



3 Key Challenges to Engaging LatAm Employees in 2017:

1st Latin American Employee Engagement
Survey Results



Executive summary

Legend has it that during a visit to the NASA space center in 1962, President Kennedy saw a janitor carrying a broom. Intrigued, he stopped his tour of the facilities and approached the man. “What's your job here?” asked Kennedy. “Well Mr. President” the janitor replied, “I'm helping to put a man on the moon.”

While it's very likely this encounter never happened, this story provides a good contrast with attitudes that have become far too common among today's employees: “sorry, not my job”, “I don't know”, “come back later” or simply utter disinterest in their clients, work and organization.

Deloitte has said [78% of business leaders rate talent retention and engagement as urgent or important](#), but Gallup shows [60% of Latin American employees are disengaged](#) or actively disconnected from their company.

Fortunately, Latin American firms have seen the writing on the wall. Just in the second half of 2016, more than 20 conferences and expos about employee engagement took place in Argentina, Chile, Colombia, Mexico, Peru and Uruguay, and this survey report shows the region will see a considerable increase in resources allocated to engaging employees during 2017.

However, in order to seize this opportunity, LatAm firms –regardless of their size and industry– must rethink their approach to employee engagement. This is probably the key takeaway from our 1st Latin American Employee Engagement Survey, which took place in October 2016, as the results show Latin American firms tend to lack the strategy and leadership needed to manage workforce commitment effectively, which can jeopardize their planned efforts during 2017.

The days of the annual engagement survey and performance review are numbered. Companies must adopt a much more holistic, dynamic and technology-intensive approach to engage employees in today's business climate.

This poses several challenges to Human Resources leaders, who will need to provide constant leadership, obtain C-suite support and inject digital technology into every process associated with engaging the workforce, as to avoid wasting time and money. Therefore, this survey report stresses –as a possible answer to these obstacles– the creation of a role exclusively and explicitly dedicated to managing Employee Engagement.



Key findings of the survey

There is a considerable gap between importance and strategy

Although almost 70% of those surveyed answered employee commitment is very or extremely important to company leaders, 60% of these companies lack a formal employee engagement strategy, citing little support from the C-suite as one of the main difficulties to implement these kinds of initiatives.

LatAm companies will spend more to engage their employees in 2017

The survey shows 42% of Latin American companies plan to considerably increase their resources to strengthen employee engagement. In this context, successful firms (those who report a business performance of 100% or higher) tend to manage their Employee Engagement more actively.

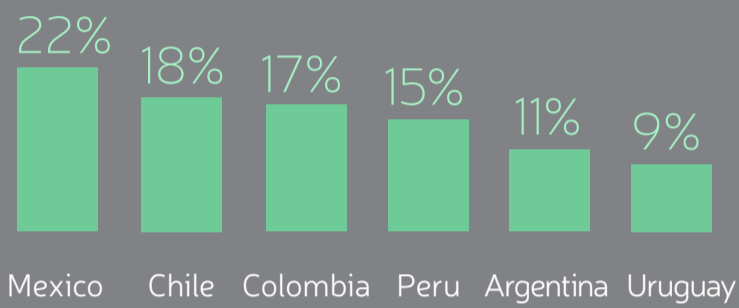
These firms have yet to create an exclusive role for strengthening Employee Engagement

While Human Resources owns engagement in almost 60% of the surveyed companies, the department lacks a specific role for this function, in contrast to other areas like training, career development, talent recruiting and benefits. The fact these firms measure their engagement levels only once every year reflects this outdated approach, while many others rely heavily on external advisors and technology providers to boost their engagement levels.

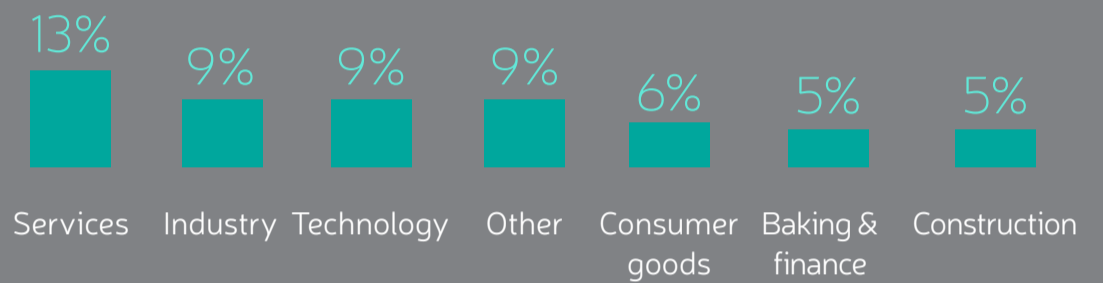
About the survey

771 PARTICIPANTS

What is your country of residence?



