



Employee Engagement

Introduction

This Factsheet highlights the critical importance of Employee Engagement (EE), and offers advice on how you can develop a winning people proposition for your employees and your business.

As we guide you through this core element of people management, which goes to the heart of the workplace relationship between employer and employee, we pose some important questions for business leaders and HR executives to reflect upon.

talentsmoothie's research and practical experience with clients places us in a unique position to help you explore and answer these questions in your context.

What is Employee Engagement?

Employee Engagement is partly about process; it applies a structured approach to understanding, stimulating and measuring the level of employee attachment to an organisation and its objectives.

Perhaps more importantly, it's also an outcome; it's an environment in which employees feel positive about their work, align themselves with their organisation's purpose, 'go the extra mile' and become advocates for their company.

EE is an umbrella term covering almost anything that affects how people feel towards their organisation. There are robust and well-tested models on the market that attempt to define EE, but many organisations choose to add elements that have particular relevance for them.

This is really important, because EE needs to be defined and understood in the context within which it is being used.



What do you mean when you use the term Employee Engagement, and do all the key stakeholders in your firm see it similarly?



Why is it important?

EE is relevant and important for people management and business performance because it's about establishing good relationships between individuals and the organisations they work for and with.

The quality of these relationships is often measured by factors including:

- **Commitment**
- **Productivity**
- **Job satisfaction**
- **Involvement**
- **Happiness and wellbeing**

Taken together, research studies make a convincing case that EE explains higher levels of individual and organisational performance. While it is difficult to show a cause-and-effect relationship, there seems to be a positive correlation; if Employee Engagement increases, it's probable that organisational performance will increase too.

It is widely accepted that great EE can improve:

- **Employee retention**
- **Discretionary effort**
- **Quality of work**
- **Efficiency**
- **Customer satisfaction and loyalty**
- **Profitability**
- **Shareholder return**
- **Business growth**

The reverse is also true. Not investing in activities connected with increased EE is likely to have a detrimental effect on performance and organisational health.

In this context, it's a concern that employee surveys regularly report low levels of Employee Engagement and trust in organisations and their leadership.

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In 2012 Gallup reported that only 30% of US employees are engaged at work, and a staggeringly low 13% worldwide. Over recent years these numbers have hardly changed, meaning that the vast majority of employees are failing to contribute to their full potential. Worst of all, levels of engagement among the under-35s are even lower.

What explains variances in engagement scores across business units and

companies? Differences in management capability appear to hold the key. The opportunity to play to our strengths has been identified as a core predictor of workforce engagement, and responsibility for understanding and enabling us 'to do what we do best everyday' clearly rests with the line leader.

All the evidence suggests that exceptional leadership creates the conditions for great Employee Engagement, and engaged employees drive increased customer satisfaction and better business results.



Are your people less engaged and committed than you'd like them to be?

Does your Employee Opinion Survey tell you that your engagement levels could be higher?



Developing an Employee Engagement strategy

As the workplace and workforce change with the introduction of new generations, technologies and ways of working, it's essential that companies re-evaluate what enables worker effort, motivation and commitment.

We recommend a three stage process to developing your EE strategy.

1. Understand your people

Despite their rhetoric, few organisations act as if people are their most important asset. Developing a 'fit for purpose' EE strategy challenges this complacency.

The effectiveness of your EE efforts depends on how well you understand what your workforce wants, what motivates them and what kind of workplace you need to create to build on these insights.

It's important to remember that you can't make people engaged, engagement comes from within. However, the insight process will help you appreciate how you can foster employee commitment and satisfaction. At talentsmoothie, we are experts in bringing scientific rigour to the process of understanding your people.

We start by gathering existing information such as business strategy documents, employee opinion survey data, policies and processes, and any external trends affecting you now or that may affect you in the future.

We generate additional qualitative data by speaking to your people one on one and in focus groups. Where relevant, we also canvas the views of people who support your business but work outside the organisation; this is a fast growing trend in the 21st century work place. This enables us to really get a handle on your situation and understand what matters to your employees.

The core premise of our approach is to profit from the experience, insights and ideas of the core stakeholders in your organisation. While it's important to gather data, our focus is on insight. It is insight, or understanding others' perspectives, that enables us to draft an Employee Value Proposition (EVP) for you.

