Developing and Sustaining Employee Engagement

Overview

The term employee engagement relates to the level of an employee's commitment and connection to an organization. Employee engagement has emerged as a critical driver of business success in today's competitive marketplace. High levels of engagement promote retention of talent, foster customer loyalty and improve organizational performance and stakeholder value.

This article discusses:

- The business case in support of employee engagement initiatives.
- The nature and drivers of employee engagement.
- The roles of HR and management in engaging employees.
- Guidelines for developing effective employee engagement initiatives and engagement surveys.
- HR practices that can increase engagement.
- Communications opportunities and methods for engaging employees.
- Global issues related to employee engagement.

Business Case

Executives from around the world say that enhancing employee engagement is one of their top five global business strategies. Not only does engagement have the potential to significantly affect employee retention, productivity and loyalty, it is also a key link to customer satisfaction, company reputation and overall stakeholder value. Increasingly, organizations are turning to HR to set the agenda for employee engagement and commitment to establish a competitive advantage. *See* 2017 Employee Job Satisfaction and Engagement: The Doors of Opportunity Are Open (www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Pages/2017-Job-Satisfaction-and-Engagement-Doors-of-Opportunity-Are-Open.aspx).

Most executives already understand that employee engagement directly affects an organization's financial health and profitability. According to Gallup, just 33 percent of American workers are engaged by their jobs. Fifty-two percent say they're "just showing up," and 17 percent describe themselves as "actively disengaged"[1]; therefore, most employers have a lot of work to do to unlock the full potential of their workforce.

Engagement and productivity can be affected by social cohesion, feeling supported by one's supervisor, information sharing, common goals and vision, communication, and trust. Employees want to feel valued and respected; they want to know that their work is meaningful and their ideas are heard. Highly engaged employees are more productive and committed to the organizations in which they work. *See* Workplaces That Enhance Performance and the Human Experience (www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/pages/kay-sargent.aspx).

Business Results of Engagement

At beverage giant Molson Coors, highly engaged employees were five times less likely than nonengaged employees to have a safety incident and seven times less likely to have a lost-time safety incident. By strengthening employee engagement, the company saved $1,721,760 in safety costs in one year.

Construction-equipment maker Caterpillar's increased employee engagement resulted in $8.8 million annual savings from decreased attrition, absenteeism and overtime in a European plant, and a $2 million increase in profit plus a 34 percent increase in highly satisfied customers in a start-up plant.

What Employee Engagement Is—and Is Not

Researchers and consulting firms have developed varied definitions of employee engagement. They have also created categories to describe and distinguish differing levels of worker engagement. Although the concepts of employee engagement and job satisfaction are somewhat interrelated, they are not synonymous. Job satisfaction has more to do with whether the employee is personally happy than with whether the employee is actively involved in advancing organizational goals.

EMPLOYEE ENGAGEMENT DEFINITIONS

Definitions of employee engagement range from the brief and concise to the descriptive and detailed. Many of these definitions emphasize some aspect of an employee's commitment to the organization or the positive behaviors an engaged employee exhibits. Examples of employee engagement definitions include:

Quantum Workplace - Employee engagement is the strength of the mental and emotional connection employees feel toward their places of work.

Gallup - Engaged employees as those who are involved in, enthusiastic about and committed to their work and workplace.

Willis Towers Watson – Engagement is employees' willingness and ability to contribute to company success.

Aon Hewitt - Employee engagement is "the level of an employee's psychological investment in their organization."

WHAT DIFFERENTIATES ENGAGED AND DISENGAGED WORKERS?

Organizations that conduct research on employee engagement categorize employees based on the employee's level of engagement, but they have used different terminology in doing so. For example, engaged and less than fully engaged employees have been described as follows:

- Gallup distinguishes between employees who are "actively engaged" (loyal and productive), "not engaged" (average performers) and "actively disengaged" (ROAD warriors, or "retired on active duty").
- Sibson Consulting differentiates "engaged" employees (those who know what to do and want to do it) from "disengaged" employees (those who don't know what to do and don't want to do it), "enthusiasts" (those who want to do the work but don't know how to do it) and "renegades" (those who know what to do but do not want to do it).

