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The Power of Socialisation

WHITEPAPER 2 - ENGAGEMENT, CREATIVITY & PRODUCTIVITY

Employee disengagement has reached epidemic proportions. Across industries, ‘quiet quitting,’ the phenomenon of employees doing the minimum required and no more, is eroding productivity, stunting creativity and costing organisations as much as active staff turnover.

McKinsey estimates that the cost of disengagement equals around 4% of the wage bill for an average corporation. The question for employers is not whether this matters, but what to do about it.

The answer, increasingly, points to socialisation. Building on the foundation explored in Whitepaper 1 of this series which examined the human case for social connection at work and its impact on employee wellbeing and loyalty, this paper focuses on the performance outcomes that a genuinely social workplace makes possible.

The data is clear: employees who socialise with their colleagues are more engaged, more creative and more productive. They understand the goals of their organisation, feel a stronger sense of purpose, and work together with greater efficiency. When teams connect, they do not just get along better, they perform better.

This whitepaper examines how social connection at work drives collaboration, innovation and productivity and makes the case that enabling socialisation is not a distraction from performance, but one of the most direct investments in it an employer can make.

Employee Engagement

Employee engagement is in dramatic decline, leading to 'quiet quitting' which impacts productivity and increases costs for employers.

Disengaged employees take more sick days, have lower productivity, show reduced creativity, have less positive workplace relationships, and show low alignment with company goals and strategy. In fact, low engagement is just as costly as actual employee turnover – McKinsey estimated that the cost of disengagement equals around 4% of the wage bill for an average corporation.[3]

So, how can employers help boost engagement and the productivity and efficacy of the workforce as a result?

