

Oracle Simply Talent: A Western European Perspective

Making HR the Champion of Employee Engagement

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CONTENTS

- 5 Employee engagement needs a rethink
- 6 The need for HR to own employee engagement
- 8 The business value of employee engagement
- 10 Elevating the conversation
- 12 Making HR the hero of the boardroom



Take it from the front lines – employee engagement needs a rethink

Employee engagement has become a well-worn term in recent years. The importance of creating an inspiring and rewarding work environment for employees has been widely documented, and HR teams have quickly come to appreciate just how crucial this has become to improving productivity and ensuring employees enjoy coming to work.

Many companies, however, still struggle to take meaningful strides towards this end. In my discussions with customers I've found that improving employee engagement and company culture continues to be the biggest HR challenge for businesses.

A large part of the problem stems from the fact that in most businesses nobody really "owns" culture. Few would argue that a workplace culture which champions collaboration and creativity makes employees feel more engaged, but someone must take responsibility for putting this approach into practice.

Employee engagement and culture have become critical strategic issues for the business and are earning a place in the boardroom, and no arm of the business is better placed to take ownership of these issues than HR. The time has come for HR teams to branch out from their crucial role behind the scenes and win their seat at the executive's table, to play a higher-profile role in driving business strategies and performance.

For now, however, many HR teams remain unsure of where to begin, or of how to demonstrate to the business how improved engagement contributes directly to better performance. With our Oracle Simply Talent Study, we have provided HR and business leaders with insights into what truly drives engagement and what stands in its way. To get this insight we went straight to the greatest authority on the subject – employees themselves.

In total, we polled over 1,500 employees working for large organizations across Europe: in the UK, France, Germany, Benelux and the Nordics. The key questions ranged from how engagement affects peoples' work performance, to their opinion of their employers, and what their companies can do to make them feel more engaged.

What follows is a deeper dive into our findings and insight on how HR can build a workplace culture that will drive lasting improvements in engagement across the business. Just as importantly, the report offers HR guidance on how to bring this topic to the top of the corporate agenda.

Loïc Le Guisquet, President, Oracle, Europe, Middle East, Africa, and Asia-Pacific





HR teams need to take charge as they are uniquely qualified to take the lead when it comes to fostering a more productive, collaborative work environment.

The need for HR to own employee engagement

For employee engagement to be treated as a priority in the business, HR teams need to take charge as they are uniquely qualified to take the lead when it comes to fostering a more productive, collaborative work environment.

And yet, the Oracle Simply Talent study reveals that employees today remain largely unaware of their positive impact on their level of engagement. A dive into the results of the survey reveals that only 3% of employees believe HR teams have the most positive impact on their level of engagement at work. Line managers fared slightly better in employees' eyes, but even then only one-fifth of respondents said their managers have the most positive impact on their engagement.

Employees are most inclined to turn their colleagues to feel more engaged, with the largest proportion of respondents (42%) saying their peers have the most positive impact on their level of engagement.

While it's encouraging to see coworkers collaborating and working together, it's worrying that HR, which has the means and influence to most improve the employee experience, is barely visible to the people whose lives it improves each day.

HR needs to take ownership of employee engagement.

This begins with developing a work culture that promotes collaboration and learning. People use technologies at their disposal to fuel their learning and development at all hours of the day. They crowd-source advice on social media, look up information on their connected devices, and are open to almost any resource that can help them answer their questions. These are the same individuals working at companies across Europe today, and businesses must be able to deliver a similar standard of access and collaboration for them in the workplace.

Employees should view their HR teams as a positive influence that makes them feel more engaged, be it because they deliver access to the latest work tools or are able to match people with the managers, teams and workloads that are best-suited to their skills and needs. Just as importantly, business leaders must be able to clearly see how this contributes to the organization's success. This is where performance management and talent analytics technologies add value. With the ability to directly gauge the impact of new management styles and collaboration tools on employee performance, HR can quantify the value of improved engagement for the business.

Analytics is very much on businesses' radar – finance and customer-facing teams have been using analytics to guide their planning strategies for years – but the HR function remains behind on the maturity curve when it comes to extracting value and insights from the technology.

