

Do employees feel valued in the Workplace

Brad Harden

Prepared for the Kellogg Rural Leadership
Course 2012

Executive Summary

Within the Dairy Industry, everywhere you look there is substantial investment on a large scale. The Dairy Industry carried in 2009, 64% of the total Agricultural debt.

This shows that there is a willingness to invest strongly on farm and in milk production and processing. New Zealand has a very marketable "Clean Green" image, as well as a being a producer and exporter of trusted, high quality products. This also makes the Dairy Industry as a whole a very attractive investment.

Strong investments are critical. An area that requires a careful well thought out investment is staff. Good, reliable high performing employees. An intangible asset, but an investment that requires a good structure, time and effort as well as a strong understanding of the type of people and roles you are investing in.

This report looks into how employees feel in their current workplace, how they view their efforts, their ethics, how they view their employer and career.

The Main findings are

Do employees feel valued in the work place?

On some level yes employees feel a certain amount of value in the work place, In terms of the level of value need to engage a worker, keep skilled workers? No, employees are not feeling valued to that extent in the work place.

Introduction

I undertook this project to gauge “Do employees feel valued in the workplace”. To have a look at whether workers turn up to work just to collect a pay check every week, or on top of the remuneration is there a general and real desire to achieve and perform in their current employment.

I am interested to see the correlation between the individual’s performance, and whether that individual “feels” valued, Is there a relationship between the two?

I am not trying to build a picture or develop a model of how many staff are valued, vs. staff that are not. Where I am really going and the conclusion I’m wanting to draw is, how the specific individual employees personally feel about how they are viewed by their employer, and how that effects their general performance in the work place.

I am trying to do this by asking one simple question “Do staff feel valued in the work place”.

Are the higher performing more engaged workers driven by the desire to achieve and better themselves alone? Or is a substantial part of their high achievement, due to the fact that not only are they thought of as valued in the work place but they truly feel deeply valued by their employer?

And is the same to be said for the counter worker, the low disengaged performer. How many of these workers have the potential to perform or are actually doing a reasonable good job for their employer, and feel undervalued and not respected? Does this lead to workers eventually becoming disengaged, and seeking work elsewhere.

This is something that I feel is extremely relevant within the dairy industry in the current climate of farm conversions, and an increase and expansion of the small, medium and large dairy produces over the last 6 years.

Staff turnover something that has been an issue for this sector for some time with the general figures showing a higher turnover of staff than most other industries.

Finding experienced staff to fill positions from the farm through to the expanding manufacturing sites has become an issue for the whole industry. So retaining good staff and getting the whole workforce successfully engaged, is something that would give the individual employer a certain advantage. This would be achieved through retaining skilled and motivated workers for longer periods giving the employer a stable and structured systems to help integrate new staff into.

The question that I am trying to answer around “value” will I’m sure lead to many possible other outcomes that could possibly be expanded on.

Value to each individual can mean something different, and is another topic that could be researched in its own rite. It is an area that I feel that needs to be looked at in this research but only as a brief measure to help develop some accurate data on the main topic.

Why I have chosen “Do employees generally feel valued in the work place”?

During my many initial investigations into a suitable topic to research I formed a conclusion, that firstly to make certain and long term improvements in the workplace, research needed to be carried out on the on common principal theme relating to all the possible questions I had. This is the “employee”, the biggest asset to a successful business after the initial purchase of the major asset. But unlike the major asset the value of the employee can appreciate over time, in the right conditions.

What are the right conditions? Well this is a very broad question and there are plenty of companies with some very good training strategies and mentoring programs to help prospective managers and leaders develop their skills get the best from their employees and manage and lead for better “results”.

This is where I realised that the topic is too broad if I wanted to be able to form a suitable conclusion and provide an answer. Also there 100’s of books, papers and studies already available on this subject.

Where I considered the start line needed to be in any employer / employee, manager / frontline worker relationship, the key foundation to any good working relationship

Do workers feel valued in the work place? This is generally a simple question. And as I have already mentioned I feel a key foundation. A foundation that all other management strategies can be built upon.

At the completion of this project I would hope to have drawn some conclusions that may provide employers in the rural sector, insights towards how valued employees are currently feeling. This could then lead into looking at values, being able to put a strategy together for the employee to look at what they value, even whether their values fit in with the company’s values, to fit everyone’s needs.

How I am going to answer This Question

Key objectives that will help provide some evidence and background to my research

- Put a suitable survey together to;
 1. Get an indication to what extent employees are feeling valued in the work place.
 2. Get an indication as to the current level of effort each employee perceives he is putting in, versus the recognition, value, reward he feel he receives from his employer.
 3. Through the survey results look at the whole cross section of the Dairy industry.
 4. Make a comparison between Dairy processing (Manufacturing) and Dairy farming.
- Distribute the survey amongst employees from within the dairy industry, to both frontline manufacturing, and frontline farm employees. Compare the differences to get an overall perspective of the feeling within the Dairy industry.
- Look at what “value” is, what it means and what affect it can have workplace.
- Answer the objective question this survey is asking, “Do employees feel valued in the work place”.

Why look at values.

Values, are who you are, the blue print for each individual as to the way they live their life. They are what is important in achieving success in person’s life, this includes and is especially vital the work place.

Working with, research supplied by Corene Walker from the coach approach team, who run a successful Values Program, explains why values are important, “because it highlights who we are”. A list of Values is a fail-proof template when identifying where gaps exist in any area of your life, e.g. career, your current work role, relationships – personal, social and professional - work life balance, hobbies, etc. Identifying and bridging these gaps is highly beneficial as it can rapidly pinpoint the areas of frustration, etc.

Looking at value is the first logical step in the climb to understanding how to engage employees. It is the foundation to build the working relationship on, providing the groundwork to be able to effectively work with employees to fully understand how they are driven. Once these values are established, it then leads to being able to effectively understand an employee’s strengths.

To an employer, an employee that possesses the drive and willingness to work hard, finds ways to work smarter, completes tasks, and saves time is highly “valued”. This is the type of employee that is worth having in your business, also the type of employee that is worth keeping in your business.

A topic I have not looked too far into within this research, but would well be worth looking at is the cost of staff turnover. What it costs in time to train, lost or slowed work production and over all throughput and productivity. Also the total cost to the all employees (the total team). Compared to the cost of retaining those high valued employees within the business. A rough figure taken from a Gallup survey suggests that the cost to train a new employee is about 1.5 times their salary. The information from the statistics New Zealand website indicates that the current average income is at around \$41,000 X 1.5 add this to turn over figure of around 4 staff per year, the cost to the business starts to take a toll (\$244000) and as Marcus Buckingham points out in his book “First Break All the Rules” this is just the hard cost. The drain of experienced employees from within the business is harder to measure but is just as significant loss.

Identifying Values, Why and When?

At the correct stage during the employment process, identifying a strong fit in values can be a powerful tool in selecting the right employee, with the best fit for the business. As this is not always easy and takes time to set up the processes of identifying the correct values. Also there are incumbent employees with unknown values?

Looking at “Do employees feel valued in the work place” has significant value in this area. there can be a definite advantage to Identifying some key value points within the current workforce. This can then be used as a measure as a company / business to determine;

- Where you are with your staff?
- Are you spending your time correctly in the areas to get the performance out of your staff?
- What Values are you as an employer looking for?
- What values do you need for a successful business?

According to current research the most effective people are those who understand themselves, are aware of the demands of the situation, and then create strategies to meet those values.

This can be related to the work place whether you have one employee or 100+ employees.

Also looking at “values” pre-employment will be of major benefit to an employer, as you could identify whether the company’s business values match with the perspective employees? If they don’t at this stage of employment are they ever? Will they ever feel valued if there are major differences from the start?

You begin to see how your unique values in particular give you the success and, if these are not met how the absence of one or more may limit you. At the same time this may give you more awareness of the difference in values between employees, and provide new perspectives to whether these may be identified. Using information like this can help to identify strengths and needs of an employee, providing better success in employee management and total productivity, through more engaged staff.

Engaged valued staff, why?

- Why spend the time and effort to value staff? We pay them a wage they shouldn’t they just get on with it?
- I am their manger, employer they need to do what I say.
- I shouldn’t need to keep reminding them to do the same task each day.
- Why can’t they think for themselves.

While researching this topic, looking through outcomes drawn from the likes of the Gallup Organization and SuccessFactors™, there is a strong indication shown through years of research and surveys, that top performing company’s engaged and value employees.

An article posted in a SuccessFactors Blog, by Erik Berggren depicts an interesting analogy called “Carrying Rocks or building a Castle. In which 227 companies through the UK and Ireland were surveyed, in which 60% of whom listed staff morale as the number one effect of the crashing economy.

What does this mean for business? As the title suggests in the blog, *Carrying Rocks or Building a Castle*.

People who are not aligned with their organization are merely carrying rocks, doing work without building the castle. Companies simply cannot afford to let their people do unproductive work, whether in a good or bad economy. Workers with low morale who are not engaged may never pick up the rock at all.

Survey

Background

The main objective of the survey is to attempt to answer the question “Do employees generally feel valued in the workplace” without asking the question directly. Without putting an idea or bias into the respondent’s answers. The survey covered a good cross section of the dairy industry, from the farm through to processing (manufacturing).

The Survey

Through research, reading previous published surveys and focus groups, a number of survey questions were developed.

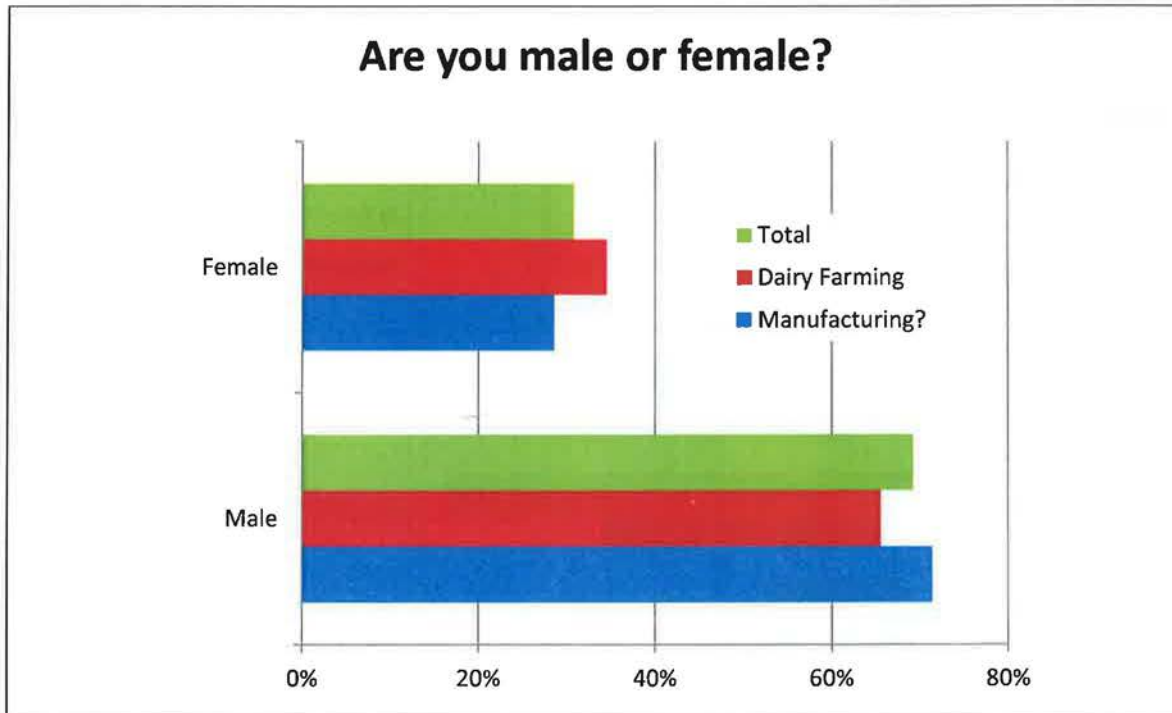
These questions were then sorted, culled and revised to form the basis of the survey. The best way to be able to reach a large section of targeted recipients was through an online survey. Using Google Drive an online survey was developed, then distributed amongst a couple of large Dairy Manufactures (Synlait milk and Fonterra), Dairy farms were targeted via a couple of online forums the likes of (farmchat.co.nz) and also directly through supply contacts.

There were a total of 94 respondents, out of those, 86 survey findings were able to be used with 8 survey results found with major discrepancies in them, which were discarded.

How the respective sample compared for the purpose of this survey.

From the surveys submitted, the gender split was;
69% of the total respondents were Male, 31% of the total respondents were Female. That split reflected relatively evenly through both Dairy farms and Manufacturing.

