2009

Fostering Employee Engagement

Donna Dickson

Barry Keesan
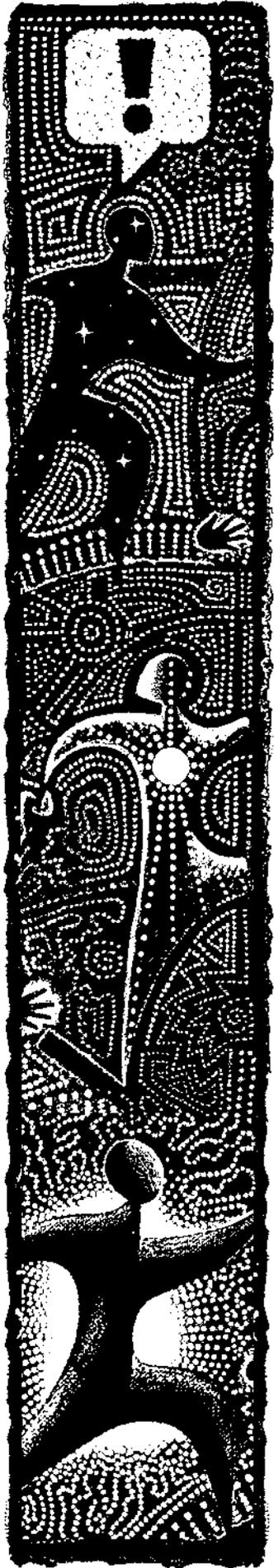
Amy Shaver

Follow this and additional works at: http://scholarworks.rit.edu/article

Fostering Employee Engagement

WorkSmart®

Fostering Employee Engagement

Acknowledgments

Fostering Employee Engagement

INTRODUCTION

Purpose

To examine the value of employees in today's organizations

Instructions

1. What is, "human capital"?

    a. The cost to pay employees

    b. The intangible value of your employees' knowledge, skills, and experience

    c. The investment a company makes in its employees

2. Why is it important to think of employees as "capital"?

    a. Employee expect good wages

    b. The cost to hire new employees is very high

    c. Employee knowledge is a source of competitive advantage

CHANGING TIMES

*a*n organization does not succeed because it is big or long established; it succeeds because there are people in it who love it, sleep it, dream it, and build future plans for it.

—unknown

Effective development and utilization of human capital has become just as critical to an organization's successful delivery of services as state-of-the-art technology. Organizations need…

- the right people,
- with the right competencies,
- at the right time

…in conjunction with the right systems and technology

Employees are usually the single largest cost in an organization. This has traditionally led to mindset of *managing* employees as *costs* versus *maximizing* employees as *assets.*

The way senior leaders think about employees is changing, in part because of trends like…

- Shift from a product-based to a knowledge-based economy
- Evolution of management practices from command and control to collaboration
- Transition of marketplace from local or regional to global

VALUE OF HUMAN CAPITAL

As senior leaders recognize that to compete in today's global marketplace they must creatively utilize *all* of their assets, they are looking for ways to…

- Find the best employees
- Retain the most valuable employees
- Get the highest levels of productivity from all of their employees

Efforts to achieve the first two bullets traditionally focused on increasing employee satisfaction. Employee satisfaction is characterized as a feeling of gratification and contentment. Studies have shown the positive correlations between employee satisfaction and customer satisfaction, and the bottom line (profits).

Figure 1: Service Profit Chain (Heskett et al, 1994)
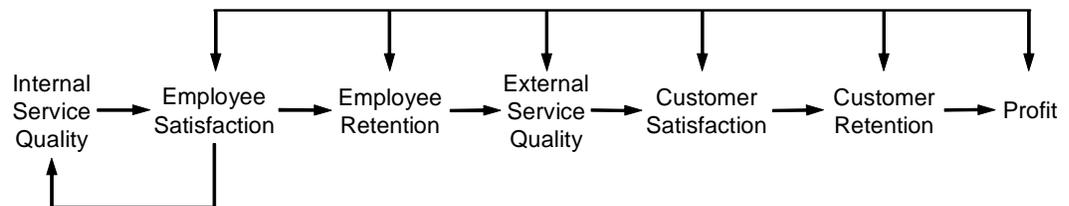
In today's multi-generational, global workplaces, employee satisfaction initiatives alone are not enough to attract or retain the best and the brightest employees.

