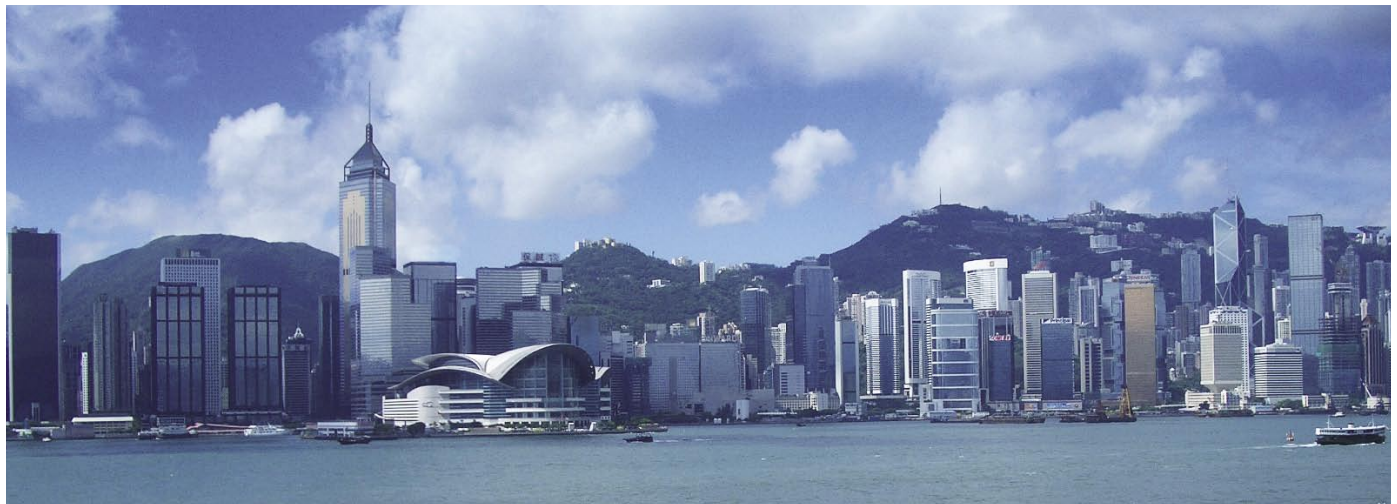


# WorkHongKong™ Survey

3 top drivers of engagement and the keys to improvements

By Hong Kong Organization Measurement team



**C**OMMITMENT has long been recognized as a key component of an effective workforce. However, high-performing companies are realizing that commitment alone is not sufficient. Commitment combined with focus and direction – what Watson Wyatt calls 'Line of Sight' – is required to deliver employee engagement. Engaged employees are not only motivated, but also understand the company's business goals as well as the ways in which they can contribute in driving these goals. According to Watson Wyatt's global research, highly engaged employees are two-and-a-half times more likely to be top performers than their lower-engagement peers; their intent to stay is greater thus allowing companies to enjoy higher retention rates and lower recruiting and training costs. Commitment and Line of Sight are two of the four

factors in the Watson Wyatt Four-Factor Model of Employee Effectiveness. The other two factors are Enablement and Integrity.

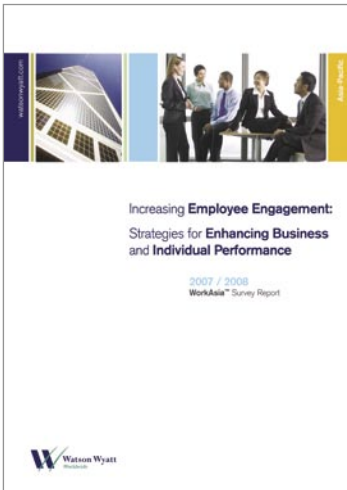
The 2007 WorkHongKong™ report examines the top drivers of employee engagement amongst Hong Kong companies. According to the results, the top driver for Hong Kong is Compensation and Benefits. Hong Kong employees generally desire a fair compensation and benefits package as well as a transparent career path and promotion process. The second critical driver is Customer

Focus. Hong Kong employees generally wish to work for companies which offer high-quality products and services to deliver superior customer satisfaction. Communication is the third leading driver. Hong Kong employees overall want effective internal communication practices.

