

# COMBATING EMPLOYEE DISENGAGEMENT:



## HOW TO CREATE A THRIVING WORKPLACE CULTURE

# THE CHALLENGE OF EMPLOYEE DISENGAGEMENT

***“To win in the marketplace you must first win in the workplace.”***

Doug Conant, CEO of Campbell's Soup

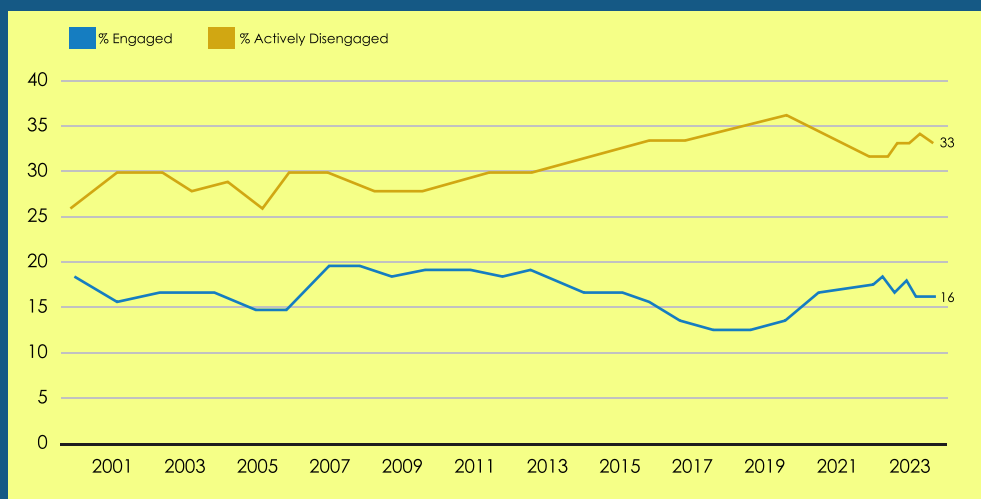
According to the latest Gallup report, 51% of employees are disengaged in the workplace, while 13% are actively disengaged. Actively disengaged means feeling miserable at work and spreading negativity to their colleagues.

Employee disengagement is a significant challenge facing organizations today, costing billions annually in lost productivity, high turnover rates, and reduced morale. This lack of engagement not only hinders productivity but also negatively affects innovation, customer satisfaction, and organizational resilience. Despite efforts to address the issue, many workplaces struggle to foster an engaging environment that drives commitment and productivity.