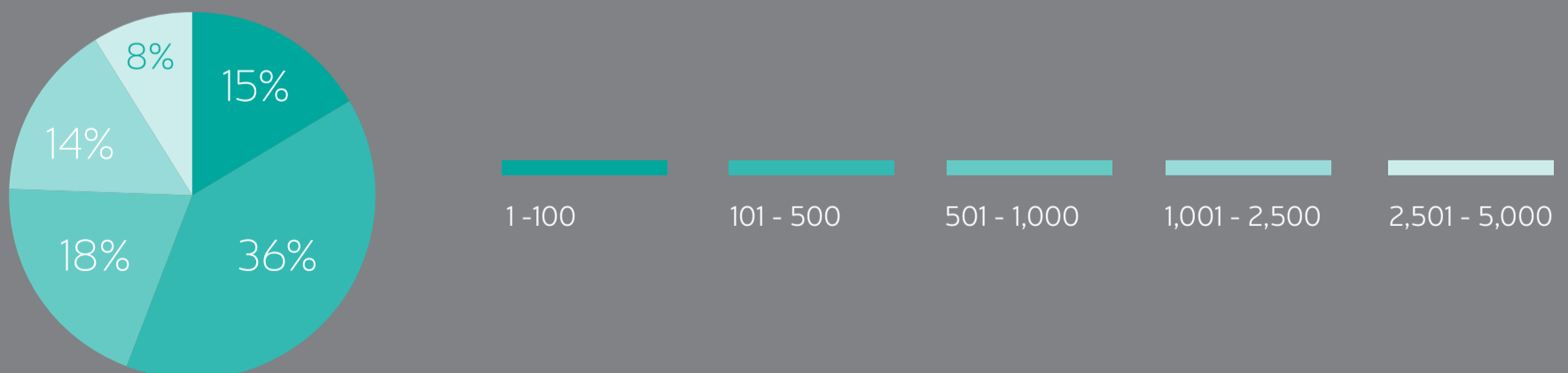
What industry or sector does your company operate in?



What is your current job title?



How many employees work at your organization?



In the next pages we will develop and explain each of these 3 key findings in detail, examining how they influence the relative success of employee engagement management in Latin American firms.

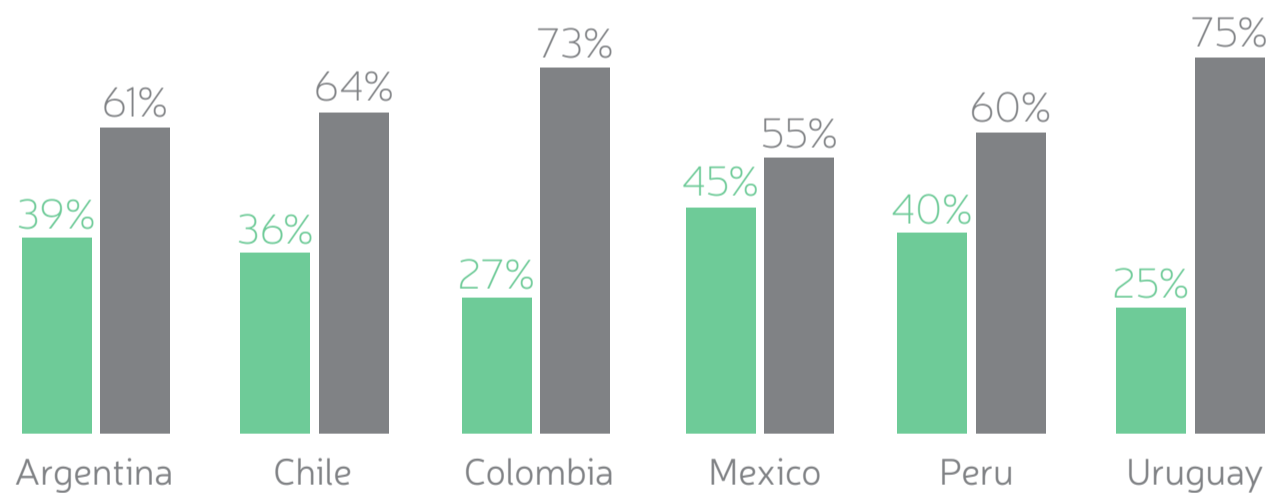
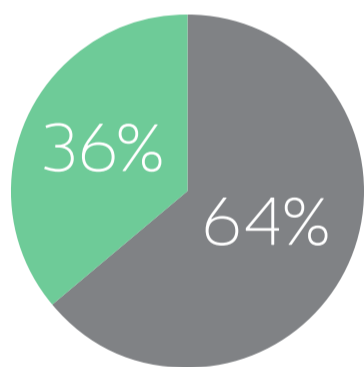
Employee Engagement efforts face a considerable gap between importance and strategy

67% of surveyed companies say engaging their personnel is very or extremely important, but only 36% have a formal strategy in place.

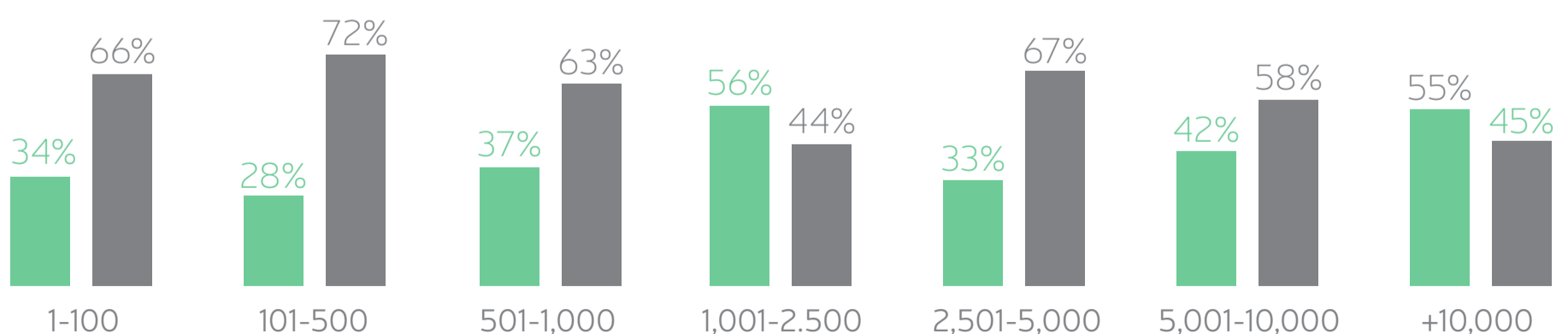
This dichotomy also surfaces when comparing data by country and company size (number of employees). Firms with over 10,000 workers are an exception, as they probably have the necessary funding, as are companies with 1,000 to 2,500 employees, which also show a very high adoption of employee engagement practices.

