

**BOYLE
CONSULTING**

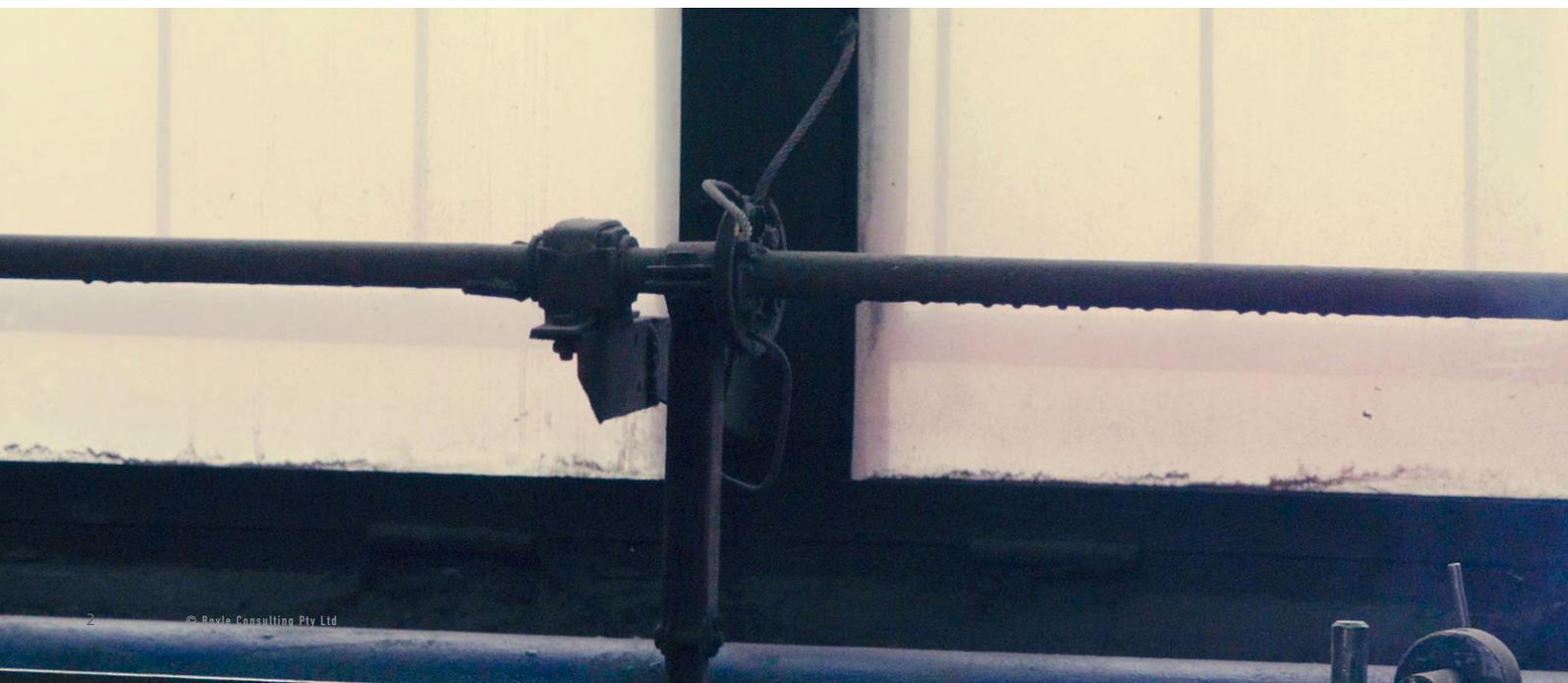
**EMPLOYEE
ENGAGEMENT
SURVEY**

KEY FINDINGS FOR LEADERS



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INTRODUCTION

This research summarises our review of 26 Australian mechanical repair workshops to establish what team members say about their work environment and how engaged they are.

Comparisons of the top and bottom performing workshops indicate significant differences in engagement and performance which we quantify.

We find the results insightful. The implications for leaders of these workshop environments are analysed as it is our aim to provide practical guidance to help all current and future workshop leaders.

We believe the conclusions are relevant to a broad range of environments including heavy mechanical repair, automotive, manufacturing and mining services sectors, where skilled workers are required to work together safely, productively, with quality outcomes.



HOW ENGAGED ARE WORKSHOP EMPLOYEES?

The majority, 64% of blue collar workers in mechanical repair workshops say they are not involved in decisions which affect their team and 62% say they do not receive positive reinforcement for work they do. 61% say communications are ineffective and 52% do not think people management is effective. 50% of workshop employees are disengaged and do not feel part of a “team”. 19% are highly disengaged.

These are sobering findings from research into employee engagement within mechanical repair workshops.

This research summarises what workshop team members say about their work environment regarding clarity of overall direction, resources, processes, involvement, communications, teamwork, growth and leadership. It also looks at people’s commitment to work and their preparedness to care for customers.

Why are large sections of employees disengaged? Why is staff turnover as high as 30% in some locations? What do the Top 5 workshops do better than the Bottom 5?

In this research we look at what workshop teams say about their leadership and identify practical things leaders can do to improve work engagement and workshop performance.

There are **universal lessons for all leaders** from this research by Boyle Consulting who analysed results from its many years performing onsite workshop operational performance reviews.

THE WORKSHOP ENVIRONMENT IS CHALLENGING

Mechanical repair and service workshops engage managers, supervisors, customer service teams, fitters, technicians and apprentice roles. Technical expertise, communication and teamwork are all required to respond quickly to fix mechanical and customer service issues with retail and fleet customers.

This is a challenging environment for any leader with demands for safety, quality, productivity, customer service and profit in a people intensive environment where up to 30% staff turnover is not unusual (creating the need for constant retraining). This research provides some practical suggestions to assist leaders to improve workforce engagement and performance.



KEY FINDINGS

SIX KEY FINDINGS FROM THIS RESEARCH:



#1 EMPLOYEE EXPERIENCE IS DIMINISHED BY POOR LEADERSHIP

The greatest frustrations of workshop productives are poor communications, a lack of empowerment, not being recognised for good work, and not being involved in decision making.



#2 MANAGERS BELIEVE THE WORK EXPERIENCE IS BETTER THAN THEIR PEOPLE DO

Managers have a rosier picture than their people in the areas of clear vision and goals (direction), teamwork, communications, recognition and, effectiveness of processes.



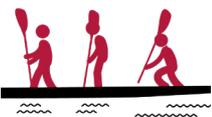
#3 EMPLOYEE ENGAGEMENT VARIES SIGNIFICANTLY ACROSS WORKPLACES

Employee engagement across 26 workshops varied from 42% to 80% satisfaction with their work environment. The common denominator for such variation in team member engagement is **leadership**.



#4 ACTIVE EMPLOYEE ENGAGEMENT IS KEY TO PERFORMANCE

Twice as many people are engaged in Top 5 workshops compared to Bottom 5. **This represents twice as many people rowing in the same direction.**



#5 DISENGAGED EMPLOYEES WILL NOT ENGAGE CUSTOMERS

Four times as many people are Actively Disengaged in Bottom 5 workshops compared to Top 5. 35% of people in Bottom 5 workshops indicated they are actively disengaged vs 8% in Top 5! Disengaged people impact morale, customer satisfaction, efficiency, quality and profit.

