HUMAN RESOURCE ASSOCIATES

HR Consultants to Management

PERSONNEL NOTEBOOK

For Your Most Important Resource

EMPLOYEE ENGAGEMENT

What It Is, Why You Need It, and How to Attain It

Most companies have experienced some tough times over the past few years, and that means cutting back on costs, expenditures, unprofitable clients, and employees. It can be difficult to choose what and who to let go. And sometimes, we later wonder whether the right choices were made. Although wrong decisions on any of these matters can have serious consequences, few can be as devastating as losing the best employees and keeping the mediocre or the worst ones.

Several studies over several years have dealt with the problem of identifying those employee characteristics that lead to long-term valuable employees and those that do not. Of course, much of that will depend on the specifics of each job, but the universal characteristic that these studies have identified is *engagement*.

Are your employees actually engaged in what they are doing when they're on the job? Are they engaged in the work and the company? Studies from General Electric, Workforce Management, Inc, The Gallup Organization, the Aberdeen Group, and several international studies are targeting employee engagement as a major difference between highly successful companies and all the rest.

I. What is employee engagement?

One good definition from the Aberdeen Group states that engagement is *the alignment of individual priorities, goals, and desires with the needs of the organization in order to deliver business results.* Engagement, this group says, is not to be confused with employee satisfaction, which is all about the need of the individual being met through the company. It's more about aligning the needs of both. At its extremes, it's the difference between employees who are consciously and physically involved in the work as opposed to what some studies have identified as *the walking dead.*

The Gallup Organization, after hundreds of focus groups and thousands of interviews, created the following list of 12 questions that identifies just how engaged or connected an employee is in the organization.

1. Do you know what is expected of you at work?
2. Do you have the materials and equipment you need to do your work right?
3. At work, do you have the opportunity to do what you do best every day?
4. In the last seven days, have you been recognized or received any comments or feedback about your work?

5. Does your supervisor, or someone at work, seem to care about you as a person?
6. Is there someone at work who encourages your development?
7. At work, do your opinions seem to count?
8. Does the mission/purpose of the company make you feel that your job is important?
9. Are your associates (fellow employees) committed to doing quality work?
10. Do you have a best friend at work?
11. In the last 3 months, has someone at work talked to you about your progress?
12. In the last year, have you had an opportunity at work, to learn and grow?

Obviously, the more "yes" answers you receive, the more engaged the employee. Gallup found that a high score was closely associated to superior performance and, conversely, a lower score helped identify those areas to concentrate on if the company wanted to save an employee.

A firm called ISR conducted an international study of 10 countries and identified three categories of workers: the disengaged, alienated worker, (who they referred to as *the walking dead*), the complacent worker, and the fully engaged worker. ISR estimated that worldwide, 22 percent of employees are *the walking dead*. The United States had the lowest rate of such workers, while France had the highest rate.

In its study, ISR provided the following information about each type of worker:

1. ***The walking dead* employee** is usually going to leave you, and you will probably not be able to save them.

2. **The complacent employee** is mostly focused on those issues that directly affect his or her everyday life. They tend to see the world of work as it exists only in the visual sphere directly around them. They are disconnected from the larger view, from the overall purpose of their activity.

3. **Fully engaged employees** are focused on the bigger picture, their place in it, and the end results they seek.

II. Why do you need employees to be engaged?

Beyond the obvious advantage of having employees involved and focused in their work versus not being engaged, the studies reveal some key advantages in bottom-line results.

Top performing 20 percent of companies: Companies rated best-in-class for their industry had the highest percentage of employees who identified themselves as ***highly engaged* (62 percent)**. Those companies also had more than 71 percent of their employees rated as "exceeds expectation" on their annual performance reviews. And their employee retention rate improved 11 percent year-over-year.

Average performing companies: Companies rated as average for their industry had only **35 percent of their employees who identified themselves as *highly engaged***. Those companies also had only 20 percent of their employees identified as "exceeds expectations" on their annual performance reviews. And, their employee retention rate improved only 2 percent year-over-year.

Lowest performing 30 percent of companies: Companies rated as laggard for their industry had the lowest percentage of their employees who identified themselves as ***highly engaged* (13 percent)**. Those companies had only 13 percent of their employees rated as "exceeds expectation" on their annual performance reviews. And their employee retention rate worsened by 7 percent year-over-year.

