Engaging and Inspiring a Workforce

By Stacey Harris, VP of Research

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Introduction

The impact of an engaged service employee can be easily seen by anyone who has eaten at their favorite local restaurant or stayed at a hotel of choice when travelling. Customers know when they've had a good experience, and they have a very long memory when that experience has been less than pleasant. In Blessing White’s 2011 Employee Engagement survey of over 10,000 employees, they found that only one out of three employees worldwide were believed to be engaged; more importantly one out five employees on average were completely disengaged. Improving employee engagement, with the expectations of improving customer experiences, has become a major concern for business owners in the service industry today – even in a difficult economy.

An industry which primarily earns income by providing intangible services or products, the service market continues to look for ways to engage and develop their diverse employee population. One of the largest workforces in the US labor pool, this employee group has direct impact on the customers and clients that interact with their organizations daily.

Outstanding customer service in these environments leads to real business value, including;

- Increased purchasing averages – helpful and knowledgeable service staff has been shown to generate increased revenues per employee with every interaction.
- Repeat business – return visits are often dependent on customers’ first interaction with a company’s service employees.

2 Blessing White, Employee Engagement Report, 2011
4 Convirtus Case Study, 2010
• Customer advocacy – social recommendations can have a dramatic impact on the popularity and success of today's businesses.\(^6\)

Employee engagement is the key to providing great customer service, and it is essential to the business's survival and its brand. At the organizational level, a company's culture and approach to managing people have the greatest impact on their employees’ engagement levels.

In this paper we’ll discuss managing the employee life cycle, particularly in a service-based work environment, and best practice approaches to increasing employee engagement throughout that life cycle.

**Promoting the Employee Life Cycle**

A business owner may ask why they need to promote and manage the employee lifecycle. In service-based industries, it is not uncommon for organizations to experience 80 - 90 percent turnover rates in their front-line positions – meaning that employees are hired, trained, work and often leave before a business owner even has a chance to identify the employee's true capabilities.

This service-based industry – e.g. foodservice, hospitality, retail and convenience stores, etc. - has many real challenges to keeping great employees engaged and employed in their organizations. Business owners are competing in a market where employees have some of the lowest average wages in the country, as seen in Figure 1. These wages are just slightly above the United States 2011 poverty guidelines for a family of four at $22,350.\(^7\)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Average Annual Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service Reps</td>
<td>$32,780</td>
</tr>
<tr>
<td>Retail Sales</td>
<td>$25,000</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>$24,560</td>
</tr>
<tr>
<td>Waiters &amp; Waitresses</td>
<td>$20,790</td>
</tr>
</tbody>
</table>

Fig 1: United States Department of Labor, May 2010 Occupational Employment Statistics

\(^6\) Ogilvy and ChatThreads Integrated Social Media Sales Impact Study, 2011

In addition to the low average wages, service-based roles often include long working hours and physically demanding working environments.

Due to these challenging work environments, service-based organizations often find that the most flexible workforces reside with the youngest and oldest members of our working communities. They also tend to be the most diverse and poorly educated. These organizations, more so than in any other industry, can see real impact from creating people-focused cultures that show employees that the employer cares about their career and ongoing development. One way to do this is by making the focus on the employee lifecycle highly visible within the organization.

A healthy employee life-cycle, Figure 2, includes:

- Selecting and hiring great employees
- Onboarding them for quick performance
- Managing their work experiences
- Investing in their future through development
- Assessing and rewarding their efforts
- Managing their movement internally or transitioning them out of the organization

Making this come to life for an organization first requires dedicated great people, particularly managers and mentors. Initial face-to-face interactions within a company make a huge impact on candidates and employees. Those interactions set the tone for how truly invested an organization will be in an employee’s future.