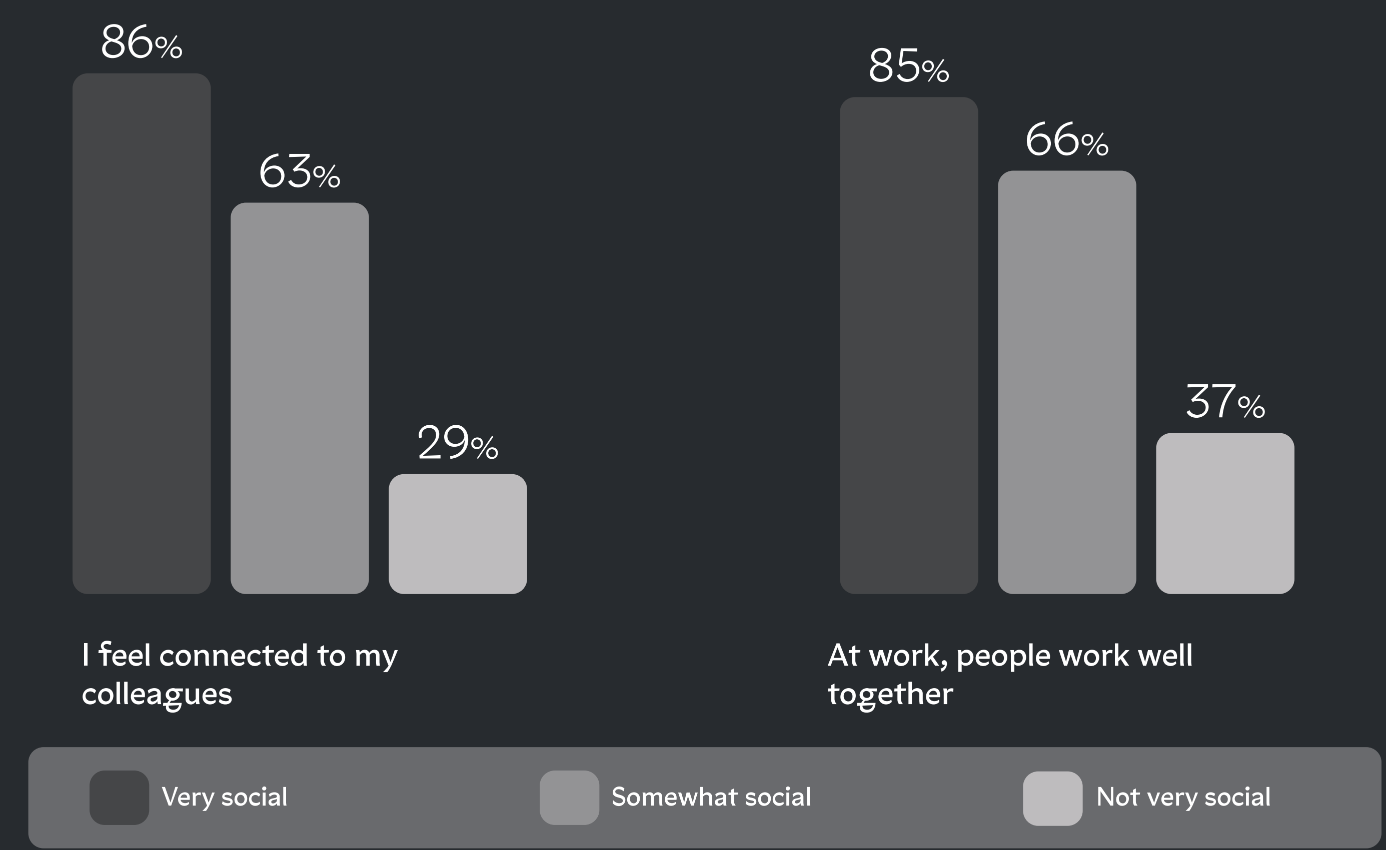
Collaboration, Creativity & Innovation

A social workforce is a collaborative one, and collaboration leads to more efficient working and teams that are better problem solvers, more creative and innovative.

71% of employees who socialise with their colleagues agree that they 'feel able to express (their) views and opinions at work' compared to only 41% among those who do not socialise.[4] By creating this safe space for diverse groups of people to express their thoughts and opinions, creativity and innovation can flourish and in turn lead to new or improved products, services and processes.

Companies that innovate are in a better position to stay ahead of their competitors and capture market share, ultimately driving revenue growth.

% who agree by social culture



74% of employees who socialise with their colleagues say they understand the strategy and goals of their company

47% this falls to less than half of employees from companies where they do not socialise with their colleagues

Productivity

This type of environment also drives productivity. When teams socialise and share ideas, they become more productive because:

- They accomplish more in less time through effective collaboration.
- There is increased communication and information sharing, leading to more informed decision making .
- They adapt well to new challenges.
- Higher efficiency and lower costs result in improved financial performance for the employer.

When employees are working together towards the same objectives in this social environment, it creates synergy and momentum towards success. They are more aligned to company strategy and goals so feel an increased sense of purpose - motivated by understanding how their individual contribution impacts the success of the organisation.

Full Circle Benefits

A productive work environment is often more engaging and rewarding for employees, which impacts the day-to-day happiness of staff and how much they enjoy their jobs.

Additionally, enhanced productivity often leads to better financial performance, allowing employers to invest back into their people, influencing how employees feel at work, and how well they feel their employer looks after them.

Key Takeaways:

The impact of disengaged employees can be just as costly as high levels of staff turnover. Employers must address the era of 'quiet quitting' by improving employee engagement.

Socialisation among employees facilitates enhanced levels of collaboration, leading to increased creativity and innovation, higher levels of productivity and better alignment with the company's goals and strategy – all of which creates focus and more efficient workplace practices, resulting in reduced costs and better financial return.

Engagement and productivity impact employer's bottom-line in obvious ways (higher productivity meaning more done in less time, resulting in a better return on investment), but also in more subtle ways relating to employee satisfaction, motivation and retention.

Far from being a detractor from work, socialisation generates teams that care, work hard and produce high-quality work together.

Employers should view enabling and encouraging socialisation as a way of positively impacting company performance and improving the bottom-line profits in more ways than one.

[1] Compass Group Australia, Global Eating at Work Survey, 2023
[2] Harvard Health Publishing and Blue Zone Reports
[3] McKinsey & Company, The Hidden Costs of Quiet Quitting, 2024
[4] Compass Group PLC, The Power of Socialisation, 2024 (all subsequent statistic are from this report unless indicated)

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