The EVP is essentially the deal struck between an organisation and employee; it describes what the employee can expect from your organisation in return for their contribution and performance. This 'People Deal' characterises an employer and differentiates it from its competition.

It is vital to test the draft EVP with existing and potential employees. Co-creating your approach is engaging for those involved, and makes a very significant statement about your organisation's commitment to its people.

One final, important point. We will not treat your people as a homogenous mass, instead we will customise your EVP so it works across your employee segments. These might be identified by talent group, business, geography, or gender and we will agree the different things a particular segment may require when it comes to implementation.

2. Develop a systemic approach

An EE strategy does not start with a survey; it starts with an EVP that sets out the organisation's values and its people management ethos. These are then embedded in core behaviours and processes that apply across the employment lifecycle, from new recruit to alumnus.

All people policies and practices need to align with the culture you want to create, including how increasing engagement will be integrated within managers' performance objectives.

Be inclusive and engage your people in the process of creating your new people plan. Remember, engagement is about establishing mutual respect in the workplace; it's about providing the right context for people to be and do their best.



Could a lack of employee insight – understanding what really motivates your people – be blocking your current engagement efforts?



It's for each business to decide what to include in their EVP, but most modern organisations commit to some or all of these approaches as part of their engagement strategy:

- Care for their people; build a culture which shows concern for employees' wellbeing
- Help people to understand their talents, and provide opportunities for career progression
- Treat employees as partners in delivering high performance and continuous improvement
- Champion mutual understanding across the organisation; invest in collaboration and breaking down silos
- Make work as interesting as possible
- Find ways for people to take responsibility for their success and development
- Be transparent; share good and bad news openly
- Build resilience by demonstrating confidence and building capability to meet future challenges

Engagement starts at the top. Senior leaders set the tone, and it's important they are positive role models for your EVP. Act decisively to address senior-level blockages, rather than hoping the engagement process will do this for you.

Of course, everyone needs to know what is expected of them in order to fulfil your promise as a good employer and to play their part. This is how you will deliver what you've promised to new starters. The trick is to make your EVP and EE intrinsic to the way the organisation operates on a daily basis, rather than being seen as an extrinsic initiative or process managed by HR.



Could you articulate your organisation's current EVP, and what this requires of you and the people who work for you?

Does ownership for improving engagement reside with management at a local level, or in Head Office function?

3. Measure your progress

Measurement provides a health check and identifies areas that need addressing. Avoid the pitfall of the survey process becoming an end in itself. Simply targeting improved 'engagement scores' encourages game-playing, and it will do little to improve the work experience of your people.

1. **Be sure your survey items are relevant to known engagement drivers** in your context. Don't survey everything, instead prioritise what's most important to you and your people.
2. **Consider brief and regular engagement measures** instead of a large, annual survey. Measure more frequently when things are fast-moving, for example during periods of major change and upheaval.
3. **Think about pulse surveys**, and how you can capture key insights from everyday conversations and team meetings. Some organisations now analyse social media traffic to get a feel for employee opinion and morale.
4. **It's not the data itself that's important, but what you do with it.** Provide survey results quickly, and promote rigorous debate of findings and follow-up action at all levels. Ensure the employee voice is heard too when prioritising actions.
5. **Finally, leverage the full benefit of your investment in this process** by sharing learning and perspectives across the organisation.



You may have a strong focus on action in your organisation, but do you have a way of checking whether these actions are leading to improved outcomes for employees?



Embedding your EVP and EE strategy

Three areas of focus will help to achieve a highly engaged workforce

1

Recruit the right people

2

Manage people brilliantly

3

Deliver what people want

1 Recruit the right people

To achieve high levels of Employee Engagement you need to recruit the right people in the first place, people with the skills and passion to do a great job. This is true for everybody you hire into the organisation, but particularly for those who are going to lead and manage others.

Research by Gallup has revealed that about one in ten people possess the talent to manage. These 10%, when put in manager roles, naturally engage team members and customers, retain top performers, and sustain a culture of high productivity. But only one in five (18%) of those currently in management roles demonstrate a high level of talent for managing others.