Disengaged workers feel no real connection to their jobs and tend to do the bare minimum. Disengagement may show itself in a number of common ways, including a sudden 9-to-5 time clock mentality, an unwillingness to participate in social events outside the office or a tendency to fox hole oneself apart from peers. It becomes most noticeable when someone who's normally outgoing and enthusiastic seems to fall by the wayside and has nothing positive to contribute. They may resent their jobs, tend to gripe to co-workers and drag down office morale.

Behaviors of engaged and disengaged employees:

Engaged behaviors	Disengaged behaviors
Optimistic	Pessimistic
Team-oriented	Self-centered
Goes above and beyond	High absenteeism
Solution-oriented	Negative attitude
Selfless	Egocentric
Shows a passion for learning	Focuses on monetary worth
Passes along credit but accepts blame	Accepts credit but passes along blame

HOW DOES EMPLOYEE ENGAGEMENT DIFFER FROM JOB SATISFACTION?

The terms *engagement* and *job satisfaction* are often used interchangeably. However, research has revealed that although there is some overlap in the drivers of engagement and satisfaction, there are also key differences in the components that determine each.

Some experts define engagement in terms of employees' feelings and behavior. Engaged employees might report feeling focused and intensely involved in the work they do. They are enthusiastic and have a sense of urgency. Engaged behavior is persistent, proactive and adaptive in ways that expand the job roles as necessary. Engaged employees go beyond job descriptions in, for example, service delivery or innovation. Whereas engaged employees feel focused with a sense of urgency and concentrate on how they approach what they do, satisfied employees, in contrast, feel pleasant, content and gratified. The level of employee job satisfaction in an organization often relates to factors over which the organization has control (such as pay, benefits and job security), whereas engagement levels are largely in direct control or significantly influenced by the employee's manager (through job assignments, trust, recognition, day-to-day communications, etc.).

Researchers at Kenexa High Performance Institute looked at 840,000 responses on employee engagement from companies in the U.S. and Britain and found that after two years in a job, 57 percent of the respondents were disengaged.

See:

Miserable Modern Workers: Why Are They So Unhappy? (www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/employee-engagement-.aspx)

Amazon Offers 'Pay to Quit' Bonuses to Disgruntled Workers (https://blog.shrm.org/workforce/amazon-offers-pay-to-quit-bonuses-to-disgruntled-workers)

What Drives Employee Engagement?

Extensive research has been conducted to determine the factors that influence employee engagement levels. The research has indicated that there are both organizational drivers and managerial drivers.

See:

Pay Fairness Perception Beats Higher Pay for Improving Employee Engagement (www.shrm.org/resourcesandtools/hr-topics/compensation/pages/pay-fairness-beats-higher-pay-for-engagement.aspx)

Coach to Your Team's Strengths to Improve Employee Engagement (www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/coach-to-your-teams-strengths-to-improve-employee-engagement.aspx)

Feedback

In today's digital age, less person-to-person interaction and increasing on-demand technology from chats and texts to social media updates and news feeds, is eroding employee engagement.

ORGANIZATIONAL DRIVERS

Some of the research identifies organization wide drivers of employee engagement.

Quantum Workplace (the research firm behind the "Best Places to Work" programs in more than 47 metro areas) has identified six drivers of employee engagement that have the greatest impact:

1. The leaders of their organization are committed to making it a great place to work.
2. Trust in the leaders of the organization to set the right course.
3. Belief that the organization will be successful in the future.
4. Understanding of how I fit into the organization's future plans.
5. The leaders of the organization value people as their most important resource.
6. The organization makes investments to make employees more successful.

