

One-Third of Companies Troubled by Low Employee Engagement in Key Spots, our new Global Survey Finds

Dear members,

Paris, 12 July 2010

With great pride I do present to you a new White Paper "Creating a New Deal for Middle Managers"—Empowering a Neglected but Critical Group.

This joint BCG-WFPMA/EAPM publication reveals a global engagement problem that, as the title suggests, is most severe among middle managers, who oversee the majority of employees at most companies. The publication is based on a survey of senior HR and other executives from more than 100 countries and an analysis of BCG's Engaging for Results database with responses from nearly one million employees.

Employee engagement—the willingness of workers to go the extra mile at work—took a big hit during the recession and has not bounced back, according to the research conducted by The Boston Consulting Group (BCG) and World Federation of People Management Associations (WFPMA)/European Association for People Management EAPM

About one third of the respondents to the survey identified the following six areas as the most severe areas of disengagement at their companies:

- • Structured career management that recognizes appropriate behaviors
- • Clear consequences for individuals not living the company values
- • Performance linked to compensation
- • Managers acting as “resources” or coaches
- • Training and development for people management practices
- • Recognition beyond compensation

Most senior executives recognize the importance of employee engagement to corporate performance, but do not necessarily know how to take concrete steps to improve it.

This survey gives companies a clear idea of where they should focus their attention.

In order to understand the root causes of this global engagement problem, BCG and WFPMA/EAPM also analyzed BCG's Engaging for Results database. Two conclusions jump out of this deeper analysis. First, the recession damaged engagement in three broad areas closely related to the six problem spots flagged in the BCG/WFPMA/EAPM survey:

- • Performance management: the processes and systems that set targets, collect feedback, and link actions to results

- • Recognition: formalized ways of acknowledging and rewarding strong performance
- • People manager capabilities: people skills and leadership behaviors throughout the organization

Second, the decline in scores was most dramatic among middle managers. Between 2007 and 2009, their engagement as it relates to performance management and recognition dropped by 14 percent and by 10 percent in the people-manager dimension.

Many companies had to take drastic action during the recession in order to survive. Now that the worst of the downturn appears to be over, they should start reconnecting with their employees. The best place to start is with the middle managers, who historically have not received adequate support or authority and yet play critical roles in the company.”

The White Paper created a four-pillar program to address the engagement trouble spots identified in the BCG/WFMPA survey and to energize middle managers.

- • Delayer and create larger, exciting roles for middle managers in order to remove the barriers that frustrate them and to encourage initiative
- • Empower managers to act by giving them the levers and authority to succeed, but first make sure they understand what is required of them
- • Accelerate leadership skills so that they have training and tools to manage effectively
- • Leverage the power middle managers so they can convey the corporate mission and vision and help transform the organization

I am convinced that these programs will help unleash middle managers from the ties that bind them at many companies.

The new full report on global HR topics will be available end of September 2010.

A download of the White Paper is on our EAPM.org website.

Best regards,

Pieter Haen
 President
 European Association for People Management EAPM