The total split in submitted responses between dairy manufacture and dairy farming were Manufacturing 55% and Farming 45%



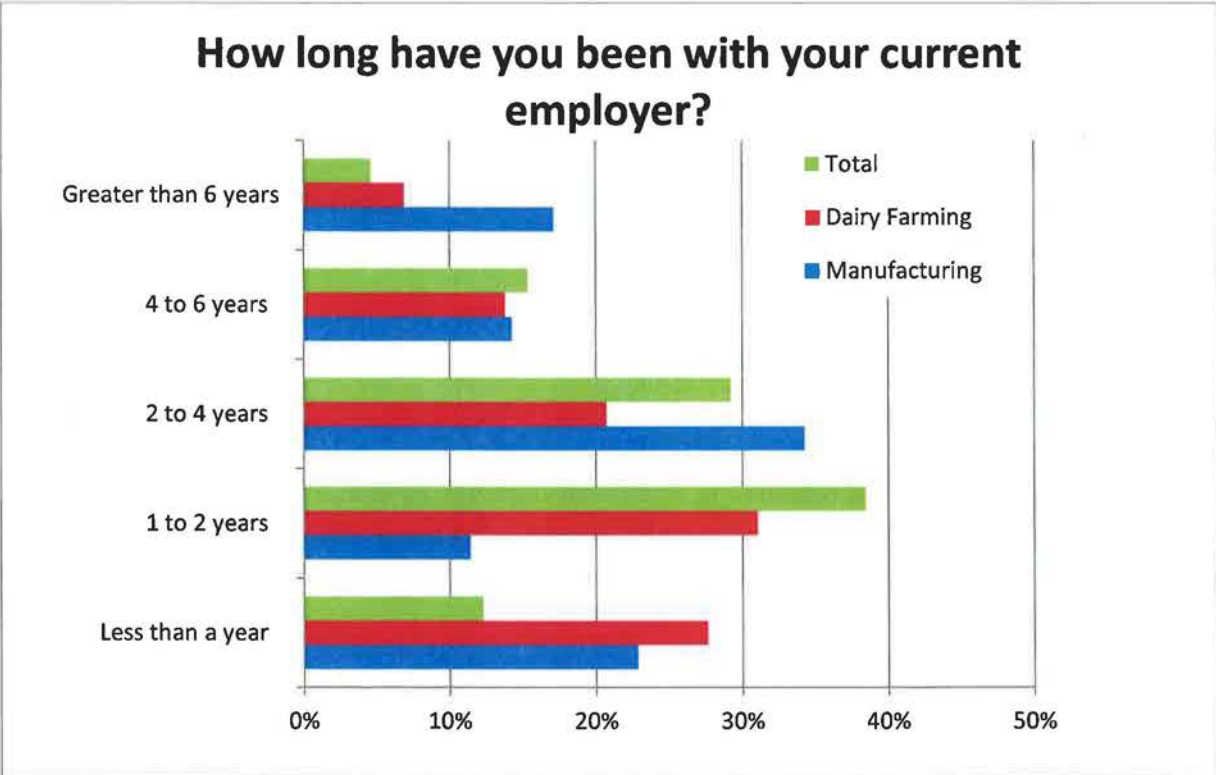
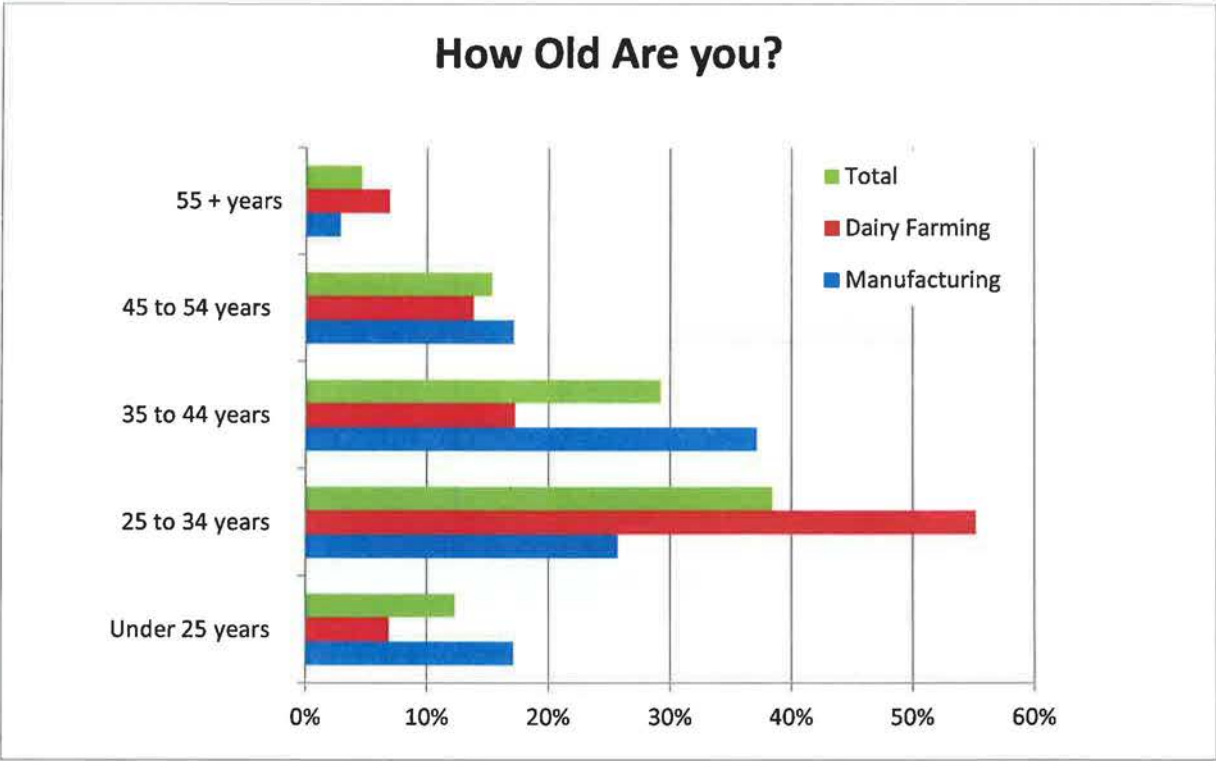
Age, Length of employment and Position.

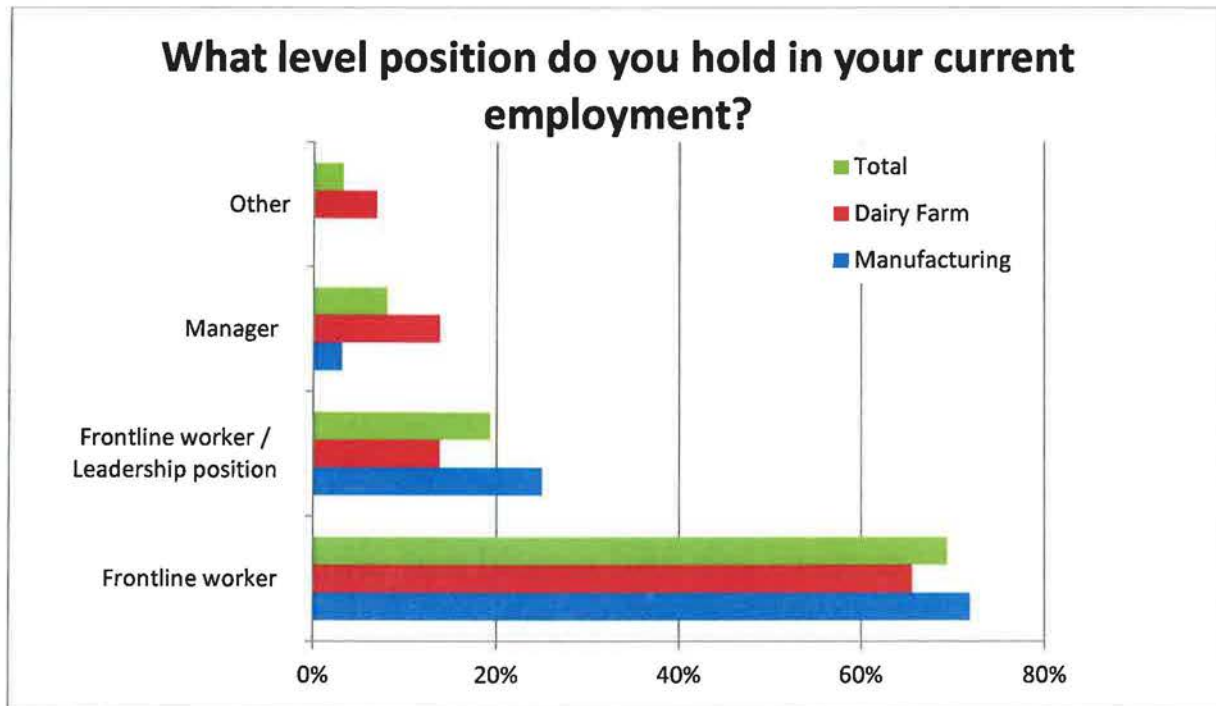
The survey responses indicate that throughout the industry the greatest proportion of the workforce surveyed were in the under the age 35 at 50%. With 50% of the total respondents had been in their current job for 2 years or less.

From the farms 62% of those responding were under the age of 35, and 59% being with their current employer for 2 years or less.

Manufacturing, 43% of those responding were under the age 35 with 37% aged between 35-45. 34% have been with their current employer for between 2-4 years, with employment from less than a year to greater than six quite evenly spread

There is consistent trend with a declining percentage of workers, (particularly on farm) as they age. Along with a lower percentage of employees remaining with the current employer for more than 4 years. 89% of the total surveyed were in a frontline position of some sort.





Some attitude Statements,

The respondents were asked 5 attitude questions to try and determine a little about their state of mind towards their current job, employer and the career.

From the 4 questions it shows that 100% of the responses were positive towards having a career, not just a means to earn a living.

Overall 55% of the total respondents like their job and are not currently looking to or thinking about changing career.

With the farm statics showing 79% of respondents are not currently looking or thinking about changing their current career. And 45% would not wish to change if something else was offered to them.

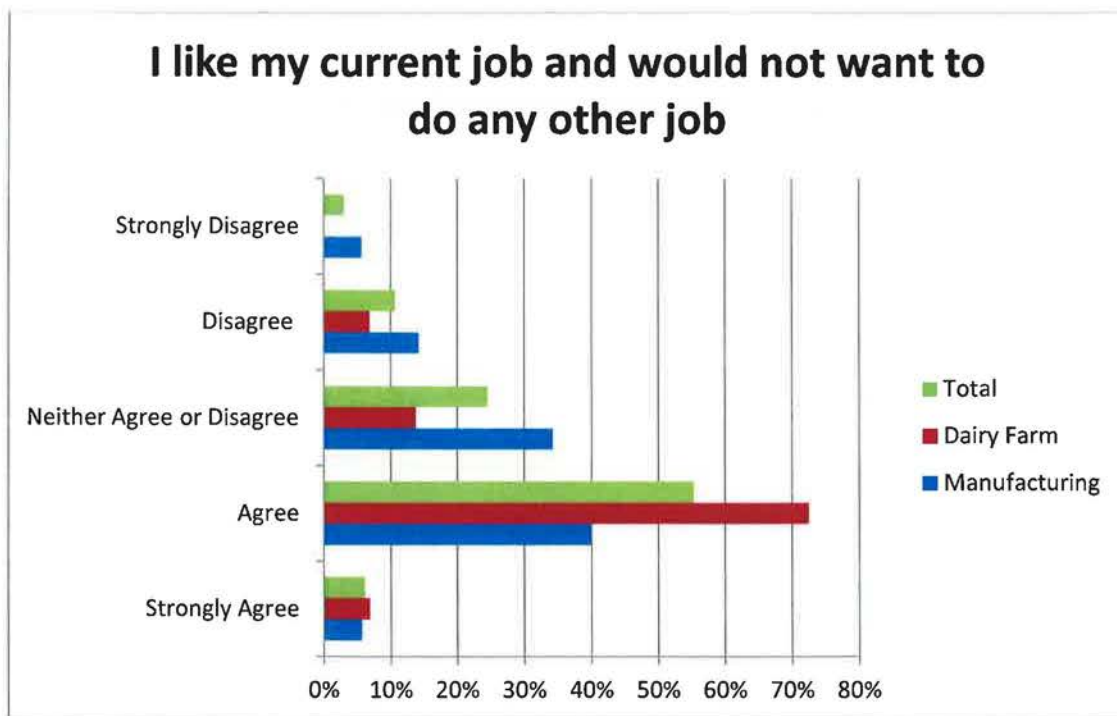
But with such a positive response to how they feel about their career the farms do not get such a strong response to their current employer.

With a total of 45% of farm workers, neither agreeing nor disagreeing, 28% agreeing, or 3% strongly agreeing that they would prefer to advance their career with a different employer. That's 79% in total that are not fully engaged with their current employer.

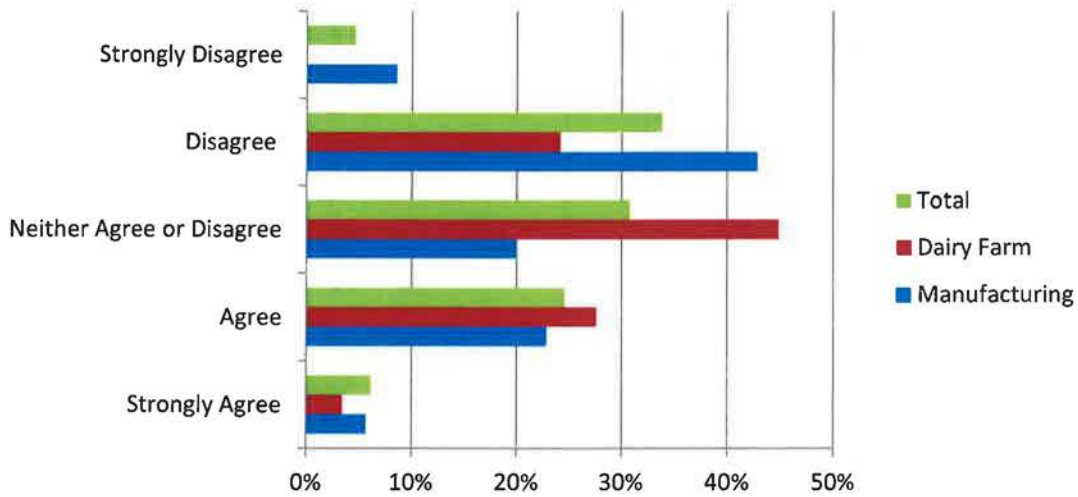
Manufacturing shows that there is not the same passion as the farm workers towards their career with only 46% of their respondents not currently looking or thinking about changing career if something different came along. And 43% would not change if there was something else on offer.