MANAGEMENT DRIVERS

Employee engagement increases dramatically when the daily experiences of employees include positive relationships with their direct supervisors or managers. Behaviors of an employee's direct supervisors that have been correlated with employee engagement include:

- The Gallup "Q12," which are 12 core elements that link strongly to key business outcomes. These elements relate to what the employee gets (e.g., clear expectations, resources), what the employee gives (e.g., the employee's individual contributions), whether the individual fits in the organization (e.g., based on the company mission and co-workers) and whether the employee has the opportunity to grow (e.g., by getting feedback about work and opportunities to learn).
- Employees enjoy a good relationship with their supervisor.
- Employees have the necessary equipment to do the job well.
- Employees have authority necessary to accomplish their job well.
- Employees have freedom to make work decisions.

The Roles of HR and Management

Employee engagement is influenced by many factors—from workplace culture, organizational communication and managerial styles to trust and respect, leadership, and company reputation. In combination and individually, HR professionals and managers play important roles in ensuring the success of the organization's employee engagement initiatives.

THE ROLE OF HR

To foster a culture of engagement, HR should lead the way in the design, measurement and evaluation of proactive workplace policies and practices that help attract and retain talent with skills and competencies necessary for growth and sustainability.

THE ROLE OF MANAGERS

Middle managers play a key role in employee engagement, creating a respectful and trusting relationship with their direct reports, communicating company values and setting expectations for the day-to-day business of any organization.
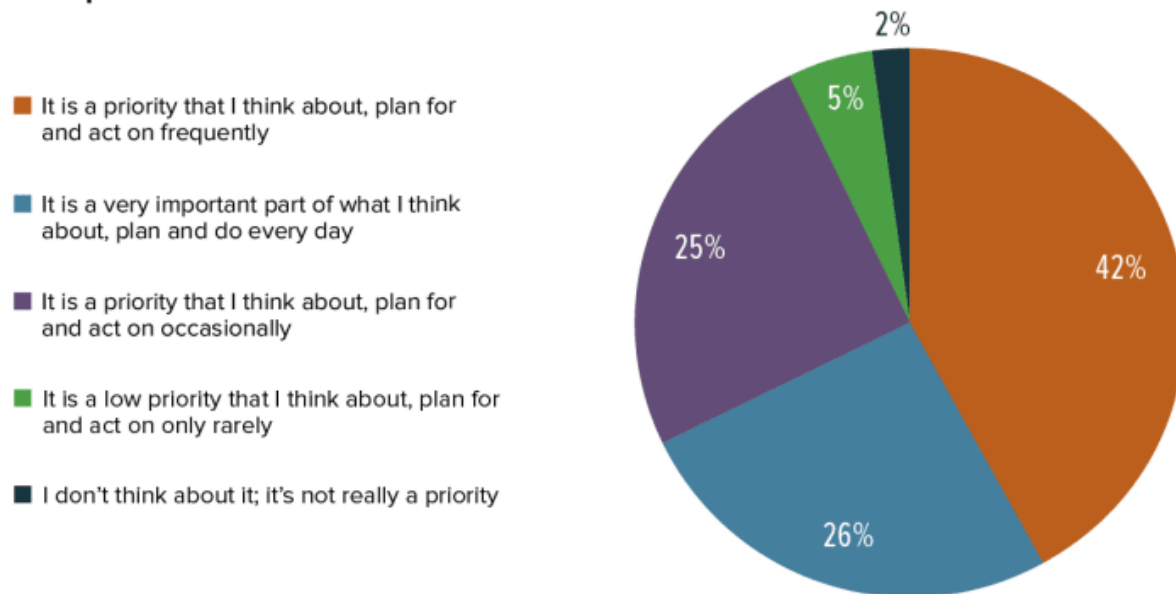
Studies show that people leave managers, not companies and ensuring managers are actively participating in and managing employee engagement is paramount. *See* Employee Engagement Issues? Use These 10 Tips to Get Managers Engaged (www.shrm.org/hr-today/news/hr-magazine/1217/pages/employee-engagement-issues-get-managers-engaged.aspx).

