



Misreading the Room

Management in Singapore and Australia think employees are engaged and well-rewarded, but they aren't getting the full picture.

Preface

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'The Iceberg of Ignorance' has long been used to show how perceptions differ and problems become progressively less understood the farther away from the frontline you go. Anecdotally, the theory holds true in many contexts, which is likely why it has existed in leadership pop culture for so long.

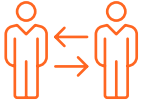
One of those contexts is the extent to which employees feel engaged and recognised in the workplace. Not only is there a disconnect here, but it runs deeper than most managers think.

In 'Misreading the Room', we offer a comprehensive, detailed study of this disconnect between management and employees in Singapore and Australia. We show that management consistently overestimates how engaged and well-recognised their employees are, often by a factor of two or three; and that events of the last year are only serving to intensify the problem. This is a substantial finding, and should thus spur a rethink in your own organisation about identifying potential issues, and introducing employee engagement and recognition solutions to mitigate them.

We hope that you find this work to be a valuable contribution to your workplace culture, and we hope to continue being a trusted partner as you navigate the post-pandemic landscape.

Introduction

Intuition is an oft-celebrated 'superpower' among leadership visionaries.



There is a certain romanticism to the idea of a [guiding 'sixth sense'](#) (Hodgkinson & Sadler-Smith, 2018) for critical business decisions at key moments, but it can also serve as a source of bias that may [end up leading you astray](#) (Milkman & Payne, 2015).

In Achievers' inaugural 'Engagement and Recognition @ Work' study by StollzNow Research, we find intuition is letting many leaders down. A sizable disconnect exists between what managers think is occurring in their workplaces in terms of how engaged employees feel in all aspects of work, and whether they feel suitably recognised and rewarded for their efforts, and how employees actually feel.

In short, managers think employees are more highly engaged and recognised than they actually are.

In the grind of the past year-and-a-half, it seems that some of the fundamentals of employees engagement and satisfaction may have been put aside or forgotten as organisations focus on ensuring business continuity and stemming the financial impact of the pandemic. For many managers, their intuition began failing them, and as a result, they are no longer able to get an accurate 'read of the room'. In the meantime, they risk further alienating their people, by creating greater levels of disengagement and [malaise](#) (Achievers, 2021). This could ultimately lead to higher employees turnover and dampened business growth prospects in a critical period of economic recovery.

The message to managers in Singapore and Australia therefore is this: it is time to place a renewed emphasis on your people, to review how you engage them now, explore what works and what does not, and to draw up a new model for engagement and recognition that can make inroads in reducing the current disconnect.

Engagement results

According to our research, people in organisations view engagement as important, both conceptually and as a driver of business success.

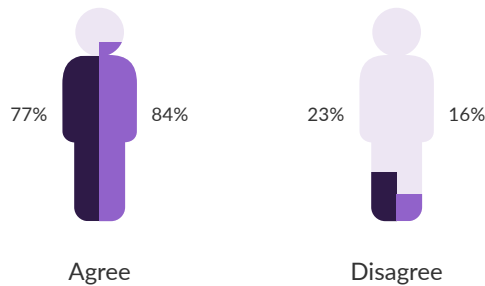
That is a good starting position because it demonstrates the importance of purpose and of having a culture of belonging in the overall work experience. At the end of the day, whether as managers or employees, we share common goals and interests. Everyone needs to feel like they matter, and that the work they perform matters.

However, not everyone feels equally engaged - and while managers may feel like they are on the same page with employees on these issues, it turns out they are not. Employees, overall, are less engaged than managers think.

This can be troubling because a lack of engagement, inclusion, belonging or connection could compromise business performance.

