OVERLOOKED INSIGHTS IN EMPLOYEE ENGAGEMENT
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INTRODUCTION
Do you know what your employees really want from your organization?

You can, and it pays to find out. But you may have to look beyond survey results (although we highly recommend them) to find out what really drives employee engagement.

The return on increased engagement is solid. A 2016 Gallup study shows that companies in the top quartile for employee engagement outperform their competitors in the lowest quartile in many categories, including:

» 10% higher customer ratings,
» 21% higher profitability,
» 20% higher productivity,
» 24%-59% lower turnover,
» 41% lower absenteeism and
» 40% fewer quality defects.

Low employee engagement has a high price. Gallup estimates active disengagement costs the U.S. $450 billion to $550 billion per year.

The list goes on. Learning what motivates your workforce is a necessary (and profitable) part of your business.

This white paper will help you:

» understand and explore the importance of employee engagement and
» provide actionable insights to drive employee retention and satisfaction.

Read on to learn more about What Employees Want.

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CHAPTER 1
The Findings

Today, many companies employ a multigenerational workforce and are looking for the best ways to motivate employees who — on the surface — seem very different. However, research is beginning to reveal the opposite.

According to the Incentive Research Foundation, meaningful work, development and growth opportunities, work/life balance, autonomy and fair pay are important to all employees, regardless of age.

But don’t rely solely on wide-sweeping data to understand what employees want. Ask questions of your workforce. Regular, open communication is necessary to improve your organization.

Then, take a look at your organization's labor data. By combining these insights, you should be able to discover some of the underlying trends affecting your employees.

Baby Boomers
(Born between 1945-1963)

» Want to make a difference
» Appreciate recognition
» Rate money as important

Generation X
(Born between 1964-1980)

» Want competitive pay and benefits
» Value personal development
» Strive for work/life balance

Millennials
(Born between 1981-2000)

» Rate competitive pay as important
» Want recognition and regular feedback
» Need purposeful work

Source: Incentive Research Foundation
CHAPTER 2
The Approach: The Hierarchy of Employee Needs

Human capital management topics often can seem too removed from the challenges of the people they are addressing. Even the common industry terms used to describe people — resources, assets, capital — can hinder our ability to approach these challenges with both reason and empathy.

We are using Maslow’s Hierarchy of Needs to illuminate some possible underappreciated areas where your business can improve employee engagement. The hierarchy — ranging from basic physiological needs to belonging and self-actualization — makes the topic of what employees want more relatable and attainable. We hope you find it effective.

BASIC NEEDS (COMPENSATION)
Obviously, compensation should meet basic needs or nobody can be expected to enjoy his or her work. Start by paying your employees a fair wage. (Disengaged employees are nearly three times more likely than engaged employees to leave their job for any pay increase.)

Best-in-class organizations spend 25% less on unplanned overtime and 83% less on manual time-and-attendance inquiries.

— Aberdeen Group

An often overlooked aspect of compensation isn’t just how much you pay your people, but how efficiently you pay them. If someone’s paycheck arrives late or contains errors, engagement takes a nosedive.

Think of a time when you worked and were not paid for it: Didn’t it feel unjust?

Payroll errors are a drain on productivity and morale. Avoid this pitfall by making sure your payroll and time-and-attendance systems work. Ask your HR department how often these errors occur and how long they take to resolve.

PAYFACTOR: Pay your people fairly, and pay them well (i.e., accurately and on time).

SAFETY (CONTROL AND STABILITY)
After our bills are paid, we all want some semblance of control and stability from our work. We will break this into three areas: physical and emotional safety, job security and benefits administration.

Physical and Emotional Safety
Yes, we’re talking about safety and harassment training. Some people compare it to wearing those bright orange life vests on a boating trip: You wish you didn’t have to, but you’re better off doing it anyway. Then again, you can swim; it’s only the non-swimmers who need them, right?

While this attitude seems harmless, it actually can foster the problems the training is intended to prevent. Anything that is someone else’s problem becomes no one’s problem.
Make training easily accessible, and take it seriously. Consider adopting a learning management system in which employees can access their training modules via a self-service portal, and HR easily can manage team members’ progress.

Make standing up for each other a part of your culture. Set the example. If everybody wears the life vest, nobody drowns.

Job Security
While you can’t guarantee favorable market conditions or length of employment, you can take some simple steps to put your people’s minds at ease regarding job security:

» Communicate frequently, openly and honestly with your workforce.
» Reiterate the mission of the company.
» Help employees understand how their job fits into the bigger picture.
» Give team members performance and development goals.
» Seek input from people throughout your organization and respond to their inquiries.

Performance management tools can help employees see and understand the long-term role they’re expected to play in your organization’s success. But don’t rely solely on technology to illustrate the point — talk to your team.

If you don’t communicate regularly with your workforce, it might be a little uncomfortable at first. But, as with most things, it gets easier with practice. If you’re not sure where to start, tell them the story of why and how you chose to work there. Be brief and thank them for their contributions.

Benefits Administration
Enrolling in or managing health insurance benefits can be confusing and stressful for employer and employee alike. Streamline this process as much as possible. Allow employees to enroll in and manage benefits completely online. The easier and more accessible the system, the more secure your employees will feel. This particularly appeals to millennial employees, who will make up the largest segment of the workforce by 2020.

According to research by Adobe Systems Inc., 81% of U.S. office workers say that technology is a more alluring benefit than food and beverages, great office design and on-site amenities.