But slightly more positive toward their employer a total of 20% of workers, neither agreeing nor disagreeing, 23% agreeing, or 6% strongly agreeing that they would prefer to advance their career with a different employer.

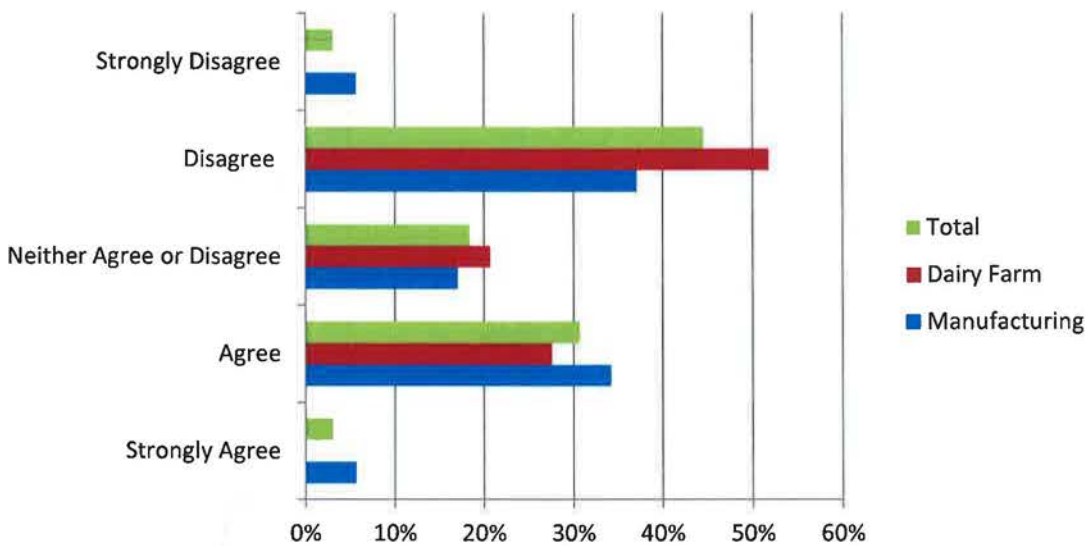
That's 49% in total that are not fully engaged.

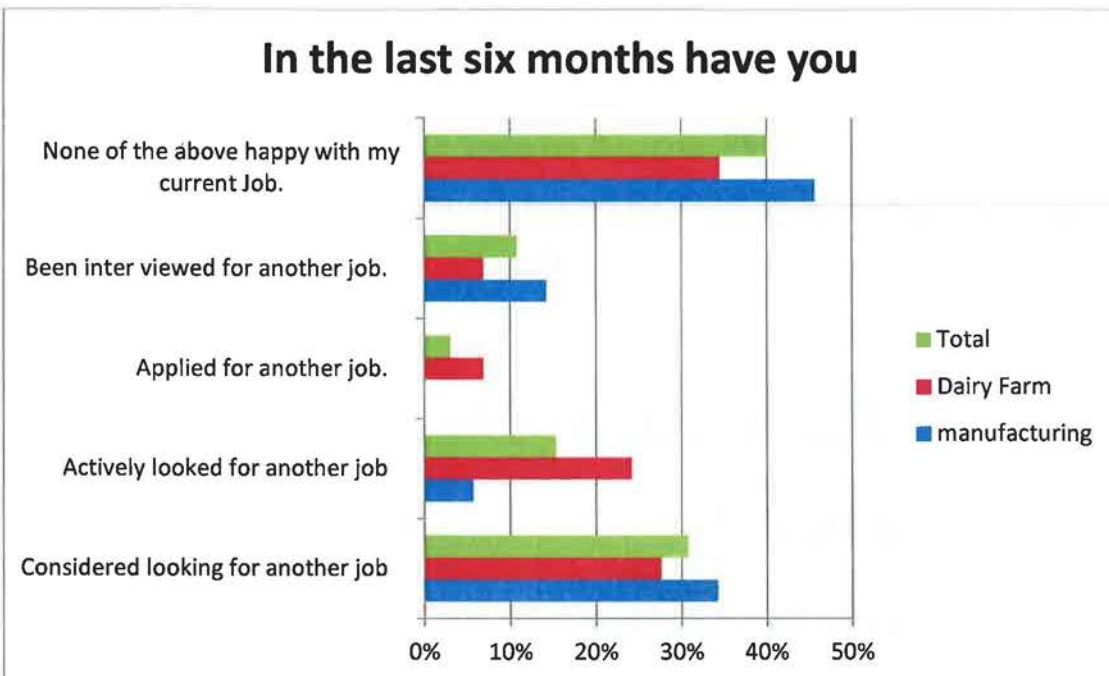
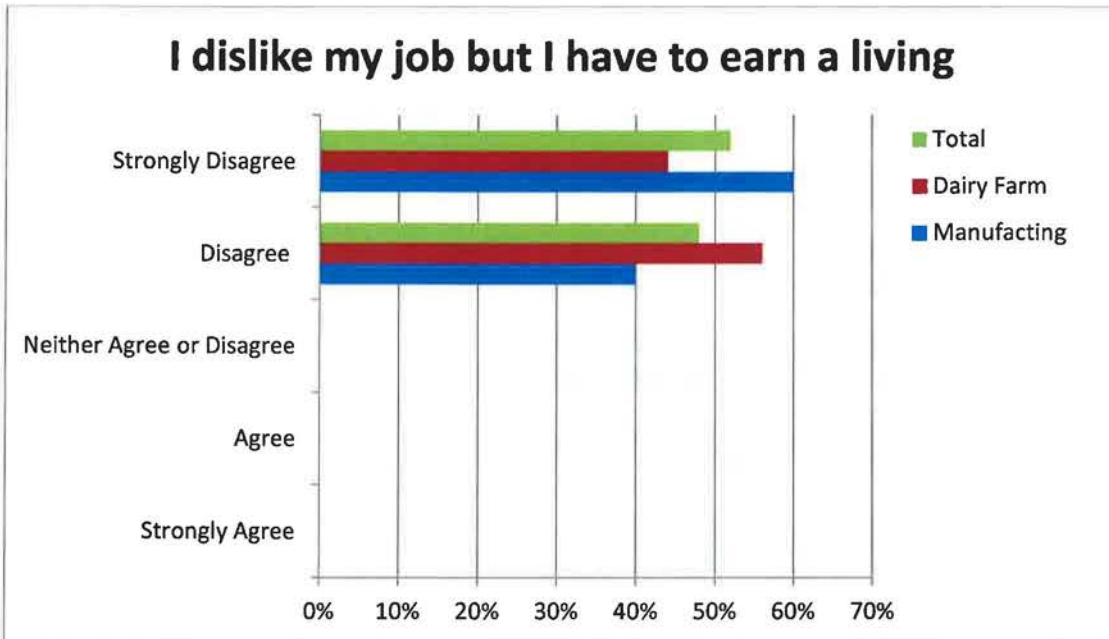


I enjoy the work I do, and would like to advance in this career but preferably with a new employer



My job is OK but I would prefer something else if it was offered to me





Effort and Recognition

Three questions used to look at how each worker perceived the amount of effort they feel they are putting into their work, the amount of effort they think their employer feels they are putting into their work, and the amount of recognition they think they are getting for their effort.

From the total responses all employees feel that the amount of effort they are putting in is average, to extending themselves.

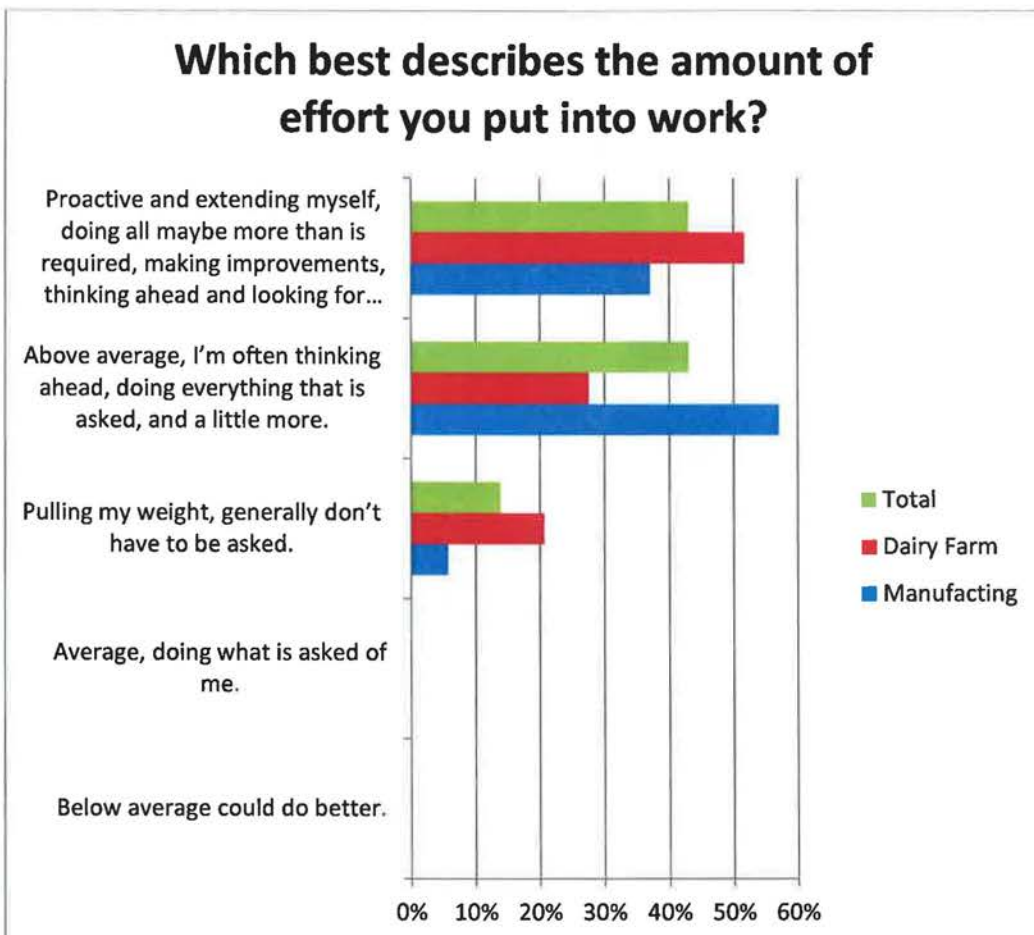
With 14% pulling their weight, 43% thinking they are above average, 43% extending themselves.

63% of the total respondents have the opinion that their employer sees their efforts rating from pulling their weight to below average.

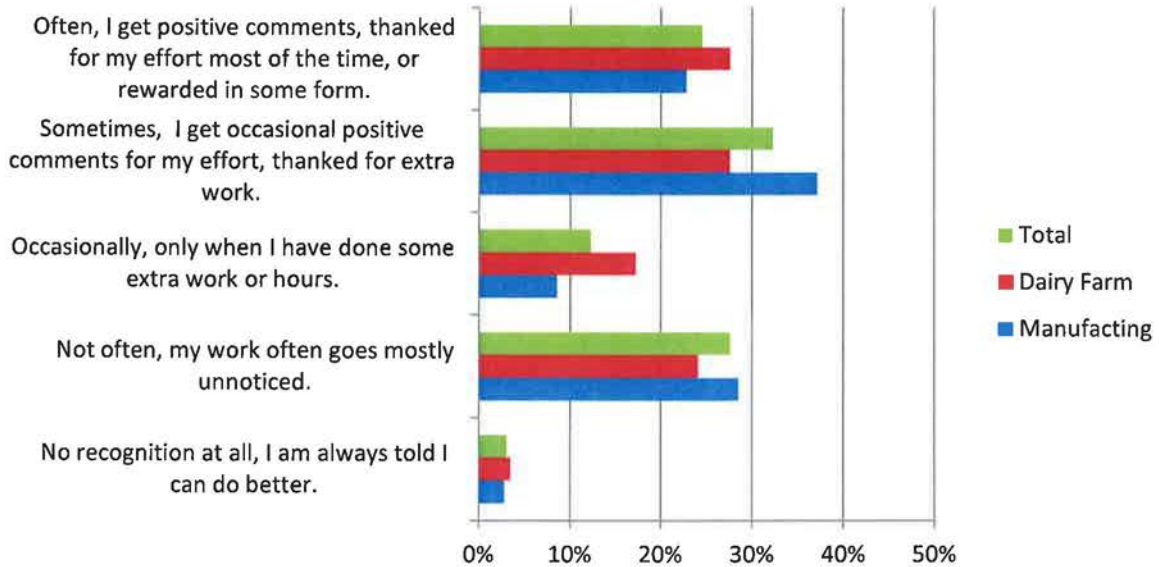
With 41% pulling their weight, 18% average and 4% below average could do better. Compared to how the respondents rated themselves.