Does your company have a formal employee engagement strategy?

YES NO



Company size



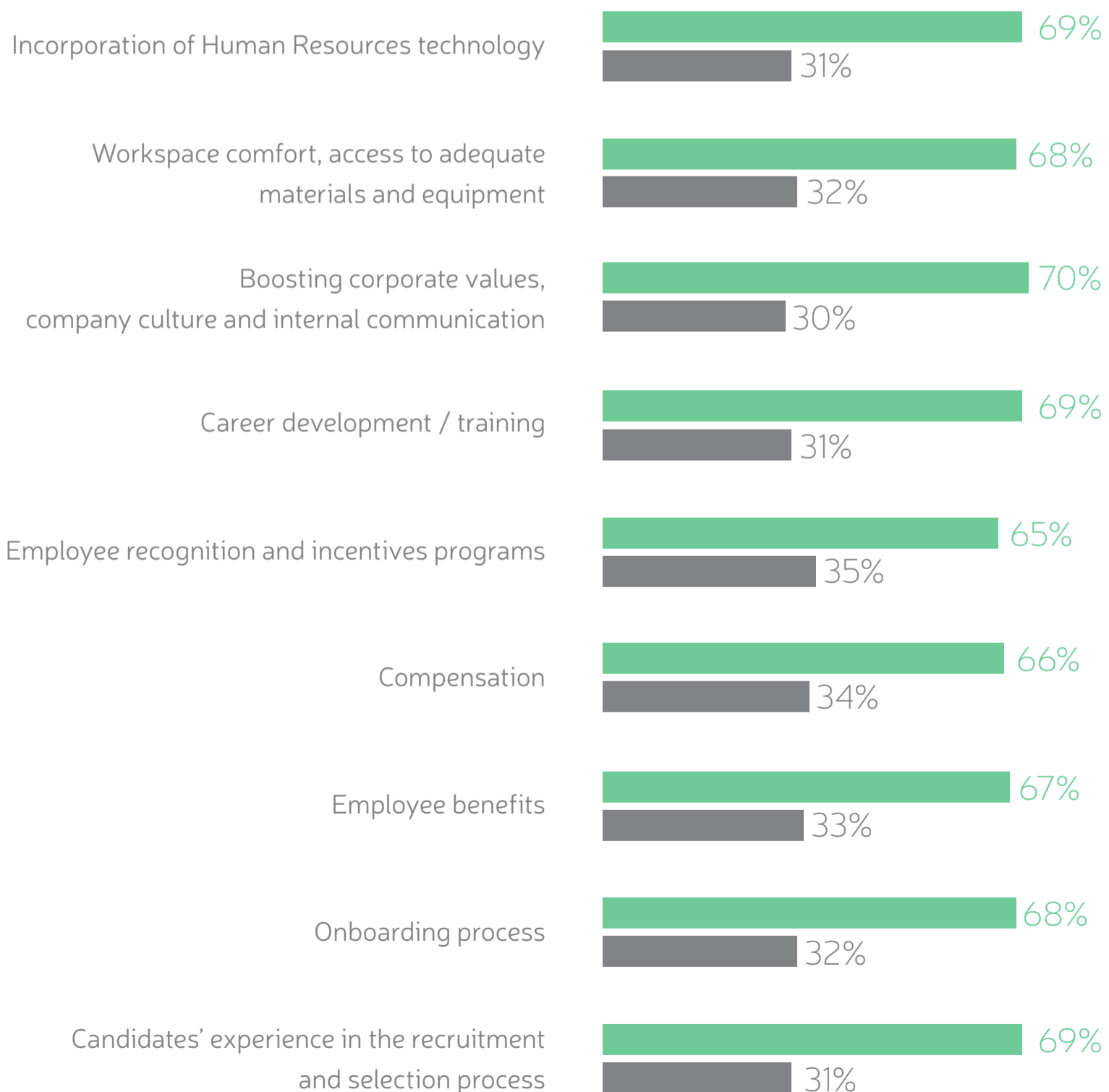
42% of survey participants believe employee engagement improves workforce satisfaction and work climate, in addition to increasing individual performance (35%).

Going deeper, participants' satisfaction levels towards their engagement initiatives also show the gap between companies that have an employee engagement strategy and those that don't, specially in employee recognition, incentives, onboarding, recruitment and selection programs.

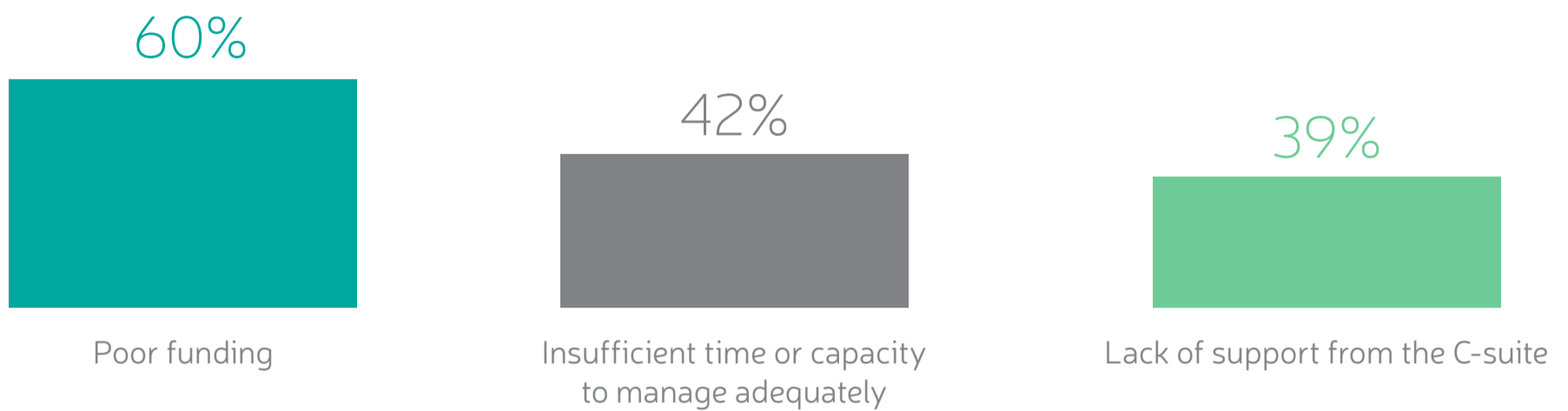
Companies very or extremely satisfied with the execution and results of their Employee Engagement initiatives