III. How to attain employee engagement.

As Aberdeen's Research Director Mollie Lombardi defines it, employee engagement comes about by aligning the needs, desires, and efforts of an individual employee with the strategy of the organization. She says the responsibility for making this a reality falls directly on the managers. To them, she recommends identifying their employees in the three categories of workers previously mentioned. She says not to spend too much time on those in *the walking dead* category. If reasonable coaching doesn't show pretty quick results, move them out of the picture. In that those fully engaged employees are likely to be your best performers, encourage, nurture, develop, and reward them, and use them to foster engagement in other employees.

But, the people to concentrate on for improvement are the complacent employees. They need to be oriented to the bigger picture and to link their role in that picture.

Complacent workers actually do care. The surveys showed that meeting the customers is important to them. However, they seldom know what the customer's feelings are. They have no idea what the end result of their work actually is. Getting feedback from the customer and sharing it with the employees is a good solution. This works for both positive and negative feedback because it gets the complacent employee engaged in the process.

Workforce magazine recently drew recommendation from experts in the field and assembled the following 15 policies and practices to attain employee engagement:

1. **On-boarding experience** As the saying goes, you only get one chance to make a good impression. "You never have higher engagement than when the employee starts," says Alice Snell of Snell Research in Raleigh, North Carolina. The on-boarding "process signals to the employee that this is an organization that cares about you and that you are going to be taken care of during your career here. It's not good to start a new job and you don't have a computer or a desk, and you're filling out forms for the fifth time."
2. **Offer lines of sight or alignment.** Make sure an employee understands the goals of the company and where they fit into the plan.
3. **Feedback and communication.** This engagement tool often is rated in surveys as the best reward for doing a job well. Positive feedback can be important, if not more so than salaries and bonuses.
4. **Feeling of community.** This can be shown through social media, company bowling leagues, or a team project that blends the talents of groups of people.
5. **Opportunities for job advancement.** "What kind of strategies does an organization have for people to move freely within the business and within your company?" says David Wilkins, vice president of research for Taleo in Dublin, California. "What are you doing to actively develop your employees?"
6. **Commitment to develop the employee**. "There have been improvements since the beginning of the recession, in that many employees are starting to feel good about their future at a company, and that the right people are being retained," says Ilene Gochman, national director of Towers Watson & Co. in Chicago. "Companies have to pay attention to the people who are still here. You can't assume that (after) all these cutbacks that people will think they have a future."
7. **Treating professionals like professionals**. Autonomy and self-direction have proven to be terrific motivators, Wilkins says. Companies such as Mountain View, California-based Google Inc., and Sydney Australia-based software developer Atlassian, which has an office in San Francisco, offer employees 20 percent of their workweek to spend on individual projects. "At Google, one of the outcomes was Gmail and Google Reader," he says. "Attlassian had zero percent turnover of engineers the last couple of years. It's amazing what can happen when you unleash people's creativity, their passion."
8. **Compensation**. This goes well beyond pay, particularly for work that involves cognitive skills. "After a certain point, pay doesn't work," Wilkins says. "Companies need to work on non-monetary rewards like giving employees more decision-making opportunities, more challenging work

assignments, and higher levels of influence and recognition in the company."

9. **Genuine investment in people**. "When a supervisor or executive shows an interest in you and your future, you tend to be more open and receptive to that person," Wilkins says. "When people leave an organization, survey after survey shows that one of the top five reasons is the lack of career growth and mobility. People want to get better at their job and develop mastery of it. Employers need to get out of the way and give employees a chance to invest in themselves."
10. **Shared purpose**. Fulfilling someone else's goal is a job," Wilkins says. "Fulfilling your own goal is a reward. When you get directives from the top down and you're not bought into that process, it is someone else's goal. You want employees to be connected to a goal and be part of a shared vision."
11. **Relationship with peers**. This goes beyond colleagues at your level and includes managers. Wilkins says that one of the main reasons employees leave a job is a poor relationship with the boss or with coworkers.
12. **Leadership**. The most important element is having strong managers and strong leaders," says Judy Whitcomb, assistant vice president of learning and organizational development for Chicago-based Vi, which owns and operates senior-living facilities. "You have to have managers who are themselves engaged. Without competent, engaged managers, everything else falls apart."
13. **Career development**. "There has been great improvement in employees when they feel good about their future at a company and where the right people are being retained," Gochman says.
14. **Empowerment**. Employees, Gochman says, must feel that they can speak up, that they have input into changes that can affect their jobs.
15. **Company image**. A good reputation can permeate throughout an organization. "If you feel the company has a good image," Gochman says, "you are more likely to keep (or stay on) your job."

In the end, performance only improves when execution — the day-to-day efforts and activities of individual employees — is aligned with the company's goals and strategy.

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Have An Employment Question?

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