Feedback

But middle managers need to be empowered by being given larger responsibilities, trained for their expanded roles and more involved in strategic decisions. If an organization's executives and HR professionals want to hold managers accountable for the engagement levels, they should:

- Make sure that managers and employees have the tools to do their jobs correctly.
- Periodically assign managers larger, more exciting roles.
- Give managers appropriate authority.
- Accelerate leadership development efforts.
- Ask managers to convey the corporate mission and vision and to help transform the organization.

According to a 2017 Dale Carnegie study, "Just 26% of leaders surveyed say that [employee engagement] is a very important part of what they think about, plan, and do every day. Another 42% say they work on it frequently, and the rest only occasionally, rarely or never."

Which of the following statements best describes how engaging your employees fits into your work priorities?

- It is a priority that I think about, plan for and act on frequently
- It is a very important part of what I think about, plan and do every day
- It is a priority that I think about, plan for and act on occasionally
- It is a low priority that I think about, plan for and act on only rarely
- I don't think about it; it's not really a priority

2%
5%
25%
42%
26%

Source: Dale Carnegie Research Institute, *Employee Engagement: It's Time to Go 'All-In'* (2017).

How to Develop and Sustain Employee Engagement

To increase employee engagement levels, employers should give careful thought to the design of engagement initiatives.

GENERAL GUIDELINES

As HR professionals consider adopting or modifying practices or initiatives to increase employee engagement, they should:

- **Make sound investments.** The organization should consider the strategic implications of various HR practices and determine which are more important and merit greater investment to enhance engagement levels.
- **Develop a compelling business case.** HR professionals should be able to demonstrate how these investments have led to positive, measurable business outcomes for the organization or other businesses.
- **Consider unintended consequences.** When evaluating alternatives for redesigning HR practices to foster employee engagement, think about the likely impact of the revised policies. Are there potentially unintended, unfavorable consequences that may occur based on the impact of that change on employees in different circumstances and life situations?
- **Base investment decisions on sound data.** Employee engagement should be measured annually. Survey items should be linked to the organization's key performance measures, such as profitability, productivity, quality, customer satisfaction and

customer loyalty. Outcomes of employee engagement research should include the identification of the highest-impact engagement levers and survey items that differentiate top-performing business units from less successful units.

- **Create an "engagement culture."** This can be done by communicating the value of engagement in the mission statement and executive communications, ensuring that business units implement their engagement action plans, monitoring progress, adjusting strategies and plans as needed, and recognizing and celebrating progress and results.

HR PRACTICES

HR practices have a significant impact on employee engagement. The following practices can increase employee engagement:

- **Job enrichment.** Incorporate meaning, variety, autonomy and co-worker respect into jobs and tasks so that employees view their role more broadly and become more willing to take on duties beyond their job description.
- **Recruiting.** Target applicants who are likely to view their work as interesting and challenging. Encourage those who are not suited for particular work to opt out of the process.
- **Selection.** Choose candidates who are most likely to perform job duties well, make voluntary contributions and avoid improper conduct.
- **Training and development.** Provide orientation to create understanding about how the job contributes to the organization. Offer skill development training to increase job performance, satisfaction and self-efficacy.
- **Strategic compensation.** Use pay-for-performance programs to focus employees' attention on incentivized behaviors. Adopt competency-based pay to encourage acquisition of knowledge and skills and enhance employee performance.
- **Performance management.** Set challenging goals that align with the organization's strategic objectives, provide feedback, and recognize accomplishments and extra voluntary contributions.

See SHRM/Globoforce Using Recognition and Other Workplace Efforts to Engage Employees (www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Pages/employee-recognition-2018.aspx) and How to Improve the Engagement and Retention of Young Hourly Workers (www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/how-to-improve-the-engagement-and-retention-of-young-hourly-workers.aspx).

Communications

Targeted communication initiatives can enable managers and HR professionals to stay on top of employee engagement issues, get ongoing feedback from employees and anticipate changing needs of workgroups. Managers and HR professionals should take advantage of opportunities to engage employees and should use varied communication methods to do so. *See* Fixing Poor Engagement Starts with Understanding Its Cause (www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/how-to-fix-poor-employee-engagement.aspx).