Does your company have a formal Employee Engagement strategy?

YES NO



What are the three biggest difficulties hindering the implementation and/or success of employee engagement initiatives in your company?



It is interesting to analyze the kinds of difficulties that hinder Employee Engagement practices among LatAm companies.

Firms that possess a strategic framework must deal with essentially management problems (not enough time or resources, or a high workload), while strategy-deficient organizations face impediments stemming from poor executive support or –ironically– commitment to employee happiness and satisfaction. Again, the priorities defined by management are crucial to carry out actions that boost engagement.

C-suite support is indispensable for engaging employees successfully

The survey results show management’s priorities decisively influence the results of employee engagement endeavors in LatAm firms. They also suggest some priorities are more urgent, though not necessarily more important, than Employee Engagement for these organizations.

This short-term view results in, mostly, low funding and poor scheduling to execute, manage and measure engagement-boosting initiatives.

Given that employee engagement efforts need an engaged C-suite to be successful, Latin American companies need to adopt a long-term approach and separate what’s important from what’s urgent.

According to Deloitte [Employee Engagement is an extremely important](#), if not the only, competitive advantage in today’s business climate, characterized by urgency, uncertainty and low entry barriers to replicate technological aspects of the business. In this context, companies with highly engaged employees have “the secret sauce” to achieve the high performance levels needed to achieve their short-term goals. Engagement, however, does not happen overnight. Therefore, the most urgent priority should be incorporating workers’ commitment in the business strategy, with the importance it deserves.

Companies that actively manage their employee engagement are 57% more likely to achieve their business goals.

The survey results show companies that actively and strategically manage their engagement also report higher business performance levels.

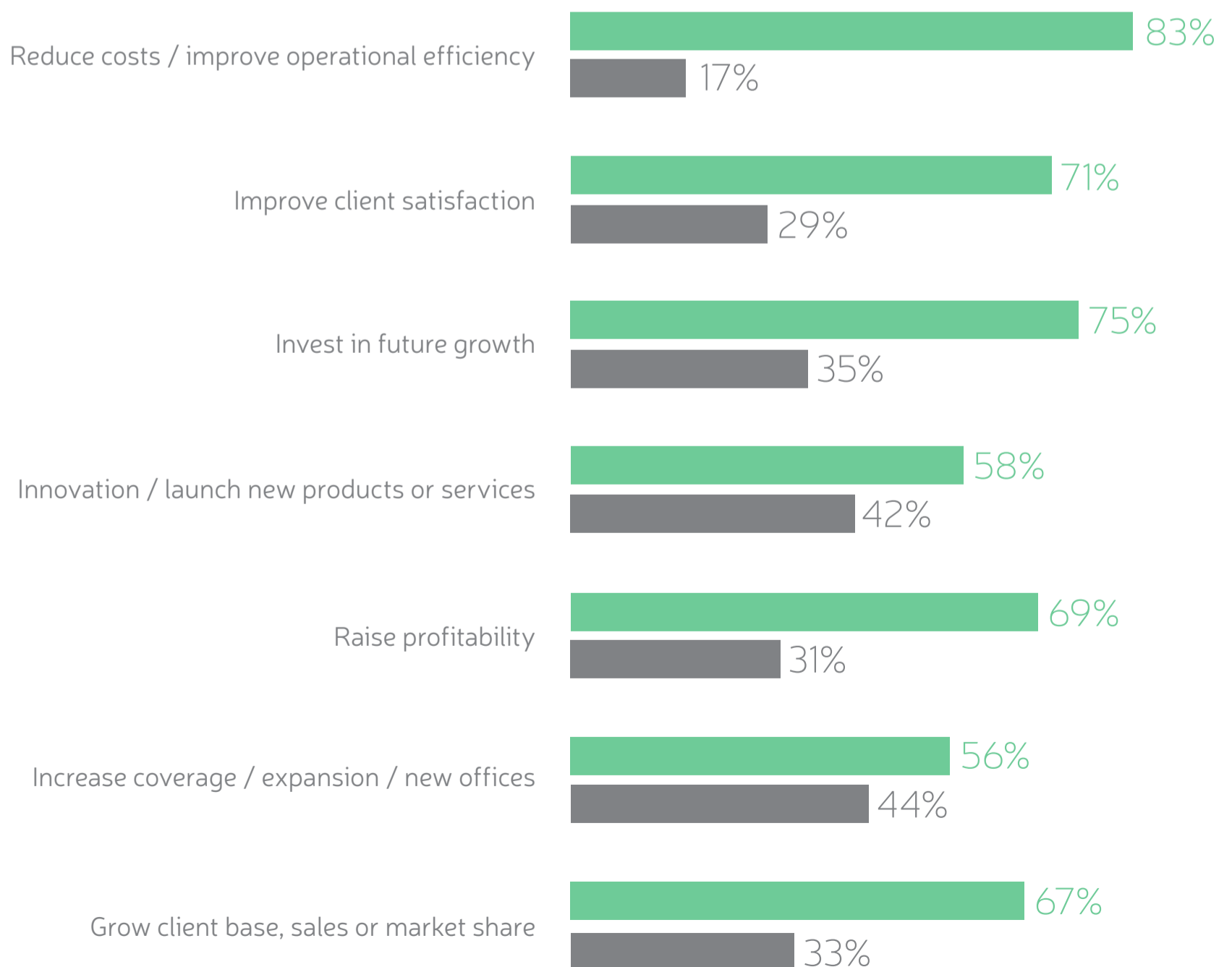
Again, the gap between firms that have a strategy to connect with their workforce and those that don't becomes clear.