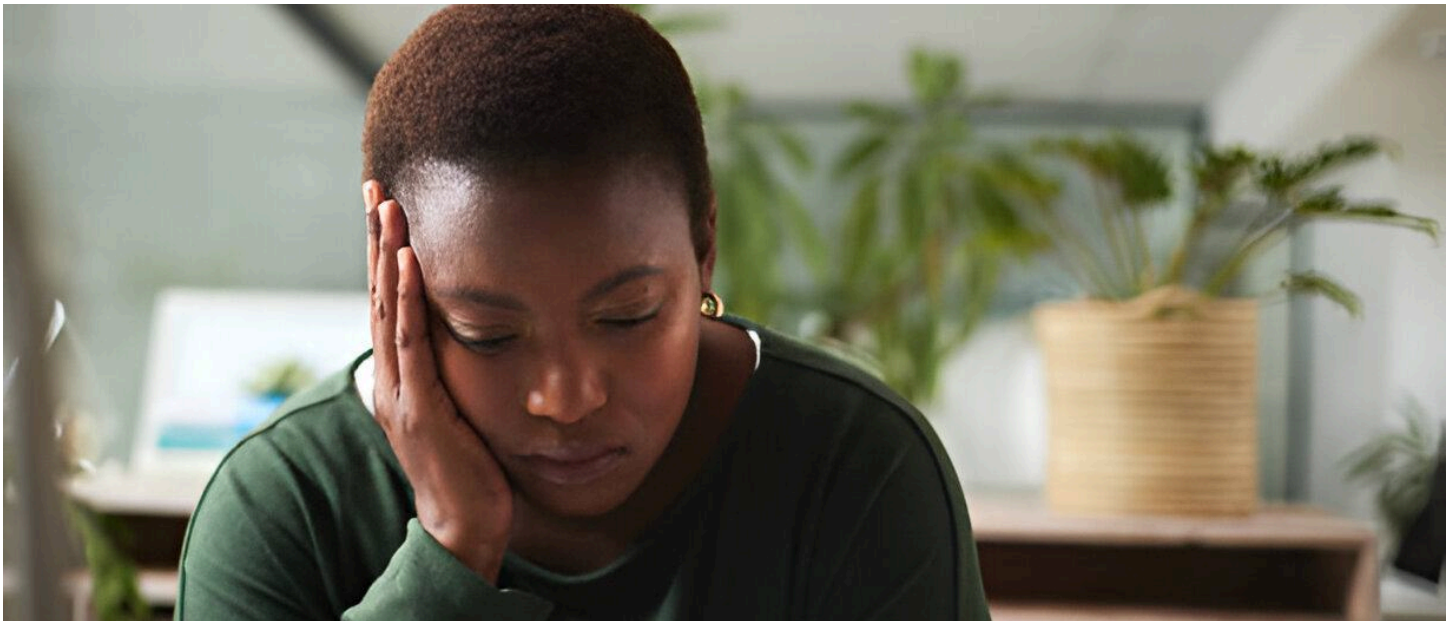
It is vital to explore the root causes of employee disengagement, its impact on organizational success, and practical strategies to create a robust workplace culture. As seen in another Gallup's report, companies with a highly engaged workforce have 21% higher profitability. They also have 17% higher productivity than companies with a disengaged workforce.

Overall, by focusing on practical, research-backed solutions to build a team dynamics that fosters engagement, innovation, and commitment, organizations can be empowered with the tools they need to create a thriving workplace ethos where employees feel valued and motivated to contribute their best.

Fig 2: Employee Engagement Trend



Source: Gallup



# SYMPTOMS OF EMPLOYEE DISENGAGEMENT

Disengaged employees exhibit behaviours such as:

## **Low motivation and productivity:**

One of the most obvious signs of disengagement is a decline in work quality or output. When employees become complacent their performance and expectations from the organisation, it is tell-tale sign that disengagement has set in.

## **Poor communication and collaboration:**

Another sign of employee disengagement is silence and lack of participation in team tasks and activities. When an employee seems distant or uninterested, it might be time to reconnect with them individually to understand the root cause of the change in attitude.

## **Complacency and Absenteeism:**

While absenteeism is not always a sign of disengagement, really engaged employees will always find a way to be at work. It is therefore important to always investigate consistent absenteeism and complacency as they are sometimes symptoms of employee disengagement.

## **Resistance to change and innovation:**

One of the ways disengaged employees act out that disenchantment by frequently naysaying and refuting new ideas and opportunities related to driving the business forward.

# ROOT CAUSES OF DISENGAGEMENT

01

## **Lack of Recognition and Appreciation**

Employees often feel undervalued when their efforts go unnoticed, leading to dissatisfaction and reduced commitment. People want to know that their employers acknowledge their hardwork.

## **Limited Growth Opportunities**

Employees need opportunities for promotion, new goals, and career advancement. Stagnant career paths or lack of skill development opportunities can lead to feelings of frustration and disengagement.

02

03

## **Poor Leadership**

One of the common causes of employee disengagement is ineffective management. Micromanagement, lack of transparency, and ineffective communication from leaders erode trust and morale.

## **Inadequate Work-Life Balance**

An extreme workload is exhausting to even the most motivated and willing employees. Overwork, rigid schedules, and insufficient flexibility can result in burnout and disengagement.

