

Employee Engagement - The latest HR buzzword or an Actual Corporate Performance Enhancer?

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INTRODUCTION

Someone once said that employee engagement is fast becoming the 'Holy Grail' of organisational success. The question is how can organisations significantly increase the motivation and organisational commitment of employees that will lead to improved results and achievement of corporate objectives?

To say the answer could be found in the leadership style of the manager/the organisation may be true to an extent but this would be an over simplification of the issues at stake because, simply focusing on leadership and ignoring the central role of organisational culture can be very misleading. The creation of an enabling environment becomes sine qua non for employee engagement that will add value. Without such an environment, individuals' expectations and aspirations can turn to resentment and cynicism, dramatically impeding performance and increasing an organisation's top talent turnover (TTT).

The link between employee engagement and organisational performance is indisputable. A leadership style that switches on engagement can make employees radiate productivity, loyalty, and commitment. Employee engagement is real. It is not a buzzword or the latest fad. It could also be all these by choice especially in A.T.A.N.A (all talk and no action) companies. A major preoccupation of organisations going forward is employee engagement. Statistics from researches and studies as we shall see later, consistently show that organisations with cultures having high levels of engagement outperform competition.

Employee engagement is not a human resource function's programme or project. It is a leadership tool for getting the best for and from your people. What then is employee engagement? What is involved? Whose job function is it? What are the components of high levels of employee engagement? What or where is the place of employee alignment in all these?

THE 'MIRROR TEST'

The solid foundation for employee engagement can be found in answers to the following questions. Every manager therefore has to take the 'mirror test': Do your employees trust you? Are you good at inspiring them? Do they know what is expected of them at work? Do they really care about doing it? Do they believe that you have a genuine and sincere interest in their well being? Finally, do you as a manager or leader consider the questions above important?

ATTEMPTING A DEFINITION

Employee engagement could be explained in general terms as a deliberate or concerted step at managing discretionary efforts. In other words, when employees have choices, they choose to act in a way that furthers the organisation's interests. An engaged employee is someone who is fully involved in, and enthusiastic about his/her work. However, no attempt should be made to box employee engagement into these rather narrow definitions or explanations.

THE MINDSET

In their new book "*The Extra Mile (How to Engage Your People to Win)*", David Macleod and Chris Brady have captured the mind and experience of an engaged employee in a quadrangular statement thus: "I believe rewards are fairly distributed; I feel respected and listened to; I'm improving my skills; and I believe my organisation has a sincere interest in supporting me."

A closer look at this *mind-statement* reveals four strong pillars on which any success in employee engagement is built:

- The perception of a fair reward system
- The belief that ideas are listened to and people are respected
- The experience of learning and development
- The conviction that senior management cares about staff.

WHY EMPLOYEE ENGAGEMENT?

Eve Banda-Msidi quoting Pat Soldati in a recent HR gathering posited that employee engagement is a very big deal! She concluded, backed by statistics and the Gallup surveys that there is clear and mounting evidence that high levels of employee engagement keenly correlates to individual, team and corporate performance in areas such as retention, turnover, productivity, customer service and loyalty. I concur. Figure 1, a finding of the CIPD, UK buttresses her position.

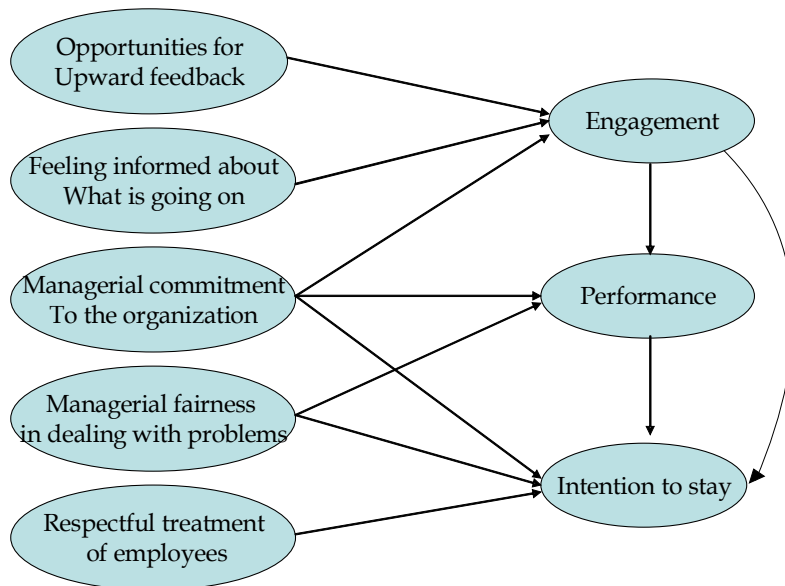


Figure 1 – Model of Engagement: Linking engagement, performance and employee loyalty.
 © CIPD; UK Annual Survey Report 2006.

