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AI-driven employee
engagement: How to attract and
retain talent in the modern
workplace

A WHITE PAPER FROM
Cloud Collective

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“IFYOUWANTTOGOFAR,GOALONE. IFYOUWANTTOGOFAR,GO TOGETHER”

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Introduction

The war for talent is well and truly upon us. Irrespective of what industry you're operating in or the capabilities you seek, chances are your organisation is in a fierce competition to attract and retain the best talent. The main driver? Successful leaders know that a talented workforce is a positive predictor of company performance.¹

You don't need to look far to see the many and varied ways that companies are looking to attract and retain talented employees. Whether its slides in the office like Google, unlimited vacation days like Netflix or free lunches for staff like at SAP, companies are working to create an outstanding and differentiated employee experience. Ultimately, these work perks all centre on the same goal: driving employee engagement.

Employee engagement has a profound impact on organisational culture, staff retention and company performance. Highly engaged staff are genuinely invested in the impact of their work and go above-and-beyond to realise good results. Studies show that companies with an engaged workforce typically see improved sales and reduced staff absenteeism.²

In contrast, disengaged employees can hamper productivity and are often toxic to workplace culture. It's not hard to see why strategies that create and sustain employee engagement can generate real pay-offs.

However, the modern workplace is changing rapidly – and for most organisations, an office slippery slide isn't enough to address associated engagement challenges. The influences of technology, globalisation, competition and demographic shifts have been transformational. Today's employees are doing higher volumes of knowledge work, working more collaboratively and benefiting from more flexibility in how they get their work done. In this context, it's becoming increasingly difficult to sustain employee engagement.

Traditional ways of connecting with new and old employees, making them feel welcome and cultivating a sense of belonging (i.e. relying on face-to-face interactions or physical presence in an office) simply don't have the same impact for a mobile, flexible and remote workforce.

¹ *War for Talent*, Harvard Business School: <https://hbswk.hbs.edu/archive/war-for-talent>.

² *The true impact of employee engagement on business performance*, Communication World Magazine: <https://cw.iabc.com/member-access/?redirect=http://cw.iabc.com/2015/05/05/true-impact-employee-engagement-business-performance/>.

New engagement approaches that leverage collaboration and AI technologies, without adding significantly to HR's workload, are essential for bridging this gap.

This white paper:

- Outlines key challenges that HR faces in getting employee engagement right
- Provides recommendations for harnessing collaboration, AI and analytics technologies to optimise employee engagement in the modern workplace

Why employee engagement matters

Employee engagement isn't an action you can tick off your to-do list, a problem exclusively for HR teams to worry about, or something you can achieve with a weekly staff morning tea. It's a continuous process that requires active commitment from staff at all level of seniority (particularly leaders) and across all business units. Of course, HR departments play an important role both in keeping employees engaged and delivering positive employee experiences. This is because they interact with staff in multiple ways – from recruitment and onboarding through to processing leave applications and resolving workplace disputes.

Employee engagement happens when staff become emotionally invested in their work and the success of the company. Put simply, engaged employees genuinely care about the work that they do and feel connected to, and supported by, the organisation they're a part of. They have access to the tools, knowledge and skills they need to thrive in their roles and are rewarded for their efforts and achievements. Fundamentally, employee engagement is about creating a sense of togetherness and connectedness.

The fact is that employee engagement can have a major impact on business operations and performance. Gallup estimates that disengaged employees cost up to US\$600 billion in lost productivity each year,³ while also negatively impacting customer experience, workplace culture and company reputation.

³ *State of the American Workplace 2017*, Gallup: <https://news.gallup.com/reports/199961/7.aspx>.

On the other hand, boosting employee engagement and the employee experience goes hand-in-hand with company success, including:

- **Higher staff retention:** Engaged employees are enthusiastic about their work, committed to doing a great job and feel proud to be a part of a positive workplace culture. This has a powerful effect on retaining staff over the long term, including through the tricky times that every business must weather at some point. Engaged employees are 59% less likely to look for a different job,⁴ which avoids the high costs of staff turnover and supports team morale.
- **Revenue growth:** Engaged employees are more likely to be committed, collaborative and results-oriented, which has a material impact on the bottom line. Gallup has studied employee engagement in 49 industries and 34 countries to find a clear association between high employee engagement and a range of success measures including profitability, productivity, customer satisfaction and quality.⁵
- **Higher productivity:** Engaged employees don't just turn up every day to log their hours and achieve the minimum requirements. They care about what they do and how well they do it, and will go above-and-beyond to realise results. This has strong flow on benefits for productivity. In fact, highly engaged employees are 51 percent more productive than others and they take fewer sick days.⁶

Why employee engagement is more difficult to get right today

Recognising the importance of employee engagement is one thing, but creating a company culture that supports it day-in and day-out is another challenge altogether. With the rise of the modern workplace, traditional strategies that rely on face-to-face activities to support employee engagement are becoming less effective.

HR teams in every industry are grappling with how to cultivate a culture of connectedness, teamwork, collaboration and engagement amongst a workforce that is increasingly mobile, flexible and geographically-disparate. For example:

- **45 percent** of employees use social tools at work. This signals that the need for connectedness among staff hasn't disappeared, but rather that the ways of satisfying the need are changing.⁷

⁴ 5 employee retention strategies that work, LinkedIn Talent Solutions: https://business.linkedin.com/content/dam/me/business/en-us/talent-solutions/resources/pdfs/5_employee_retention_strategies_that_work_FINAL.pdf.