04



# THE IMPACT OF EMPLOYEE DISENGAGEMENT



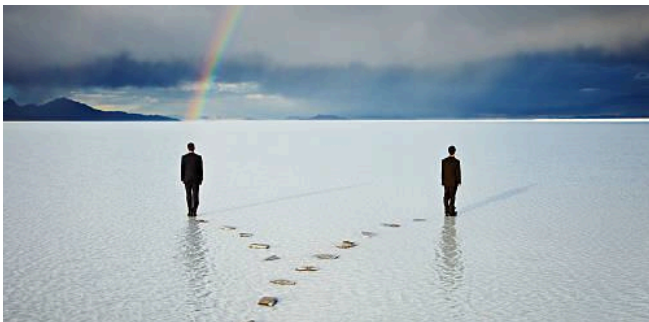
## Financial Losses

according to Gallup's 2024 State of the Global Workplace report, employee disengagement costs the global economy a whopping \$8.9 trillion, or 9% of the global GDP, annually. Human capital is the driver of productivity and a disengaged workforce will cost the organisation money as human output becomes stunted.



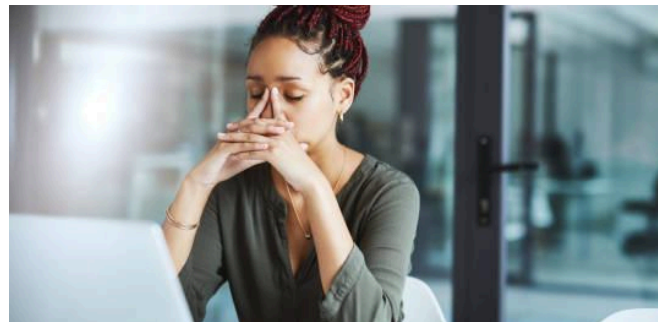
## High Turnover Rates

33% of Employees Leave Their Jobs for New Challenges because they feel bored and disengaged, this is according to a survey by Korn Ferry. This high turnover rate leads to increased recruitment and onboarding costs.



## Reduced Innovation and Collaboration

Engagement and innovation reinforced each other; this means that engaged employees are more innovative and innovative companies are more likely to keep their workforce engaged. Lack of engagement stifles creativity, teamwork, and innovation, hindering the organization's ability to stay competitive.



## Decline in Customer Satisfaction

Disengaged employees are less committed to delivering high quality service and this leads to provide subpar customer experiences, affecting brand reputation and loyalty. In a study by Temkin Group, it was discovered that companies with low levels of employee engagement had an average customer experience rating of just 53%, compared to 79% for companies with high levels of engagement.

# BUILDING A THRIVING WORKPLACE CULTURE

a

## Foster a Culture of Recognition and Appreciation

Establish recognition programs that celebrate achievements at all levels, from small wins to major milestones. Leverage tools like employee shout-outs, awards, and team appreciation events to make recognition a core cultural value. A study by the Incentive Research Foundation found that 84% of employees experienced increased motivation upon receiving recognition for their work. Also, an Officevibe survey revealed that 51% of employees who received consistent recognition are prone to recommending their company as an excellent workplace.

To create a culture of recognition, organisations can implement peer-to-peer recognition systems, celebrate individual and team accomplishments during meetings, and introduce non-monetary rewards, such as extra time off or professional development opportunities.

b

## Invest in Employee Growth and Development

An SHRM's research on Employee Job Satisfaction and Engagement survey found that only 29% of employees are "very satisfied" with their available career advancement opportunities. To sustain employee engagement, create pathways for career progression through training programs, mentorship opportunities, and upskilling initiatives.

If you want to have engaged teams, boost their expertise and keep them excited by offering leadership development programs, providing access to online learning platforms and certification, and encouraging cross-functional projects to expand skill sets.

c

## Empower Leaders to Drive Engagement

The highest driver of engagement is whether employees feel their leaders genuinely care about them. However, according to a Forbes report, "only 28% strongly agree that leadership genuinely cares about their health and well-being." The report further revealed that 76% of employees who have empathetic managers are very engaged at work.