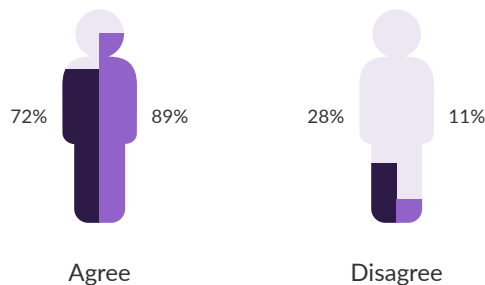
I feel engaged in my overall work experience

SINGAPORE



■ How employees answer ■ How management feel employees will answer

AUSTRALIA



■ How employees answer ■ How management feel employees will answer

Engagement results

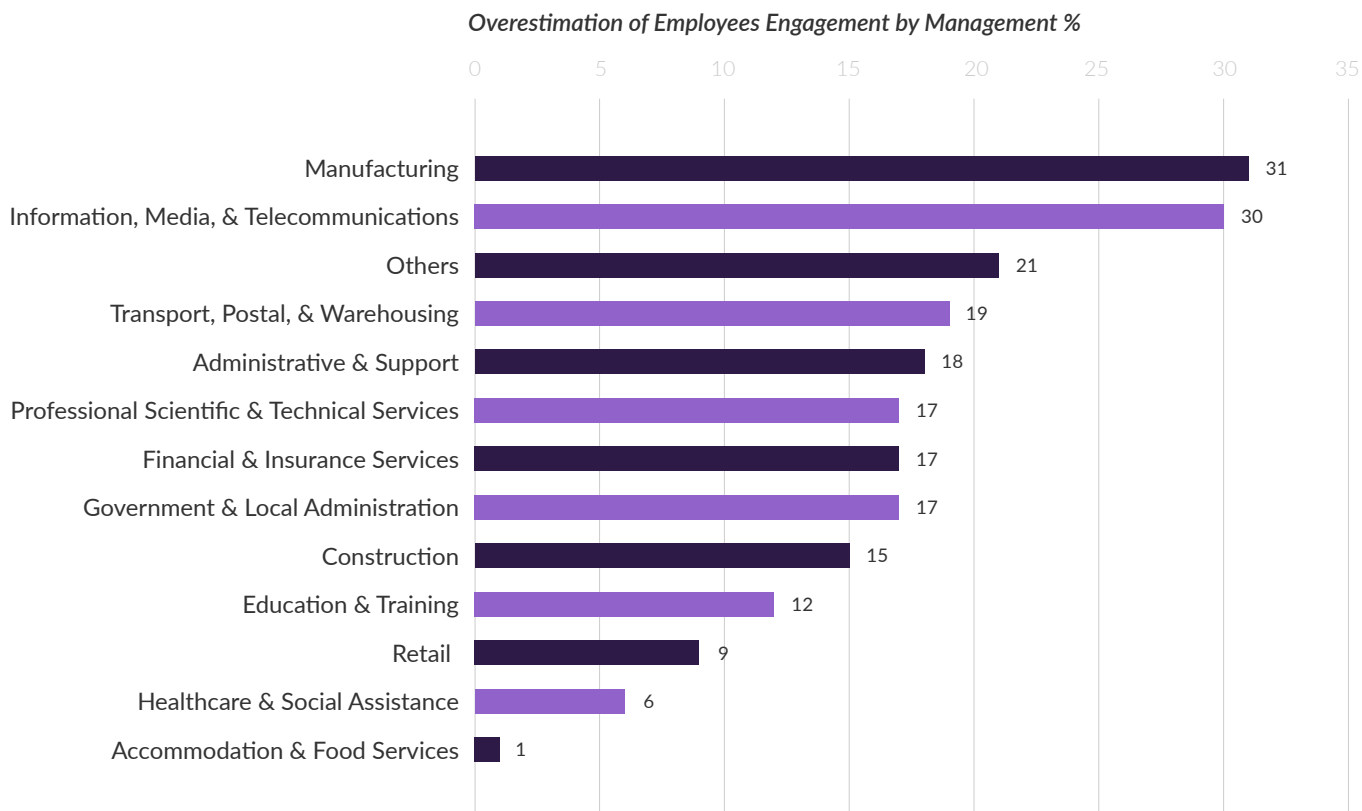
Studies have shown that engagement is crucial to higher productivity and sales, reduced turnover, improved quality of work and health, and lower absenteeism.

According to [Achievers' 2021 Engagement and Retention Report](#), against the backdrop of an increasingly disengaged nation, at least 15% described themselves as being completely disengaged and actively looking for another job. A majority (74%) also wished they received more recognition for their work, and 85% felt that receiving recognition motivates them to work harder (Achievers, 2021).