⁵ How employee engagement drives growth, Gallup: <https://www.gallup.com/workplace/236927/employee-engagement-drives-growth.aspx>.

⁶ Low Employee Well-Being and Engagement Hurt German Companies, Gallup: <https://news.gallup.com/businessjournal/162053/low-employee-wellbeing-engagement-hurt-german-companies.aspx>.

⁷ Microsoft Teams Platform Customer Presentation.

- **72 percent** of workers will work remotely by 2020. Employee engagement efforts that rely on staff being physically present in an office will rapidly lose relevance and impact.⁸
- **80 percent** of employee time is spent collaborating, which underscores the importance of tools and technologies that enable staff to work together as teams.⁹

The shift towards flexible, mobile and remote working has happened so quickly that many business' IT systems haven't been able to keep pace. As a result, these organisations end up supporting a modern workforce without a single platform that brings together teams to engage and collaborate in a way that truly achieves connectedness.

On top of that, HR departments are under enough pressure to do more with less, achieve their KPIs and respond quickly to incidents, which makes it difficult to commit the time and resources to designing and delivering new employee engagement strategies.

The good news is that there are simple steps every organisation can take to make employee engagement succeed - and stick - in the modern workplace.

The way forward

Making it easy for staff to do their jobs is at the heart of effective employee engagement. Here's what that looks like in a technology-enabled organisation:

- **Employees have the information they need at their fingertips.** Data, documents, communication and resources are stored in a familiar place. Everything - from leave policies to OH&S procedures - is searchable. Staff don't waste time scanning multiple repositories or asking around to find what they need.
- **Employees use familiar applications in an integrated platform.** Integrated solutions from a single technology vendor, such as Microsoft's Office 365, provide modern workplace advantages such as a familiar and consistent user experience.
- **Online environments leverage AI to reduce the burden on HR and IT staff.** Flexible, mobile and remote employees can't ask the person sitting next to them how to locate a document, or duck into the HR office to ask a question about leave accruals. In the absence of face-to-face support, AI technologies that help staff to bridge knowledge gaps make a considerable difference.

⁸ Ibid.

⁹ Ibid.

With this in mind, Cloud Collective has developed an HR-focused solution, askHRplus that makes it easy for modern workplaces to achieve their employee engagement objectives. askHRplus leverages Microsoft Teams (the fastest-growing business app in Microsoft history¹⁰) and reliable and secure AI technologies to:

- Meet the key needs of staff
- Maximise employee engagement through collaboration, bots and easy-to-locate information
- Redirect HR expertise from functional tasks to strategic priorities

askHRplus has three key components:

1. QBot - an AI-driven solution for answering HR questions

Making important HR information available to employees is a critical responsibility for HR teams. But in many organisations there just aren't enough hours in the day to provide timely, personalised and detailed responses to the myriad questions that come in from staff.

QBot is an AI-enabled solution that drives efficiency by answering questions on behalf of HR staff. Drawing on the newly-released Teams Conversation Graph API, QBot reads incoming questions and automatically provides answers to questions that have previously been dealt with by HR team members.

When QBot doesn't know an answer, it tags and notifies the appropriate HR representatives to ensure the staff member's question doesn't go unanswered. QBot progressively builds a knowledge database of high-quality responses so that, over time, it reduces the number of questions referred to HR staff. In addition to reducing the communication back-and-forth, QBot has a dashboard with a list of staff questions and their status so that any HR team member can provide a response.

2. Team HR - a single repository for all HR information

Team HR is a single information repository that makes all important and relevant HR information available to employees. It accommodates, among other things, policies, processes, forms, surveys, staff benefit summaries, news updates, polls and job information. Designed for the modern workplace, Team HR supports dynamic two-way conversations between employees and HR. When used alongside QBot, Team HR makes it easy to locate and reference HR documents, saving time for both staff and their HR teams.

¹⁰ Microsoft Teams Platform Customer Presentation.

3. Workforce Analytics - dashboards to generate HR insights about people and culture

Workforce Analytics takes people data to the next level by displaying dashboards that draw from various HR systems to generate unique insights about people, culture and organisational trends. This enables HR teams to transition from being operational and transactional to being truly strategic by harnessing the power of predictive analytics. For example, analysing data such as absenteeism, date of last promotion and reasons for leaving can be used to anticipate when an employee is at risk of leaving, enabling HR to take action before they resign. Similarly, insights into staff turnover can help to facilitate better hiring decisions by predicting candidate success.

Where to from here?

The nature of employee engagement is changing to accommodate the needs of the modern workplace, and HR departments are under pressure to keep up. With face-to-face strategies no longer enough to keep employees engaged, now is the time to invest in technologies and tools that enable employees to connect and collaborate while reducing the burden on already-stretched HR team members. The result: happier employees, better staff retention, a healthier bottom line and an improved ability to deliver excellent customer experiences.

To learn more about Cloud Collective's Team HR solution, or to arrange a demo, please contact:

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About Cloud Collective

The Cloud Collective is a strategic alliance of three Microsoft Gold partners: Antares Solutions, Modality Systems and Quorum. Supported by Microsoft, Cloud Collective's goal is to empower its customers to work more productively, communicate more efficiently, collaborate with greater impact and love the tools they use. With complementary skills and capabilities, Cloud Collective provides both in-depth expertise across the latest Microsoft technologies and a complete end-to-end wrap of cloud solutions.



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