Recognition received.

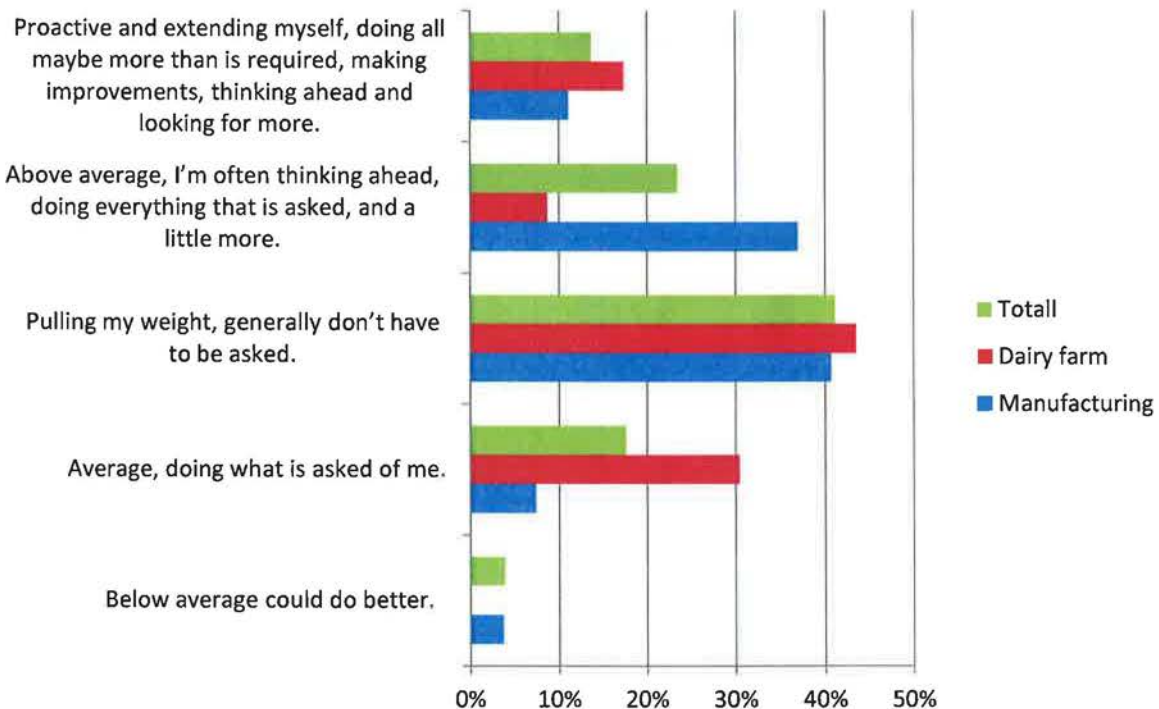
25% of the total respondents receive recognition often, 32% sometimes, leaving 43% receiving occasional to (no recognition 3%).



How would you rate the amount or recognition you feel you receive for your effort?



Out of the previous question how do you think your employer rates your effort?



Key Values

What respondents value and how important these values are to them, can be part of why someone would stay or leave their current employer. Is this an accurate measure?

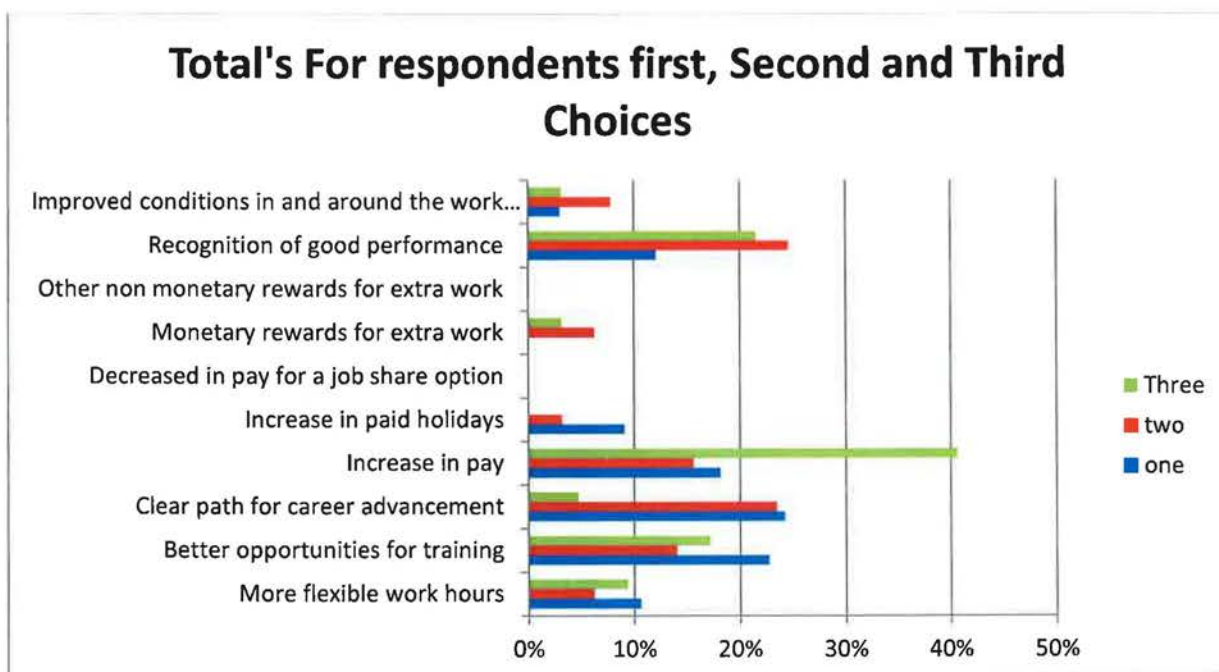
The sample questions listed only give a very general view of the respondents thinking, but it shows the first choice is not necessarily based on money. Overall an increase in pay comes in third for the respondent's first choice, at 18% behind Career development and Training opportunities.

There are some differences shown between both Manufacturing and Dairy Farming in what is valued at what selection whether this is first or third. This I believe is only a symptom of the individual differences and inadequacies between the two roles, but still the overall theme around the values are still the same.

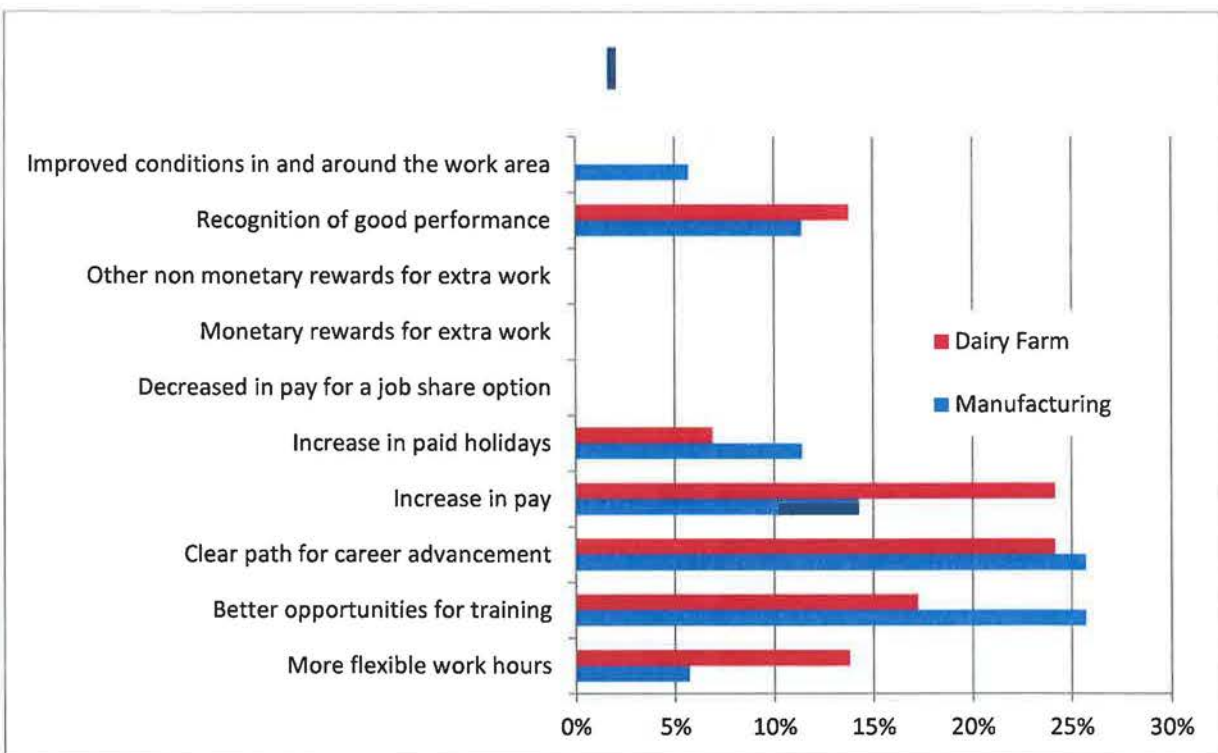
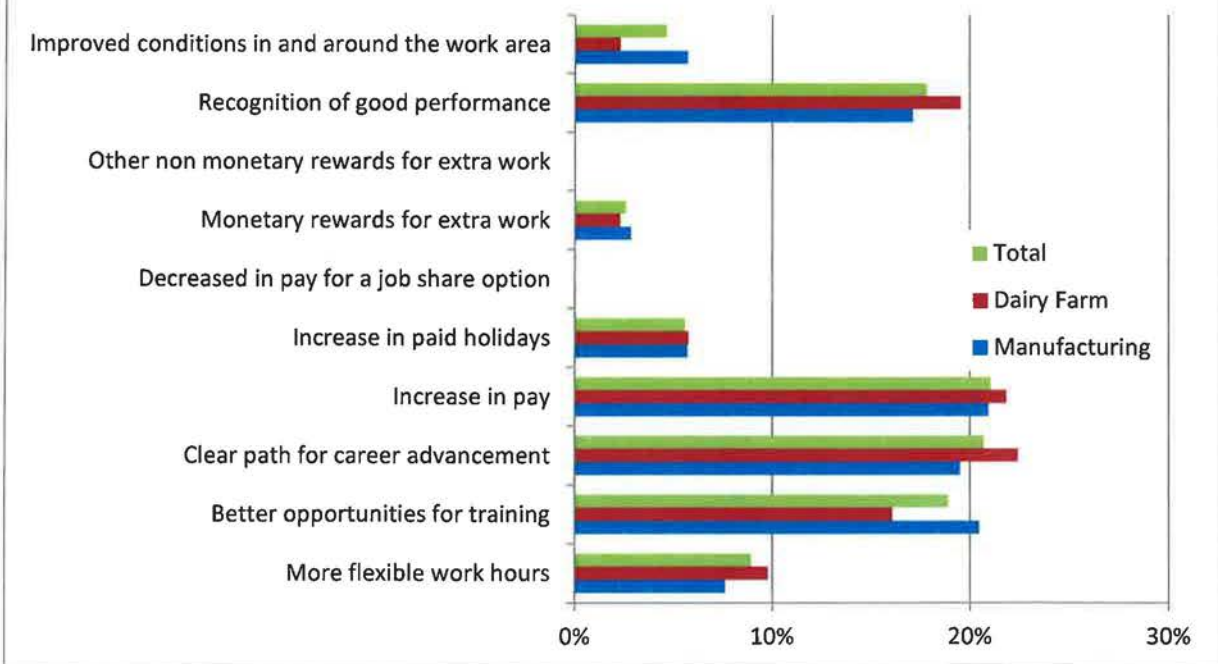
What is important, is that this shows that there are other values that employers can use to keep valued employees in their employment.

In the below graphs, Respondents were asked to choose from the list three values that would encourage them to stay in their current job, and rate in order from One to Three.

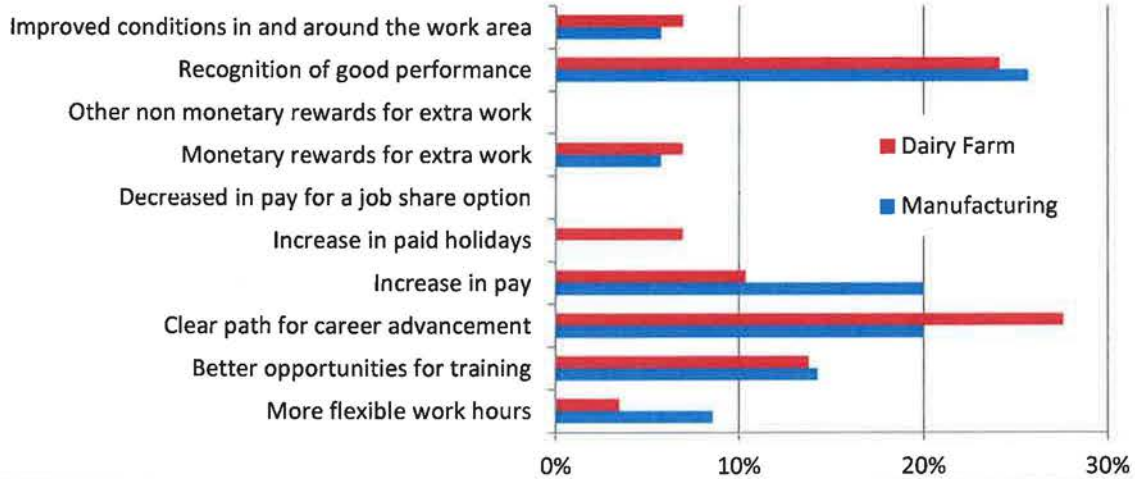
In the second graph "Overall Scored Total and Totals for each, Manufacturing and Dairy Farming" all the selections were given a specific score and a percentage, based on whether they were a One, Two or Three. The total score is an average of that scoring.