This is a powerful argument to directly link the active management of employees' commitment and its positive effect on business results.

Companies reporting a 100% or higher business performance rate

Does your company have a formal Employee Engagement strategy?

YES NO

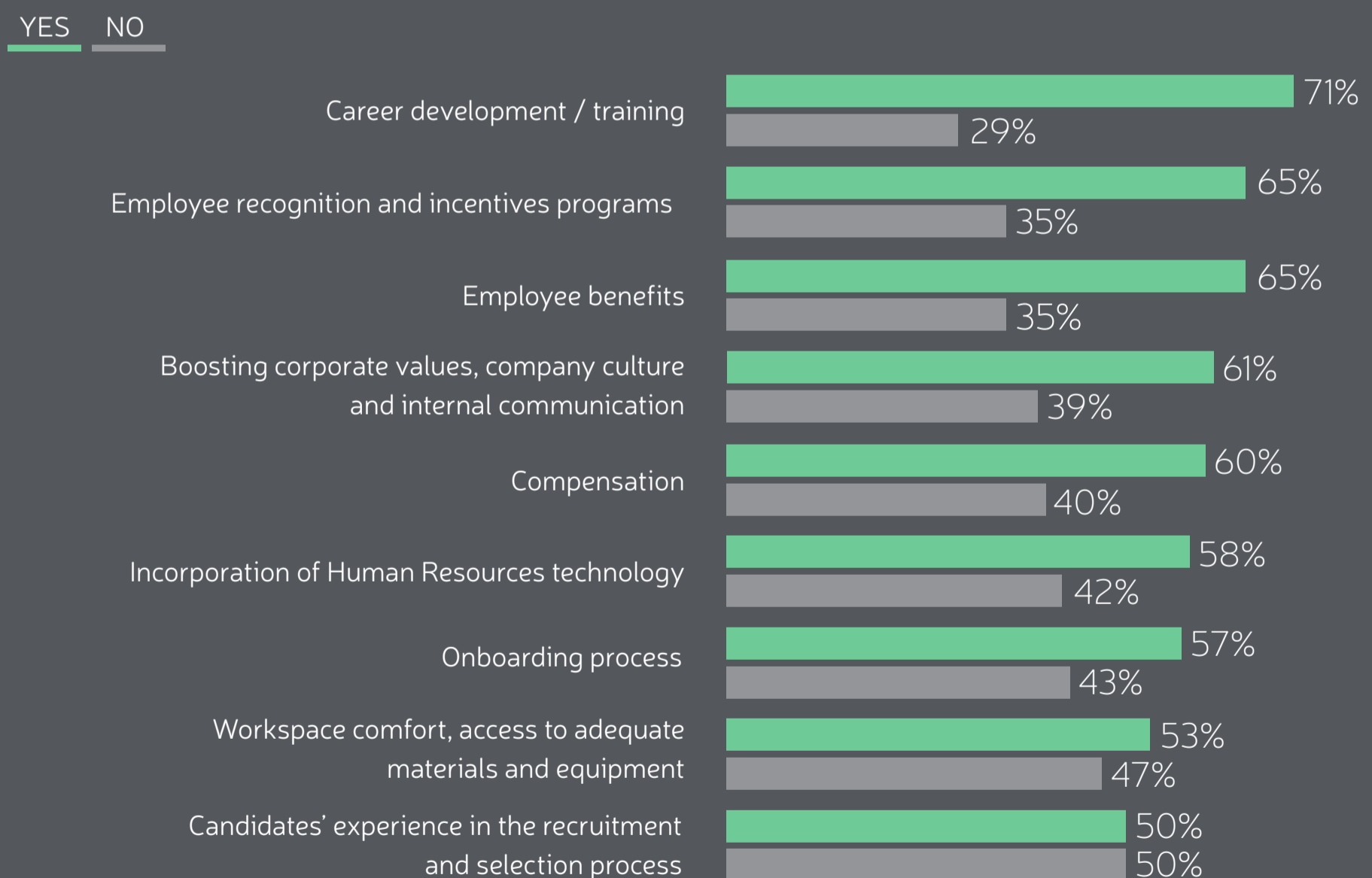


LatAm companies will spend more to engage their employees in 2017

LatAm firms plan to spend considerably more on employee engagement during 2017, regardless of whether they have a strategy to boost workforce commitment or not.

Regionally, 42% of surveyed firms are evaluating allocating more resources to these programs. Of these organizations, 60% have an Employee Engagement strategy and 40% don't, practically the same distribution seen in the overall sample.