COMMUNICATION OPPORTUNITIES

Employers have numerous opportunities for "engageable moments," when they can motivate and provide direction for employees. Watson Wyatt's WorkUSA report identified the following formal and informal "engageable moment" opportunities:[4]

Formal opportunities include:

- Recruitment; onboarding.
- Performance reviews.
- Goal setting.
- Training.
- Communications by senior leaders.
- Employee surveys.

Informal opportunities include*:*

- Coaching.
- Mentoring.
- Career development discussions.
- Ongoing performance feedback.
- Recognition programs.
- Company social events.
- Personal crises.

COMMUNICATION METHODS

The size, composition and expected reaction of the target group of employees should dictate the type of communication used for engagement activities. Some of the communication methods HR professionals and managers can use include:

- **"Keeping in touch."** Ongoing communications with workgroups can occur through regular weekly or biweekly meetings, ideally with 10-15 employees in each meeting. In this forum, issues can be aired or ideas can be discussed to gain immediate feedback. Another component of keeping in touch is one-on-one meetings with an employee who is targeted for superior performance, identified for performance improvement or randomly chosen from the workgroup.
- **Remote communication.** Different technologies allow managers and HR professionals to maintain contact, including:
    - Employee listening platforms where HR can survey workers, gather comments and suggestions, conduct exit interviews, etc.
    - Social media and mobile app resources to discuss issues, share ideas, conduct surveys and vote on issues.
    - Blogs that routinely inform and update employees on new initiatives and allow employee responses to be recorded and openly available.
    - Videoconferencing and teleconferencing.
    - E-mailed newsletters.

Metrics

Many organizations conduct workforce surveys to measure levels of employee engagement within the organization and to analyze the relationships between employee engagement and key business outcomes. The results of such surveys can identify which engagement initiatives are achieving desired goals. Surveys can be helpful in gauging levels of employee engagement, but employers need to realize that employee engagement surveys differ from other employee surveys.

For the best results, employers should create an overall engagement strategy that goes beyond simply measuring engagement scores. Ideally, an employee engagement strategy should be created before an engagement survey is administered. An effective plan will detail these five components:

1. How the strategy will be communicated.
2. How action areas will be identified.
3. What measurable outcomes will be used to evaluate progress.
4. What specific actions will be taken to address the survey results.
5. How the engagement strategy will be sustained over time.

UNIQUE ASPECTS OF EMPLOYEE ENGAGEMENT SURVEYS

Employee engagement surveys have a different focus than other types of employee surveys. While employee opinion and satisfaction surveys measure workers' views, attitudes and perceptions of their organization, and an employee culture survey measures employees' points of view to assess whether they align with the organization or its departments, engagement surveys measure employees'

commitment, motivation, sense of purpose and passion for their work and the organization. *See* Employee Engagement Surveys: Why Do Workers Distrust Them? (www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/employee-engagement-surveys.aspx) and Carefully Craft the Employee Engagement Survey (www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/employee-engagement-survey.aspx).

CREATING ENGAGEMENT SURVEYS

When developing employee engagement surveys, organizations should consider the following guidelines:

- Include questions that could be asked every year or more frequently. This will provide a base line for management of employee engagement.
- Keep language neutral or positive. For example, ask, "Is our line-to-staff ratio correct for a company our size?" instead of "Are there too many staff for a company our size?" Avoid negatively worded items.
- Focus on behaviors. Good questions probe supervisors' and employees' everyday behaviors and relate those behaviors to customer service whenever possible.
- Beware of loaded and uninformative questions. For example, questions such as "Do you look forward to going to work on Mondays?" elicit a "no" response easily, even from engaged workers.
- Keep the survey length reasonable. Overly long surveys reduce participation rates and may result in skewed responses because participants check answers just to finish the survey as quickly as possible.
- If you work with a vendor that comes to you with a "standard" list of questions, consider tailoring questions to reflect your organizational needs.
- Consider what you're saying about the organization's values in issuing the questionnaire. Question selection is critical because it tells employees what the organization cares enough to ask about.
- Ask for a few written comments. Some organizations include open-ended questions, where employees can write comments at the end of surveys, to identify themes they might not have covered in the survey and might want to address in the future.
- Consider doing more than one type of survey, each with different questions, frequencies and audiences. For example, "pulse" surveys are brief, more-frequent surveys that address specific issues or are given to specific segments of the workforce, and they can take place between annual surveys. Or conduct different surveys for company leaders and employees, or in different business units or specific countries.

