

One in five people is in the wrong job

The impact of proactive career planning on employee engagement



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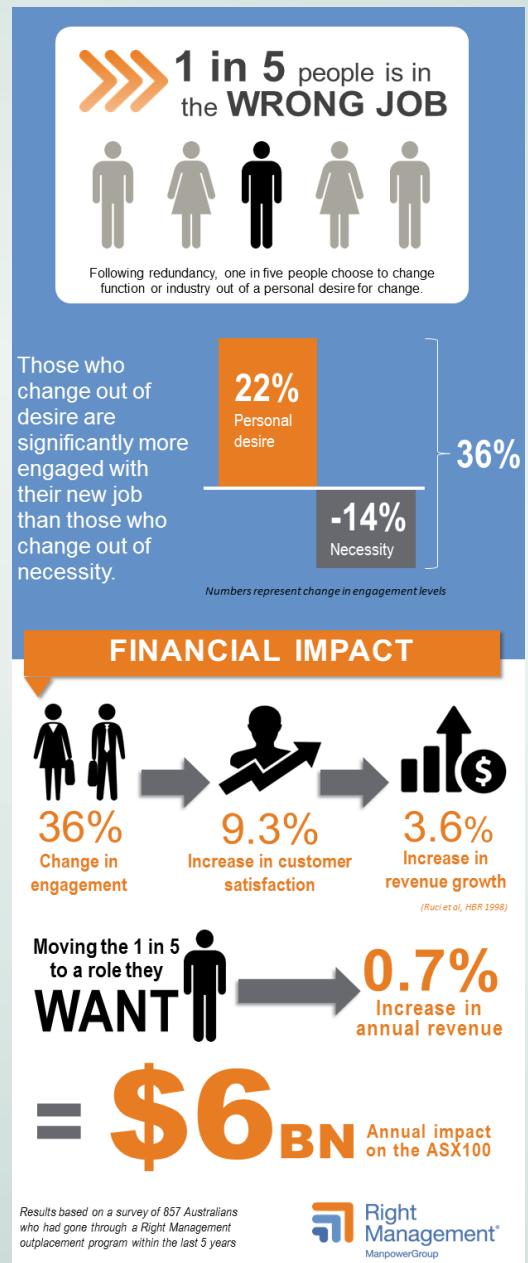
one in five people is in the wrong job...

As global career and talent development experts, Right Management provides comprehensive consulting services in a number of areas including employee engagement.

We measure engagement at three levels: engagement to the job/profession; engagement to the organisation; and overall engagement (incorporating both of the other measures). This is undertaken using a standard set of eight questions we refer to as E8¹.

Prior research undertaken by Right Management has found that one in two candidates in their career management (outplacement) services change either their industry or function when they secure a new role (Are half of your employees in the wrong role?, Tim Roche, 2015). We have also long held the belief that while a career transition is a stressful life event, it also provides an opportunity for individuals to take stock of what they are doing; whether their career (and life) is progressing in the direction they desire; and whether they want to continue doing what they are doing, or use their current transition period as an opportunity to re-evaluate their aspirations and goals.

To explore this further, a research study was undertaken to examine the relationship between employee engagement and job status. Right Management conducted an online survey of Australian Career Management (outplacement) candidates from the last five years. All 857 respondents were Career Management candidates who had already completed their program with Right Management (currently active outplacement candidates were excluded from the study).



¹ For more information on how we measure engagement, please see Appendix 1

Table of Contents

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Demographics	4
Data Analysis	4
Changes in Function and/or Industry	5
The Financial Impact	7
What does this mean for your organisation?	7
Career Development Planning	8
Assessing Motivational Fit as well as Technical Ability	8
Implications of this Research	9
Appendix 1	10
Right Management's Approach to Employee Engagement	10
The E8 Questions	11
Author	11

Now John at the bar is a friend of mine. He gets me my drinks for free. And he's quick with a joke, or a light up your smoke, but there's some place that he'd rather be.

He says "Bill believe this is killing me", as the smile ran away from his face. "Well I'm sure that I could be a movie star, if I could get out of this place"

Billy Joel (PIANO MAN)

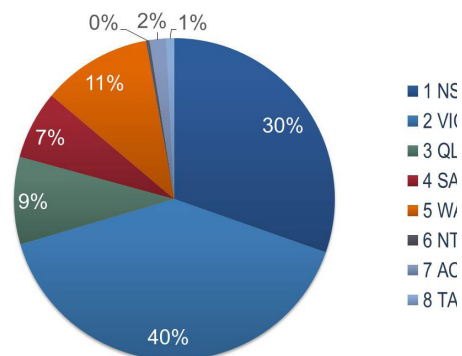
DEMOGRAPHICS

As shown in figure 1, approximately two thirds of the respondents were from either Victoria or New South Wales. 61.5% of participants were male, with 67% of all respondents being between the ages of 45 and 64.

