

How to prevent junk status from affecting employee engagement

Employee engagement is a buzz word. Everybody knows it. However, few people know that employee engagement means money. [Research shows](#) that companies in the US with engaged employees can outperform those without by up to 202% and have 6% higher net profit margins. And although such South African statistics are lacking, they are sure to look very similar.



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Unfortunately, the same research shows that only 29% of the American workforce is engaged – and this is without the added stress of economic uncertainty. Today, as South Africa faces an uphill battle out of junk status and faces the impact of the downgrade on business and budgets, employee engagement is at risk and businesses must find ways to address it.

“When people are unhappy or insecure or worried, engagement drops immediately,” explains Teryl Schroenn, chief executive officer, Accsys. “Any change plays a role on engagement. A look at the ANC right now – the impact of recent events has left it a disengaged party. In business, the same thing happens – people get nervous, they disengage and they worry about their jobs.”

Maintaining employee engagement in complex economic times is an ongoing process, not an event. It has never been more important to have open lines of communication, to build relationships and to ensure employees feel safe. It is a tight rope to walk, especially if the business has been affected and retrenchments are in the pipeline.

An active role

“Economic difficulty usually translates to corporate belt-tightening and employees know it,” says Schroenn. “It is vital that communication is honest and that management works behind the scenes to mitigate the risk as much as they can. It is hard to get the balance right, but it is vital for the long-term success of the business.”

Often a dramatic announcement such as South Africa's plummet to junk, sees people run in different directions, panicking in their attempt to protect themselves and their futures. It's a fair response, but in the business context, a damaging one. At this time it has never been more important for the business to achieve engagement and unity across all employees.

"If everybody is working in the same direction and staying in line with the company goals, then the business will be more capable of sailing the choppy seas that lie ahead," says Schroenn. "Train people, empower them to do their jobs well, and engage with them on corporate policy and strategy. Build positive relationships and make engagement personal. The smaller business will find it easier to do the latter than the large corporate, but there are ways of driving engagement and providing employees with support."

Dangerous disengagement

The problem is that if employee engagement is not given the priority it needs, then it can foster a toxic environment. Disengaged employees can be dangerous - spreading dissent, eroding trust and damaging morale.

"Put a structure in place that makes people feel they are being told what is going on, and spend time with individuals to ensure they are on board," concludes Schroenn. "Empower your managers to build engagement, reassure staff and ensure everyone is working towards the company goals together. This commitment will build a sustainable culture that gives people ownership and makes them feel like they are part of something bigger, regardless of what politicians and the economy are doing."

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