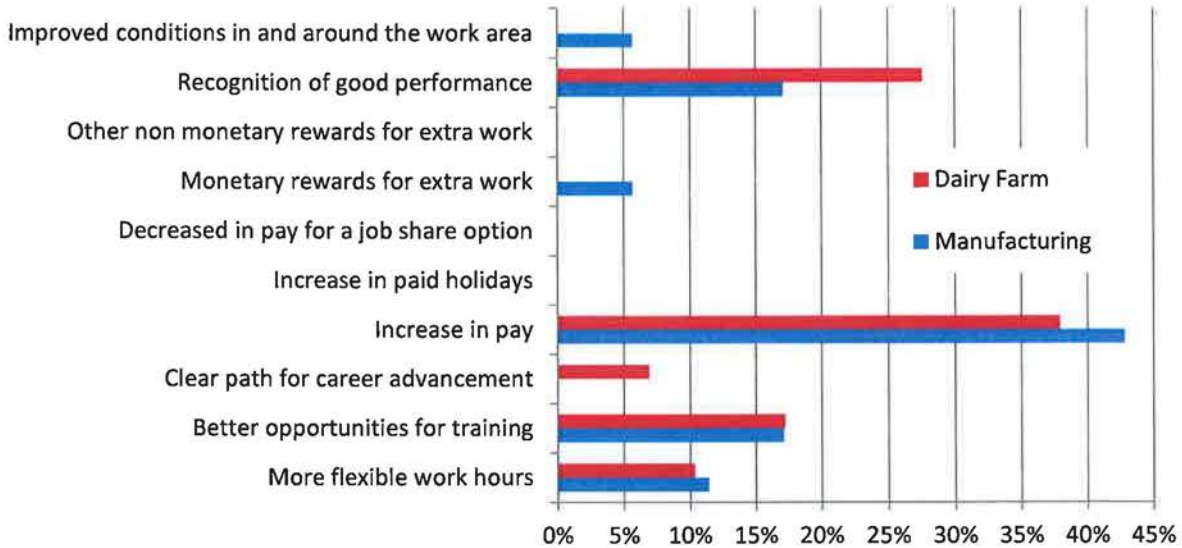
Overall Scored Total and Totals for each, Manufacturing and Dairy Farming



2



3



In the following question respondents were asked what two reasons from the list would they look for, apply or take up a job with a different employer. This helps qualify the previous questions on value with a very similar result, where better career opportunities, a more challenging role and better pay coming in third.

Views, Recognition and understanding

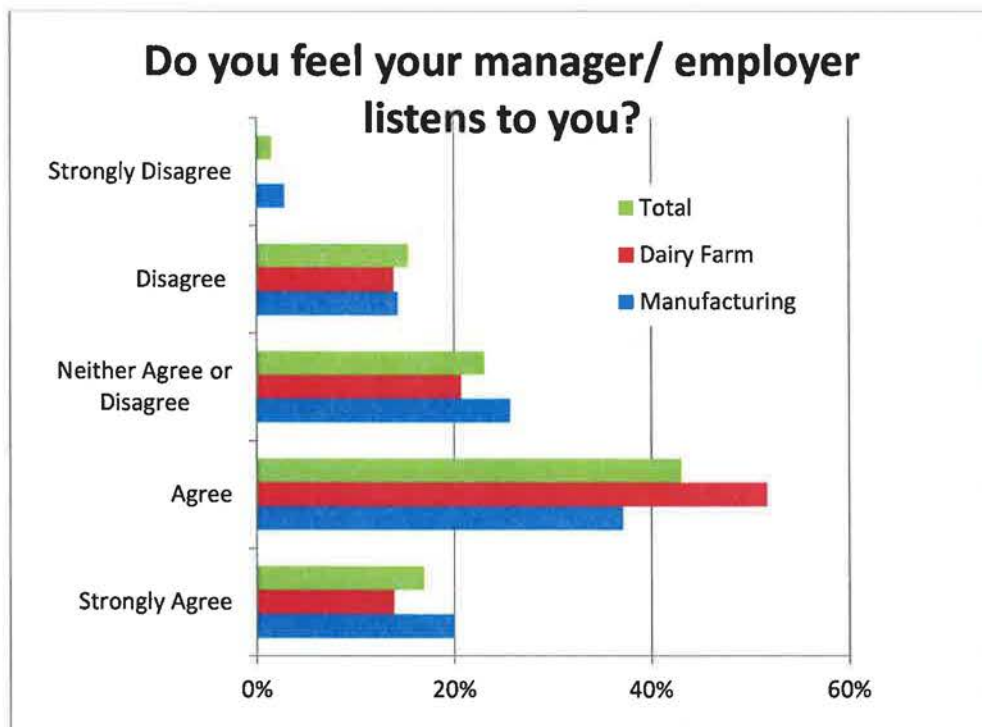
The final series of questions were then asked to get an idea of whether the employee felt that their views are being heard, do they feel their views are valued, do they feel their employer understands the issues that they face in the work place.

Recognition they receive, how they feel about their teams.

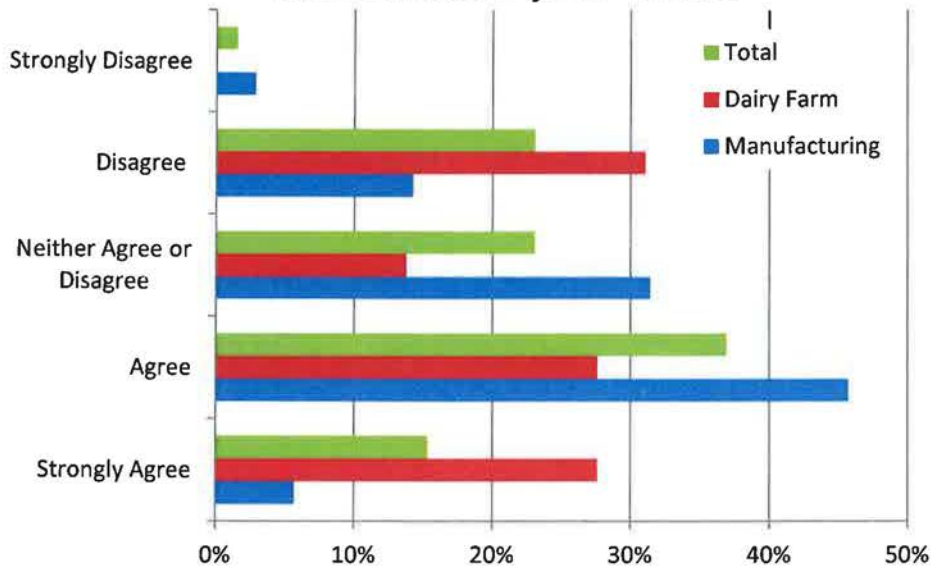
From these series of statements the respondents were asked to rate how strongly they agreed, or disagreed towards the statement. There are some very interesting answers / outcomes from the statements that indicates whether an employee feels valued, along with some clear outcomes that can be taken away and further researched.

60% of respondents either agreed or strongly agreed that they are listened to by their employer, with 52% of the respondents agreeing or strongly agreeing that their employer is interested to their views. These results when you initially look at the graphs below, look to be a good result. But is it?

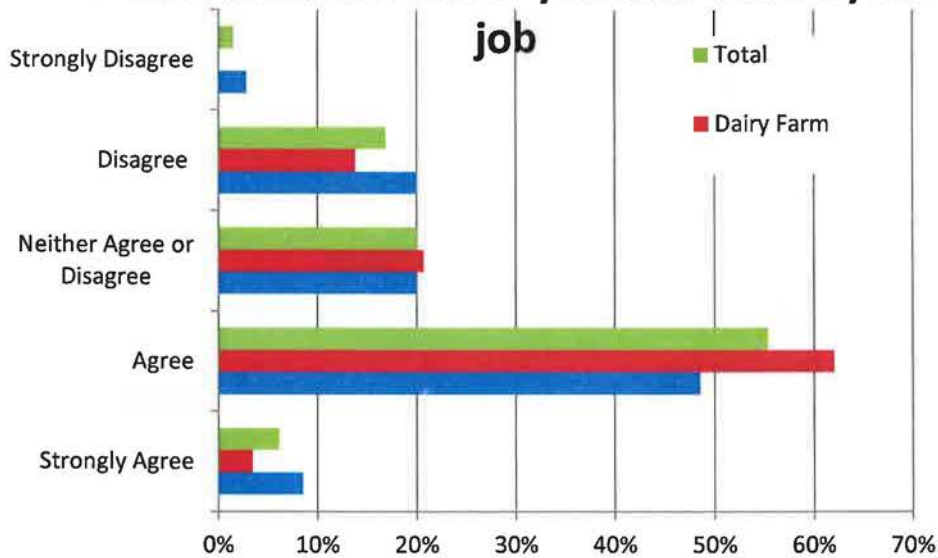
That leaves 40% of the total respondents not sure or disagree in some form that they are heard, with 48% of respondents unsure or disagree as to whether their employer is interested in their views. The split between Manufacturing and the farms also is even, although the distribution between agree and strongly agree is vastly different.



Do you feel your manager / employer is interested in your views



Do you feel your manager / employer fully understands the issues you face within your job

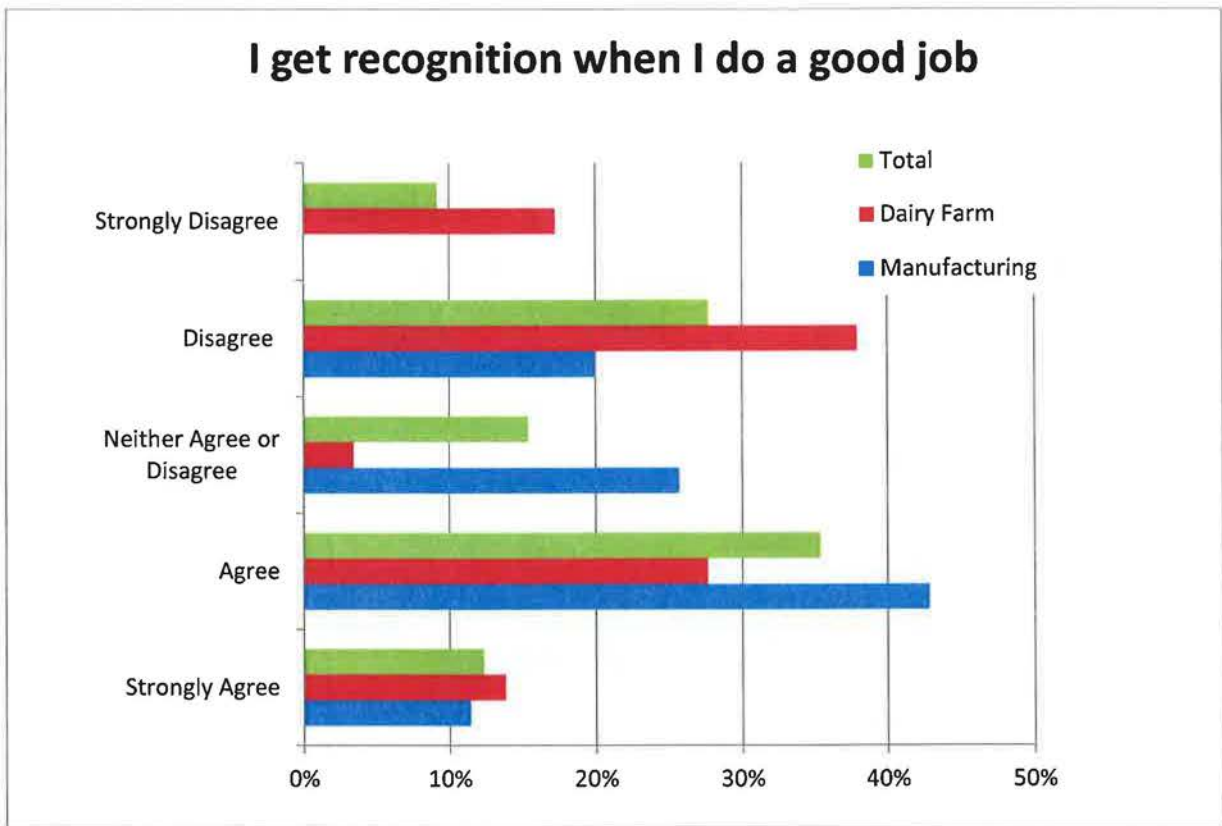


Recognition is there is clearly a major difference between Manufacturing and the farms, with quite a split in the total result also.

