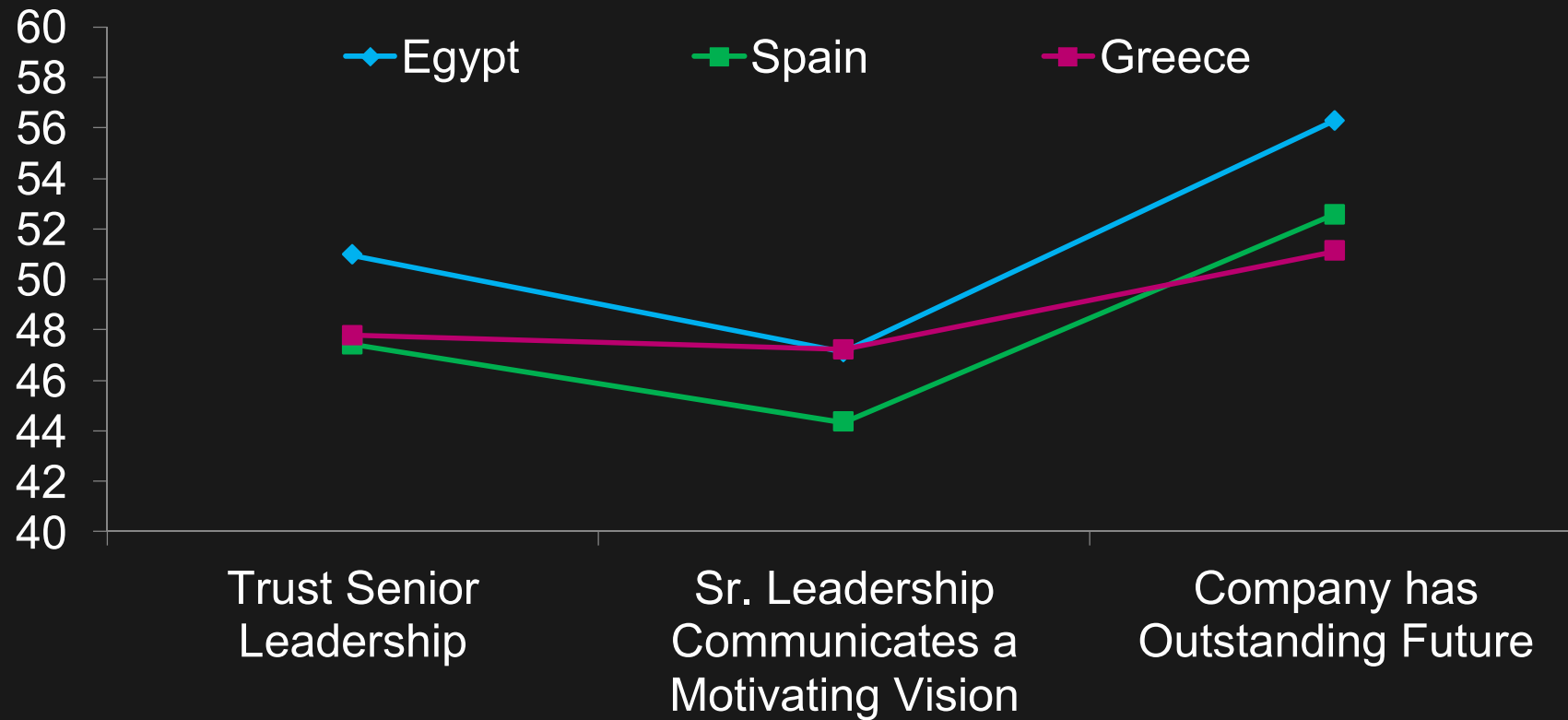
Future Vision for Mature Markets (Standardised)