Our research also found that in both Australia and Singapore, management and employees are consistently misaligned in identifying the gaps in their employee's engagement. Singaporean management misreads their employees's satisfaction with engagement levels in team meetings, whereas in Australia, the greatest misalignment lies in management's perception of employees's satisfaction with overall engagement levels at the workplace.

There are also differences between industries. In Australia, manufacturing, and information media & telco (IM&T) managers fall short when it comes to reading the room. However, at least in IM&T, this does not seem to negatively impact job satisfaction. In Singapore, no industry is statistically significantly different.

Industry Differences in the Perception of Engagement: Australia



Why misalignment exists

There are a number of possible reasons why employees may not be as engaged as managers think.



One possible reason is that managers are not as effective as they think they are (Achievers, 2020). Previous research shows a strong correlation between manager effectiveness and engagement. However, this does not fall solely at the feet of managers; they may lack the tools and training needed to be more effective in their roles. For example, less than half of managers have been trained in one-to-one meeting best practices, and less than a third are trained in professional development or recognition. Closing the gap may be partly down to one's own professional development.

Alternatively, managers may simply not be aware of the extent of the issue.

It is predictable that managers are more heavily invested and bought into an organisation's culture because they are remunerated to embrace and model it. Their over-exuberance may not be shared by employees, in the same way that remuneration is not equal.

Further, existing employees surveys may not be sufficiently anonymous or offer enough assurance or psychological safety for employees to express their actual opinions. Thus, internal scoring may not pick up the large gap that this research does.

There may also be 'inaction fatigue' (Achievers, 2021), where employees are periodically asked for ideas, but nothing ever comes of it. When employers continually ask questions but take no action on the feedback shared, employees may feel unheard and unvalued - in fact, just 16% of employees feel their companies "always" acknowledge their feedback and take action to improve (Achievers, 2021).

This leads nicely into the next section of this white paper on employees recognition. Employees who feel their skills are valued and recognised are naturally more engaged, and improving recognition mechanisms may therefore be key in bringing employees engagement levels back to parity.

A yearning for proper recognition

Unlike engagement, recognition is not seen as equally important by management and employees.

In Singapore, there is a difference of 3 index points in views around the importance of recognition to the overall work experience, and 4 index points around the importance of recognition to a company's business growth, with managers being the strong proponents on both fronts.

In Australia, there is an especially significant difference of 4.4 index points around the importance of recognition during team meetings, again with management tending to value this more highly.

The findings also show that there is a misalignment not just between management and employees, but between the importance of recognition and actual workplace experience.

I feel recognised in my overall work experience

SINGAPORE



■ How employees answer ■ How management feel employees will answer

AUSTRALIA



■ How employees answer ■ How management feel employees will answer

A yearning for proper recognition

Unpacking the results of misalignment and disconnection.



In Singapore, managers overestimate how recognised employees feel across their whole work experience by 2 times, during onboarding by 3.6 times, team meetings by 2.4 times, and manager check-in by 2.9 times.

Meanwhile, in Australia, management over-estimates are 1.8 times greater than employees for whole work experience, 2.3 times during onboarding, 2.7 times in team meetings and 1.9 times during manager-initiated check-ins.

In both regions, employers rate their employees recognition many times higher than what employees think or experience - but management in Singapore, in particular, are aware of this issue, with many expecting employees to disagree with recognition statements. By comparison, Australian managers are unaware of the disconnect.

That also serves as a potential problem, as frequent recognition has been shown to have a [direct positive impact on engagement](#) (Achievers, 2021) - the more recently someone was recognised, the higher their engagement is likely to be.

[Achievers' own research](#) in this domain goes further. When employees know they're appreciated, 90% are motivated to give more effort (Achievers, 2021) - they are more productive, and tend to stay with the company longer. A team member with higher recognition also has higher job satisfaction, while a team member with low recognition has much lower job satisfaction.

The good thing is that [recognition is the easiest](#) and most effective way to improve engagement company-wide (Achievers, 2021). This is especially so if it is done frequently, shared with the broader team or company, occurs shortly after the event, details why it is deserved, and supports company values.

Thus, there is no downside, only upside, from getting recognition right.