See:

Employee Engagement Platforms: More than Feedback Tools (www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/employee-engagement-platforms-more-than-feedback-tools.aspx)

A New World of Tools for Measuring Employee Engagement (www.shrm.org/resourcesandtools/hr-topics/technology/pages/a-new-world-of-tools-for-measuring-employee-engagement.aspx)

Measuring the ROI of Employee Engagement (www.shrm.org/hr-today/news/hr-magazine/book-blog/pages/measuring-the-roi-of-employee-engagement.aspx)

USING ENGAGEMENT SURVEYS

After an employee engagement survey has been administered, survey data should be reviewed in aggregate and broken down for each business unit to allow individual managers to make changes that will truly affect engagement levels. Some experts also advocate having line managers communicate survey results to their own employees and create action plans to respond to survey recommendations. In addition, the organization may require that all employees have engagement objectives in their performance reviews so that engagement goals are developed both from the top down and from the bottom up.

Common missteps that organizations make with engagement surveys are failing to gain senior management commitment to act on survey results and failing to use focus groups to delve into the root of negative scores or comments. To avoid those mistakes, organizations should:

- Have management communicate to employees that the survey is an organizational, not a public relations, initiative.
- Consider creating a survey committee to instill broad buy-in.
- Create feedback or focus groups to determine the level of significance of specific items mentioned in the survey.
- Involve the entire management team in the action-planning process to ensure that changes are made based on employee feedback.
- Group open-ended survey comments by theme and categorize them at the workgroup level to ensure confidentiality of survey feedback.

Global Issues

The factors that drive employees to be engaged in their work vary not only from country to country but also by industry sector and within companies. Consequently, organizations that are expanding globally need to be aware of what engages their workforce in different global locations. *See* How to Fix Declining Global Productivity (https://blog.shrm.org/blog/how-to-fix-declining-global-productivity).

In looking to engage employees globally, employers should:

- View global HR decisions in the context of national culture.
- Use valid research—not stereotypes—to align HR practices for a local population with actual employee attitudes and perceptions.
- Remember that the norm for engagement varies widely from country to country, making it critical to consult data on national norms to interpret employee surveys correctly.
- Realize that the elements that create engagement also create the employment brand.
- Understand that how the organization conducts its work reflects its organizational culture.

See Technology Allows Cisco to Work with the Best, No Matter Where They Are (www.shrm.org/resourcesandtools/hr-topics/technology/pages/technology-allows-cisco-to-work-with-the-best-no-matter-where-they-are.aspx).

Endnotes

[1]Gallup, Inc. (2017). State of the American Workplace. Retrieved from https://news.gallup.com/reports/199961/7.aspx

[2]Quantum Workplace. (2012). The Six Forces Driving Engagement. Retrieved from http://marketing.quantumworkplace.com/hubfs/Website/Resources/PDFs/The-Six-Forces-Driving-Engagement.pdf?hsCtaTracking=6da0f455-5d8e-42c4-a801-3f89c17a2d86|ae58ac43-c084-4278-9853-b4b92f5ef030

[3]Dale Carnegie & Associates, Inc. (2018). Employee Engagement: It's Time to Go 'All-In'. Retrieved from https://www.dalecarnegie.com/en/resources/employee-engagement-making-engagement-a-daily-priority-for-leaders/thank-you

[4]Hastings, R. (2009, March 4). The "what" and "why" of employee engagement. Retrieved from https://www.shrm.org/resourcesandtools/hr-topics/employee-relations/pages/whatandwhy.aspx

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