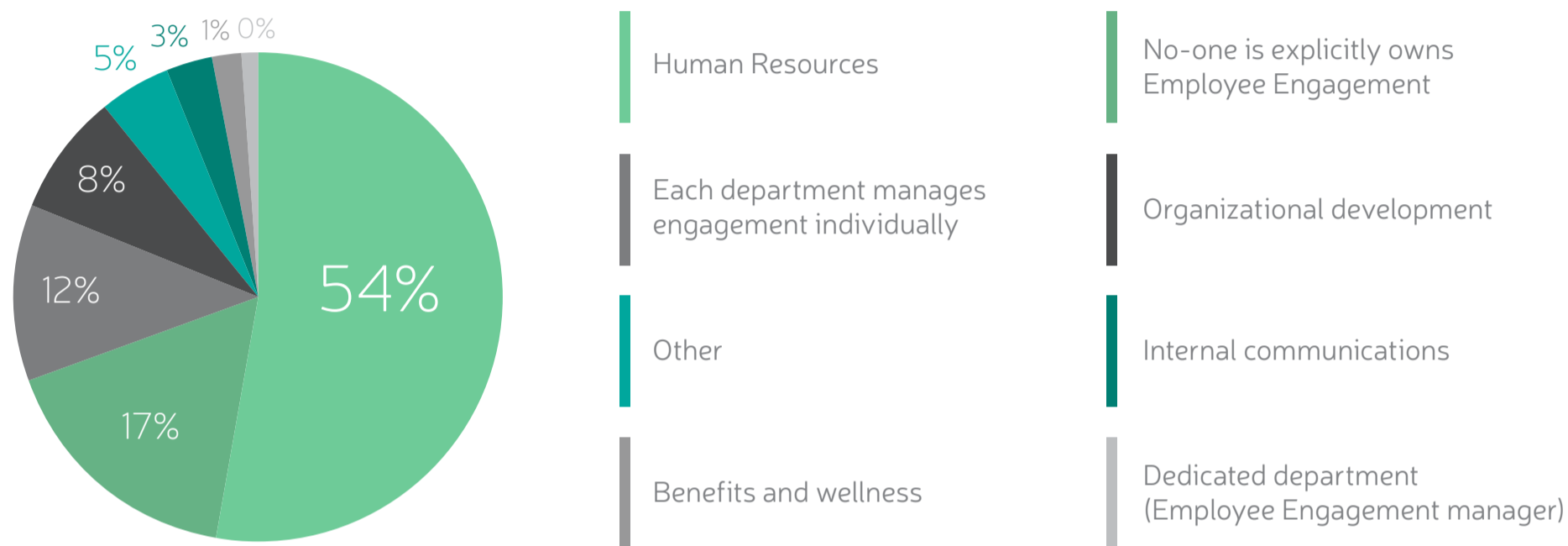
Do you expect your company to increase resources (budget and staff) to improve the following Employee Engagement initiatives in 2017?



While it's logical to expect strategically-adept companies to obtain a higher ROI from this investment and, therefore, make a bigger impact on employee satisfaction and commitment –as well as the bottomline–, it is inevitable to ask what will happen to these resources in the case of companies that lack strategic guidelines to engage their people. As we will see later, they run the risk of wasting time and money due to their lack of focus and leadership.

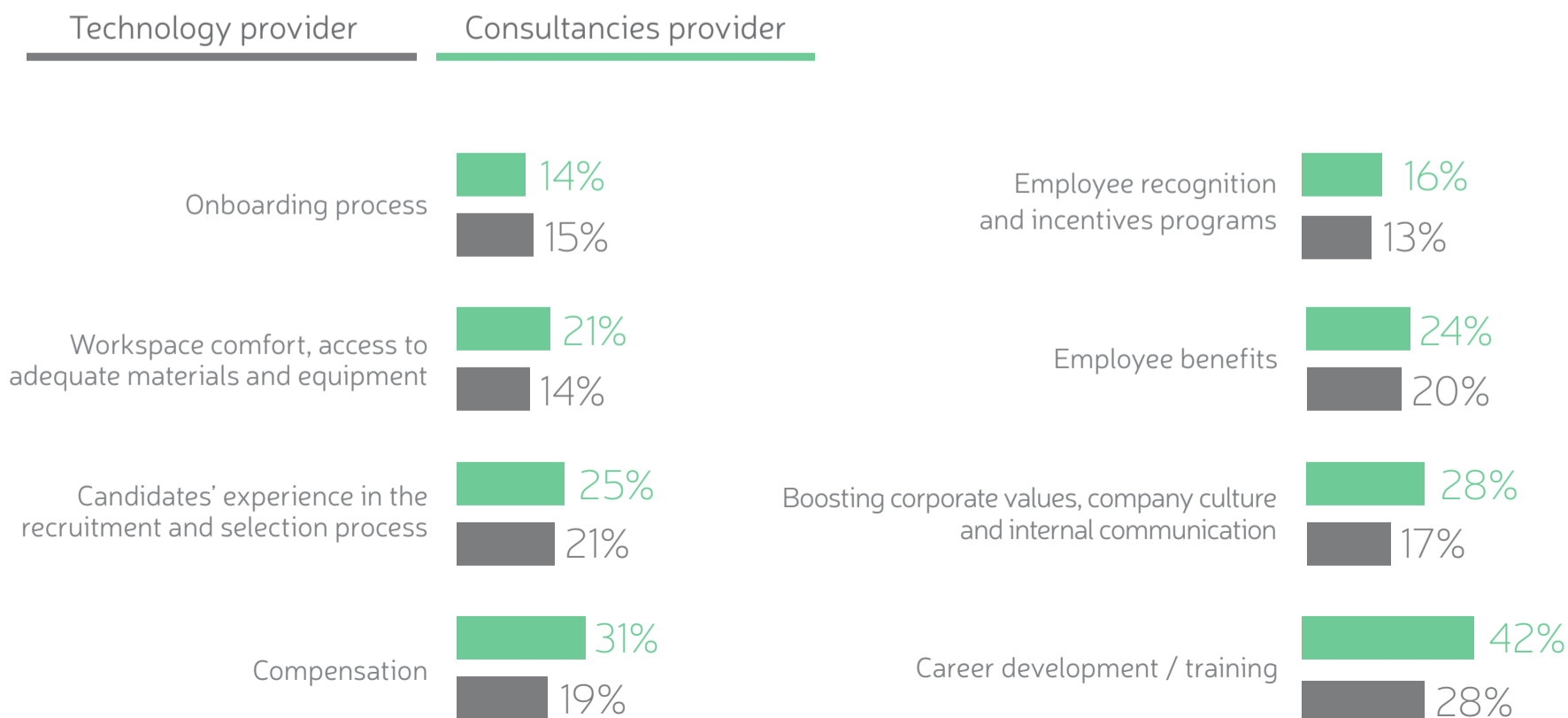
LatAm companies have yet to create an exclusive role for strengthening Employee Engagement