+\$75,000



#6 WORKSHOPS WITH THE MOST ENGAGED EMPLOYEES ACHIEVED MUCH BETTER PERFORMANCE

43% greater productive worker efficiency. This is \$75,000 AUD* more labour \$GP per productive worker per annum (*at \$100 GP per hour) and **+11% greater customer satisfaction**, compared to workshops with the least engaged (Bottom 5) people. **The common denominator for such variation in team member engagement is leadership.**

#1 EMPLOYEE EXPERIENCE IS DIMINISHED BY POOR LEADERSHIP

The greatest frustrations of workshop productives (fitters, technicians, apprentices) are poor communications, lack of empowerment, not being recognised for good work and lack of involvement.

workshop productives scored the following 4 areas the lowest of the 46 questions surveyed:



These scores indicate a lack of leadership interpersonal skills which diminishes employee engagement.

An engaged employee is considered to be someone who is committed at work, identifies with an organisations' goals and values, is interested and involved in achieving work outcomes resulting in better work performance. Michael Mankins a partner with Bain & Co, puts it this way;



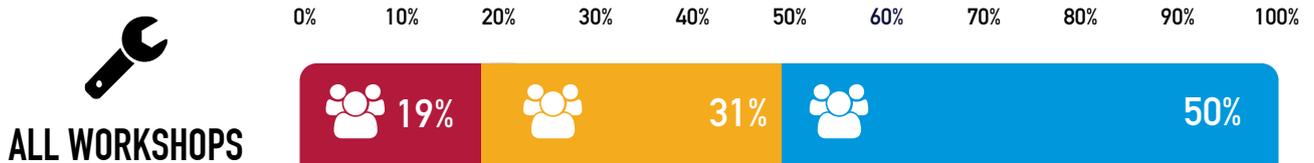
'Nobody washes a rental car. People will go the extra mile only if they feel they have ownership. Employees who take ownership of their work — and who feel that what they are doing matters — are far more likely than others to feel engaged on the job. If you can increase the average level of engagement in your organization, you will likely see the productivity of your entire workforce increase.'

Three Ways to Actually Engage Employees,
by Michael Mankins, Bain & Co. HBR

This observation is supported in this and other research associated with the benefits of employee engagement.

OVERALL, 50% OF PEOPLE ARE ENGAGED

Our overall survey results indicate 50% of people are engaged. This is in line with Gallup research which indicates 49% of the workforce (in the US) as being engaged. The 19% who are not aligned with the business is of real concern for any manager and presents a test of their leadership skills.



THE BENEFITS OF EMPLOYEE ENGAGEMENT ARE BACKED BY RESEARCH

Here is a snapshot of Gallup research in this area:

Gallup research also indicates that when compared to business units in the bottom quartile for engagement, those in the top quartile achieve improved performance in the following areas.



A similar comparison of the impact of engaged vs disengaged workplaces is performed in this report for the Top 5 and Bottom 5 workshops with compelling results in two key KPI areas (refer key finding 6).

Benefits of Engaged Employees - Gallup Research

#2 MANAGERS BELIEVE THE WORK EXPERIENCE IS BETTER THAN THEIR PEOPLE DO

SUPERVISOR/MANAGER VS PRODUCTIVES PERCEPTIONS

How workshop leaders and productives see their work environment is **important....**

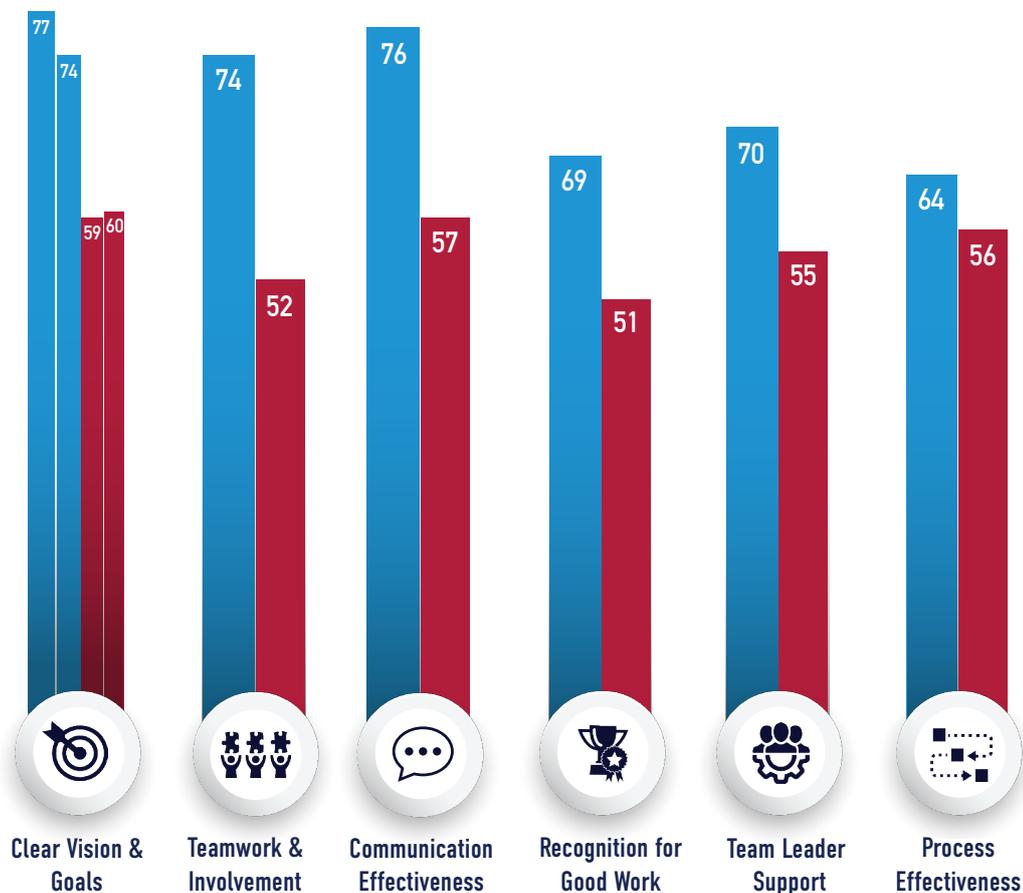


... given productives represent **67% of all respondents.**

The relationship between managers and their blue collar workforce is a focus of this research. This relationship is key to achieving a positive team environment.

GAPS RANKED – SUPERVISOR/MANAGER VS PRODUCTIVES PERCEPTIONS

Gaps indicate supervisors have a 12% more overall positive perception of the work environment than their productive workers. The more significant gaps between managers and productives are outlined below. Gaps are important as they can indicate misalignment of priorities for teamwork and/or change.



FOCUS ON MANAGERS & WORKERS

SUPERVISOR/MANAGER VS PRODUCTIVES PERCEPTIONS

From analysis of these gaps and anecdotal comments, productive people on the floor want;

 PRODUCTIVES WANT:	 IMPLICATIONS FOR LEADER:
 1. To be 'included' and allowed much more input to decisions	Productives want more involvement in how things are run and more empowerment to make decisions in their areas of responsibility. They want to be respected for their skills and contribution often in challenging work conditions.
 2. Recognition for contribution and made to feel more important	4 of the top 11 gaps indicated productives did not receive recognition at work. The lack of involvement outlined above would only increase feelings of poor recognition. Like most people, productives seek greater recognition from their leaders for the contributions they make.
 3. Clearer direction and communications from their manager and supervisors	Productives valued a sense of knowing where they were heading and how they were performing as important to them. A lack of information in this area proves to be frustrating for them.
 4. More support and empowerment from manager and supervisors	Productives indicate they would like more participative leadership which provide support and at the same time allows productive workers greater empowerment to make decisions in their areas of work responsibility.