Secondly, organizations need a robust set of processes that are backed by the organization’s leadership. When followed consistently, these processes help an organization present a professional impression that keeps them both compliant and welcoming. As organizations grow and expand, they often require a fully-automated system for talent management. This system must create a unique and inviting experience for the candidate that underscores how important people are to the company. The system also needs to capture information relevant to helping plot the career development of the employee and build employee engagement. The goal of these efforts is to improve business performance.
Selecting and Hiring the Great Employees

Companies only hire great people when they have a great hiring process. Understanding candidate requirements is as critical as knowing where and how to attract your candidate pool. The application process should be comprehensive as well as aligned with the audience you are looking to attract. For example, hiring in the foodservice industry often means attracting candidates who have more interaction with their phones and Facebook locations, than they would with traditional job boards or stand-alone hiring websites. Supporting tools should meet the access needs of the candidates, while also meeting the business needs of the organization. Meanwhile, the organization must have the ability to fully evaluate a candidate for fit and provide an objective look into a candidate’s future with the company.

This process includes providing dynamic and customizable application forms that probe cultural fit and then evaluates the responses. The use of assessments and background checks are also important elements to the application process and may be customized by position type. The application process is most effective if it is efficient and respectful, with good communication applied by all hiring managers.

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Onboarding Employees for Quick Performance

The onboarding process has a major impact on the employee’s long term engagement. It should ensure that the person is ready to start work on day one and fully capable of taking on all of their responsibilities with the greatest level of confidence and proficiency.

As a first step, administrative items should be completed quickly and efficiently. These tasks include compliance with all major forms to be filled out (I-9, W-4, etc.), ordering uniforms, badges and other items needed to perform the role. The onboarding process also includes scheduling compliance-based orientation programs, such as food safety and alcohol handling training that is required by law. Beyond the compliance-driven elements, an organization should also consider how they will impart their cultural expectations and company values. Onboarding is the perfect opportunity to set the right tone.

Business Example

Scotty’s Brewhouse, a full-service restaurant with six locations across Indiana, is an organization with a passion for technology and a reputation for friendly service. This restaurant’s unique business model provides diners with iPad menus and communal style seating, emphasizing their focus on creating an enjoyable social environment for patrons.

Seen as an extension of their cultural brand, Scotty’s has implemented a system to manage their talent processes as well, starting with a user friendly application process that can be completed in any online environment, including from Scotty’s own iPad menu locations.

Managing Employees Work Experiences

Creating a schedule that takes into consideration an employee’s personal needs is a retention best practice. Good scheduling processes reflect a human being’s need for work and life balance. It reduces the attention-diverting conflicts, such as coordinating day care or worrying about missing a parent/teacher conference that typically results when that balance is out of whack.

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Blessing White, Employee Engagement Report, 2011
In order to address the needs of modern workers, a tool providing long-range scheduling and a stable, predictable way for employees to view and comment on work schedules is valuable.

Additionally, such a tool provides managers and business owners with a clear view of their hiring and scheduling trends while providing better data for long-term decision making.

**Engaging in their future, through development**

Employees generally need to go through regular training events to stay compliant, learn new products and simply keep their skills sharp. In the Blessing White 2011 Engagement Survey\(^1\), career development opportunities were identified as one of the top two factors employees felt would improve both their engagement and on-the-job performance. Systems supporting engagement allow organizations to provide learning in multiple delivery methods to fit the location and learning preferences of the employee. Additionally, they provide dynamic content and curriculums focused on current or future job roles within the organization.

Training and development may help employees increase performance in their current role, but it can also help them prepare to move up within an organization. The capability to assess skills and knowledge and provide a gap analysis against current and future job roles ensures the right employee is identified and ready when their opportunity to contribute at a higher level becomes available. But don’t forget the human factor in developing employees: providing coaches and mentors creates stronger bonds to the organization and its goals.

**Assessing and Rewarding Efforts**

Throughout an employee’s time with an organization, it is vitally important to let employees know how they are doing and provide constructive feedback that allows them to prosper. In the service industries, where employee turnover is traditionally astronomical, providing this feedback early in an employee’s tenure and on a frequent basis can contribute to increased retention. The regular reviews used to do this often require a system or tool to support the process steps.

Performance management and reward systems should focus on identifying, supporting and promoting individuals that are career-minded, rather than individuals whose sole

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\(^1\) Blessing White, Employee Engagement Report, 2011
interest is to collect a paycheck. It is here where a well-designed system can really help develop high performance individuals.