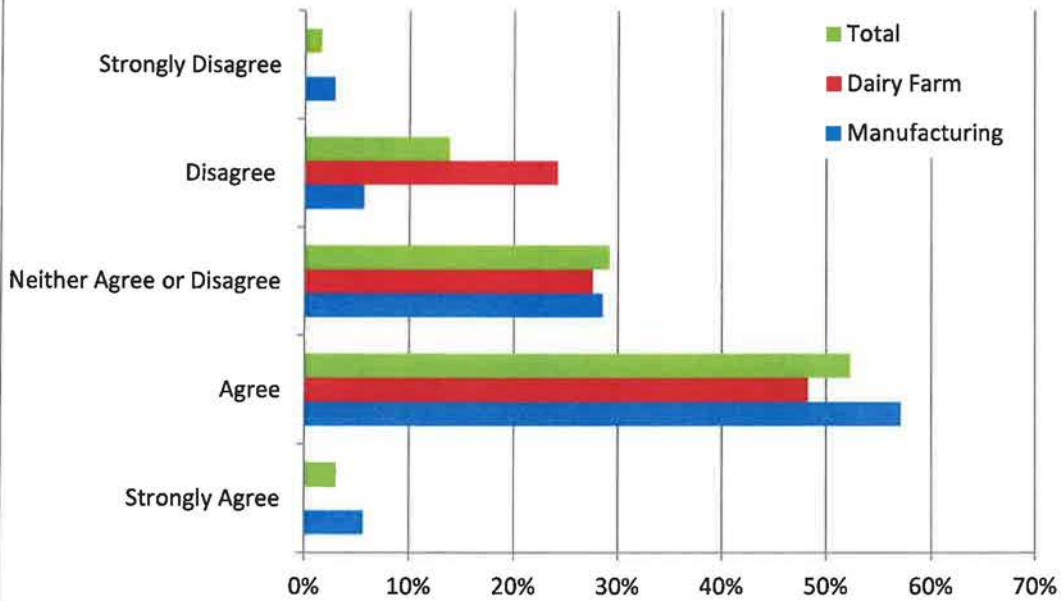
Earlier in the survey respondents were asked to rate the amount of recognition they feel they received with a total of 28% of the respondents receiving recognition often with an even distribution between the Farms and Manufacturing.

When asked “I get recognition when I do a good job” a total of 47% agree or strongly agree that they do, 37% disagree or strongly disagree with 15% undecided.

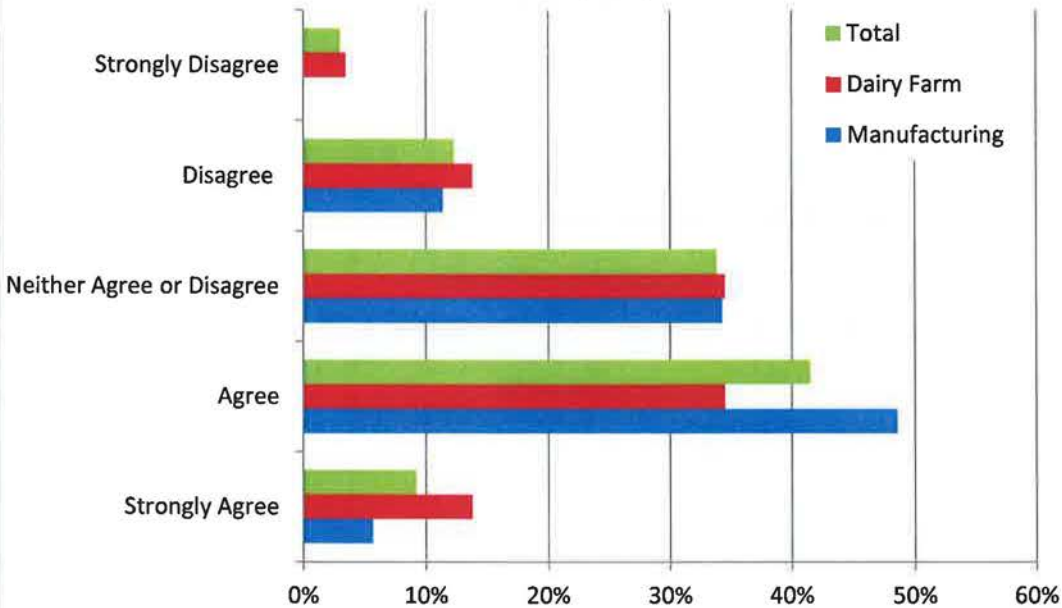
When comparing Farming to Manufacturing, there is a noticeable split. 54% of Manufacturing agree in some form, compared to 42% of those on the Farms. 20% of those respondents from Manufacturing disagree in some form, with 55% from the farms disagreeing.



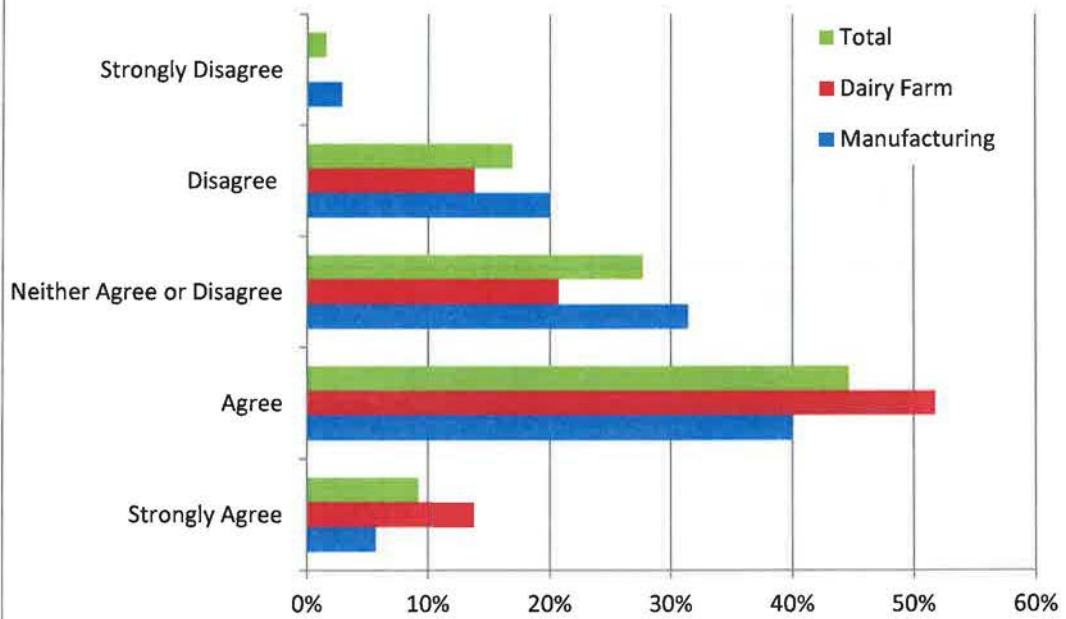
The pay and benefits are fair for the work I do



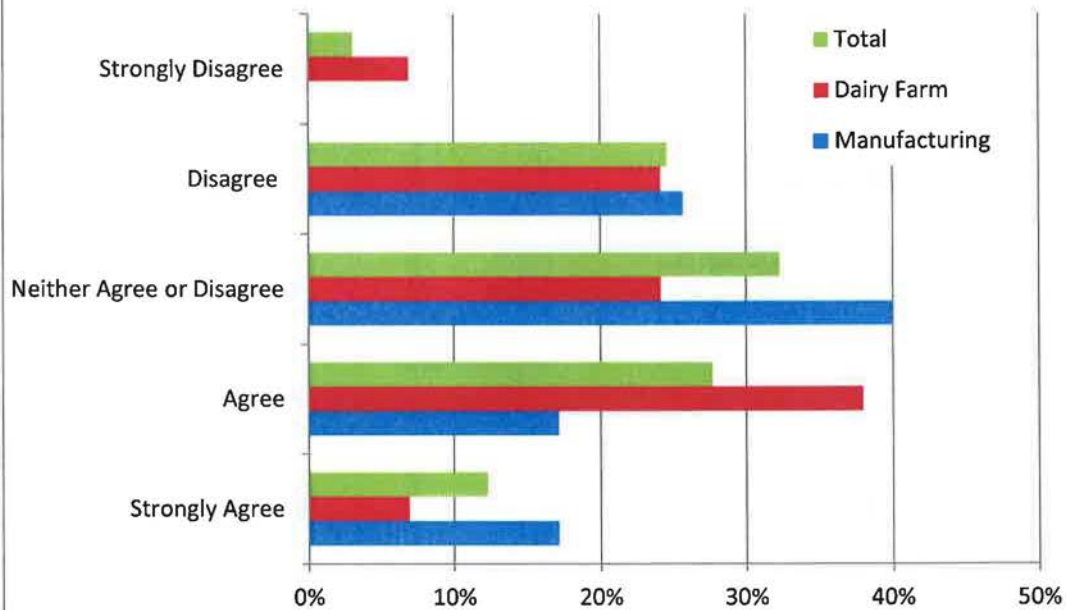
I feel my contribution is valued with this employer



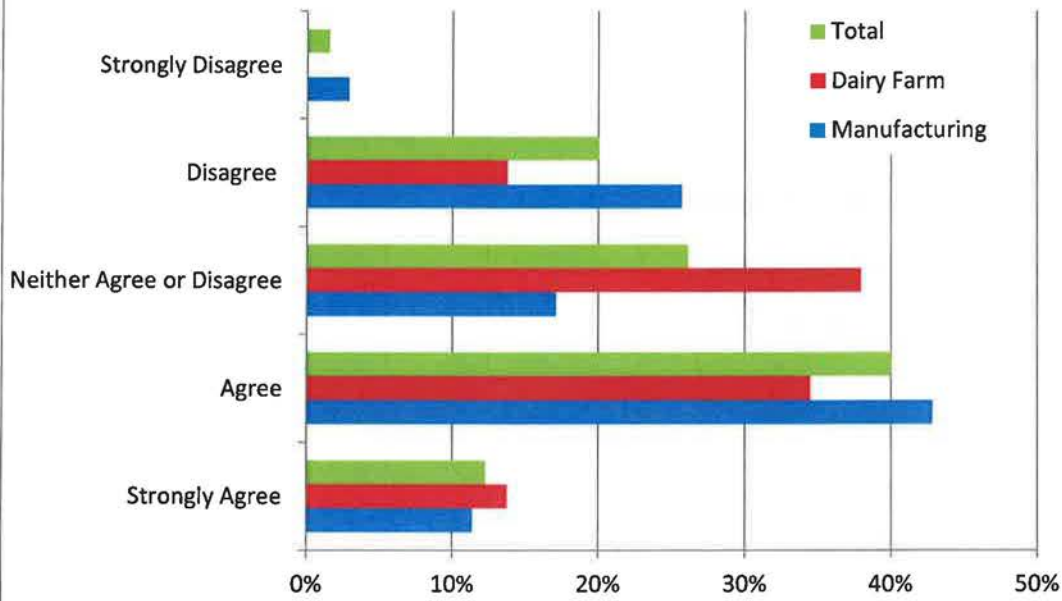
This employer ensures that I am adequately trained for the work I do



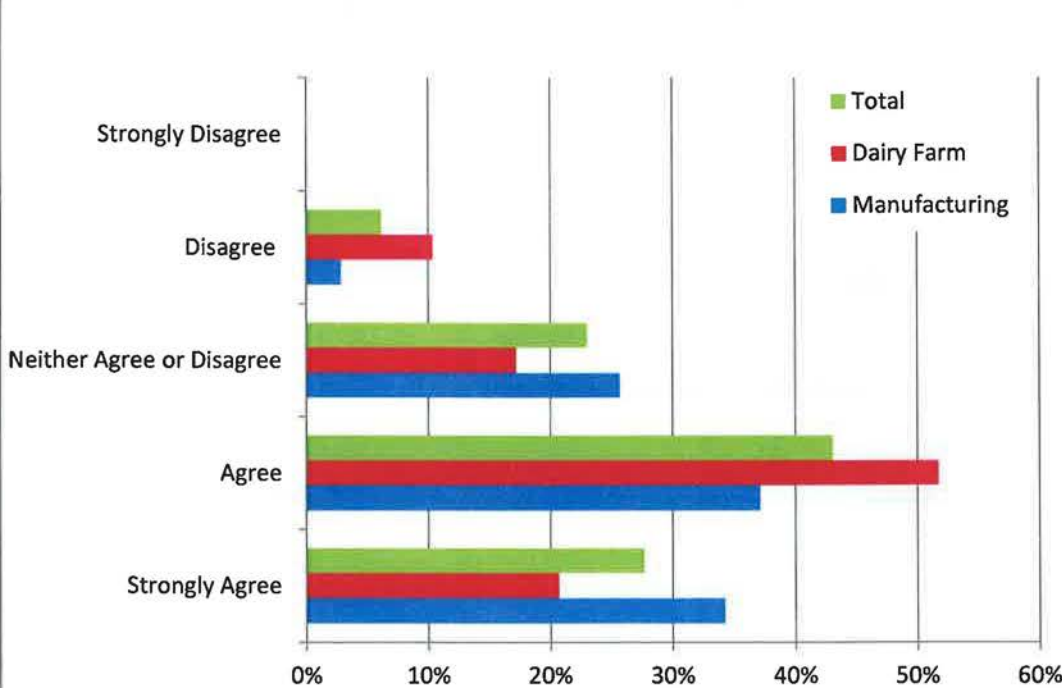
The work I do makes the full use of my skills and knowledge