These simple things are not unusual or difficult for leaders to focus on and progress. However managers and supervisors are so often found lacking in their team engagement and as a result teamwork and performance suffers.

#2 MANAGERS BELIEVE THE WORK EXPERIENCE IS BETTER THAN THEIR PEOPLE DO (CONTINUED)

WORKSHOP LEADERS HAVE A FAR ROSIER PICTURE OF THINGS THAN THEIR PEOPLE DO

Supervisors and managers have a significantly more positive view of the work climate than their productive team members. However with an overall average score of 71% they recognise improvements can be made in communications, procedures and teamwork.

MANAGER AND SUPERVISOR OPINIONS



CONCLUSION

Managers and supervisors score all areas above 65% yet they do indicate the biggest areas for improvement in their eyes are effective communications (65%) and things could be done effectively (65.8%). Two other areas, Training is available to me (69.3%) and I am involved in decisions (66%) are a reflection of the manager's relationship with their general manager.

Therefore, in stark contrast to the opinions of blue collar workers, managers believe areas such as empowerment, teamwork, recognition for work done and facilities are all 'pretty good'.

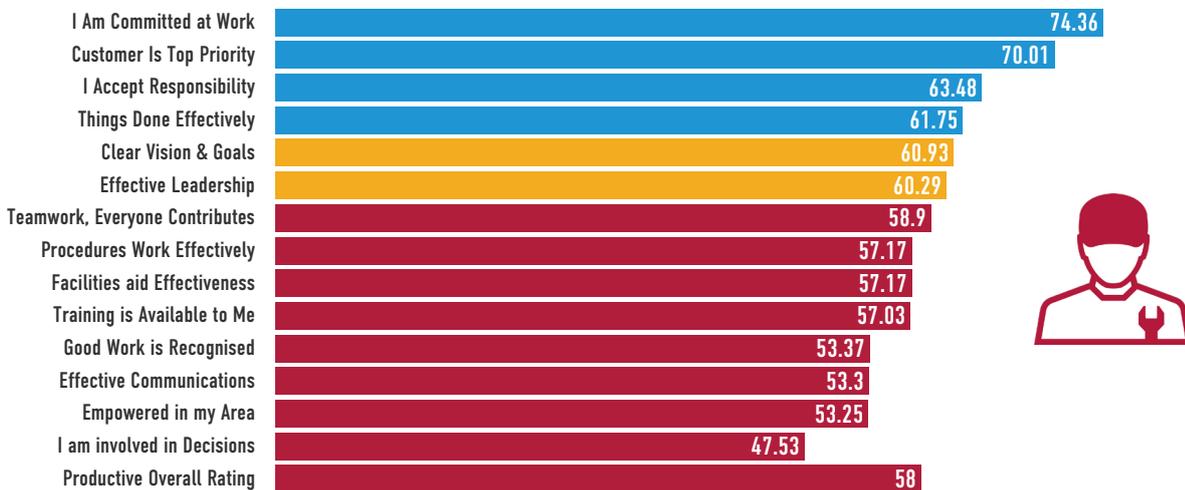


FOCUS ON MANAGERS & WORKERS

Compared to manager and supervisor opinion, productive worker opinions are a sea of red with significant concerns in many areas including I am involved in decisions (47.5%) Empowered in my area (53.2%), Effective communications (53.3%), Good work is recognised (53.3%) Teamwork (58.9%), Facility effectiveness (57.1%) and Procedures work effectively (57%).

Despite these low scores, productives rate their own commitment and customer orientation positive overall. The overall score for all questions is 58%.

PRODUCTIVE WORKER OPINIONS



CONCLUSION

Productives are “well intentioned but hampered”. They are by and large committed, customer oriented and take pride in their work yet “hampered” by the soft skills of leaders, and in some workshops by facilities, training and effectiveness of procedures.

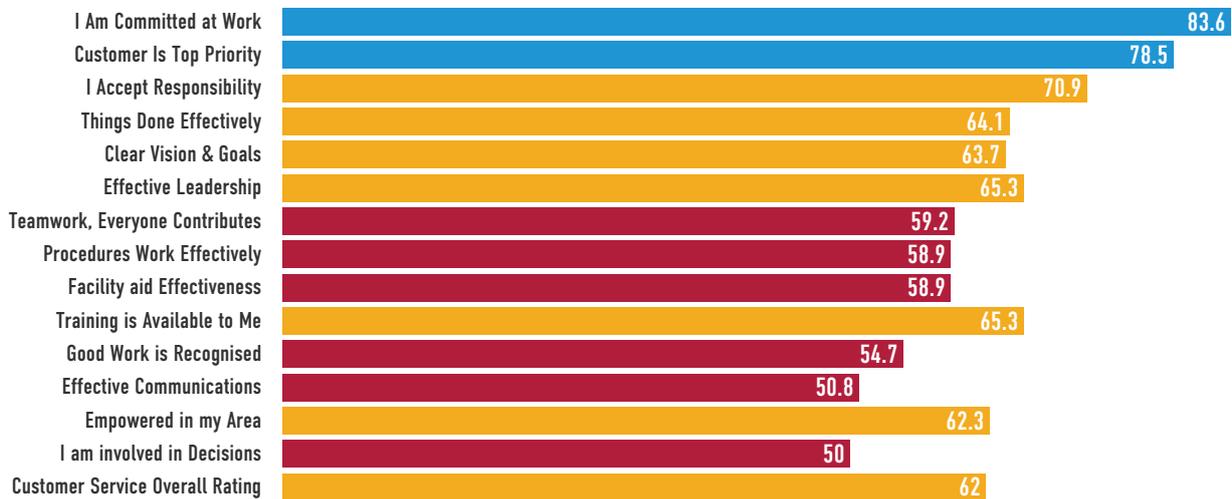


CUSTOMER SERVICE TEAM MEMBERS

At a 62% overall rating, customer service team members have a marginally higher level of engagement compared to productive workers at 58%. Both groups however rate below manager and supervisors overall rating of the work environment at 72%, again confirming key finding #2.

Customer service team members indicate that they are more empowered than productives scoring this area 62.3% compared to 53.2%. Frontline team members also indicate training is generally more available to them scoring training is available to me at 65.3% against 57%.