While every manager can learn to engage a team to a degree, without the raw natural talent the day-to-day experience will eventually burn out both the manager and the team. Nothing completely fixes the wrong pick.

The recruitment process needs to measure every candidate's skill and will to do the job. The candidate in front of you may be competent to do the job, but do they possess the natural talents and motivation to deliver sustained excellence?

Is your company continuing to waste time, energy, and resources hiring the wrong people and then attempting to train them to be who they're not?

Are you still appointing managers based on their technical skills, while ignoring whether they have the innate talent to lead and engage others?

If you answered yes to any of these questions then talentsmoothie can help by introducing you to its tried and tested approach to strengths-based recruitment.



② Manage people brilliantly

True engagement comes from within, so it's important that each leader knows what engages their people as individuals. The biggest challenge for leaders is to really connect with their people.

In a digital world that's being transformed by social media, there's no hiding place for poor leaders. The capability of leaders to build effective work relationships across the generations, and to manage extended teams, is under constant scrutiny. They need your support.

talentsmoothie knows the impact great leadership can have on an organisation, both in terms of delivering what clients need and creating a work environment that motivates people to do their best work.

We strongly believe that the key to effective leadership is to find opportunities for people to do their best work. Positive psychology demonstrates that the strengths perspective is a natural route to enhancing the contribution and engagement of employees. In fact, the most engaged employees report using their strengths 70% of the time.

Neuroscience research is helping us to understand the motivational effect of a coaching style of leadership. Leaders need to be schooled to help their people to understand and capitalise on their strengths. While even natural abilities can wither in a culture of fault-finding, they blossom with positive encouragement.

Do your managers really understand what it means to be an engaging leader, and do they have the confidence and capabilities to do it?

If you're not sure, here are some ways that talentsmoothie can help you to reap the benefits of brilliant leadership:

- **implementing an overarching leadership effectiveness framework that reflects existing great leadership in your organisation**
- **equipping your managers to adapt to the changing world of work with confidence to manage the different generations**
- **helping your leaders to understand their unconscious bias so they can open their outlook to people and ideas**
- **working with women in leadership to prepare them for leadership success**

③ Deliver what people want

Ownership of engagement belongs to the organisational leadership, including managers at every level.

Over time, it is essential that your EVP becomes a practical reality and not just an aspiration. To make a difference, your 'People Deal' needs to be consistently delivered to everybody, day in and day out. A lack of follow through, or an unwillingness to respond to employee feedback, leads to disillusionment and cynicism – a sure route to disengagement!

HR's role is to facilitate the development of the engagement strategy and to support its implementation through relevant people management practices and leadership behaviours. It's hard work, and HR has the responsibility to keep the organisation honest.

Are you confident that you're delivering what you've promised to your people?

We have a successful track record of working at an organisational level to help businesses with:

- **HR process review and the alignment of HR policies and procedures with workplace culture**
- **Strategies for on-boarding, culture change and performance management**

At an individual level, we can support your key talent to develop and flourish by:

- **Using assessment and profiling tools to increase their self-awareness**
- **Providing performance and career development coaching**
- **Training leaders in mentoring skills**



Find out more

We'd be delighted to talk to you about your Employee Engagement Strategy and EVP and how we can help you create them to attract and retain the right talent for you.

Please contact Justine James on +44 (0)20 7127 4741 to find out more.



We are talentsmoothie, organisational development consultants

We are experts in Employee Value Proposition (EVP), Employee Engagement, Effective Leadership, Employer Brand and Recruitment, and creating Innovative Workplaces (the changing world of work). Sometimes our work fits into one of these areas. Other projects span them all. From one-off reviews, assessments and workshops to global strategies and large-scale implementations, the talentsmoothie team is ready to tackle any challenge to get you the results you need.

For more detail about how we help organisations succeed, please visit the talentsmoothie website at www.talentsmoothie.com where you can learn more about our work, read client case studies, download our other free Factsheets, Action Sheets and Position Papers, join our mailing list of valued contacts, and get copies of our research reports.

Or if you'd like to talk through anything you've read in this Factsheet, or any business challenge you're facing right now, please email hey@talentsmoothie.com or phone +44 (0)20 7127 4741. We'd love to hear from you.



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