

WHY IS THE FINANCIAL SERVICES SECTOR DISENGAGED?

ARTICLE FROM THOMSON REUTERS, 11/11/13



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By Karen Higginbottom

The financial services sector has the lowest levels of employee engagement of all sectors, according to research by Weber Shandwick. The study found that employees in the sector had the lowest scores for feeling excitement around their job, or a sense of shared goals and interest. It was not all doom and gloom for the sector, however: employees scored highly on a sense of being listened to by their employer and tended to feel that they were in aspirational jobs. Karen Higginbottom reports.

Employee engagement. An often overused phrase but an important concept for organisations to understand and grasp in a brutal, pared-down workplace where mass redundancies are common and employees are often left doing the work of two people. The Chartered Institute of Personnel Development (CIPD), in conjunction with the Kingston Employee Engagement Consortium, has defined employee engagement as “being positively present during the performance of work by willingly contributing intellectual effort, experiencing positive emotions and meaningful connections to others”.

There is already evidence to suggest that an engaged workforce can translate into tangible economic benefits: Towers Watson found that companies where employees were engaged were likely to deliver an operating profit three times higher than those companies where the employees were not engaged.

The “Science of Engagement” research commissioned by Weber Shandwick sampled 1,152 of the adult population who work at least 30 hours a week. The research looked at 19 drivers of employee engagement covering elements such as desire, respect, integrity, meaning and shared values. The study used an employee engagement quotient (EEQ) which is based on the levels of employee engagement associated with the main influences on engagement. The good news was that employees in the financial services sector are slightly more likely to feel valued as employees compared with other sectors such as hospitality and consumer goods.

The strongest elements of engagement in the financial services sector was “access” – where the sector scored 88 percent, Adam Mack, chief of strategy EMEA, for Weber Shandwick, said. “Access is essentially about employees feeling they have the basic tools to do their jobs, whether it’s basic information and resources or clarity of message,” he said. “It reflects a tendency of financial services employers to focus on the rational side of engagement over the more emotional side which builds sustained and deep engagement.”

“There is already evidence to suggest that an engaged workforce can translate into tangible economic benefits”

Financial services employees also scored strongly in “involvement”, defined as employees feeling that their employers were listening to them. Other elements of engagement where financial services jobs also scored highly include “desire”, where employees felt that they were in aspirational jobs.

MORE VALUED BUT LESS ENGAGED?

Frazer Rendell, Director of Business Improvement and Employee Engagement for E-Trinity Consultancy, was initially surprised to find that employees in the financial services sector were likely to feel more valued but less engaged. “It would appear that this could be related to the high score on ‘access’, which implies people have the tools to do the job but are not fulfilled. This could indicate that time and money is being invested in developing tools that ensure consistency and reduce risk. At a time when the financial sector is constantly facing punitive measures, this is not surprising. However, having the tools to do the job and an environment that many can only dream of when disconnected from the greater intrinsic purpose of why they are there, will not create engagement.”

“Financial services employers need to think more creatively about the ‘fun’ element of work.”

The weakest elements for the sector related to the sense of excitement people have around their jobs, defined as “intrigue or escape”, or to the sense of common goals and shared interests, known as “empathy” and “shared values”.

“This suggests that financial services employers need to think more creatively about the ‘fun’ element of work. There needs to be a recognition that people who are allowed to step out of the daily grind will be more deeply engaged than those who don’t,” Mack said.

The biggest shortfall for the sector against the average, however, was in “meaning”, which scored 40 percent against an average of 49 percent. In this study, “meaning” was defined as a sense of purpose and reason to exist, Mack said. “The majority of those working in financial services don’t feel their job and their employer has personal meaning for them and they don’t feel their employer makes a meaningful contribution to society.”

One way of creating employee engagement is to give employees a sense of purpose and to let them know how they are contributing to the business (see the Engage Mutual case study below). Rendell said that many banks were now operating in a culture of greater regulation and compliance, which was hampering levels of engagement. “This is potentially restricting the autonomy and creativity of these organisations as their current focus is on ensuring they are adopting all the necessary regulations,” he said.

Rendell said that financial services firms needed to communicate the message of why the employees were there and what their greater purpose was. “Leadership teams need to be confident that the messages they are delivering are genuine, and ones that the employees will want to aspire to achieve. There also needs to be robust structure to ensure the consistency of these values throughout the business.”

Karen Higginbottom is a freelance journalist who writes on employment issues for The Guardian and People Management magazine.



ENGAGE MUTUAL: EMPLOYEE ENGAGEMENT CASE STUDY

Engage Mutual is an insurance company based in Harrogate that employs 220 people and has 500,000 customers. The mutual puts a great deal of emphasis on creating a workplace where employees feel engaged, and 85 percent of staff have rated the firm as a great place to work. “From a board point of view, we feature engagement as a central measure of success,” Steve Barry, HR and learning director for Engage Mutual, told Compliance Complete HR.

Barry also reports to the senior management team every month on the people strategy, of which engagement is a crucial part. One area that the mutual needed to improve in terms of its employee engagement was how it communicated with staff, Barry said.

“We wanted our employees to understand where they fitted in the bigger picture.”

“In our first engagement survey in 2011, 55 percent of employees felt that we communicated well, which wasn’t as good as we’d like. We changed the HR team around to put a specific bias on how we deliver internal communications and we employed an internal communications executive.” This action paid off for the mutual, which saw a 25 percent increase in terms of how the firm communicated in the following year’s survey results. The mutual also decided to redesign its job descriptions for all employees after feedback from its latest employee engagement survey found the firm had scored lower on career development, Barry said.

“We wanted our employees to understand where they fitted in the bigger picture. Every job description has the purpose of the society and how the role impacts on society. We mapped all the competencies for those roles.”

Engagement is not merely about monetary awards, however. Some years ago the mutual introduced an “RSVP” scheme, which stands for “Recognising Success, Valuing People”, Barry said. “There are some monetary awards around that, but the interesting thing is that our non-financial initiative such as a ‘thank you’ card has proven to be very popular and that is what people are proudest to display on their desk.”

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