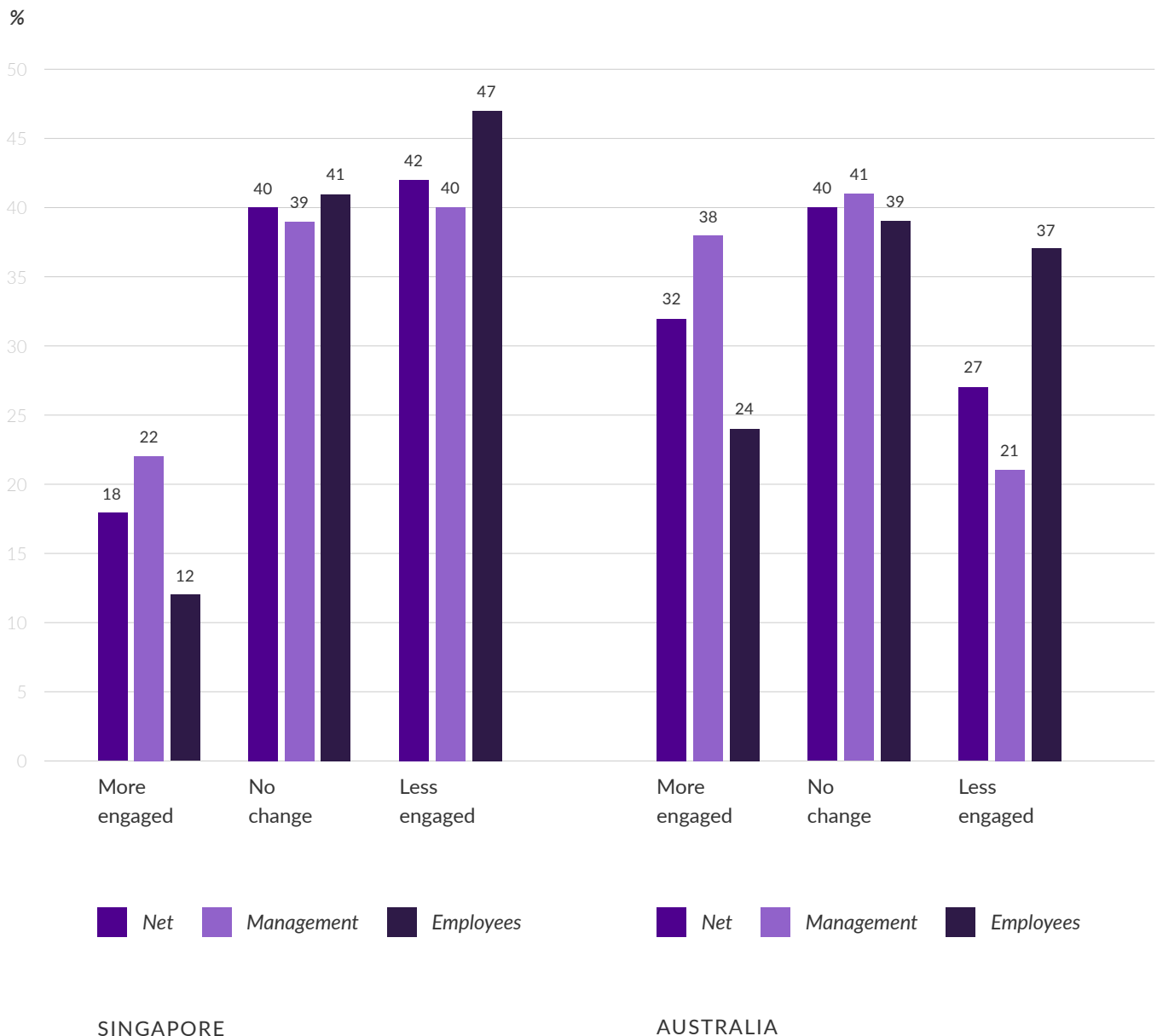
The impact of working from home

The elephant in the room.

It is worth considering an additional explanation for the results of this study: that organisations have been through an extraordinary period of transformation, during which there simply was not time to undertake the usual change management processes.

After all, remote and hybrid working were mainstays across the region through much of 2020, and it can be theorised that alignment between managers and employees took an entirely understandable hit due to the lack of face-to-face interactions.

