

ARE YOUR EMPLOYEES ENGAGED?

The challenge today is not just retaining talented people, but capturing their minds and hearts at each stage of their work lives

By Betsy Uliss, SPHR

We are all familiar with the traditional meaning of the word “engagement” as it involves two people making a commitment to each other. For several years now, “employee engagement” has been a hot topic in corporate circles. It is a buzz phrase that has captured the attention of workplace observers, human resource professionals and managers, as well as the executive suite. And it is a topic that employers and employees alike think they understand, yet can’t articulate very easily.

So how do we define employee engagement? Although we can find different defining statements, employee engagement is generally viewed as managing discretionary effort. It assumes that when employees have choices, they will act in a way that furthers their organization’s interests. An engaged employee is a person who is fully involved in, and enthusiastic about, his or her work. Simply put, engagement is the degree to which workers identify with, are motivated by, and are willing to expend extra effort for their employer.

There is clear and mounting evidence that high levels of employee engagement keenly correlate to individual, group and corporate performance in areas such as retention, turnover, productivity, customer service and loyalty. And not by small margins. While results vary from study to study, highly engaged employees outperform their disengaged counterparts by whopping percentage points! Companies with high engagement scores are 29 percent higher in revenue, are 50 percent more likely to have above-average customer loyalty and are 44 percent more likely to turn above-average profits than those with low scores. In summary, employers with engaged employees tend to experience low employee turnover and produce more impressive business outcomes.

The shocking statistics on workforce engagement require a call for action. According to the *Gallup Management Journal’s* Employee Engagement Index (2004), the engaged employees, who have passion and profound connection with their employers, represent only 29 percent of the workers. The disengaged, who are putting in the time, but not energy and passion, make up 54 percent of the workforce. During the time the disengaged stay, they are less productive, are disruptive and complain, have lower morale, have accidents, are frequently absent, steal from the company and negatively impact customer satisfaction. But by far, the most dangerous group are the actively disengaged, who are busy acting out their unhappiness and undermining their engaged coworkers, represent 17 percent of our workers. Recently, Towers



Perrin has painted a gloomier picture, with only 17 percent of today’s workforce highly willing and able to contribute to their organization’s success. They state that an alarming 19 percent of workers have mentally checked out of their jobs and the majority or moderately engaged represent 64 percent.

Reasons for Disengagement

So why do people disengage? Answering this question is not so simple. It is first important for us to understand that disengagement is a process, not an event. This process of disengagement can take days, weeks, months or even years before the actual decision to leave occurs. *Typically, when employees join an organization, they are enthusiastic, committed and ready to be advocates for their new employer. Simply put, they’re highly engaged. But often, that first year on the job is their best. Gallup Organization research reveals that the longer an employee stays with a company, the less engaged he or she becomes.*

To address this key organizational issue, it is imperative that leadership drill down and examine a number of contributing factors. High on the list are factors such as “the job/workplace is not as expected” and “there is a lack of growth and advancement opportunities.”

In some cases, these factors can be traced back to the initial interview and selection process. By examining these hiring processes, we will uncover deficiencies that if addressed, will eliminate or at least minimize the likelihood of these candidates getting hired to begin with.

“Employee engagement is a heightened emotional connection that an employee feels for his or her organization, that influences him or her to exert greater discretionary effort to his or her work.”

Identification of the essential components of a position including the job description and the candidate specifications is the first step. Too often, when someone leaves an organization, we don't step back and challenge the status quo. We often hire into the same job with a similar profile to the person who left. Instead, we need to assess if the needs of the organization have changed and if so, how? At this point, we should also determine the qualities and attitudes of the engaged incumbents so we can replicate it in future hires. With all this information, we are able to establish the new profile and requirements of the candidate and create the new position responsibilities.

Now that we have identified the qualities of the candidate we are seeking, an effective interview is of paramount importance. Our challenge is to uncover, through a very deliberate and consistent interview process, the skill set, internal motivation and career aspirations of the candidates. It is also imperative that the interviewers create a realistic view of the job. Proven methods are job shadowing or one-on-one meetings with an incumbent, describing to the candidate the day-to-day responsibilities of the job and answer his/her questions. Once we do that, line managers and HR professionals, will have much more specific information in order to match up the requirements of the job to the best candidate, ensuring proper alignment and increasing the odds of long-term employee engagement.

Even with a perfect selection system, we may still have disengaged workers. Leadership factors such as lack of feedback and coaching, lack of recognition and feeling devalued, disrespectful treatment and lack of trust and confidence in leaders are strongly linked to disengagement. According to most experts, the most influential factor is leadership. That's right — it starts at the top. Leaders are the lens through which employees view the

organization. In fact, how they feel about their direct manager is directly correlated to how they feel about their jobs and the organization as a whole. So what can leaders do to drive up employee engagement?

Driving Up Engagement

One solution requires an internal examination of the organization, to determine the culture, the reward and recognition systems, the management philosophy and tendencies, as well as the formal and informal messages and the effectiveness of the organization's communication system. “There is a vast body of employees who want to be engaged if management takes the right steps,” says Don Lowman, managing director of Towers Perrin. That means giving them management support, challenging work and making a clear connection between their performance and the organization's overall success.

One effective way to find whether the organization is “walking the talk” is to interview people hired within the past six months to one year. Ask direct questions designed to determine whether the organization has delivered on the promises made. This may indicate the need for the

brand promise to be changed or adjusted, or it may simply be a function of the leadership deliverables. If we don't pay attention to what we hear, and focus on what is truly important, we will continue to produce disengaged workers.

Another technique involves regularly assessing the level of engaged employees through the use of an “engagement survey.” When asked which measurements “give the best sense of a company's health” in a recent *Business Week* advice column, former GE Chairman and CEO Jack Welch replied: “Employee engagement first. It goes without saying that no company, small or large, can win over the long run without energized employees who believe in the mission and understand how to achieve it. That's why it is important to measure employee engagement at least once a year through anonymous surveys in which people feel completely safe to speak their minds.”

Once the survey has been conducted, action planning completed and the initiatives tackled, communicating the results of the plan is essential. This demonstrates that leadership listens and cares. It further solidifies the trust in leadership and begins the process of increasing the number of engaged employees.

In summary, connected management and leadership, consistently listening to employees and communicating effectively and often, increases the ability to achieve the competitive edge, high employee engagement. ■

Employee Engagement: Key Research Findings

- Employees who are most committed are 87 percent less likely to leave, perform 20 percent better and give a 57 percent increase in discretionary effort (*Corporate Leadership Council, 2004*)
- In one Fortune 100 company, quality errors stood at 5,658 for the low engagement group, c.f. 52 for the high engagement group (*Development Dimensions International, c.2005*)
- Firms with above average engagement levels outperformed their peer group by 17 percent in terms of operating margin (*Towers Perrin, 2004*)
- Companies with high engagement levels achieved 27.8 percent improvement in EPS, c.f. 11.2 percent decline in companies with low engagement levels (*International Survey Research, 2006*)
- There is a 2.9 percent difference in customer satisfaction between organizations in the top and bottom quartiles on employee engagement (*Harter et al, 2003*)