Consider a typical employee satisfaction initiative, *the company gathering*…

- Baby Boomers appreciate a strong sense of community at work
- Generation Xers would prefer more time to spend with their families
- Generation Ys prefer to work remotely, so are not interested in company-based events

Efforts to get the highest levels of productivity from all employees have traditionally focused on six sigma and other process improvement programs. "<Companies> are realizing that they've wrung the rag of operational productivity almost dry," according to business consultant and author Rick Smith (Bates 2005:47). Increased use of technology, process improvements, and programs like Six Sigma have enhanced employee productivity but the next frontier is *employee engagement*.

EMPLOYEE ENGAGEMENT

Employee engagement is characterized as a feeling of commitment, passion and energy, which translates to…

- High levels of effort
- Persistence with even the most difficult tasks
- Exceeding expectations
- Taking initiative

From lower turnover rates to higher productivity, the engaged employee is a valuable business asset. Consider these examples…

1. A study of 480 senior managers from an Australian law enforcement organization found that leaders who used employee engagement practices reduced burnout (emotional exhaustion or psychological strain) among officers and staff (Employee Engagement Today, 2008).

2. Results of efforts to engage employees at Molson Coors Brewing Company(Lockwood, 2007)…

   - Average cost of a safety incident for engaged employees was $63 as compared to $392 for disengaged employees

   - Engaged employees were five times less likely to have a lost-time safety incident

Reducing turnover

In a recent study of employees around the globe, 59percent of those who reported being engaged at work said they are committed to staying with their current company. Only 24 percent of those who consider themselves disengaged reported an intention to stay with their current employer (O'Neal and Gebauer, 2006).

When we consider that the cost associated with replacing the average employee is 100 to 200 percent of that employee's salary, we see why increasing the level of employee engagement is so valuable (Renk, 2007).

Furthermore, engaged employees report the reason they intend to stay with their employer is for *what they can give* to that employer. Disengaged employees report the reason they intend to stay with their employer is for *what they can get* (BlessingWhite, 2008:1).

Productivity

25 percent of employees in an average company say they are "entirely turned off" by their job and 50percent say they "do just enough to get by." That leaves only 25percent who are enthusiastic, and therefore engaged (Bates, 2004).

Sibson's 2006 Rewards of Work^{SM} Study of over 1,200 American workers found that employees who reported high levels of engagement also reported that they spent more than 75 percent of their time at work being productive (Ellis and Sorensen, 2007:1).

It is important to note that employees who are disengaged say they *want* to go "above and beyond" and help the company succeed. This desire to drive company success is based on our powerful and basic human need to connect with and contribute to something significant (Bates, 2004:46).

EMPLOYEE ENGAGEMENT CONTINUUM

| Disengaged | Indifferent | Compliant | Engaged |

⟵──────────────────────────────────⟶

_____%   _____%   _____%

*a***cademia/Higher Education is among the industries in North America with the fewest engaged employees**

—BlessingWhite study

Description of Disengaged employees

These unhappy employees are the most cut off from organizational priorities. They feel unchallenged, unappreciated, and unfulfilled. Disengaged employees are often cynical, may be openly negative, or even sabotaging.

It is important to note that an employee can go from being Engaged to Disengaged in a short period of time.

Description of Indifferent employees

These passive employees may have discovered they are not a good fit in their role or with the company's culture, or may feel burnt out or disenchanted by issues that never seem to be resolved. Indifferent employees are dissatisfied, disappointed, and/or disillusioned.