It's time for this to change. With efforts to recruit and retain top talent quickly climbing up the corporate agenda, HR is in an ideal position to step up and spearhead this drive.

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TABLE 1

WHO HAS THE MOST POSITIVE IMPACT ON HOW ENGAGED YOU FEEL AT WORK?

	UK	FRANCE	GERMANY	NORDICS	BENELUX
My peers	30%	31%	41%	59%	48%
Line manager	36%	27%	9%	11%	20%
Business unit	4%	4%	18%	4%	5%
CEO	6%	11%	8%	2%	6%
The senior leadership team	8%	5%	6%	5%	6%
My subordinates	3%	5%	6%	3%	3%
Your HR team	3%	4%	5%	1%	4%
None of the above	8%	8%	6%	10%	5%





37% of employees said feeling more engaged makes them less likely to look for work elsewhere, a finding which should resonate with HR at a time when relevant skills are in such high demand.

The business value of employee engagement

While few HR professionals would disagree that improved employee engagement positively impacts the business, some uncertainty remains as to what exactly these benefits are and how they manifest themselves. Many companies also admit they lack the ability to measure and demonstrate the value of elevated engagement to those with the power to make it a boardroom priority.

Findings from the Oracle SimplyTalent Study shed new light on how higher engagement levels impact performance. The majority of respondents (56%) cited enhanced productivity as a direct result of feeling more engaged at work. Crucially, 37% of employees said feeling more engaged makes them less likely to look for work elsewhere, a finding which should resonate with HR at a time when relevant skills are in such high demand.

There are also less tangible, but no less valuable, benefits of employees feeling more engaged. Thirty-five percent of respondents said this encourages them to come up with and share creative ideas on how the company can improve its service. The benefits also extend to improved customer service, with one-third of respondents saying they are more inclined to deliver a higher level of service to customers when they feel more engaged. Forty percent of employees aged over 55 admitted this is the case, compared with 31% of millennials.

Despite this, only 35% of respondents would say they feel engaged at work all the time. "Perfect" engagement may not be possible but clearly there is room for improvement. For HR teams this begins with being able to clearly demonstrate the link between a more engaged workforce and enhanced business performance to leadership teams.

The cost benefit is a particularly compelling proof-point. Payroll costs ultimately account for the majority of a business's expenditure. With so much invested in their employees, companies will find a great deal of value in technologies that help ensure that they have the brightest people working together for them and performing to the best of their abilities. They will also benefit from the ability to reward and develop high performers to further encourage their growth in the company.

TABLE 2 HOW DO YOU THINK YOUR COMPANY BENEFITS MOST FROM YOUR ENGAGEMENT?

	 UK	 FRANCE	 GERMANY	 NORDICS	 BENELUX
I am more productive	59%	48%	61%	54%	57%
I am less likely to look for jobs	42%	27%	37%	37%	42%
I provide more creative ideas to my company on what to improve on	33%	32%	41%	32%	36%
I work longer hours	31%	33%	37%	21%	32%
I offer a greater level of customer service	34%	33%	22%	37%	23%
I am more likely to recommend working at my company to a friend	17%	21%	17%	15%	12%
None of the above	1%	2%	1%	3%	4%
There is no benefit to my company	1%	3%	2%	1%	2%
Don't know	2%	4%	1%	5%	4%



Today's analytics technologies allow HR to see which teams are engaged in this level of feedback and whether managers are in fact using the information gathered from these discussions to inform employees' continued development. The use of analytics also makes it easy for the business to identify top performers and reward them to match.

Elevating the conversation

Employees are now squeezing more work, more experience and more change into their roles than ever. The challenge for HR is to keep ahead of the curve and implement the strategies and tools employees need to thrive in a multi-faceted, collaborative, and flexible working environment. This will also help ensure the organization as a whole can perform at its best and navigate increasingly complex and competitive markets.

Traditional HR strategies need to be re-evaluated. HR teams need to become catalysts for meaningful change across the business, and this begins with a more proactive, personalized and collaborative approach to employee engagement.

Employees agree according to the Oracle Simply Talent study. Most admitted they would feel more engaged working for a company that is proactive about addressing their needs and treats them like individuals. For the majority of respondents (53%), being recognized for their achievements is their biggest priority, followed by helping them understand their contribution to the company (35%) and getting the opportunity to work on exciting projects (34%).