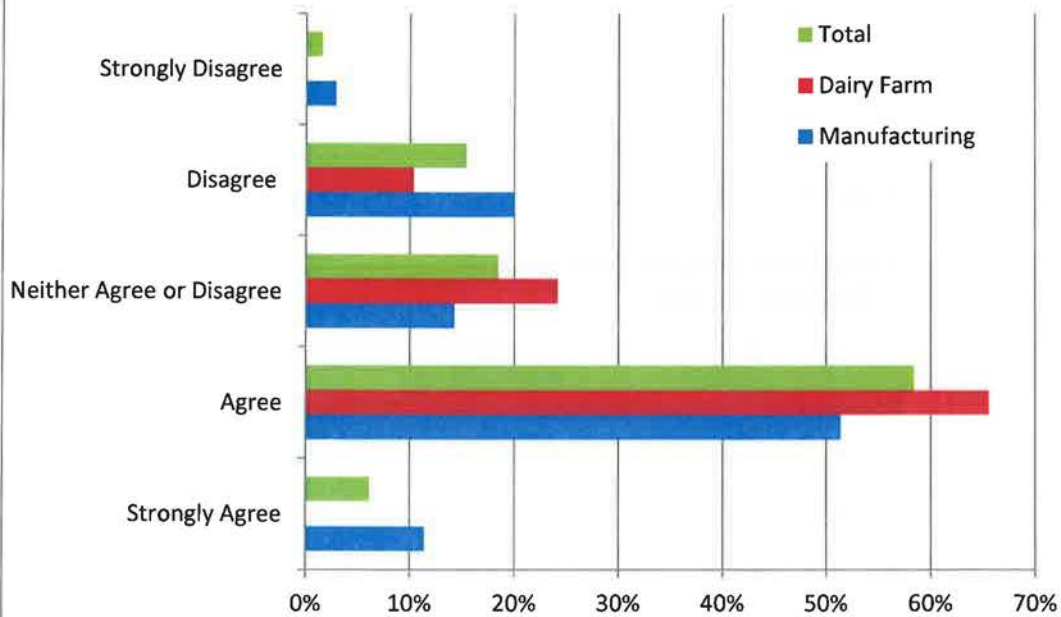
I have the tools and resources I need to do my job effectively



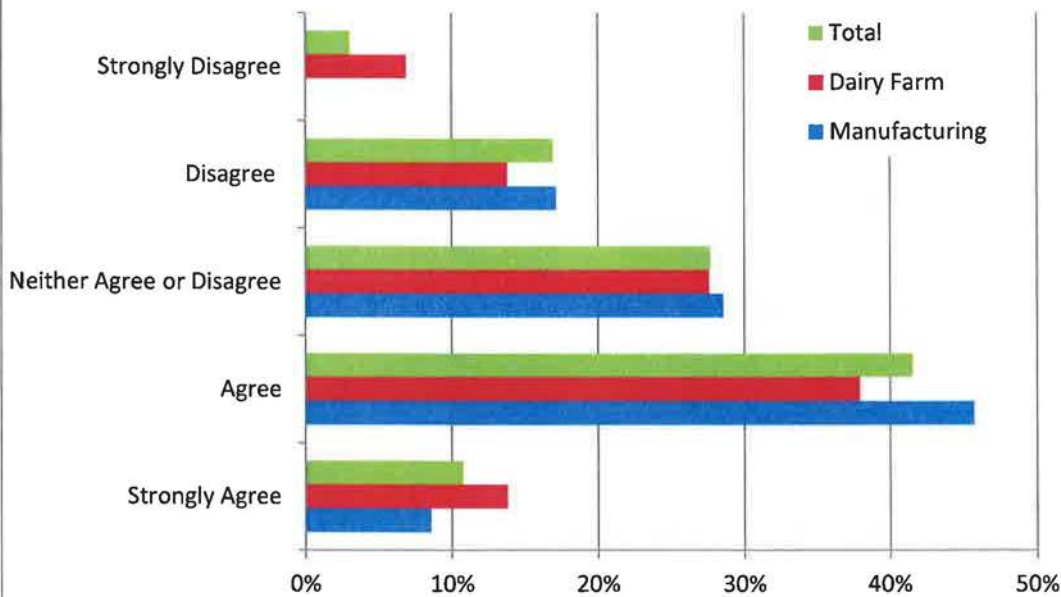
I feel part of an effective team



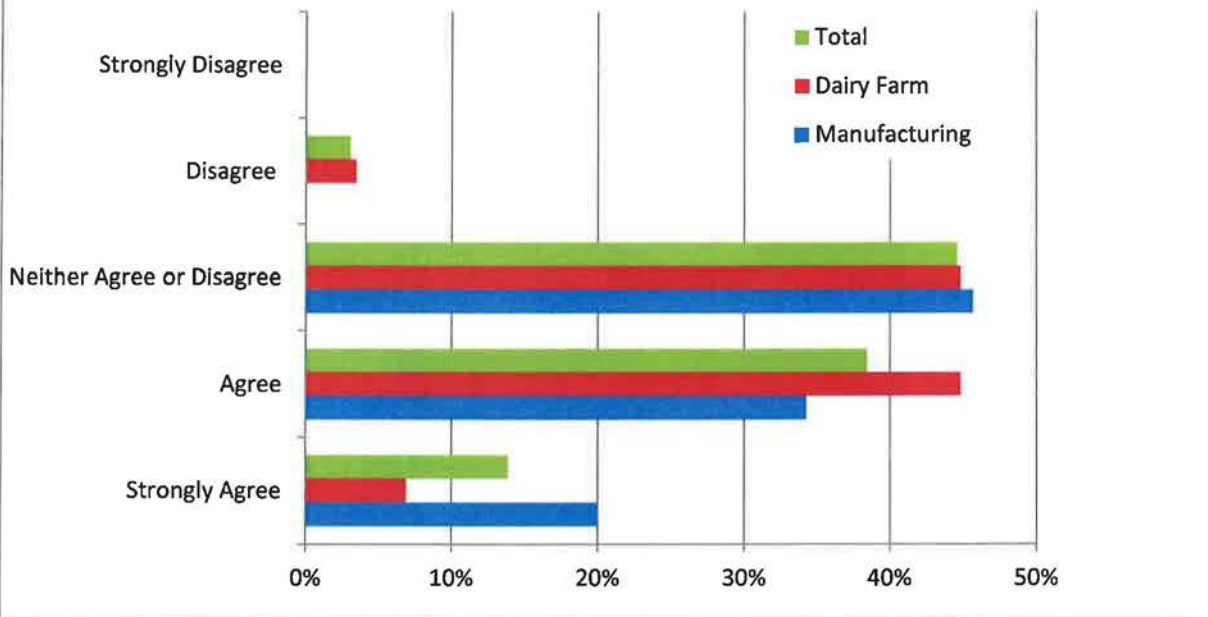
The level of work related stress I experience at the work place is acceptable



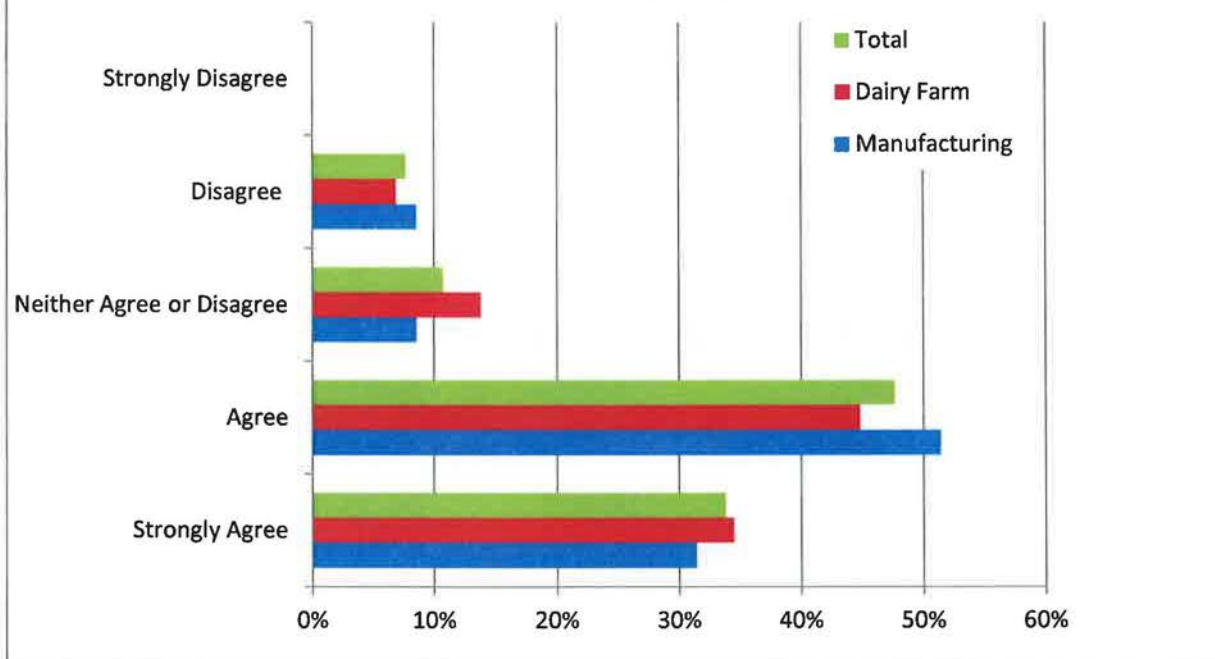
This employer cares about the well being of its workers



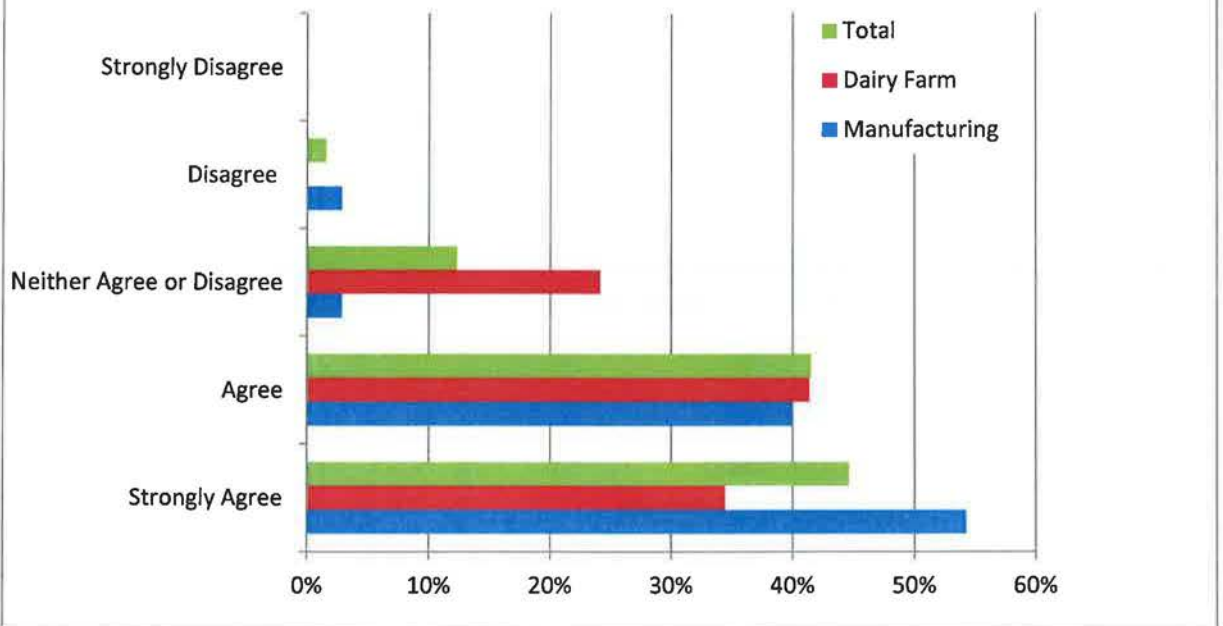
This organization / work place, is a fun place to work



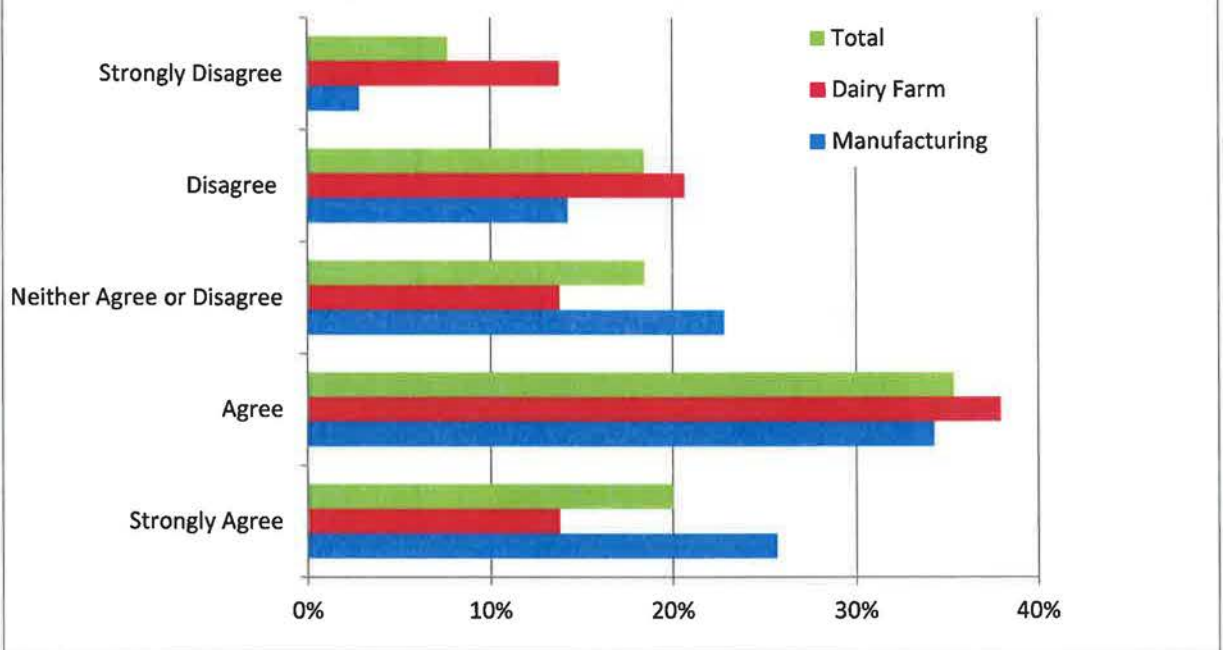
This employer expects a high standards from its workers