CUSTOMER SERVICE TEAM MEMBER OPINIONS



CONCLUSION

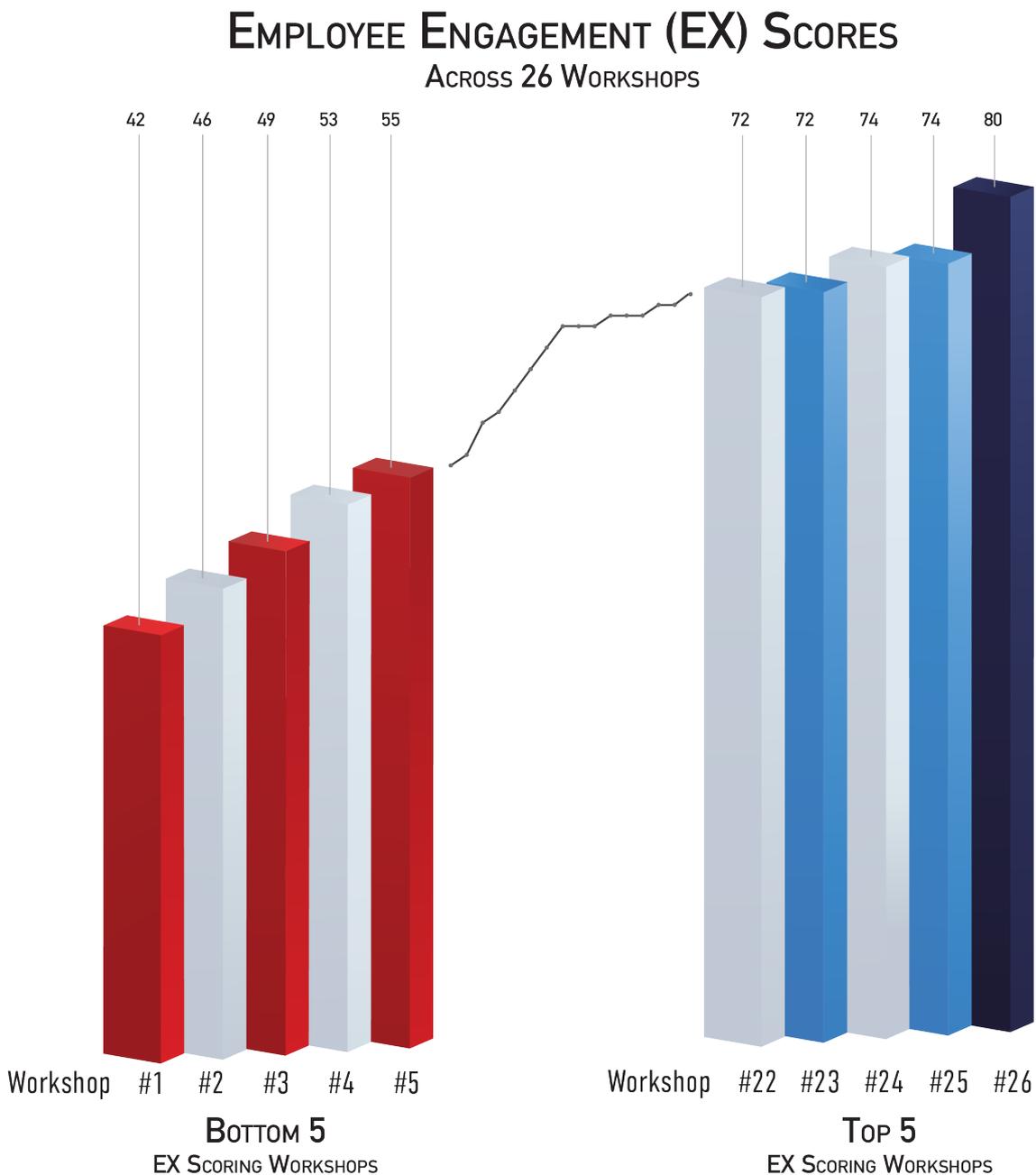
Customer service team members comprise 26% of survey respondents. Whilst this group's responses are marginally higher than those for their productive co-workers, the overall themes in this research also apply to customer service team members.

However, this frontline group which is critical to customer engagement, remains highly committed to their role scoring a very high 83.6% for I am committed at work and, 78.5% for Customer is top priority. These positive scores indicate stronger overall workshop performance can occur with some relatively simple enhancements to leader efforts to engage customer service and productive team members.



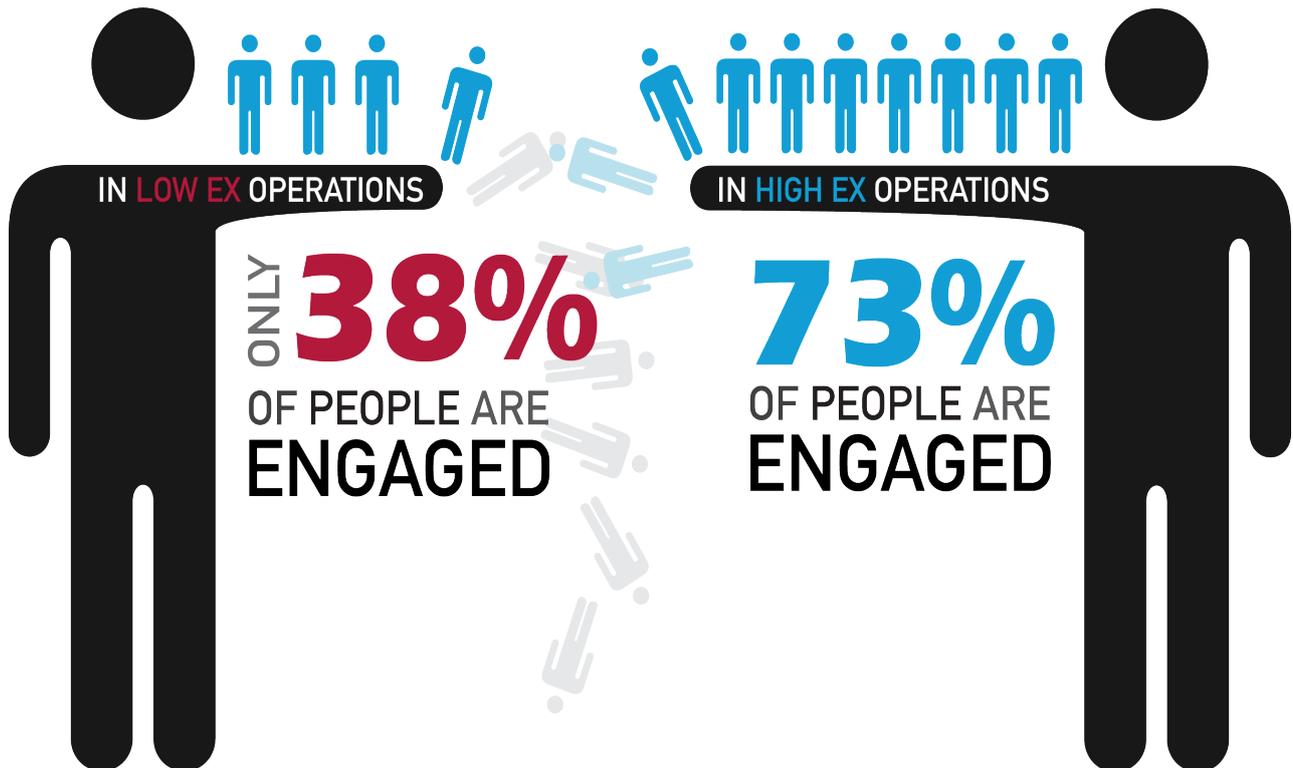
#3 EMPLOYEE ENGAGEMENT VARIES SIGNIFICANTLY ACROSS WORKSHOPS

Employee engagement across 26 workshops varied from 42% to 80% satisfaction with their work environment. Actual overall scores of the Bottom 5 scoring workshops (in red) versus the Top 5 scoring workshops (in blue) are shown in this chart.



WHY THIS VARIATION BETWEEN TOP 5 AND BOTTOM 5 WORKSHOPS?

The common denominator for such variation in team member engagement is not the built environment or size of operation or systems and resources, instead it is the leader's ability to connect with people.