Having employees engaged and aligned has become vital for a company's health. It is a common knowledge that senior executives are often times excessively concerned with getting strategy right. But for strategy to succeed, the workforce must be aligned and engaged.

In the June '08 edition of *The Harvard Business Review*, Gary L. Neilson, Karla L. Martin and Elizabeth Powers in their article "*The Secrets to Successful Strategy Execution*" identified seventeen key drivers of a successful strategy. The five most powerful of these drivers are crucial employee engagement issues namely:
Decision rights – Everyone has a good idea of the decisions and actions for which he or she is responsible (*the mirror test No. 3: Do they know what they are expected to do?*). (b) *Information Flow* – Important information about the competitive environment gets to the HQ quickly (*the mirror test Nos. 1&2: Do your employees trust you; and are you good at inspiring them?*). (c) *Once made, decisions are rarely second-guessed* (*mind-statement No. 2 & the mirror test No.2: The belief that ideas are listened to, respect for people; and Trust!*). (d) Information flows across organisational boundaries - (*the mirror test Nos. 1, 2 & 3*). (e) Field and line employees usually have the information they need to understand the bottom-line impact of their day-to-day choices (*the mirror test No. 4: Do employees really care about doing their job with passion? Mind-statements Nos. 3*

& 4: Experience of learning and development; the conviction that senior management cares; and again, Trust!).

Employee engagement is beyond alignment. Though they are mutually complimentary, employees could be aligned and yet far from being engaged. We have seen employees who understand what they are supposed to be doing but do not do it with any energy or enthusiasm. No passion for the job and no loyalty to the organisation! Your organisation's competitive edge does not lie in your strategy but with your people. It is your people, under whatever nomenclatures you have chosen – people, human capital, good people, talent, etc that will be responsible for delivering your vision; hence their engagement levels predict success.

EMPLOYEE ENGAGEMENT: BECOMING THE MANAGER'S MOST CRUCIAL KPI

It can therefore not be over emphasized that for a manager to succeed, high level employee engagement is central to the performance appraisal. Dave Ulrich in an HBR article "A New Mandate for HR" a couple of years back had identified a compulsory role of *employee advocacy* for the 21st century HR practitioner. I will like to extend this role to all managers and leaders that would want to be successful going forward.

We are all familiar with the most popular phrase in the chairman's annual speech during AGMs and thus given prominent space in statement of accounts – "*Our employees are our most valuable assets...*" and the likes. Needless to mention that so far, it has been lip service.

However, any employer that ignores the opportunity to engage its employees does so at its own peril. In fact, managers should actively seek such opportunities and avenues for high levels of engagement. The reasons for this admonition are many, the benefits enormous, and the advantages too much to ignore. Justin King, CEO of Sainsbury was quoted as saying, "in my business, with 140,000 people, engagement is my number one concern. In business of scale, you don't even get started without engagement."

Sir David Barnes of AstraZeneca is of the view that most employees are capable of a huge amount more than they are allowed to do by the system. It is like stored energy, but how do we constructively release that energy? This becomes the manager's major assignment because once this energy can be properly harnessed and released in pursuit of corporate objectives, it will impact the bottom-line in a definite manner.

What manner of managers are we then supposed to be? The following suggestions may suffice:

Make the workplace a home away from home: In this part of the world, we still have to be in the office to work on a daily basis. By so doing, we spend an average of between eight to twelve hours at work Monday to Friday. I'm not unaware of seven-day-a-week work. Permit me to confine myself to what is morally and legally tenable. I have conducted a simple exercise I chose to call "Account for your 24-hours" on at least two thousand working class individuals in my classroom sessions over the years. It's simple; just take a typical working day and list your activities and hours spent on each. You may not bother to list any activity you spend less than thirty minutes on. See sample worksheet below, reproduced from my library:

	Employee A	Employee X	Employee Z	Employee B
Work	6	10	12	10
Sleep	8	7	5	7
Travel	3.5	2	4	1
Leisure	1	2	-	1
Library	2	-	2	-
Others				

Figure 2: The "24-hour-Accountability" Worksheet. © Olusegun Mojeed, 1995.

Quick learning from the worksheet is that there is no other activity that takes up time like work. An average employee at whatever level spends most of his/her adult life at work hence the need to make him/her feel at home and enjoy work. Even for those in our Call Centres who work an average of six hours during the day shift, I still counsel, if you do not want to die young, enjoy work and make friends at work.

Treating employees as if they have no choice or nowhere to go is antithetical to employee engagement. They may indeed be aligned for reasons ranging from no alternative to fear of sanction they will surely not be engaged, thus robbing the company of the benefits of engagement. People quit people, and not organisations! When managers do not reach out to their employees and do not create conducive environment for employee engagement, your talents begin to seek greener pastures not necessarily for better pay.