And yet, less than one-third (27%) of employees say their employer proactively engages with them regarding these issues and only one-third believe their company truly understands their needs. Nearly 60% of employees want their employers to engage with them more proactively and would prefer a more individualized management style, but don't believe their employers are delivering on these expectations. Millennials in particular are keen for more regular discussions with their line managers about their career path. Nearly 80% of employees aged 18 to 34 said they do not receive this already and would like to.

At the heart of a successful management approach is an ongoing conversation between employer and employee. This has always been the most important element of the review process; what's changed now is that the process itself needs to be re-evaluated to make employees feel more engaged and to ensure they can see how their individual contributions contribute directly to the business' goals.

The traditional performance review process has been under scrutiny for nearly a decade. These can often be box-ticking discussions with employees and many HR professionals question whether they are accurate, transparent, or even fair in many cases. As such, they present a major barrier to driving engagement. Managers must be able to deliver feedback to what is relevant and timely for each person they speak to, and for this to happen HR needs to turn the performance management process into a real driver for engagement.

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TABLE 3

WHICH OF THE FOLLOWING DO YOU RECEIVE AND WHICH DO YOU CURRENTLY NOT RECEIVE BUT WOULD LIKE TO?

	Regular discussions on my career path	Ability to change to new job roles within my company	Flexible practices for diverse workforce	A more caring approach to management	A more proactive management style	A more personalized/tailored approach to management
Currently receive	34%	28%	38%	25%	26%	31%
Do not currently receive but would like to	50%	47%	38%	53%	57%	56%
Do not currently receive but would like not to	16%	25%	24%	21%	17%	12%

discussions to inform employees' continued development. The use of analytics also makes it easy for the business to identify top performers and reward them to match.

This is what separates data analytics from simple data collection. It comes down to using information gathered from discussions with employees, as well as unstructured data, to inform wider decision-making across the business and promote a more integrated HR approach, which in turn drives even further engagement.

Elevating the conversation in this way encourages a more rewarding dynamic between manager and employee. It makes employees feel their manager is looking out for them rather than just looking over their shoulder, as many perceive this to be the case, which leads to a more fulfilling work environment across the organization.



The impact of improved engagement – increased productivity, a closer alignment between employees’ tasks and skillsets, a more creative workforce, a higher standard of customer service – will benefit people across the organization, and HR is primed to take the lead on making this happen.

Making HR the hero of the boardroom

Employee engagement aligns the needs of the business with the needs of its employees. It fosters a workforce that is at once productive and motivated. For employers, this comes down to recognizing employees’ work and showing them how and where they add value to the business. At the most fundamental level, this involves creating a culture that allows employees to excel and make the most of the people and technologies around them.

For now, however, most discussions around engagement have yet to translate into action. The findings of the Oracle Simply Talent study paints a telling picture of why this is. While businesses appreciate there are significant advantages to be gained from a more engaged workforce, most still aren’t doing what they need to capitalize on this opportunity. This is due largely to the gap that exists between what makes employees feel more engaged and the legacy talent management processes that business leaders currently have to rely on.

If companies are to drive real value from employee engagement, HR needs to take ownership of this and become the architect of positive change within the organization. This requires an integrated talent management approach that ensures individual HR programs inform the company’s wider talent strategies. Using the data and analytics delivered by an integrated talent management system, HR can become the driver behind a more strategic approach to managing employees.

For example, analytics helps HR future-proof the business’ talent strategies. With an in-depth view of what workloads and skills the organization can support currently and down the line, HR can flag and help fill potential talent gaps before they become problematic. When it comes to succession planning, the technology puts businesses in a position to build strong strategies around their highest performing employees.

Advances like this will improve the company’s corporate culture, building on the already-strong dynamic between employees and their peers with improved collaboration tools, and just as crucially elevating the relationship between employees and their managers to one based on more regular, productive conversations.

The impact of improved engagement – increased productivity, a closer alignment between employees’ tasks and skillsets, a more creative workforce, a higher standard of customer service – will benefit people across the organization, and HR is primed to take the lead on making this happen. HR teams that get this right will strengthen their position in the business and help bring engagement further up the company agenda.



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