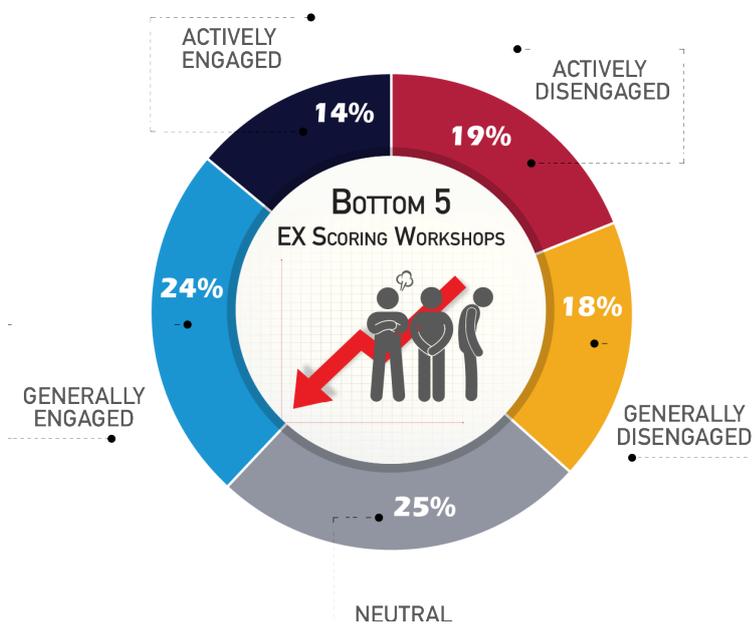


Many workshop leaders must hone their interpersonal and team building skills to make their workplaces more productive with positive and encouraging work environments for their people.

#4 ACTIVE EMPLOYEE ENGAGEMENT IS KEY TO PERFORMANCE

Twice as many people are engaged in Top 5 workshops, compared to Bottom 5. 73% of people in Top 5 Workshops are actively engaged, in comparison with only 36% in the Bottom 5 workshops.

The profile of engaged vs disengaged people from Top 5 and Bottom 5 workshops demonstrates a massive difference in the working climate. Actual comments have been included to paint a more complete picture around the mood and morale that exists on a day to day basis.



BOTTOM 5 WORKSHOPS OVERALL RESPONSES

The Bottom 5 workshops had 38% of their team engaged with 37% actively or generally disengaged. Achieving performance in these environments proved to be impossible without significant change, particularly in leadership style and in leaders listening to their people.

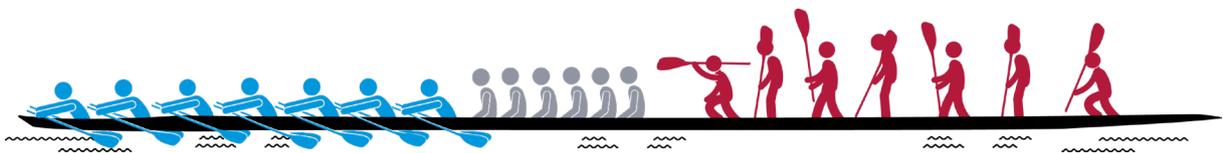
“

*'I am sick of being told to LOOK BUSY!
I am not a bludger.'*

'It is so sloppy and disorganised I am leaving anyway. I come here to work and job allocation, management decisions, supervision and control of staff is a joke.'

”

BOTTOM 5 WORKSHOPS



'Attitudes within the company make the goals unattainable. Expectations of people aren't clearly stated and therefore they have nothing to work towards. Just a general lack of care and pride in the company and a large staff turnover.'

Disengaged people impact morale, customer satisfaction, efficiency, quality and profit.

Given all workshops are under pressure to deliver 'superior' customer satisfaction, quality and to recover labour time, clearly Bottom 5 workshops need to pay attention to leadership before any progression can be made.

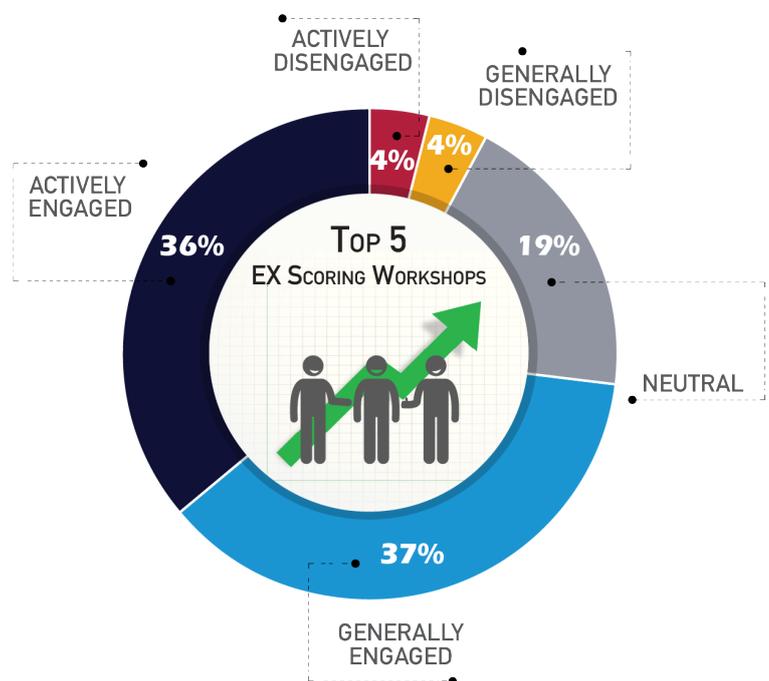
TOP 5 WORKSHOPS OVERALL RESPONSES

The Top 5 workshops had 72% of their team engaged with 8% disengaged. With this base of positive climate and engagement, the sky is the limit. Customer satisfaction, workshop recovery and profitability can all be maximised.

“

'Ask the customer after each job if they're happy. Follow it up if they're not happy to let us know why. If they are happy they should let their friends and neighbours know.'

”



TOP 5 WORKSHOPS



'I feel the workshop is growing and getting stronger day by day as we become more experienced and become more efficient as a team.'

'This is a good workshop and I'm proud to be a part of the team.'

This represents twice as many people rowing in the same direction!

#5 DISENGAGED EMPLOYEES WILL NOT ENGAGE CUSTOMERS (CX)

Actively disengaged team members present a problem for any organisation. Actively disengaged people are not necessarily a bad fit - sometimes they do care about the organisation. However, they have concerns over certain issues.

Leaders must reach any and all disengaged people to bring them back into the boat or at least minimise potential damage they can cause.

Which boat would you prefer to coach?

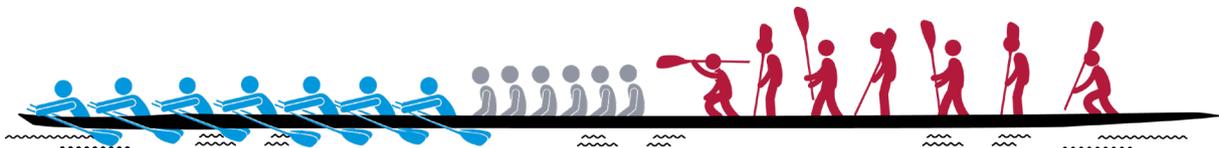
TOP 5
WORKSHOPS

ONLY 8% of people in **Top 5 workshops** are disengaged...



