

# Employee Engagement Essentials

## The research

There is a huge amount of research into employee engagement but there is great confusion in the business and psychological literature as to what engagement is. Many consultancies have produced their own research that shows a link between engagement and performance and most of them have their own models of engagement.

Notwithstanding the confusing body of literature and different definitions of employee engagement (more of that later), the research is pretty consistent in finding that having engaged employees is a good thing.

Here is a selection of highlights from the research:

'Highly engaged employees ...'

- Are twice as likely as their less engaged peers to be top performers.
- They miss 20% fewer days of work.
- About 75% of them exceed or far exceed expectations in their most recent performance review.
- They tend to be more supportive of organizational change initiatives and resilient in the face of change.

(Driving Business Results Through Continuous Engagement 2008/2009 Work USA Survey Report Watson Wyatt)

'Improving employee engagement is important because engaged employees have'

- 51% lower turnover
- 27% less absenteeism
- 18% more productivity
- 12% higher profitability

(The Gallup Management Group 2008)

## What is employee engagement?

There is a great deal of confusion and little agreement about what the concept of engagement means. Different organisations define employee engagement differently. Some equate engagement with job satisfaction, others talk about emotional commitment to a person's work and organisations, others use the notion of 'discretionary effort' as an indication that a person is engaged.

There is no universally agreed definition of engagement amongst the consultants and commentators. Here's a selection that represent the most common definitions

- 'Engagement represents the energy, effort, and initiative employees bring to their jobs' (Harvard Business Review)
- 'The psychology of how each employee connects with customers and with the organisation' (Gallup)
- 'Staff commitment and a sense of belonging to the organization.' (Hewitt)
- 'Employees' commitment to the organization and motivation to contribute to the organization's success.' (Mercer)
- 'Employees' exertion of "discretionary effort"...going beyond meeting the minimum standards of the job.' (Hay)

The term 'employee engagement' is a relatively new one and as well as being decried by some as the latest HR fad it is a muddled and confusing area because of the lack of clarity of definition. There's no wonder that those who are supposed to be responsible for employee engagement often struggle to work out what their job is about let alone what they are supposed to achieve.

The fact is that it is a very complex area because so many different variables determine whether or not someone is engaged. Those variables include factors external to the person eg their manager, the culture of the organisation, the pay and reward system. They also include internal factors including the person's personality type, their values and the meaning they make from their own work.

From my experience of working with people in organisations over the last 20 years, I have observed that the people who are the most engaged are those whose values fit with those of the organisation, the people they work with and the work they are doing. The most engaged are also those who have found their own personal meaning in their work and who feel in synch with the organisation's goals.

### **The problem with many approaches to engagement**

I see three main flaws in the way some organisations approach engagement:

1. They treat it as generic ie they assume that all people are engaged by the same factors (namely the factors listed in their engagement survey). It is undoubtedly true that there are some common factors that help keep most people engaged, like having a decent boss. However, we are all individuals and so all of us are engaged by different things.

I would argue that this is common sense. There is some research into this area too. Khan\* found that 'individual differences shape peoples' dispositions toward personally engaging or disengaging in all or some types of role performances' just as they shape people's abilities and willingness to be involved or committed at work.

2. Most organisations don't take account of whether their employees are primarily driven by external factors or internal ones. A key determinant of the extent to which a person is engaged is whether they have an internal locus of control ie they believe that they can influence and control their world and what happens to them, or whether they have an external locus of control ie they believe that other people or things determine what happens to them. I would argue that people with an internal locus of control are more consistently engaged than people with an external locus of control. This is significant to a company when deciding what they need to do to increase their engagement levels. Of course they do need to address the 'external' factors ie managers competence but also they need to help people to understand their own internal drivers eg their values, their strengths and their goals so that they can keep themselves engaged.
3. The third flaw I see is a focus on measurement at the expense of actions (usually pretty simple ones) that increase engagement.

Measurement is important but only if you know what to measure and if it helps you to understand what is working and what you need to do differently. I know some companies that have done employee engagement surveys and scored highly in them and yet morale and engagement is very low. This suggests that they are not measuring the right things and/or they are not taking actions that make a difference.

### **Where to start**

It can be challenging to navigate your way towards creating an effective employee engagement programme or approach. And it can be difficult not to overcomplicate. If you read all the research and literature it is easy to get overwhelmed, confused and unsure as to where to start.

### ***What does engagement mean to you?***

My advice would be to firstly decide upon your point of view. What does engagement mean to you? Once you have a definition that works for you it will be easier to decide what you need to do, change and measure.

I am a great believer in simplicity and when I speak to clients I usually start with asking them these basic questions:

- What do you mean by engagement?
- Why do you want to increase engagement (what will it do for you)?
- How engaged are people now?
- What changes do you want to see in people's emotions, behaviour and understanding?

### ***The ways that people engage***

It is also useful to think about three ways that people engage:

**Emotional** – how do people **feel** about their work, their organisations, their bosses etc. People are emotional beings and even the most hardened business people have to feel something about what they are doing to be truly engaged in it.

**Behavioural** – what do people do or intend to do in the future? For example, do they intend to stay in the organisation, do they put the maximum effort into the job that they can, do they recommend the organisations to other potential employees and customers?

**Intellectual** – do people believe in and support the goals of the organisation, or their part of the organisation?

### A simple model of engagement

Irrespective of your definition of engagement there are a number of elements that influence engagement.

Here is the model of engagement that I use with my clients



**Insight** is at the core of the model because it is crucial to have insight into people as individuals and understand what engages them.

**Meaning** refers to the meaning that each individual ascribes to their work.

**Connections** is the relationships that a person has with their manager, colleagues and others who are significant in their working life.

**Control** is about the extent to which a person feels that he or she is able to influence or control their work.

**Context** includes the culture, trust, strategy, processes and structure that exist in the organisation.

**Communications** is about the nature and extent of dialogue and involvement that people experience at work.

You need accurate insight into your people in order to understand what engages them. All of the other elements on the outer rim of the model are the factors that you need to pay attention to in order to help people to be as engaged as possible at work. Note that I say 'help them to' – that is because real engagement comes from inside a person we cannot 'make them' engaged just as we cannot 'motivate' people.

### **Making it happen - the essentials of any engagement programme**

Measurement often takes precedence over implementation when it comes to engagement. Of course the results are in the implementation, and you can make the insight gathering part of the implementation instead of making it sequential. This is a very attractive and cost effective approach especially in the current economic climate.

This may sound controversial but it is not essential to start with a survey even if you have thousands of employees!

The following are the absolute essentials:

1. Helping managers to understand
  - a. What engages them (being engaged is infectious and it is hard to get people engaged if their managers are not engaged!)
  - b. How to be an engaging manager
2. Helping your people to gain insight into themselves, what engages them, and what work means to them. Have them share this insight with their managers.
3. Communicating well with your people about matters of importance to them.

These are the fundamentals and are the basis for any engagement programme. What's more starting with these keeps things simple and cost effective as well as giving you the best chance of increasing engagement levels quickly

Sally Bibb

07721 000095

sallybibb@engagingminds.co.uk

\*Khan, W.A. (1990). Psychological Conditions of Personal Engagement and Disengagement at Work. *Academy of Management Journal*, 33(4), 692.