Respondents came from a range of roles and had an even distribution across the salary brackets from less than \$30k to \$200k+.

Respondents were asked whether they were currently in employment or were still seeking employment, studying, undertaking voluntary work, or had retired. 72% (n=620) indicated they were currently engaged in employment (either full time, part time or self-employed).

Figure 1: Geographic Distribution (n=857)

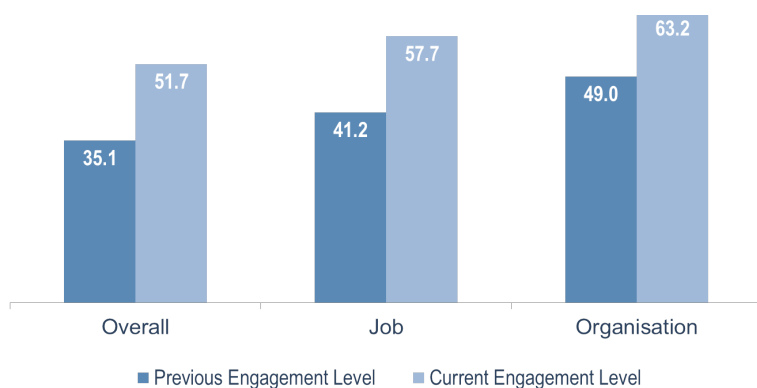


DATA ANALYSIS

Respondents who had identified themselves as employed were asked to rate the level of engagement they had with their pre-transition employer as well as their current employer using Right Managements' E8 questions². The data revealed that engagement was rated higher in their new role than for their pre-transition role. On average there was a 15.4 percentage point increase across job, organisation and overall engagement (see figure 2).

These changes in engagement level became a baseline from which changes in engagement were evaluated in subsequent analyses.

Figure 2: Average Engagement Score (%) for Current and Prior Employment (n= 620)



² See Appendix 1

CHANGES IN FUNCTION AND/OR INDUSTRY

Aligned closely with our previously reported findings (Roche, 2015), when asked if participants had changed function or industry to move to their new role, half (52%) of **all respondents** indicated that they had done so.

This means that of those in full time employment, part time employment, or who are self-employed (n=620), nearly three in four (72.4%) of these respondents had changed either the industry and/or function that they worked in.

Undertaking an outplacement exercise forces people to re-evaluate where they are and what they want to do with the rest of their lives.

Interestingly, when we look at those who changed industry for their new job (n= 330³) they had a markedly **lower** increase in their engagement level than those who stayed in the same industry (see figures 3 and 3a).

The implication we draw from this is that over time people find their way into industries they are happy and comfortable working in.

Figure 3: Did you change industries for your new job?

(Change in Engagement Score)

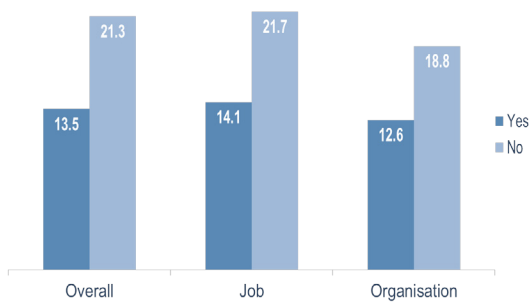
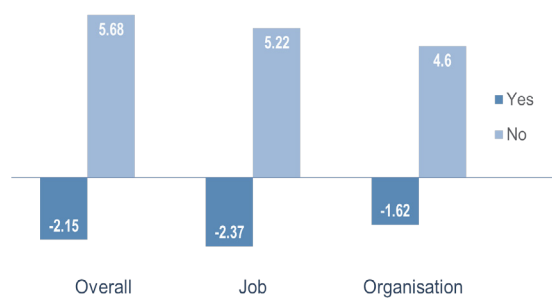


Figure 3a: Did you change industries for your new job?

(Factoring in average change in Engagement)



³ Includes respondents who changed both function and industry



“The sad truth – for the individual and the organization – is that many workers were socialized into functional silos due to well-meaning but misguided reasons. They became a [fill in a role] because their parents wanted them to; because their university entrance exams led in that direction; because of pressure from peers or authority figures; or because someone told them they’d be good at it. As a result, these people adopted careers without ever examining their choices”.