Although regionally 54% of participants say Human Resources owns employee engagement in their respective companies, only 1% has a dedicated department. This role has not yet been created in these firms, most of which have an exclusive position to manage basic HR functions like recruitment and selection, training, compensation, career development, payroll and benefits, for example.



In order to engage employees, companies must work with consultancies and technology providers that serve HR's objectives and strategies. This increases the need for a clear responsible in each organization to coordinate and align Employee Engagement initiatives and business needs.

Companies that work with consultancies and technology providers to boost their Employee Engagement initiatives



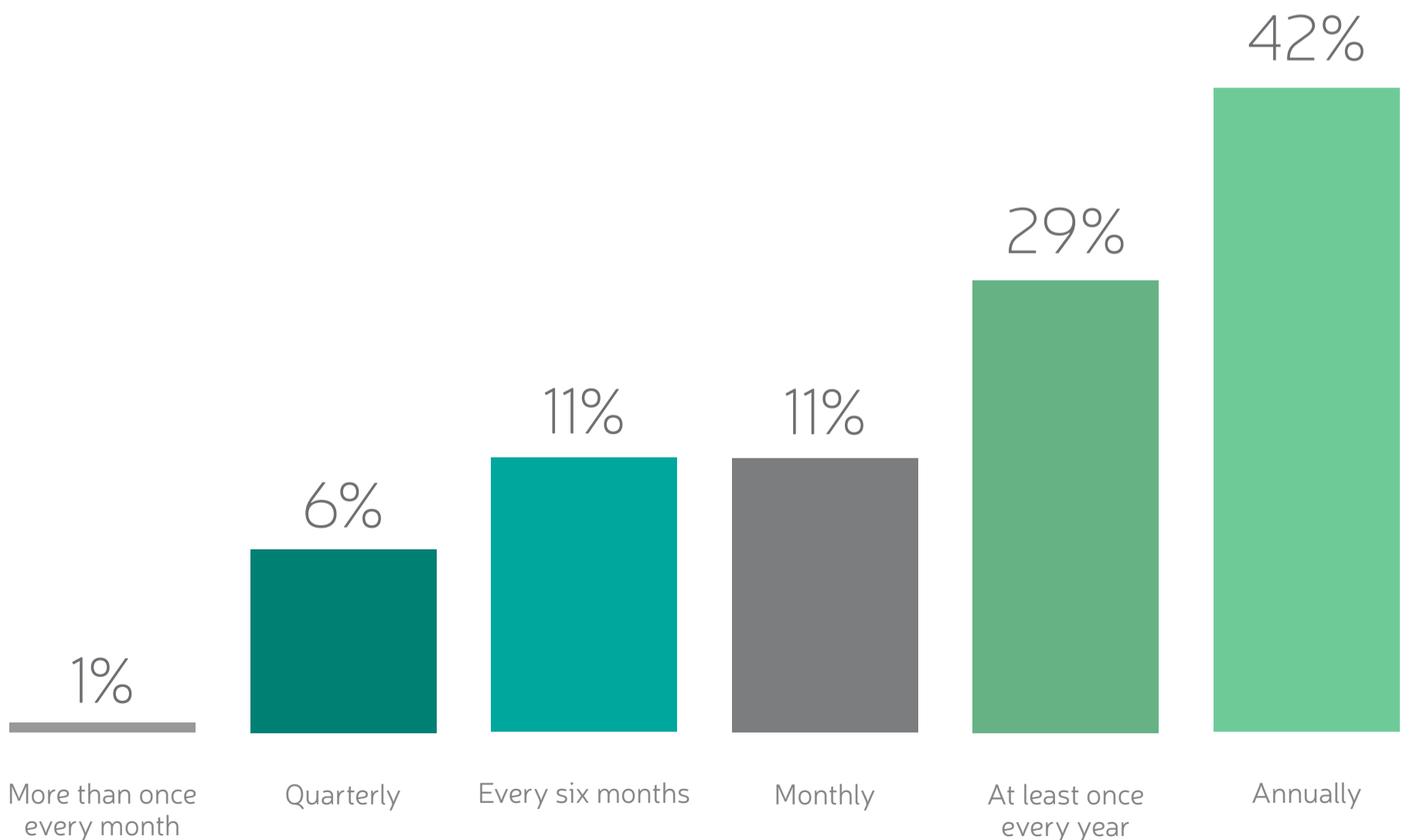
Given that there are extremely specialized consultancies and technology providers for each of these initiatives, the margin of error grows considerably when these processes aren't overseen to keep them within organizational guidelines.

Almost half of surveyed companies measure employee engagement only once a year.

This policy can be damaging, considering the rapid changes in today's workforce and the greater turnover among Gen Y employees. A Gallup survey reveals [21% of Millennials have changed jobs in the last year](#).