These employees have *untapped* potential. Improving their level of engagement can have a significant, positive impact on the organization. From another perspective, they are often quite vocal about their dissatisfaction and disillusionment, negatively affecting those around them. Rather than leaving the organization, they often stay and, like the "bad apple," spoil the environment.

Description of Compliant employees

These "go-along" employees are not unsatisfied but neither are they willing to go the extra mile. Compliant employees may not have consistently "great days at work," but they know, from experience, what those days look like (BlessingWhite, 2008). They conform to expectations and do the minimum that is expected in order to remain employed.

It is important to bear in mind that these individuals are typically highly employable and likely to leave if areas of concern are not addressed. At the same time, they are the closest to being fully engaged. Therefore, any investment in improvements will pay off—with increases in productivity and retention, for example.

Description of Engaged employees

Engaged employees feel a strong sense of alignment between their personal interests and those of the organization. They are emotionally attached to and passionate about the organization. They contribute fully to the success of the organization, applying discretionary effort as a result of their high level of commitment. They see a healthy future for themselves with the organization.

However, employees do not *remain* engaged without effort on the part of the employer. They can easily transition to Compliant, Indifferent, and even Disengaged if the primary drivers of engagement are not actively addressed (Company Pride, Commitment, Belonging and Fit, Alignment). In addition, managers have a tendency to give top performers even more to do, which can cause burnout.

YOUR OWN EXPERIENCE

$\mathcal{W}$**ork is about a search for daily meaning as well as daily bread, for recognition as well as cash, for astonishment rather than torpor; in short, for a sort of life, rather than a Monday-to-Friday sort of dying**

—Studs Terkel

Purpose

To uncover drivers of engagement

Instructions

1. Think of a time at work when you were totally energized and inspired you to do your best. What caused you to feel this way?

2. Think of a time when you felt disillusioned, disenchanted, and/or disconnected at work. What was lacking for you?

3. Discuss your experiences with a partner…

Based on your perspectives, which is true?

The best way to increase the level of employee engagement in any organization is to (Ulrich et al, 2007)…

A. Pay them more than the market average

B. Express a higher level of concern for them

C. Offer them more personalized rewards

D. Increase the value of their benefits package

E. Give them more appealing job titles

AND THE SURVEY SAYS…

Mercer's What's Working surveys provide insight into workers' attitudes and the factors that drive their engagement. The results are based on data collected from a statistically valid sample from a broad cross-section of industries (Mercer, 2007). This activity is based on their U.S.-based study.

Purpose

To identify what drives employee engagement in the U.S.

Instructions

1. Rank order the workplace factors with #1 being the most important to you, and #7 being the least important to you.
2. Compare your work with a partner.

Order of Importance		
Mine	**Survey**	**Factor**
		Sufficient opportunity for growth/advancement
		Confidence I will achieve my career objectives
		Flexibility to provide good customer service
		Quality is a high priority for the company
		Sense of personal accomplishment
		Information and assistance to manage my career
		Confidence the organization will be successful

DRIVERS OF ENGAGEMENT

A Watson Wyatt survey of 14,000 employees indicates that providing employees with a clear "line of sight" (alignment between role and strategy) leads to a more engaged and productive workforce. Watson Wyatt's study showed that other key drivers of employee engagement are…

- Employer communication
- A focus on serving the customer
- Performance management

Of interest is the fact that pay and rewards was at the bottom of the list (Paton, 2007).

Towers Perrin conducted a similar survey. They found that the number one driver of employee engagement in the U.S. is senior management interest in employee well-being.

*t*here are no significant differences in engagement levels of men and women in North America

—BlessingWhite study

Key drivers

The results of these and other studies can be summarized into the following key drivers of employee engagement…

- Company Pride
    - Company pride is influenced by the level of product/service quality and the degree to which customers are made a priority. An engaged employee will feel such pride in the company that s/he will recommend it to others as a good employer.

- Commitment
    - Commitment is influenced by the extent to which an employee is involved in decisions that impact her/his work, opportunities for development, and the perceived trustworthiness of an employee's supervisor. Engaged employees are so committed that they routinely go "above and beyond" what is expected to help the company succeed.