Tim Roche - Career Management Practice Leader

In contrast, those who changed functions for their new job (n=312) tended to have marginally **higher** increases in their job and overall engagement than those who stayed in the same function (see figures 4 and 4a). This implies that, while happy in their industry, they may be keen to try something different from a functional point of view.

Figure 4: Did you change functions for your new job?

(Change in Engagement Score)

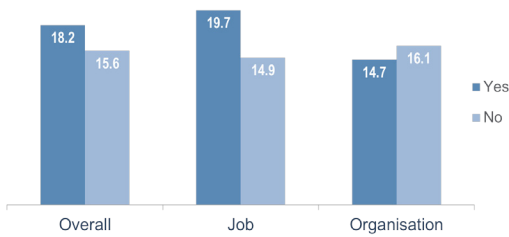
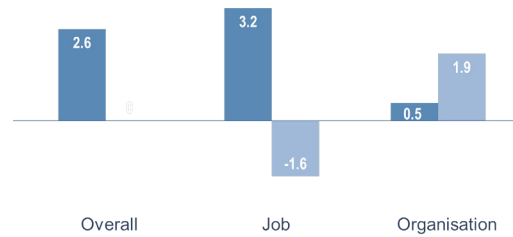


Figure 4a: Did you change functions for your new job?

(Factoring in average change in Engagement)



DESIRE VS NECESSITY?

Of those respondents who had changed either function or industry, we asked if they had done so out of 'personal desire' or 'necessity'. We found that one in five people changed out of personal desire, suggesting they had either stagnated in their role or were in the wrong job to start with.

We then compared the engagement rates of those that changed out of necessity against those that changed out of personal desire. The results were interesting.

Candidates who had changed function or industry out of necessity (n = 222) saw basically no change in their engagement scores relative to their pre-transition engagement scores (see figure 5).

In contrast, those who changed function or industry out of a personal desire (n = 189) had approximately a 20 unit increase above the baseline 15% increase in their engagement levels. This result was consistent across overall engagement, job engagement and organisational engagement (see figures 5 and 5a).

Changing function or industry therefore seems to have a positive impact on engagement levels when undertaken as a conscious and considered career move. It can serve to re-energise and re-engage individuals. In contrast employees who move into a function or industry they have no personal desire to be in, but do so for other (presumably financial) reasons, are significantly less engaged (see Figure 5a).

It is important to highlight that in both cases, these engagement scores only reflect the direct impact that the individual is having on the organisation – it does not factor in the indirect impact their engagement level (or lack thereof) has on those around them in the organisation.

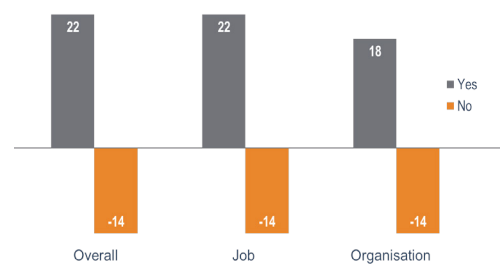
Figure 5: Did you change function or industry due to personal desire or necessity?

(Change in Engagement Score)



Figure 5a: Did you change function or industry due to personal desire or necessity?

(Factoring in average change in Engagement)



THE FINANCIAL IMPACT

Based on the seminal Employee Customer Profit Chain research published in the Harvard Business Review by Ruci, Kern & Quinn in 1998, the impact of increasing engagement scores by five units has been shown to lead to a 1.3% increase in customer satisfaction and a 0.5% increase in revenue growth.

Extrapolating this finding to our results, the difference between employing an individual who wants to be there versus someone who needs to be there is between 32 and 36 units of engagement, depending on the type of engagement being measured (job, organisation or overall). This equates to up to a 9.3% difference in customer satisfaction and up to a 3.6% increase in annual revenue growth.

Let's put this finding into financial terms for Australian organisations.

One in five people changed role out of desire, and slightly more than this changed roles out of necessity.

Moving one in five employees who are not happy in their current role into a role where they are engaged and intrinsically motivated can drive revenue growth by 0.7%⁴. While this percentage is not very large, in real dollar terms for an organisation like BHP, this equates to more than \$500m in additional revenue.

If you were to look at the entire ASX100, this would equate to \$6 billion in additional revenue per year.

The impact of a 36 unit increase in engagement is a 9.3% difference in customer satisfaction and a 3.6% increase in annual revenue growth.

WHAT DOES THIS MEAN FOR YOUR ORGANISATION?

As was mentioned earlier, people become “socialized into functional silos due to well-meaning but misguided reasons”. I recall assessing an individual who was a senior engineer in an ASX100 company. He had joined the army when he left school because his parents wanted him to; become an engineer because that's what the army wanted him to do; and had moved into management as a result of his technical capability as an engineer – what the company wanted him to do. He was in his 50s, unhappy with his life, and was not doing a good job as a leader. The reason was simple – he didn't really want to be there. Rather than controlling his life, his life had happened to him. But at the same time he felt trapped and unable to move on from where he was.