BOTTOM 5
WORKSHOPS

whereas **35%** of people in **Bottom 5 workshops** indicated they are disengaged!





THE 8 BIGGEST GAPS BETWEEN TOP 5 AND BOTTOM 5 WORKSHOPS

The 8 most significant differences between Top 5 and Bottom 5 workshops is outlined below showing percentage differences, actual comments made by team members and suggested actions for leaders.

TEAM GOALS

79% of people in Top 5 workshops believe they have clear goals versus 27% for the Bottom 5 workshops.



ACTION NEEDED

Teams need Goals and targets established and measured to improve performance and recognition to team members.

COMMUNICATIONS

70% of people in Top 5 workshops believe they have effective communications versus 29% for the Bottom 5 workshops.

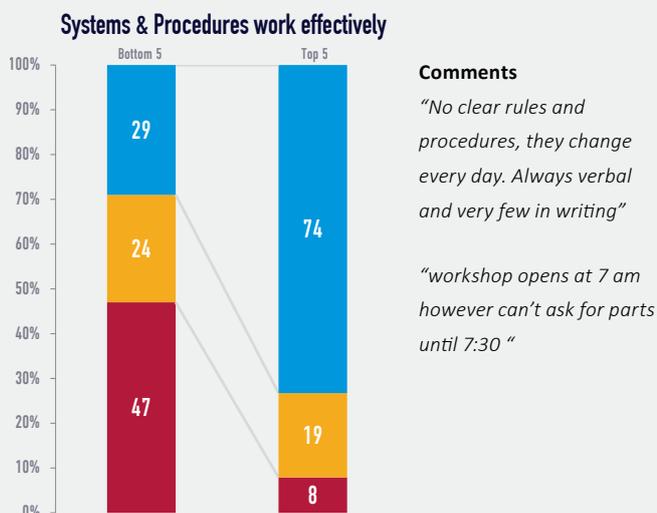


ACTION NEEDED

Effective communication is essential. Leaders need to communicate in a clear and timely manner. Communication score includes 'listening'

SYSTEMS & PROCEDURES

74% of people in Top 5 workshops believe they have effective systems and processes versus 29% for the Bottom 5.

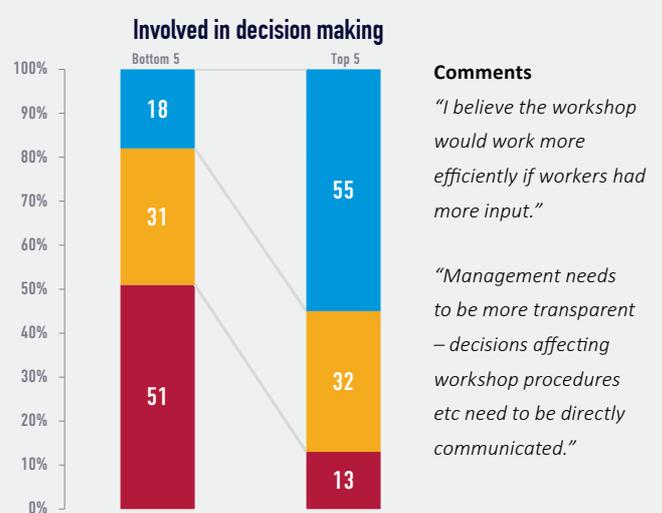


ACTION NEEDED

Correct processes need to be established and improved as they are essential to deliver quality customer experiences.

INVOLVED IN DECISIONS

55% of people in Top 5 workshops say they feel involved in decision making compared to only 18% for the Bottom 5.



ACTION NEEDED

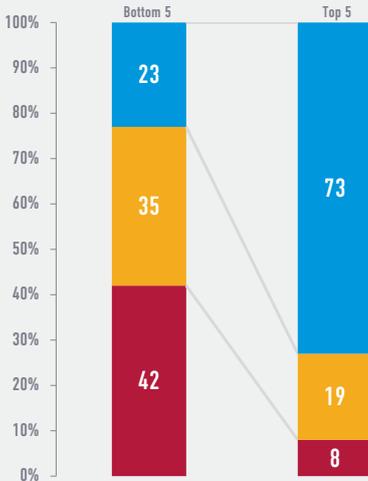
Involve to engage your team. Without involvement, there is no engagement, no buy-in, no change.

THE 8 BIGGEST GAPS BETWEEN TOP 5 AND BOTTOM 5 WORKSHOPS

LEADERSHIP

73% of people in Top 5 workshops believe they manage people effectively versus 23% for the Bottom 5 workshops.

Manage people effectively



Comments

"Lack of direction and encouragement from head office poor leadership and management skills"

"Managers say G'day everyday and there (sic) doors are always open, it makes you feel positive which reflects on my attitude and work ethic."

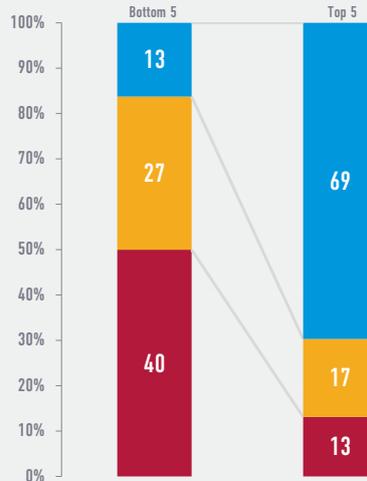
ACTION NEEDED

Leaders must paint the vision, be inclusive, gain buy-in and team engagement through effective use of interpersonal skills.

RECOGNITION

69% of people in Top 5 workshops believe leaders 'recognise' good work versus a very low scoring 13% for the Bottom 5.

Recognise good work



Comments

"The Productives do not see the boss enough to get recognition for works carried out. They are hungry for recognition and don't always get it"

"Recognition for hard work/effort needs to change. Too often the only time you are spoken to is when something goes wrong."

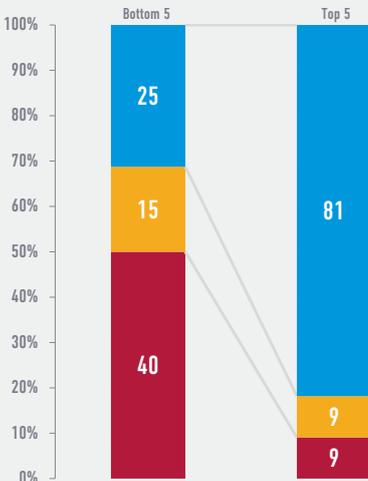
ACTION NEEDED

Achieving agreed team and individual targets is motivation. Demonstrating recognition for achievement is important to bond the team.

TEAMWORK

81% of people in Top 5 workshops believe they function as a team against only 25% for the Bottom 5.

We function as a team



Comments

"We need closer relationship with service reception, ... and managers more involved with day-to-day operations."

"People are generally helpful and want to work."

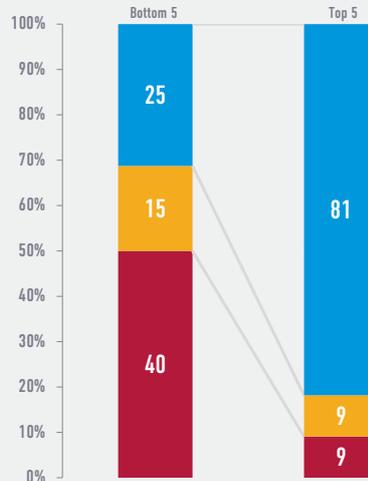
ACTION NEEDED

Follow the 6 Key Findings to build your team – start with an elevating and desirable Goal your people accept.