The system can aid organizations in providing reward choices reflecting an individual’s personal interests. Rewards can be as simple as a shift change and a day off. They can also be as sophisticated as a rewards program in a software system where employees earn points for timeliness, great customer feedback or taking the initiative to train others through gamification. Regardless, a reward system should be robust enough to cover every job function within the organization and unique enough to help to drive outstanding customer experience.

Creating an Engaging Talent Strategy

As we’ve described them, each individual element of the employee life-cycle is critical to setting the tone for employee engagement. A missing or off-key response in any one can negate the positive effects of the others. Plus, when these elements are connected and integrated, the approach created is even greater than the sum of the individual parts. The impact of employee engagement with organizational culture means two plus two can equal six.

Business Example

Boloco, a large quick-service food organization with 18 units across the New England market, was focused on connecting their teams, culture and brand in a single approach to managing employees effectively. As an organization that tailors its communication and messaging to a Gen Y clientele through Facebook and Twitter, Boloco felt their people strategy needed to focus on the same values that were important to their client base – connections, growth and social dialogue.

Today they have implemented a total system that supports that strategy, driving both connection and employee engagement. By connecting their people strategy to their belief in social connections, Boloco was able to create an open dialogue with their workforce and track employee progress and growth from the point of application through new opportunities. This long-term view is only possible in an integrated environment where data is shared across all of the employee life-cycle processes.

Organizations that start the discussion with an engagement strategy focused on the outcomes, goals and vision for the employee experience, find they have greater levels of impact on both candidates and employees.

**Conclusion**

With a workforce that is predominately comprised of the Millennial and Gen Y generations, today’s service industry companies (e.g. foodservice, convenience stores, hospitality and retail) need a talent management solution that effectively connects with their employees throughout the employee life-cycle. The processes, tools and people managing the employee life-cycle need to collectively create an experience that places the company in the best light with the candidate, new employee and high-performance individual.

Recruiting and onboarding experiences must be enriching, informative and provide a comprehensive look into the company’s business practices, people and culture. Performance management and rewards should incent high levels of performance and drive development and growth at every stage of an employee’s career.

Not until a company has developed strong integrated processes in the areas discussed here, with a vision and strategy for their approach to engaging employees, will they begin to see the benefits of managing the employee life-cycle. When managing a service industry workforce the solutions should always support the company’s desired culture and business outcomes. A comprehensive Talent Management Solution can provide an effective and efficient way to manage all of these elements online.
About Brandon Hall Group

With more than 10,000 clients globally and 20 years of delivering world class research and advisory services, Brandon Hall Group is the most well-known and established research organization in the performance improvement industry. We are focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

Brandon Hall Group has an extensive repository of thought leadership research and expertise in our primary research portfolios - Talent Management, Learning and Development, Sales Effectiveness, Marketing, and Executive Management.

At the core of our offerings is a Membership Program that combines research, benchmarking and unlimited access to data and analysts. The Membership Program offers insights and best practices to enable executives and practitioners to make the right decisions about people, processes, and systems, coalesced with analyst advisory services which aim to put the research into action in a way that is practical and efficient.

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- **Cutting-Edge Information** – Our rigorous approach for conducting research is constantly evolving and up-to-date, providing your organization with current and future trends, as well as practical research insights
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**About PeopleMatter**

PeopleMatter is the fastest growing talent management solution provider for the service industry. With a comprehensive suite of Web-based solutions, we help employers identify, train and engage dependable talent to provide exemplary customer service. PeopleMatter’s platform of HR tools handles hiring, scheduling, learning, recognition and performance management.

Delivered via Software-as-a-Service, the PeopleMatter Platform tools manage the high employee volume, turnover and disengagement that is typical of hourly and shift-based workforces. Designed specifically for the service industry, targeted verticals include Foodservice, Convenience Store, Retail and Hospitality.

PeopleMatter makes HR simple with paperless processes that dynamically connect social media and your workforce to actively engage them through the “Hire to Retire” process. Our integrated technology manages the process, so employers can focus on the talent. PeopleMatter. *The name says it all.* PeopleMatter is headquartered in Charleston, S.C., and on the Web at [www.peoplematter.com](http://www.peoplematter.com).