- Belonging and Fit
    - An employee's sense of belonging or fit is influenced by relationships with co-workers, preparedness to do the work required, and values match. Engaged employees feel valued and in alignment with the company's norms for behavior.

- Alignment
    - Alignment is achieved when an employee understands the company's goals and value proposition, and specifically how her/his role affects them. Engaged employees are clear on how their role influences others in the organization.

RULES OF ENGAGEMENT

This activity is based on work of an RIT HRD student, Lena Davie.

Purpose

To differentiate between manager actions that lead to employee satisfaction and those that lead to employee engagement

Instructions

1. Circle the most likely result of each manager action.

2. Be prepared to discuss your choices.

Manager Actions	Result
Providing a reward for perfect attendance	*Engagement* *Satisfaction*
Sharing customer survey results with team members and involving them in deciding on needed changes	*Engagement* *Satisfaction*
Preparing a career plan with an employee	*Engagement* *Satisfaction*
Providing tools and resources to complete a project	*Engagement* *Satisfaction*
Being friendly and supportive	*Engagement* *Satisfaction*
Providing frequent feedback on performance	*Engagement* *Satisfaction*

WHAT'S A MANAGER TO DO?

Managers are right smack in the middle of the employee-organization equation. Organizations depend on them to set high expectations for performance (drive commitment), focus efforts on what matters most (drive alignment), improve quality (drive company pride) and provide feedback and recognition (drive belonging and fit) (BlessingWhite, 2008:15).

So, how does a manager get started improving employee engagement? Most experts agree it is important to…

- Help employee define their career and continue to grow and develop so they can achieve their career aspirations. And, since 57 percent of employees in North American do not know what they want to do next, managers have to provide career guidance. Even if employees know what they're looking for, they need help navigating the options (BlessingWhite, 2008:24).

- Match employee skills to tasks. Help employees figure out how they can contribute fully, based on their unique set of skills and experience. Finds ways for them to do what they are good at. Employees are more likely to experience work as gratifying if it utilizes their unique talents.

- Recognize and reward employee achievements. Let employees know they are appreciated and valued. Help them see how their efforts have made a difference. Find ways for them to share their best practices with co-workers.

- Align employee efforts with what matters most in the organization. Most employees are not as clear as they'd like to be about how their daily priorities fit with organizational or departmental objectives. There is nothing more frustrating than working hard but on the wrong things.

- Build trust. The most *engaged* employees report trust in their managers. An employee's relationship with her/his manager has a profound affect on their attitude toward work. Trust is the foundation for an effective relationship.

HOW ENGAGED ARE YOUR EMPLOYEES?

According to Val Van Brocklin, Training Contributor for Officer.com, managers can start increasing the level of employee engagement by considering whether or not their direct reports would agree with each of the following (Van Brocklin, 2007:1)…

- I have the right tools and equipment to do my job well.

- I receive good training on how to do my job.

- My job gives me the chance to do my best work.

- The people I work with help each other when needed.

- My co-workers and I openly talk about what needs to be done.

- The people I work with do their best.

- My supervisor treats me with respect.

- I clearly understand what is expected of me.

- My supervisor communicates well with officers, staff and citizens.

- My supervisor is available when I need help.

- My supervisor recognizes me when I do a good job.

- I am proud to say that I work for this department.

- This department cares about its employees.

- This department treats all employees fairly.

- This department makes me feel important to its success and the mission.

Then, Van Brocklin suggests, each manager should ask him/herself, "how fully engaged am *I*?"

- How inspired do I feel when I go to work?
- How committed am I to the success of my officers (or staff) and department?
- How much do I still love the profession?
- How emotionally connected am I to my officers (or staff) and the department?
- How often do I go beyond the call of duty to achieve the vision of policing (or compliance) and what specifically do I do?

If *you're* not fully engaged, how can you hope to engage others? And if you've lost that engaged feeling, it's up to you to find it (Van Brocklin, 2007:1).