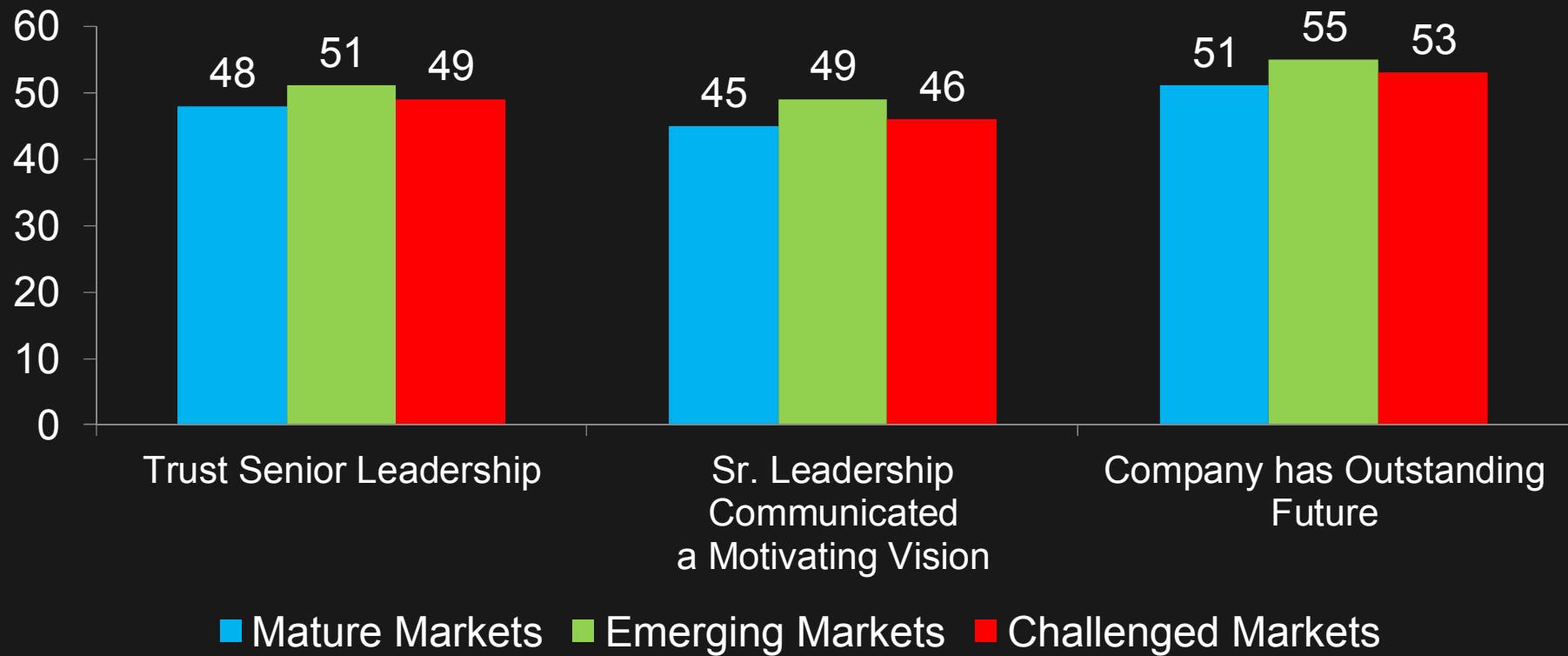
Future Vision by Emerging Markets (Standardised)



Future Vision by Challenged Markets (Standardised)



How Well are Leaders Creating a Vision? Comparison Across Global Market Conditions



Summary

- Myths can lead to ineffective strategies and wasted resources
- Globally, employee engagement is strong and getting stronger
- Engagement levels are less impacted by economic conditions and managers and more under the influence of senior leaders
- The ability of our senior leaders to communicate an inspiring and motivating vision is critical to driving high engagement levels
 - There is a significant gap between the average and the best in class
 - Trends indicate a worrying dip in coming years

Engage Online

- Follow us on Twitter
 - [@IBMConnect](#) and [@IBMSocialBiz](#)

- LinkedIn <http://bit.ly/SBComm>
 - Participate in the IBM Social Business group on LinkedIn:

- Facebook <https://www.facebook.com/IBMSocialBiz>
 - Like IBM Social Business on Facebook

- Social Business Insights blog ibm.com/blogs/socialbusiness
 - Read and engage with our bloggers



Acknowledgements and Disclaimers

Availability. References in this presentation to IBM products, programs, or services do not imply that they will be available in all countries in which IBM operates.

The workshops, sessions and materials have been prepared by IBM or the session speakers and reflect their own views. They are provided for informational purposes only, and are neither intended to, nor shall have the effect of being, legal or other guidance or advice to any participant. While efforts were made to verify the completeness and accuracy of the information contained in this presentation, it is provided AS-IS without warranty of any kind, express or implied. IBM shall not be responsible for any damages arising out of the use of, or otherwise related to, this presentation or any other materials. Nothing contained in this presentation is intended to, nor shall have the effect of, creating any warranties or representations from IBM or its suppliers or licensors, or altering the terms and conditions of the applicable license agreement governing the use of IBM software.

All customer examples described are presented as illustrations of how those customers have used IBM products and the results they may have achieved. Actual environmental costs and performance characteristics may vary by customer. Nothing contained in these materials is intended to, nor shall have the effect of, stating or implying that any activities undertaken by you will result in any specific sales, revenue growth or other results.

© **Copyright IBM Corporation 2014. All rights reserved.**

U.S. Government Users Restricted Rights - Use, duplication or disclosure restricted by GSA ADP Schedule Contract with IBM Corp.

IBM, the IBM logo, ibm.com and WorkTrends™ are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries, or both. If these and other IBM trademarked terms are marked on their first occurrence in this information with a trademark symbol (® or ™), these symbols indicate U.S. registered or common law trademarks owned by IBM at the time this information was published. Such trademarks may also be registered or common law trademarks in other countries. A current list of IBM trademarks is available on the Web at "Copyright and trademark information" at www.ibm.com/legal/copytrade.shtml

Thank You