The three leading drivers of engagement for Hong Kong are consistent with those for Asia-Pacific overall. Companies that create programs with these three drivers in mind will likely strengthen employee engagement and enhance business performance.

## Key drivers of engagement

	Hong Kong	Asia-Pacific
Top Driver	Compensation and Benefits	Customer Focus
2 <sup>nd</sup> Driver	Customer Focus	Compensation and Benefits
3 <sup>rd</sup> Driver	Communication	Communication



For full WorkAsia and WorkHongKong reports, or to participate in the survey, contact [workhongkong@watsonwyatt.com](mailto:workhongkong@watsonwyatt.com).

## Compensation and Benefits

The WorkHongKong data shows that employees are more engaged when they believe that their company compensates them fairly and competitively. Thus, a clear, fair and competitive reward system will inevitably help to improve engagement levels. The WorkHongKong results show that only highly-engaged employees in Hong Kong rated their companies very favorably on the internal and external equity of their compensation.

Hong Kong companies in general are not doing well in this area (favorability scores ranked 5th lowest among 16 categories). In order to improve engagement, Hong Kong companies can ensure that their compensation and benefits programs are fair and competitive compared to market. As important, companies should communicate the value of the total rewards package offering which includes not only compensation and the full range of benefit but also work environment, culture and development opportunities.

### Suggestions for Improvement:

- Clearly communicate the value of the employee's total compensation package and show how it compares with what other companies offer.
- Work with managers and supervisors to make the link between performance and pay clear as part of the performance evaluations.
- Examine how performance is determined, and make adjustments to ensure that top performers are rewarded appropriately.

## Customer Focus

Customer focus is important driver of employee engagement because when employees see their companies taking good care of customers, they are more likely to be proud of their companies, feel greater job security and want to bring others into the company. Highly-engaged employees clearly see how their work impact external customers and are more likely to have the autonomy to tailor their solutions to meet specific customer needs.

This is an area where Hong Kong employees feel their companies are not doing well (favorability ranked 9th out of 16 categories). When asked if their day-to-day work affects external customers, 95% of high engagement and 53% of low engagement employees responded favorably. This shows the importance for companies to demonstrate a commitment to customer service and satisfaction by supporting employees and increasing their accountability. Moreover, companies can thrive to develop a culture built around ensuring customer satisfaction.

### Suggestions for Improvement:

- Demonstrate a commitment to customer focus by supporting employees in their customer service activities and making them accountable for delivering superior quality.
- Empower people who have direct customer contact to make day-to-day decisions that increase customer satisfaction.
- Encourage managers and employees to set goals around customer service and satisfaction, and tie compensation to achieving those goals.
- Integrate internal and external communication so that employees receive the same messages as customers and partners. Ensure that employees are aware of such attributes as superior engineering, innovations or improvements that demonstrate superior quality and performance.
- Create programmes that are built around ensuring quality deliverables to customers.
- Measure customer satisfaction with an eye toward continuous improvement and communicate satisfaction levels to employees.

## Communication

Communication best practices include both top-down and bottom-up communications. An active and visible role played by senior leaders in communicating with employees and explaining the reasons behind major decisions instills confidence and provides line of sight for employees. On the other hand, soliciting employee feedback and acting on it shows trust in employees and helps to engage them more fully.

This is an area for Hong Kong companies to work on (ranked 2nd lowest among 16 categories). The research shows that employee involvement in the communication process can make a significant difference in engagement. (89% of high-engagement employees responded favorably compared with 27% of low engagement employees). This shows that engagement will increase if employees feel that they are welcome to give opinions and constructive feedback. **W**

### Suggestions for Improvement:

- Provide frequent and clear communication to increase engagement, trust and retention. Listen to employees and act on their suggestions – or explain why a suggestion cannot be acted upon.
- Enhance communication planning and delivery, especially with respect to business objectives and organizational change.
- Provide training and coaching for executives, managers and supervisors on how to be effective communicators and how to better connect employees with the business.
- Establish systems for routine dissemination of important information and key messages.
- Offer more opportunities for employees to connect with leaders. E-mail, Web-based forums and blogs are just a few examples of tools that can help. However, don't use these tools as a substitute for face-to-face contact such as town hall meetings. Key to this is the discussion of issues and not just dissemination of information.
- Implement online self-service tools that allow employees to access information such as personal statements on their own.