



Employee Engagement

EE Summary – For Thought

1. What is employee engagement?

Background

Employers want employees who will do their best work or 'go the extra mile'. Employees want jobs that are worthwhile and that inspire them. More and more organisations are looking for a win-win solution that meets their needs and those of their employees. What they increasingly say they are looking for is an engaged workforce. What do they mean?

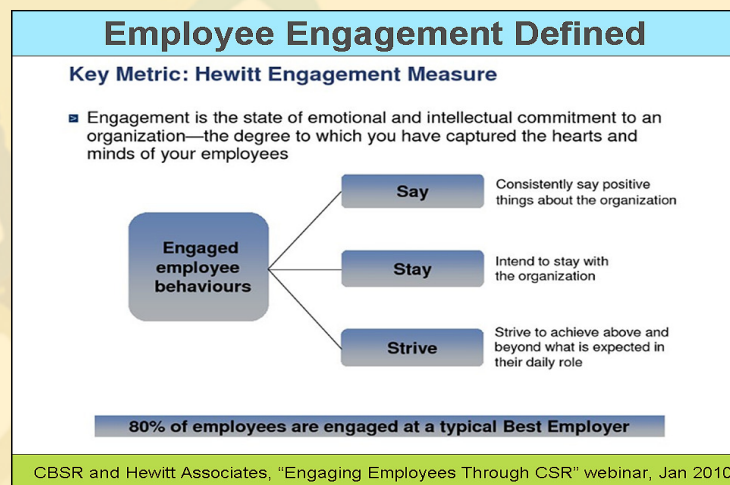
What is employee engagement? It can be seen as a combination of commitment to the organisation and its values and a willingness to help out colleagues. EE goes beyond job satisfaction and is not simply motivation. Engagement is something the employee has to offer; it cannot be 'required' as part of the employment contract.

Several characteristics typify engaged employees:

- *Belief in the organization*
- *Desire to work and make things better*
- *Understanding of business context and the 'bigger picture'*
- *Respectful of, and helpful to, colleagues*
- *Willingness to go the extra mile*
- *Keeping up to date with developments in the field*

The concept of engagement has naturally evolved from past research on high involvement, empowerment, job motivation, organizational commitment and trust.

Figure 1 Sample EE Model Sx3





2. Why organisations are interested in employee engagement

Employers want engaged employees because they deliver improved business performance.

Research has repeatedly demonstrated the links between the way people are managed, employee attitudes and business performance. When employers deliver on their commitments (when by their actions they fulfil employees' expectations) they reinforce employees' sense of fairness and trust in the organisation and generate a positive psychological contract between employer and employee.

A high performance model builds on the psychological contract but emphasises the role of line managers in creating conditions under which employees will offer 'discretionary behaviour'. The model recognises employees have choices & can decide the engagement level to offer the employer.

Organisations increasingly recognise the importance of their 'brand'. Engaged employees will help promote the brand and protect the employer from the risks associated with poor service levels or product quality. Similarly a strong employer brand will help in attracting and retaining employees.

Summary

Employee engagement has become in the recent years a hot topic. Although several scholars reported that it has rarely been studied in the academic literature and little scientific evidence is available about its antecedents and consequences (Saks, 2006; Robinson et al, 2004; Macey & Schneider, 2008), research initiatives in this area are on the rise (as illustrated by the number of journal published in the last few years).

Alignment between *recruitment*, *retention* and *engagement* is essential due to implications on the organizational delivery capability. It requires an end-to-end strategy.

According to a research study documented by Echols (2007) cited in Bux & Tay (2010), "85% of value creation is driven by intangible assets such as people and not by asset on the balance sheet". Searching and retaining the right talent and most of all, keeping them engaged represents today the key that drives lean organizations forward and sustains business performance in competitive and dynamic market conditions. A report on the American workforce shows that roughly half of all Americans in the workforce are not fully engaged or they are disengaged, leading to what was referred to as an "engagement gap" that it cost US businesses an estimated **\$ 300 billion** a year in lost productivity (Saks, 2006 citing Bates, 2004; Johnson, 2004 & Kowalski, 2003).

Here are several aspects that need to be taken into account:

- *Excellence in HR delivery*
- *Good quality line management;*
- *Two way communication;*
- *Effective internal co-operation;*
- *A development focus;*
- *Commitment to employee well-being;*
- *Clear accessible HR policies and practices, to which all managers from all levels are committed.*



Employee Engagement Index: three categories:

- **engaged** – work with passion and are profoundly connected to the organization values
- **not engaged** – put time but not passion in their work and they are not connected to the organizational values
- **actively disengaged** – employee busy to act out their unhappiness and undermine what their engaged colleagues try to accomplish (Crim et al, 2006)

Based on these categories Gallup built the **Engagement Ratio** which is a macro level indicator that allows organizations to track the ratio of engaged to actively disengaged employees.

The results show that:

- In average the ratio of engaged to actively disengaged employees is **1,5 to 1**
- In world class organization (successful organizations) the ratio of engaged to actively disengaged employees is **8 to 1**

Why not engage key HR and business unit players in your organisation in an action-based two day workshop that looks at how EE can add huge value to your business performance and goes on to up your people's capacity to put a strategy into successful action?

Equilearn can offer your organisation a worldclass workshop at a special action research supported rate of £1800 plus travel and out-of-pocket costs between Sept 15 and Dec 15, 2012. Your workshop needs to be booked by September 20th.

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