If only his manager had had an open and honest discussion with him earlier in his career about his personal career aspirations. If only he had had the courage to share with others what it was that really got him excited, and follow those dreams. What a difference an open and honest conversation could have created to his life and to the lives of those around him.

⁴ 3.5% increase in annual organisational revenue divided by 5 - 0.7%

CAREER DEVELOPMENT PLANNING

An obvious intervention to prevent situations like the one outlined above occurring is to put in place robust and structured career discussions. One organisation that has recognised the importance of career conversations and implemented a structured approach to developing careers is the global healthcare company Sanofi.

Michelle Zimany, the Human Resources Director for Australia and New Zealand, identified that the quality of the connection and conversations between managers and employees about proactively and strategically managing their career was lacking. In the absence of this, employees at Sanofi perceived their career opportunities were limited and they were not proactively building and implementing a Strategic Career Plan. Further compounding this was the fact that Sanofi's global talent programs focused only on high potentials (5%), and a gap was evident in guiding early potential and high performers.

To address this, and working in conjunction with Right Management, Sanofi implemented a structured six week program incorporating Hogan assessments, employee and manager training, ongoing access to Right Management's Career Directions portal and ongoing coaching - focused on these early potentials and high performers.

Results from the program have been very positive. Cross business unit moves have doubled in the last 12 months, and the number of internal applicants who are making the shortlist has increased, with 50% of these being Career Direction participants. Networking of participants across the organisation has increased, directly in line with career plans, and career conversation feedback from both the employees and managers has improved post program.

Clearly, implementing systems which drive robust conversations between employees and their managers has a positive impact - for both the individual as well as the organisation.

ASSESSING MOTIVATIONAL FIT AS WELL AS TECHNICAL ABILITY

Structured behavioural interviewing techniques leveraging the SBI (Situation, Behaviour, Impact) or STAR (Situation, Task or Action, Result) framework have been around for decades and are still widely used to assess a candidate's behavioural predispositions. Coupled with an evaluation of past technical capability, a recruiter is then able to assess whether a candidate is able to do the job (technically), and will fit the organisation culture (behaviourally).

What seems to be lacking in many interviews is the assessment of 'desire' - the hunger and passion an individual has for the role. When this is evaluated it is generally deemed less important than the other two aspects and used more as a 'tie-breaker' between equally capable candidates. Based on the results of this research, we would argue that the motivational fit is at least as important (if not more important) than the assessment of technical capability.

The positive impact of implementing structured career planning: increased cross-business unit moves; increased networking; increased internal applicant success; stronger succession plans

There are numerous psychometrics that look at aspects of personality such as motives, values and preferences. Recruiters need to start paying more attention to these and integrating them into their hiring processes.

IMPLICATIONS OF THIS RESEARCH



1 in 5 people is in the wrong job

The implication of this research is that approximately one in five people is in the wrong job. Of the 857 respondents to this survey, 189 **wanted** a change, however until the situation forced them to face this reality, they continued to plod away in their current roles. Given a choice and appropriate market conditions, the implication that at least one in five people would **choose** to change either the industry or function that they work in has significant impact on both their personal engagement level and organisational performance.



Direct and indirect financial impact

The cost to an organisation is significant, both in direct impact on the business in terms of customer satisfaction and revenue growth, as well as indirectly through the impact these people have on others around them in the organisation. Moving a person from 'needing to be there' to 'wanting to be there' has a significant financial impact to an organisation. There is also a virtuous cycle at work here, with those who are personally engaged creating a more engaging culture for others - with a resulting impact on business results.



Selection

There are some significant implications for recruiters.

I recall talking with the head of HR in a major five star hotel a few years ago and asked what they look for when they hire someone. His response was simple - whether the person smiles. His argument was that while they could teach someone to be, for example, a sous chef, they couldn't teach them to have the right attitude, and for them the fit with the organisational culture was more critical than the technical skills.