In part, high-performing companies are more innovative because they remove worrisome distractions from their workforce. When an individual’s basic employment needs are met, he or she is more able to focus on the work at hand without worrying about job or benefit disruption.

TAKEAWAY:
Help employees feel safe by taking HR training seriously, communicating regularly and eliminating benefits-related distractions with an effective employee self-service portal.
BELONGING (RECOGNITION)
People naturally want to belong and feel appreciated. How does your organizational culture foster a sense of community? How well can your employees describe what your company does and why it matters? Do they know how their contribution affects the success of the company as a whole?

Recognition doesn’t have to involve trophies, plaques or balloons. It can be as informal as a specific “thank you” for a job well done. The fact is it matters — a lot.

The power of mere acknowledgment is illustrated beautifully in a Massachusetts Institute of Technology study by behavioral economist Dan Ariely. Subjects were paid incrementally less money for each Lego figurine they assembled. In group A, the completed figurines accumulated on the table; group B’s figurines were immediately dismantled by the experimenter and placed in a box. Only one question was asked of the subjects: Would you like to assemble another figurine?

Before we get to the results of the experiment, ask yourself how you would feel if you were in group B? The money is the same. Should the way you feel matter?

People whose work is acknowledged may be as much as 47% more productive than those whose work is ignored.

It matters. The people in the acknowledged group assembled 47% more figurines than the others. A similar experiment yielded the same conclusion: People whose work is acknowledged — not even praised, just acknowledged — are far more willing to do the same job for the same pay as someone whose work is ignored or destroyed.

In other words, recognition drives engagement, and engagement drives productivity. Foster a culture of recognition and respect through your commitment to employee growth and development.

Consider starting by documenting employees’ performance in a way they can access it. One of the easiest ways to do this is by adopting an online performance review process, and allowing employees to view their information using a self-service tool.

Also, acknowledgment can be as simple as actively listening to your employees through surveys. You might be skeptical of survey data. That’s understandable, especially if you’ve gotten conflicting results from them in the past. Ask yourself: What is it worth to understand how my business is really doing?

Surveys are conversations, not one-off quizzes or interrogations. How would you respond to a barrage of questions from someone who rarely talks to you? Conversations start with “small talk” and progress to more serious topics when trust is established. In order to get the best answers to your questions, demonstrate you are listening. For accurate survey data, follow this simple formula:

1. Ask a question.
2. Listen to the answer.
3. Ask a follow-up question.
4. Listen to the answer.
5. Resolve and respond.
6. Repeat.

Begin with a small problem — and follow up — to show you really are listening. When your employees trust you want to hear from them, their insights can be priceless.
TAKEAWAY: Recognize and document individual and group contributions. Be specific and consistent in your recognition; nobody ever quit a job for receiving too much praise. Survey your workforce regularly, and always respond to show them you are listening.

SELF-ACTUALIZATION (FULFILLMENT)
Gallup asked workers what they would do if they won $10 million in the lottery. Nearly two-thirds (63%) of engaged workers said they would stay in their job. (Unfortunately, the author does not know enough $10 million lottery winners to verify this finding beyond a reasonable doubt.)

Nearly two-thirds (63%) of engaged workers would stay in their job after winning $10 million in the lottery.
— Gallup

Highly engaged workers find fulfillment in their work beyond salary and perks, but they are unlikely to reach that level of fulfillment if their basic needs for safety and belonging are not met.

Could it be that highly engaged workers are naturally optimistic and content, or can anyone become like them?

Employee engagement is like gardening: If conditions are favorable, things flourish and become more productive. You can create a supportive culture that fosters higher levels of engagement and all the additional benefits that it brings.

Daniel Pink’s book Drive: The Surprising Truth About What Motivates Us divides motivation into two categories: external/extrinsic incentives (such as money) and intrinsic motivation (enjoying work for its own sake). Basically, the carrot-and-stick approach to motivation only works if the carrot is all somebody wants. There are better motivators than money.

Don’t just offer your employees money and perks. Offer them purpose.

Meet the basic needs, then focus on matching people to work that fulfills their intrinsic needs for mastery, autonomy and purpose. Assessments and performance reviews should include questions about what type of work individuals excel at and find most rewarding. Map out their optimal career path in which you both can review their progress. Talent management software can be quite a useful tool to keep you and your employees engaged in their success.

TAKEAWAY: Remove obstacles to fulfillment, then utilize performance review data to match the right person to the right work.
CONCLUSION

What employees want matters, but it is not always clear right away what that is. Through consistent effort, clear commitment and open communication, you can create a culture that fosters engagement and innovation.

The right technology can help. In fact, with increasing numbers of employees, it’s expected. Select a comprehensive human capital management partner to give you a platform that enables you to meet your employees’ needs:

» **Basic (Compensation)** Pay your people fairly, and pay them well (i.e., accurately and on time).

» **Safety (Control and Stability)** Help employees feel safe by taking harassment training seriously, communicating regularly and eliminating benefits-related distractions with an effective employee self-service portal.

» **Belonging (Recognition)** Recognize and document individual and group contributions. Be specific and consistent in your recognition; nobody ever quit a job for receiving too much praise. Survey your workforce regularly, and always respond to show them you are listening.

» **Self-Actualization (Fulfillment)** Remove obstacles to fulfillment, then utilize performance review data to match the right person to the right work.

When in doubt, listen to your gut. If you want to learn how your workforce thinks, first find out how it feels. Analyze your labor data and give your employees access to their own. Then take action. You can become a master of What Employees Want.

For more on how to boost employee engagement with effective human capital management technology, visit [Paycom.com](http://www.Paycom.com).
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