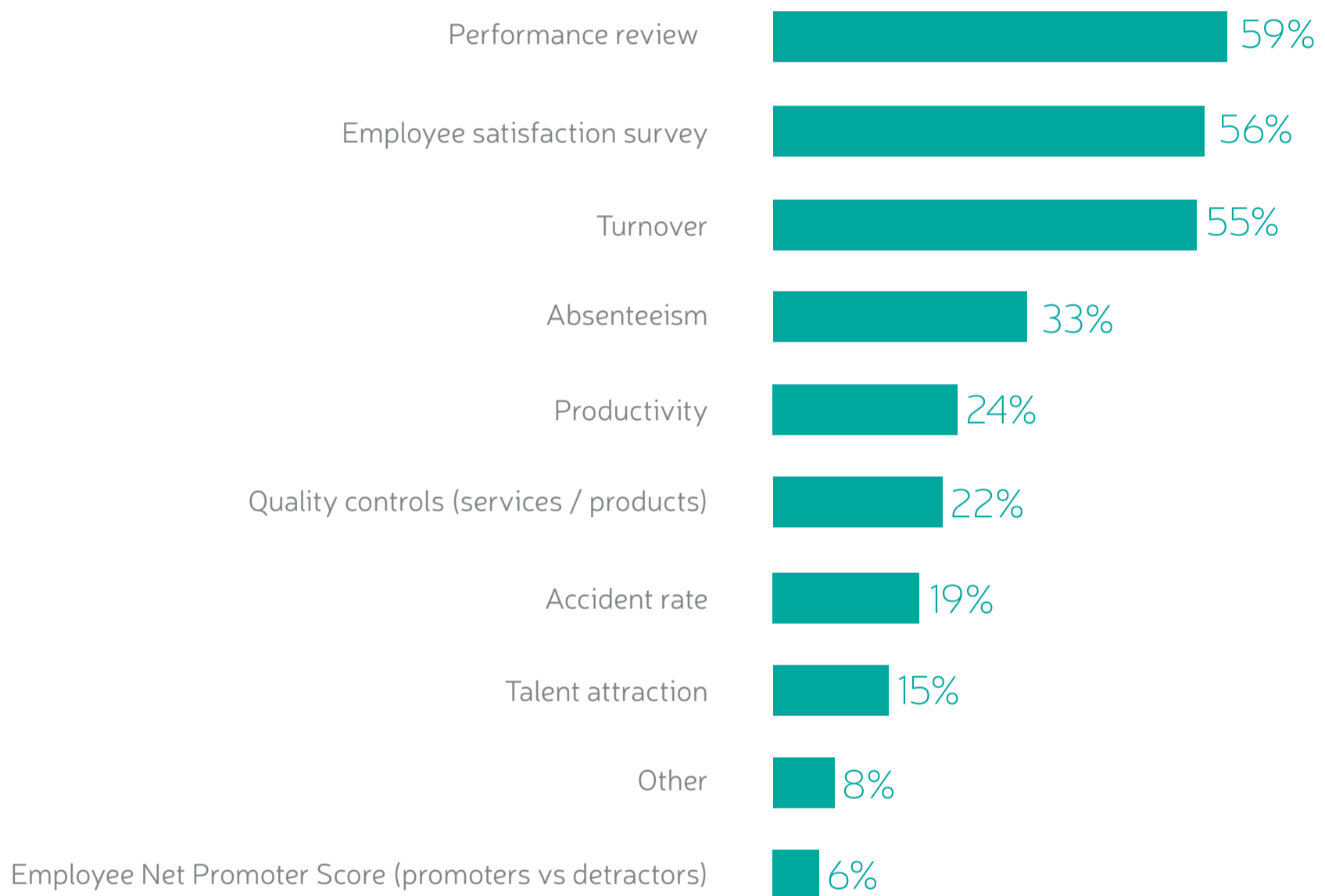
Waiting an entire year to obtain a picture of engagement levels in the organization means losing opportunities to lower voluntary rotation in this and other segments of employees. While there is no golden rule that dictates how often employee engagement should be measured, it can be done using several different tools: surveys, interviews, periodic meetings, data analysis, etc., at different intervals.

How often does your company measure Employee Engagement?



LatAm firms must also change their approach to measuring Employee Engagement, as they tend to focus on increasingly outdated KPIs –[according to prestigious business publications like Harvard Business Review](#)–, like the annual performance review (see graph), although they also track employee satisfaction.

What KPIs does your company use to measure the results of Employee Engagement initiatives?



It is critical, therefore, that Human Resources leaders approach employee engagement management in the same way they do initiatives that impact areas like operations, client support and sales, for example. This is, ultimately, the job of Employee Engagement Manager: to devise a central strategic definition and oversee its decentralized execution across all relevant processes through the entire organization.



Conclusion

Engaged employees actively look for ways to add value to their work and organization. Possessing these attitudes in the workforce is rapidly becoming a key, if not the only, real competitive edge for companies in the digital age.

In this context, a role exclusively dedicated to measuring and managing employee engagement is extremely necessary, especially in light of the seismic changes the global workforce will see in the near-future: [Millennials \(born between 1981 and 1995\) are already 35% of the Latin American workforce and will be 75% of the global labor force by 2025.](#)

It is necessary, therefore, to treat employee engagement just like any other basic HR function: that is, providing support to functional areas like operations, sales, finance or marketing. This means adopting a matricial perspective to oversee and coordinate efforts to engage each employee, just like selection and recruitment, onboarding, training, performance, compensation and benefits, career growth, termination and career transition.

We hope this report helps LatAm HR leaders to create a sense of urgency and build a convincing business case to obtain the executive support needed to facilitate the pressing task of managing employee engagement intelligently and effectively in today's business climate.

About GOintegro

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More than 450 corporate clients –representing over 1 million employees– use GOintegro daily to drive and manage employee engagement.

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