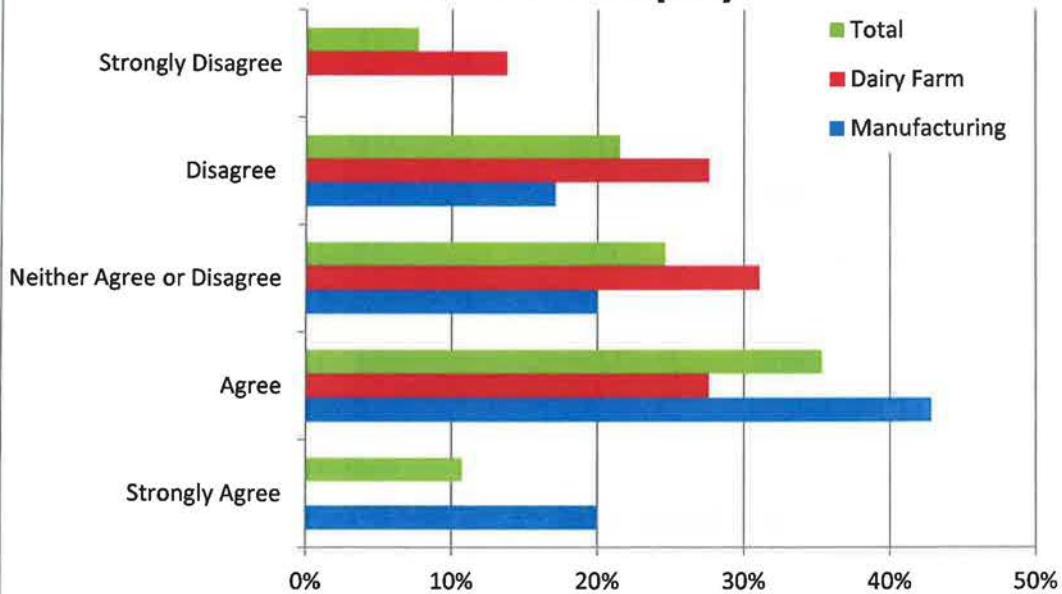
I try and go the extra mile to help this employer succeed



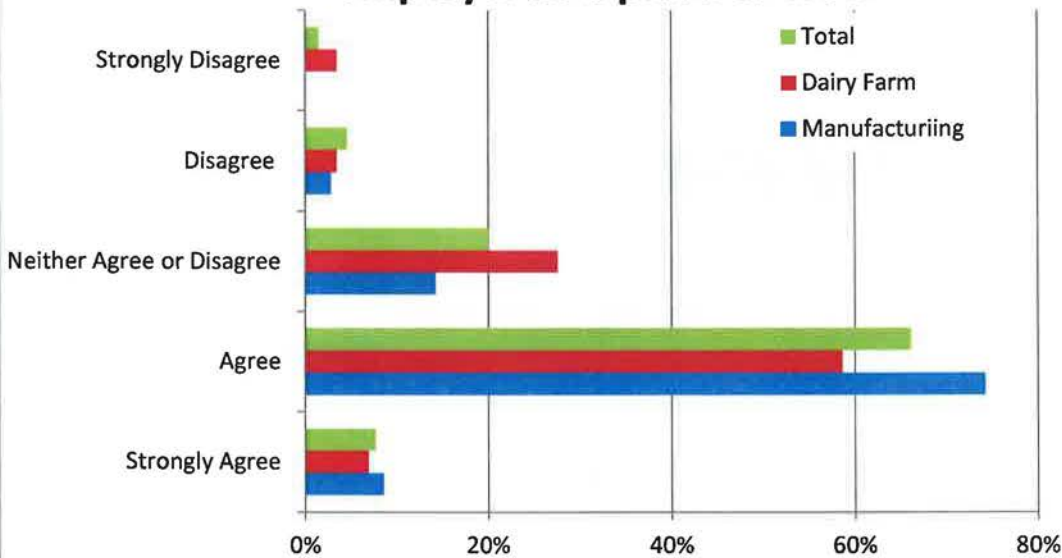
I would recommend this organization / employer as a great place to work



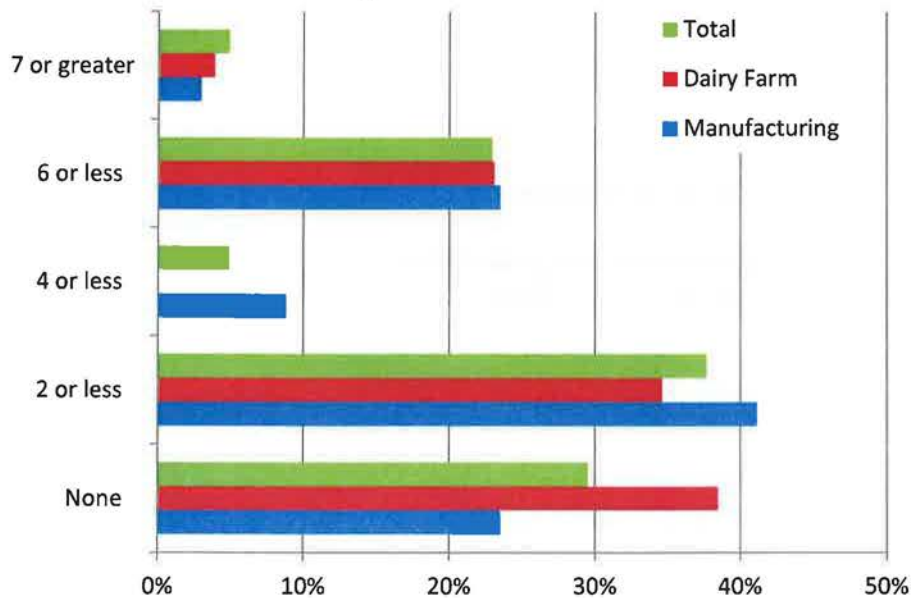
I rarely think about looking for a new job with another employer



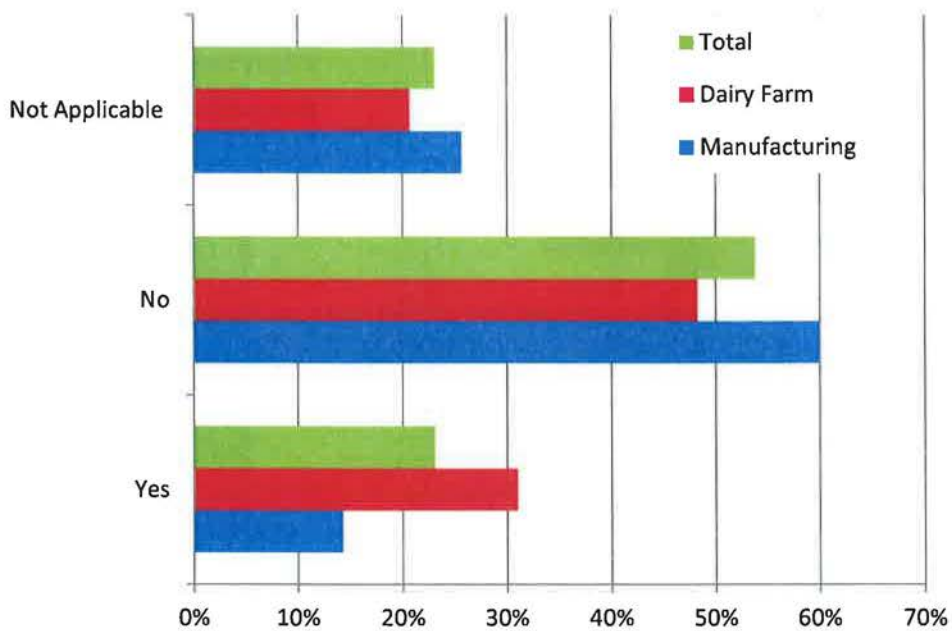
Overall I'm satisfied with organization / employer as a place to work



In the last 12 months, how many sick days have you taken?



Out of those sick days were any for just time off other than actual sick leave



Survey Findings

Within this survey there is an error rate/ bias that cannot be fully quantified.

The data supplied is based on the responses from small selection of respondents compared to the exposure to potential respondents. I estimate about a 25-30% response rate.

All questions and fields within the survey were “required” to be answered before the surveys could be submitted. The survey being an online and optional lends a bias to those people motivated to reply.

There are some good overall results, which show a positive feeling amongst a majority of employees indicating the Dairy industry has the potential to be a positive industry, able to attract quality people, who are looking for long-term careers in a stable industry.

A total of 71% of all respondents think they are “Part of an effective team”. 86% of employees expressed the view that the amount of effort that they are putting into their work is above average. 52 % of the total respondents viewed their current employment as a “fun” place to work. These are some of the positive results that were demonstrated throughout the survey.

While it appears that the majority of employees feel that they are putting in the effort, and that they are part of an effective team.

On an employer / employment level the results appear to indicate that there are some values that are not being met, or do not align fully with their employers values. This is pointed out in some of the attitude statements.

The general theme amongst the respondent’s attitude towards their current employer / employment is, extremely positive in the sense that no one dislikes their job, a high percentage like their current job and at the moment would not consider to look at or change to another career.

Then asked “would you like to advance in your career but with a different employer”? This is where there is an indication that there’s a misalignment or lack in values.

There is a good proportion of employees that want to stay with their current employer, looking at the information available, those that agree that they would not want to change from their current employer, this group is the single largest response to the question at 34% of total employees.

This leaves 31% of employees that agree in some form that they do want to change and 31% that don’t know whether they Agree or Disagree. That’s 62% of employees surveyed that are not settled or detached from their current employer. this level of disengagement is something should be addressed.

Comparing on the Farm to Dairy Manufacturing.

Overall throughout the survey the theme is very comparable between both sectors. The differences that do show are

- Staff turnover would appear to be higher on farm with 59% of respondents in employment on the farm 2 years or less, Compared to 34% in Manufacturing.
- A much higher percentage of workers on farm enjoy their job and see it as a long term career 79% compared to 46% in Manufacturing.
- Manufacturing although didn't strongly agree that they like their work compared to the on farm workers. The majority preferred to stay with their current employers compared to their on farm counterparts.
- When it comes to getting recognition for doing a good job 45% of the on farm workers Disagreed or Strongly Disagreed that they received recognition compared to their counterparts in Manufacturing where 20% Disagreed.

What this survey hasn't addressed is the opinion of the employer, or how their core values aligns with how their employee, or how they view their employees performance. This is something that was intentionally not looked at within this survey, as the intent is to look at how the employee views their performance and how valued they feel, as this provides an initial state of mind.

Conclusion

The trend / theme of these results indicate that a high number of employees in both industries (on farm and Manufacturing) feel and rate a majority of issues similarly, there are as pointed out in the comparison of farming to manufacturing some differences.

There are some conclusions that can be drawn when looking at employee "values" between the two industries. Manufacturing appears to be meeting enough of the values that are needed to engage employees. They aren't meeting all of them, and there still is a lot of work needed to get close. Although the career is meeting the needs of on farm workers, and employers are meeting some of the values of their employees. There are enough key values that aren't being met to keep employees looking where the grass might be greener.

Are employee's values being met in the work place?

The Dairy industry appears to be meeting a certain amount of its employees the needs, as a group in general. Where these are being met is hard to evaluate from this survey, but suggests are only in a couple of areas, where one of them will at least be a key value.

Although some values are being met, there are some that aren't being met for each worker. There is possibly a generic value system that is meeting some needs, through the likes of industry pay rates and conditions that each employer compares to his neighbours rates and conditions, or nearest competitor.

As Mentioned previously manufacturing appears to meeting more key values than those on farm

How was this conclusion drawn?

Overall people are with satisfied with where their career is at this point of time which suggests that some of their values are being met. There are indicators here when you compare length of employment, job satisfaction, the amount of effort that a employee is putting in and a general desire to achieve.

Where the some of the values are not being met, are indicated through the differences between how the employee views their effort and how they think their employer views their effort. Results like the amount of recognition, a high percentage at least thinking about changing employment and a high number of respondents that feel that their employer doesn't value their contribution.

Recommendations

- That employers throughout the dairy industry think about what they need from, and value in an employee. Match those values and needs to individual specific roles within the business. Develop values that match personally and professionally.
- Merge these values into employment questions that can help when interviewing a perspective employee. Developed correctly this can be a valuable tool to enable employers throughout the industry, to select the right person for the business.
- Review current staff, what do they value? Are their values being met? Is it possible to meet their values in their current position? Sit down with them regularly to talk over issues that they may be facing and affecting their work, where can improvements be made.
- Although not easy, and often uncomfortable for many employers, work on recognition. When to give it? How to give it? Often this is different for each employee.