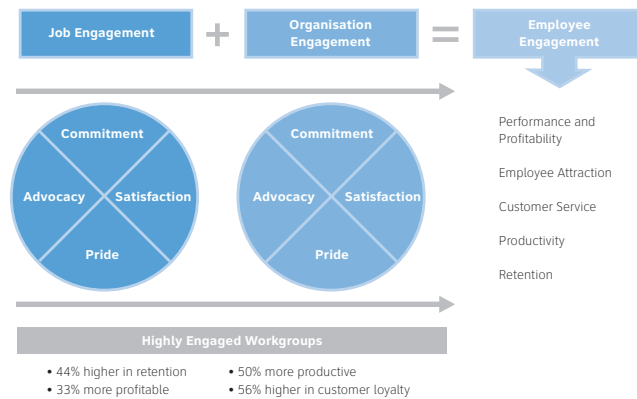
For most recruiters the first filter they look at when identifying a short list of candidates is technical expertise rather than attitude or desire. While it is understandable that recruiters have a desire to hire people who have 'been there, done that' over people who 'want to be there, but may not have done that yet', perhaps it's time to move the emphasis away from one focused on a proven track record towards one focused more on a passionate attitude.

Appendix 1

RIGHT MANAGEMENT’S APPROACH TO EMPLOYEE ENGAGEMENT

Engagement is a two-way process between employees and an organisation. The organisation attempts to engage employees who then return a level of engagement to the employer. Research, however, has revealed that engagement is more complex than this, and can be directed by employees in one of two ways (or both). The first is the level of engagement employees have with their career or profession, and the other is the engagement employees feel toward their employing organisation⁵.

Figure 1: Right Management’s Employee Engagement Model



For this reason Right Management’s approach uses a two-construct model describing both Job Engagement (the level of engagement people have to their job, career or profession) and Organisation Engagement (the level of engagement they have to their organisation).

Each construct is measured using four components: Pride⁶, Commitment⁷, Satisfaction⁸, and Advocacy⁹.

An engaged workforce is achieved when an organisation has a high number of employees whose hearts and minds are aligned to both the job they do and the organisation they work for. Engaged employees are:

1. Satisfied with their current job and their organisation as an employer
2. Committed to making the job and organisation successful
3. Proud of their organisation and the work they do
4. Willing to positively talk about their job and the organisation

The four components of the model describe the emotional and behavioural aspects of engagement. When people evaluate their experience of the job and the organisation in a positive manner, not only are they more likely to feel satisfied, committed and proud, but they are also more likely to be advocates for the organisation in which they work – and in turn engage in behaviours that enhance both job and organisational performance.

To maintain the integrity of this engagement measure, Right Management does not calculate engagement using a mean or average. A person is only described as “engaged” if he or she responds positively to all engagement questions. This methodology leads to a more sensitive measure that helps differentiate between low, moderate, and high levels of engagement. It ensures for instance, that the analysis provided differentiates between employees who respond to half the items negatively and half the items positively and employees who respond moderately to all items, which can mask the true reality.

⁵ Saks, A. M. (2006). Antecedents and Consequences of Employee Engagement. *Journal of Managerial Psychology*, 21, 600-619

⁶ Gunter B. Furnham A. Biographical and Climate Predictors of Job Satisfaction and Pride in Organisation. *The Journal of Psychology*.

⁷ Mathieu, J. E., & Zajac, D. M. (1990) A Review and Meta-Analysis of the Antecedents, Correlates and Consequences of Organizational Commitment. *Psychological Bulletin*, 108, 171-194.

⁸ Harter, J.K., Schmidt, F.L. & Hayes, T.L. (2002) Business-Unit-Level Relationship Between Employee Satisfaction, Employee Engagement, and Business Outcomes: A Meta-Analysis. *Journal of Applied Psychology*, 87, 268-279

THE E8 QUESTIONS

- I am satisfied with my organisation as an employer
- I am proud to work for my organisation
- I am committed to doing what is required to help my organisation succeed
- I speak highly of my organisation's products and services
- I am satisfied with my job
- I am proud of the work I do
- I am committed to doing what is required to perform my job well
- I would recommend my organisation to my friends and colleagues as a great place to work

Author



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Ian is an experienced Human Resources Consultant and General Manager, with more than 18 years consulting experience across APAC and Australia in brand name HR Consultancies.

While he has significant expertise in most areas of Human Resources his key interests are in the areas of leadership assessment and development; leveraging employee engagement results into action; and developing integrated talent management solutions.



About Right Management

Right Management is the global career and talent development expert within ManpowerGroup (NYSE: MAN). We help organizations become more agile, attractive and innovative by creating a culture of career management and learning that nurtures future talent, motivates and engages people, and provides individuals with opportunities to increase their value throughout their careers. We improve time to value through our expertise in organizational effectiveness, career management and individual development. Our approach is centered on the fact that organizations thrive when individuals are successful in their careers. We've spent the last 35 years identifying workforce challenges and developing innovative solutions, enabling our globally informed methods to be time-tested across more than 50 countries. Visit www.right.com to learn more about our capabilities and solutions.

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