This emphasises the need to train leaders to practice inclusive, transparent, and empathetic leadership. Encourage them to build trust, communicate effectively, and create a supportive environment.

d

## Promote Work-Life Balance and Flexibility

Adopt flexible work policies, such as hybrid models or compressed workweeks, to give employees more control over their schedules. Stanford University conducted a study revealing that remote workers consistently regularly meet and exceed objectives, identify new processes, and contribute to company culture just as much as anyone in a traditional office setting. According to the study, they tend to accomplish on average, 13.5% higher productivity points compared to their on-site counterparts.

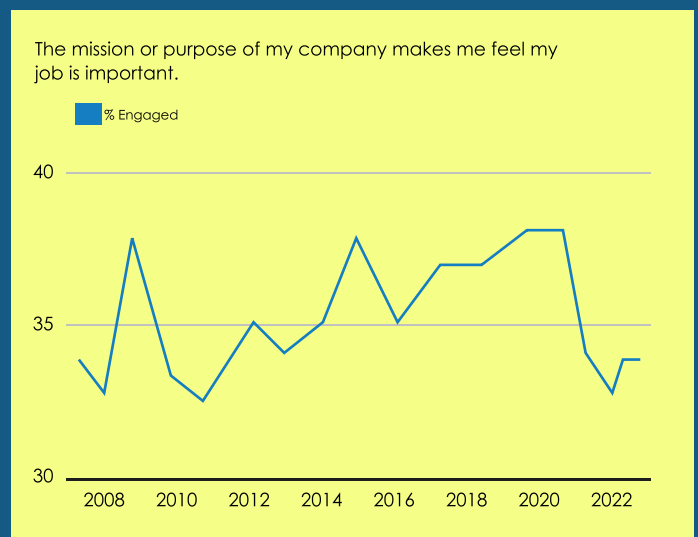
To encourage work-life balance, organisations can introduce flexible hours and remote work options. It's also important to provide wellness programs, including mental health resources and fitness incentives.

e

## Build a Value-Based and Purpose-Driven Culture

A declining number of employees feel connected to their company's purpose. This connection is crucial as it inspires excellence over mere task completion. Organisations must create an inclusive environment where employees feel heard, valued, and aligned with the organization's mission.

Fig 2: Employees' Connection Between Purpose/ Mission And Their Job



Source: Gallup

# IMPLEMENTATION PLAN

## Phase 01

### Assessment

- Engage a competent HR Consultancy like Proten International to conduct engagement surveys to identify current challenges.
- Evaluate existing recognition, development, and leadership practices.

## Phase 02

### Strategy Development

- Define clear goals for improving engagement.
- Develop policies and programs aligned with proposed solutions.

## Phase 03

### Rollout

- Introduce new programs incrementally, starting with pilot groups.
- Provide training for managers and employees on new practices.

## Phase 04

### Evaluation and Iteration

- Track key engagement metrics (e.g., retention rates, employee satisfaction scores).
- Gather regular feedback and adjust programs as needed.

# EXPECTED OUTCOMES

By implementing these solutions, organizations can expect:



## Increased Engagement and Productivity

Employees feel valued, leading to greater focus and output.



## Enhanced Innovation

A thriving culture encourages creativity and collaboration. Engaged workforce leads to a 30% increase in innovation ideas submitted by employees (FlairHR).



## Higher Retention Rates

Growth opportunities and recognition reduce turnover. According to a FlairHR report, highly engaged businesses achieve a reduction of 59% in employee turnover.



## Improved Customer Satisfaction

Engaged employees bring more energy and commitment to their roles. This results in better customer experiences with 92% of executives confirming that high engagement leads to happier customers.

Employee disengagement is a pervasive issue, but it is not insurmountable. By fostering a culture of recognition, growth, strong leadership, flexibility, and inclusivity, organizations can transform their workplaces into thriving hubs of innovation and productivity. The roadmap provided here can help organisations overcome disengagement and build a workplace culture that empowers employees and drives sustainable success.