Respect the people and their ideas: In its annual survey report 2006, the Chartered Institute of Personnel and Development (CIPD), UK recommends that given the clear association between engagement, job satisfaction, advocacy and performance (see Fig. 1 again), there is every incentive for managers to seek to

drive up levels of engagement among the workforce, therefore, organizations should note the following and keep a tab on progress:

Allowing people with opportunities to feed their views and opinions upwards is the single most important driver of employee engagement.

Keeping employees informed about what is going on in the organisation is critical.

Employees look out to see that the managers themselves are fully committed.

Managers must manage diversity in their employees' composition. It is no longer one size fits all.

Having fair and just management processes for dealing with problems is rated high in contributing to high level of employee engagement and driving up levels of performance.

Create a good balance between engagement and alignment for success: As noted earlier, employees can be aligned but not engaged. They do that which is expected of them without any energy and enthusiasm. The right (high) dose of alignment combined with high levels of engagement produces astounding results. It is the manager's duty to ensure this right mix. This can be graphically illustrated as follows:

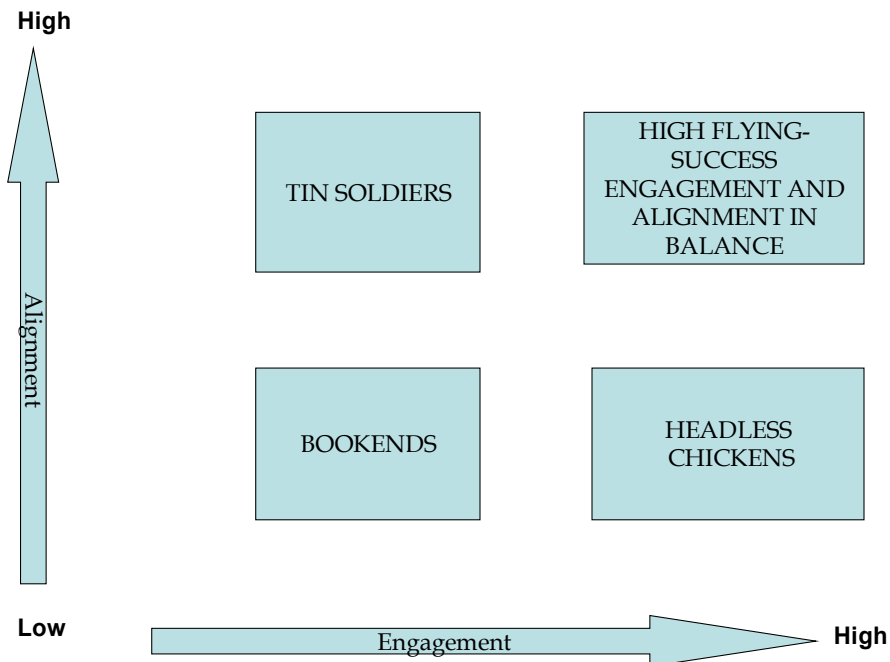


Figure 3: The employee-engagement-alignment quadrant. © David Macleod & Chris Brady, 2008.

Tin Soldiers are the organization people, 'the natives'; too much alignment, and too little engagement. Everyone lined up in neat and rigid rows, but going nowhere.

Simply Bookends! They are low in alignment, low in engagement and going nowhere.

Headless Chickens have high level of engagement but without proper alignment. A very chaotic workforce, each enthusiastically pursuing own goal to no overall effect.

Highflying and Highfliers: This is where alignment meets engagement in the right mix. This is where the people and the organization really succeed.

From the above scenario, it could be clearly seen that the manager has his work cut out for him to strike a balance between employee engagement and organisational alignment in order to be successful.

EMPLOYEE ENGAGEMENT IN ACTION

Employee engagement is demonstrated in the willingness and enthusiasm with which an inspired employee gets to grips with the task at hand. It shows forth in the discretionary energy which in the right circumstances, employees use to go above and beyond in putting themselves into their jobs.

This is not confined to any particular level of employees. An engaged employee is that middle level manager who makes it his/her business to ensure that everyone in his/her team is motivated to give his/her best. It is the PA or the Secretary who takes extra care to double-check his/her boss's mistakes. It is manifested in that hospital or eatery warden or salesgirl who goes out of his/her way to clean the wards or ensure that the 'insectocutor' is functioning well. You see it in the sales force which is completely on board with the latest drive into their new territories, and of course you feel it in the customer-facing employee who 'bends-over-backward' to ensure that every client walks away from every meeting with a sense of utmost satisfaction.