While working from home, was there a change in engagement with the workplace?



The impact of working from home

How did this effect engagement for management and employees?



In Singapore, most organisations had employees working from home, with only 10% working in the office during the pandemic. Consequently, just 18% of organisations felt that engagement had increased, while 42% felt engagement levels dip.

On the other hand, Australia saw just 72% of organisations working from home, with 28% working in the office. Among them, 32% felt more engaged in this period, while only 27% noted a fall in engagement levels.

Interestingly, management in both markets were more likely to rate working from home as a positive experience for engagement and recognition. In Singapore, 22% of management said they were more engaged, as opposed to just 12% of employees, and in Australia, 38% of management felt more engaged, as compared to just 24% of employees.

One reason why management may have rated the success of work-from-home higher than employees is because they were more able to participate, whereas many employees in operational roles still had to attend an office. Managers are also likely to be better-equipped financially and space-wise to accommodate a home office setup compared to employees.

Where to take this

We recommend managers to take three key things from this report:

1

Validate if you have a disconnect

No manager sets out to become disconnected from their employees, but the reality is that without actionable data and insights, they would not be able to identify and address workplace issues effectively. As varying degrees of remote and hybrid working continue across the region, it will also only serve to further complicate an already complex landscape, so organisations cannot afford to remain unaware. As this study shows, a gap already exists between the ways employees and managers perceive and experience employee engagement and recognition - so go a step further, and put in place better measures to listen to the evolving needs and demands of your teams.

As a starting point, there are [six ways](#) to acquire a fairly comprehensive overview of how well you are currently doing, in terms of aligning with and motivating your employees. This includes establishing focus groups to receive on-the-ground feedback; use pulse surveys or single-click polls to encourage seamless participation; turn to employee recognition activity; measure retention rates; track your productivity metrics; and hold exit interviews to understand what you could be doing better.

Where to take this

We recommend managers to take three key things from this report:

2

Refocus on recognition

Now that you have a better sense of what is not working, you would then have to make a case for recognition.

According to [research](#), companies that practice recognition are more likely to improve stock prices and Net Promoter Scores (NPS) scores. Those with highly-rated cultures of recognition are also more than twice as likely to see [improved employee engagement levels](#); experience 14% [higher productivity and performance](#); and three times more likely to have [increased retention rates](#) (Achievers, 2020). We have also [shown](#) that three-quarters of employees want more recognition (Achievers, 2021).

This is why companies need to take action. Some best practices to consider include practicing both social and monetary recognition; including everyone in your recognition program; publicising recognition within the organisation; encouraging frequent recognition; and leveraging recognition tools to ensure widespread adoption. Reward and recognition platforms are a must if you want to build a truly exceptional culture of recognition - in fact, R&R users are [72%](#) more likely to rate their culture of recognition highly, and 23% more likely to rate their employer brand highly (Achievers, 2021).

Where to take this

We recommend managers to take three key things from this report:

3

Stay adaptable

Finally, if the last year has taught us anything, it is that a lot can change in a short span of time. While bonuses and wage increases used to be effective recognition tools just two years ago, the modern workforce, now dealing with the pandemic and the effects of fragmented working, requires diversity, personalisation and digitalisation. After all, organisations are highly individualised, and the motivators and challenges that employees experience can vary quite widely from one person to another, so having a recognition program is just step one, but ensuring it is customisable and adaptable will be key to your success moving forward.

Last but not least, stay on the pulse of evolving employee needs and demands, by ensuring constant check-ins with your teams - whether through town halls or individual employee surveys - and commit to investing in the future of their business, so as to build a culture where your employees can truly thrive.

About this research

Methodology and findings.



In April 2021, Achievers commissioned StollzNow Research to examine 756 organisations and 755 organisations in Singapore and Australia respectively.

Larger organisations (of at least 50 people) are represented in the sample.

A series of statements were put to managers and employees and they were asked the extent to which they agreed or disagreed with those statements.

Achievers' employee voice and recognition solutions bring your organisation's values and strategy to life. Activate employee participation and fuel a culture of performance to experience data-driven business results.

For more insight we invite you to visit achievers.com/au or phone 1800 752 358

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