CUSTOMER SERVICE

Significantly, 81% of people in Top 5 workshops say they provide excellent customer service compared to only 25% for the Bottom 5.

Provide excellent customer service



Comments

"I feel we no longer look after the customer or service their needs." "... need to change staff attitudes to be customer oriented, to change customer perception of our workshop."

"Making customers come before profit."

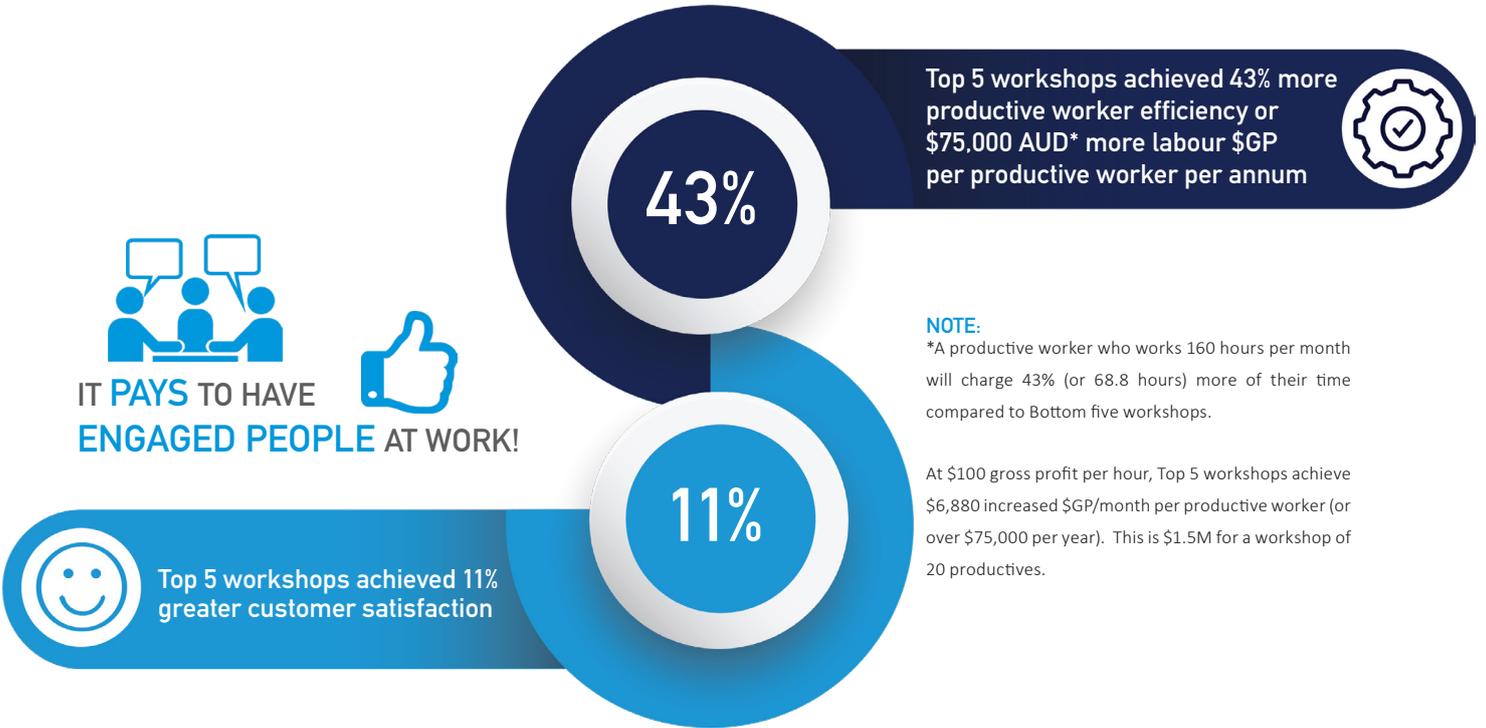
ACTION NEEDED

Customers keep business alive. They are increasingly demanding however will reward those organisations that meet their needs and provide positive moments.

#6 WORKSHOPS WITH THE MOST ENGAGED EMPLOYEES ACHIEVED MUCH BETTER PERFORMANCE

TOP 5 VS BOTTOM 5 WORKSHOPS – PERFORMANCE DIFFERENCE

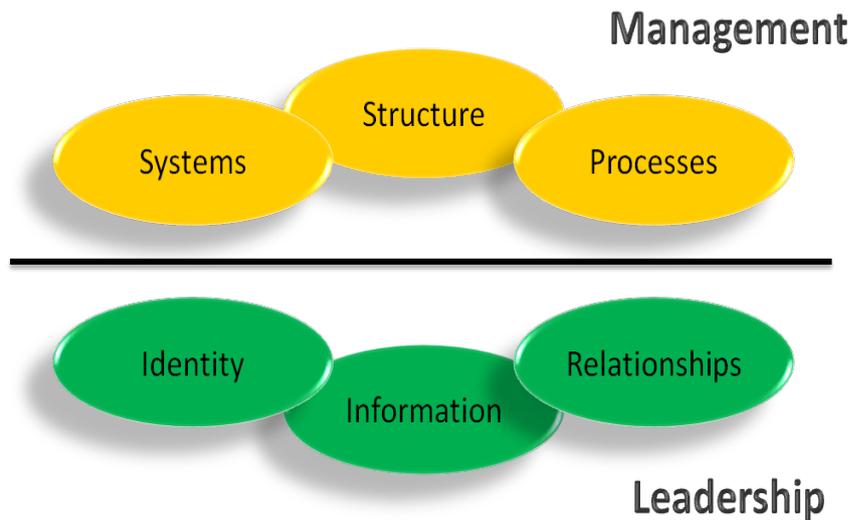
The Top 5 workshops demonstrated significantly improved labour recovery, profitability and customer satisfaction compared with the average for the Bottom 5 workshops.





INTERPERSONAL SKILLS

The challenge for leaders is to impart this sense of clear purpose, involvement and teamwork with their teams. Leaders can engage people by paying more attention to day to day interpersonal skills to build trust and from that, a higher performing team.



Adapted from Wheatley MJ (1992) *Leadership and The New Science*
San Francisco Berrett-Koehler

Margaret Wheatley* - An organisational behaviour consultant and author

Margaret Wheatley's* thoughts may be helpful for workshop leaders. She says organisations are like icebergs. Above water, there are the tangible parts which can be seen in any organisation and below the surface are the less tangible issues of **Identity** – do people identify with the organisations Values and its Vision of the future? **Information** – are we communicating and sharing information, and, **Relationships** – do we trust each other? How do we all get on and communicate as a team?

This climate survey indicates the greatest need for improvement in workshop organisations is in 'below the waterline' areas. Do people identify with the organisations values, form constructive relationships, communicate and share information?

Interpersonal skills, sometimes referred to as 'soft or people skills' relate to how we communicate, explain, recognise, involve and interact generally with other people. In this survey the context is how supervisors relate to workshop people. A leaders interpersonal skills may not be obvious to an outsider however the climate they create at work is obvious and a direct result of them.