Conclusions

I will be concluding this short essay by restating the building blocks of high levels of employee engagement, backed by some statistics and praise for engagement and then attempt to answer the question: Is employee engagement alien to this part of the world?

Numerous studies and surveys – CIPD Annual survey report, Towers Perrin Global Workforce study, The Gallup Organisation, etc agreed on key drivers of not just engagement but high levels of employee engagement, and these drivers are:

Trust and integrity – How open; how well is your communication? Do we walk the talk?

The job – Is it mentally stimulating day in day out?

Clear line of sight between employee performance and corporate performance – Does the employee know how her job contributes to the overall corporate performance?

Career growth – Are there future opportunities for growth?

Personal pride in the organization – How much self esteem does the employee feel by being associated with the company?

Coworkers/team members' effectiveness – These ones significantly influence an employee's level of engagement. How are we harnessing the energy therein?

Learning and development – Is your company making efforts to develop employees' skills? A senior manager responsible for the learning and development function in a multinational almost lost her job at a time the organization decided to give employee engagement high priority. In almost all the 'village meetings', employees were complaining of lack of training and up-skilling. The CEO thought she was not doing much and almost fired her.

Relationship with one's manager – Does the employee value this relationship? Is there anything to gain? Is the manager a role model, mentor, confronter or coach? Can he be confided in? Is he a firm or a nice manager?

OF SURVEYS, FACTS AND FIGURES:

The Gallup Organization has compiled a list of twelve employee survey questions with which depending on the answers, one will know and feel the level of employee engagement in an organization. These are:

- Do you know what is expected of you at work?
- Do you have the materials and equipment you need to do your work right?
- At work, do you have the opportunity to do what you do best every day?
- In the last seven days, have you received recognition or praise for doing good work?
- Does your supervisor, or someone at work, seem to care about you as a person?
- Is there someone at work who encourages your development?
- At work, do your opinions seem to count?
- Does the mission/purpose of your company make you feel your job is important?
- Are your associates/coworkers committed to doing quality work?
- Do you have a best friend at work?
- In the last six months, has someone at work talked to you about your progress?
- In the last year, have you had opportunities at work to learn and grow?

The Towers Perrin Global Workforce Study 2005:

This study examined responses from 90,000 employees in eighteen countries. Findings include the following:

- Majority of the workers are withholding the full range of their abilities.
- In the UK, only 14% of employees was said to be fully engaged with their work. A recent CIPD survey puts this percentage a little higher.

The commercial impact of these findings was recently demonstrated in a study covering more than fifty global companies:

- The companies were differentiated by their levels of employee engagement and were thus divided into two groups of low and high employee engagement respectively.
- Over a period of twelve months, the companies with highly engaged staff outperformed those with less engaged staff by a considerable margin.

- The high engagement saw an average increase in operating income of 19.2%.
- Their low engagement counterparts saw it fall by an average of 32.7%.

ENCOMIUMS FOR EMPLOYEE ENGAGEMENT

(Source: *"The Extra Mile - How to Engage Your People to Win"* by David Macleod and Chris Brady. Prentice Hall, 2008).

"Sales tend to grow better in a store where the motivation and morale are high, absenteeism tends to be lower and therefore the mechanistic jobs are being done more efficiently."

- Richard Baker of Alliance Boots

"Some factories are buzzing with a real kind of entrepreneurial passion. They want to do it leaner, faster, more efficiently with higher quality with less failure. In other factories you go into, they don't seem to give a damn and consequently churn out rubbish."

- David Spencer of Smiths Industries NSG

IS EMPLOYEE ENGAGEMENT NEW?

By the way, is employee engagement alien to this part of the world? My response is: No! As a student and a practitioner of industrial relations, I know and have experienced it severally that industrial relations practices have always encouraged employee engagement, employee dialogue, etc through the Joint Consultative Councils or Committees (JCC). JCCs operate at individual company or plant level. It is a forum for issues to be tabled and discussed between employee representatives or shop stewards and management until solutions are found. Issues raised are day to day job related, peculiar to that company. They are distinct from issues of national concern which are addressed through the NJICs-the National Joint Industrial Councils except where they are not resolved locally and are then escalated.

However, an alarming number of employers keep circumventing this means of employee engagement because they think industrial relations and unionization are distractions. No wonder then, the level of employee engagement and loyalty in such industries are so low because though they have employees' heads and hands, they do not have their hearts, and the heart is the core.

Employee engagement, if it is to be more than a management fad, has to be built on strong foundations. There are three, and probably four of these, namely:

- A robust business plan that employees can engage with.
- A committed leader whom employees can believe in.
- A strong, top team that can lead the agenda, and
- A vibrant middle level management – do not neglect this group. It is the glue and the elixir. Yes, it is the engine room for success.

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