People want to achieve targets, feel that they are growing and are supported as a valued team member. Within workshops, a tendency to promote someone with strong technical skills to supervisory positions often means education has not taken place to emphasise the importance of interpersonal skills. Too often the focus is on **task** achievement and ignores the importance of relationships.

There are significant gaps in how workshop leaders perceive their work culture compared to team members on the workshop floor. Supervisors and managers have a significantly more positive assessment of the climate than the people they lead. The challenge for leaders is to engage in the softer people skills to build their team.

RESEARCH METHODOLOGY

Boyle Consulting uses its 13 category survey with 46 questions which looks at engagement of workshop team members.

In this research, we collated the responses of 835 workshop team members within 26 workshop operations, each operating between 25 to 70 employees.

Fitters and technicians (productives) make up 67% of responses overall and are a focus of our conclusions as they are the least satisfied with their work climate.

RESEARCH OBJECTIVES

1. Identify what productive team members see as strengths and weaknesses associated with their work environment
2. Identify the profiles of top and poor performing workshops
3. Provide practical suggestions for leaders in productive workshop environments to develop their leadership capabilities

Our research questions focus on those elements which drive work performance and examines whether people have the direction, resources, leadership support and environment, in order to perform and be engaged with how the organisation is performing. The questions do not focus on feelings of 'happiness' or enthusiasm as the underlying goal of engagement is improved work performance.

SURVEY CATEGORIES

Survey categories include;

- | | | |
|-------------------|----------------|----------------------------|
| 1. Vision | 6. Management | 11. Systems |
| 2. Goals | 7. Recognition | 12. Training & Development |
| 3. Responsibility | 8. Commitment | 13. Customer Service |
| 4. Communications | 9. Teamwork | 14. Overall Effectiveness |
| 5. People | 10. Facilities | |

SURVEY RATING SCALE

A high score is a positive indicator of the overall working 'climate' of the organisation.

To all questions such as 'Communication within my section is effective' and 'We function as a Team', the rating scale is :- Disagree 0%, Generally Disagree 25%, Neutral 50%, Generally Agree 75% and Agree 100%.

SURVEY METHODOLOGY

During workshop performance reviews we survey all service department team members in order to gauge the working 'climate', our response rate is generally 95-100% in all workshops surveyed. We refer to three groups which are typically represent in each workshop, Productives (technicians, apprentices and trades assistants who perform service and repair work), Customer Service team on the frontline dealing with the customers and Leaders consisting of team leaders, foremen, workshop controllers, supervisors and managers.



WOLF! LEADERSHIP®

Effective Leaders - Get Results!

The Wolf Leadership® process is designed to develop leaders from introductory to advanced leadership levels.

Our leadership development approach offers;

1. Four levels of training to suit requirements
2. Great leadership facilitators to coach you
3. Learn to lead with participants at a similar level
4. elearning, virtual and F2F classroom options
5. Coaches and facilitators in Brisbane, Sydney, Melbourne, Perth, Adelaide and Canberra.



**'PUP'
LEADER**

+ **LEVEL 1
READINESS
TO LEAD**

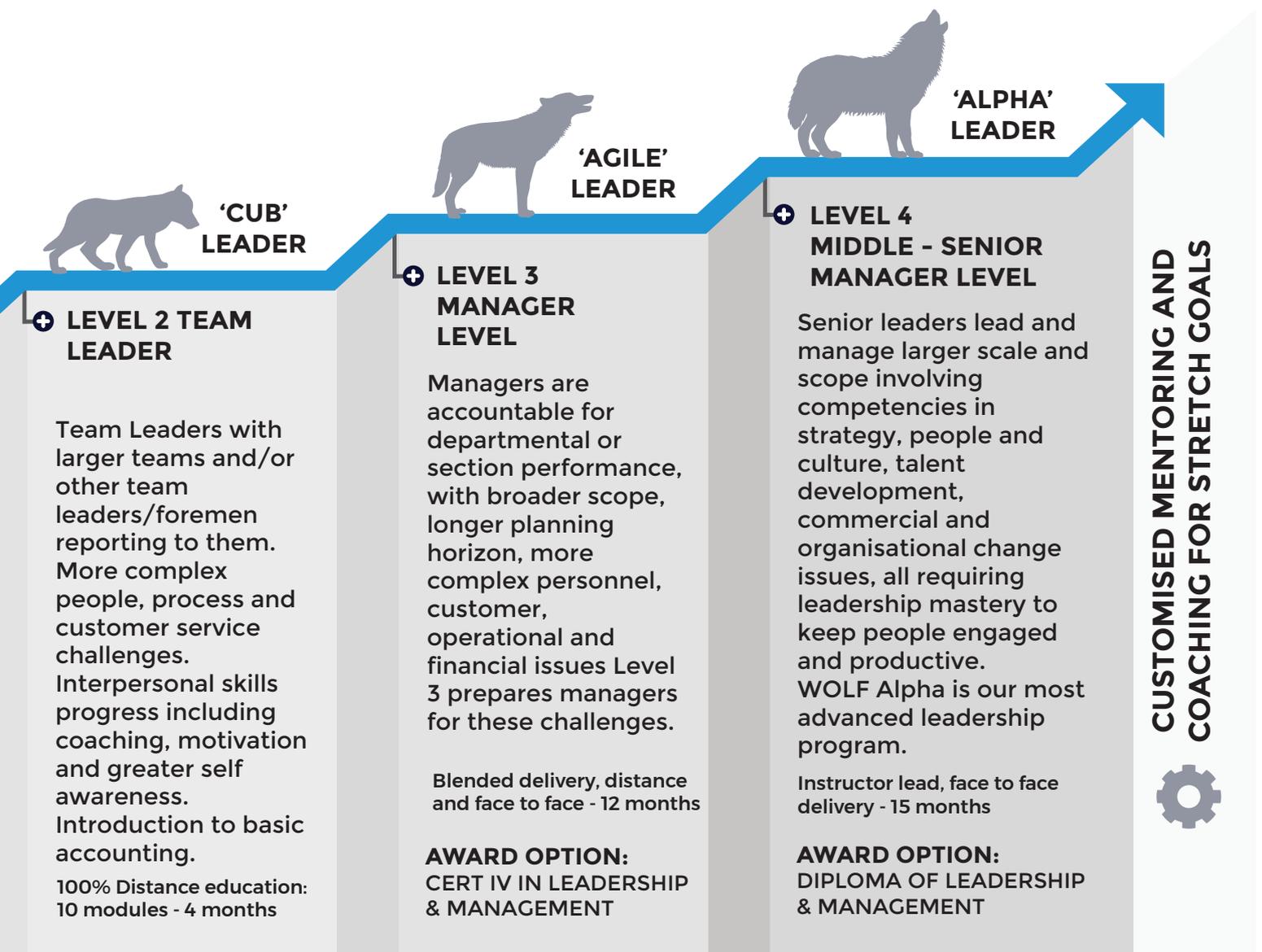
New leaders or team leaders with little previous exposure to the principles of effectively leading a team to achieve team KPI's. Focus on the Leaders role, foundation skills, self-awareness, Emotional Intelligence and scheduling work.

Support to develop organisation wide talent development strategies



OUR MISSION
DEVELOPING LEADERS

*Let us help you discover a new leadership future
Have impact by learning to lead with courage, humility,
care and enthusiasm.*





DEVELOPING LEADERS

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Employee Engagement Survey

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