An Essential Guide to Employee Engagement

Helpful tips and best practices for Employee Engagement

peoplegoal

What's in this guide?

peoplegoal

What is Employee Engagement?

PeopleGoal
@PeopleGoal

'To win in the marketplace, you must first win in the workplace' - @DougConant #EmployeeEngagement

12:07 PM - Aug 8, 2019

See PeopleGoal's other Tweets

An engaged employee is someone who is "**involved in, enthusiastic about and committed to their work and workplace.**" To take this idea further, employee engagement should be about helping employees succeed in their day to day job and careers. At a stripped back level, employee engagement is the **extent to which employees feel committed to the organization**, passionate about their jobs and understand their contribution to the organization. Engagement can't be imposed nor can it be instilled. **It's about creating a culture of recognition.**

Over the last 20 years there has been a cultural shift in focus towards bettering employee engagement in their organizations. **How has employee engagement evolved and what is the current state of employee engagement around the globe?**

Types of Employee Engagement

Types of employee engagement

Engaged Employee: The engaged employee is one who works full of passion and have an emotional attachment to the organization. An engaged employee is someone who is "involved in, enthusiastic about and committed to their work and workplace".

Not Engaged Employee: These employees do put time and effort into their work, but lack the passion and energy alongside such effort and time. They do what is asked of them and are working at the company for the paycheck. Somewhat surprisingly, they can hold either negative or positive views about the organization.

Actively Disengaged Employee: The actively disengaged employee will spread negativity amongst the team they work in and further, throughout the organization. They will put the bare minimum effort in.

Employee engagement isn't binary. There isn't those that are engaged, and those that are not. Instead, there are instead **three types**:

1. *Engaged*
2. *Not engaged*
3. *Actively Disengaged.*

Engaged Employee:

The engaged employee is one who works full of passion and have an emotional attachment to the organization. An engaged employee is someone who is "involved in, enthusiastic about and committed to their work and workplace".

Not Engaged Employee:

These employees do put time and effort into their work, but lack the passion and energy alongside such effort and time. They do what is asked of them and are working at the company for the paycheck. Somewhat surprisingly, they can hold either negative or positive views about the organization.

Actively Disengaged Employee:

he actively disengaged employee will spread negativity amongst the team they work in and further, throughout the organization. They will put the bare minimum effort in.

Why is Employee Engagement Important?

Employee engagement is super important, and its implications are seen across a range of organizational facets. There are a **range of benefits** associated with employee engagement. Here are just a few:

- **Engaged employees are more productive** - According to Gallup employees can be up to 22% more productive!

- Higher levels of engagement lead to **higher rates of employee retention**.

- **Happier employees** – Research by Gallup has suggested that 78% of engaged workers feel their work lives benefit them psychologically, compared to 15% of actively disengaged employees believe this to be true.

- **Healthier employees** – according to research from the Gallup Management Journal, 62% of engaged employees feel their work lives affect their physical health in a positive manner, compared to 22% of actively disengaged employees.

- **Lower absenteeism** – research suggests highly engaged workplaces see 41% lower absenteeism.

- **Better customer satisfaction**.

- **Engaged organizations evidence greater profitability** (estimated to be about 21%).
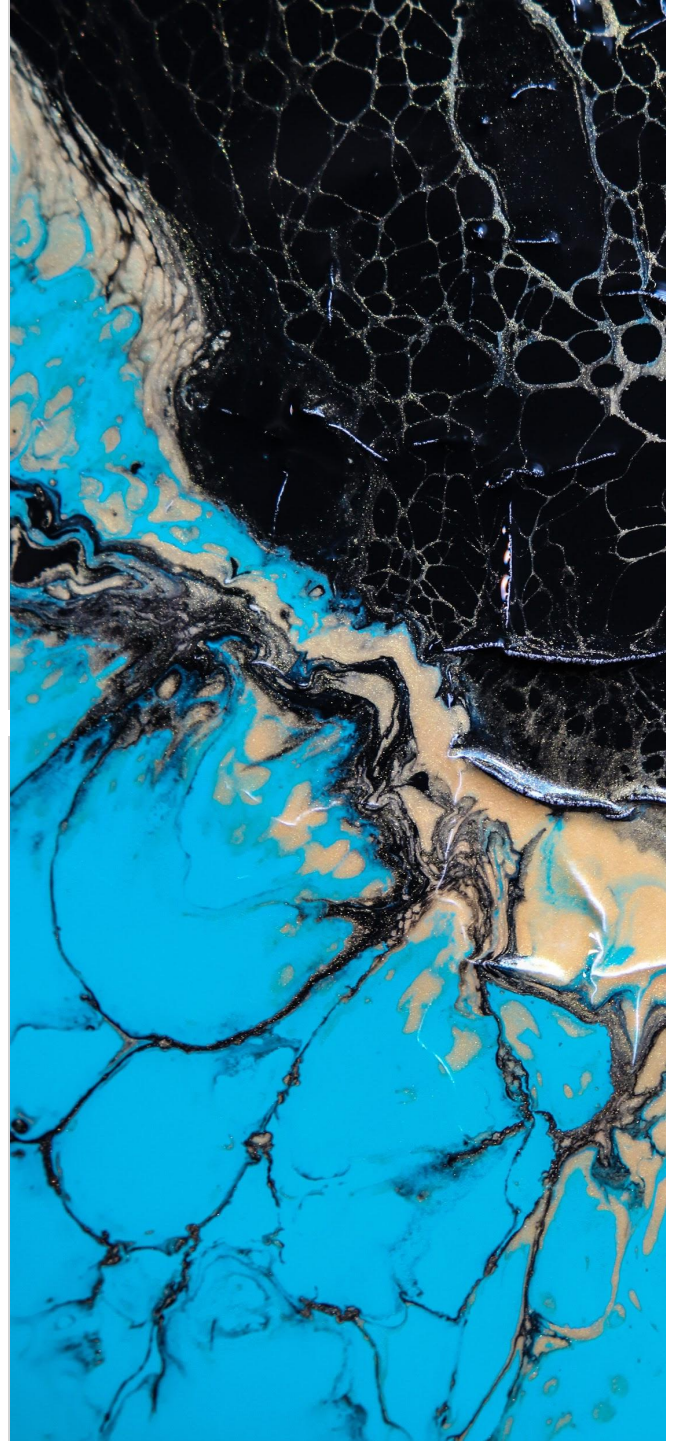
The Evolution of Employee Engagement

The term employee engagement first appeared in a **1990** [academic journal](#) by **William Kahn** titled *'Psychological Conditions of Personal Engagement and Disengagement at Work.* Prior to this, HR departments focused mainly on employee satisfaction, which had little to do with performance and was centred around the employee rather than the employee's relationship with the organization. Then **occurred a transition from satisfaction to commitment** – the idea that in return for a job an employee should promote loyalty for the organization.

Then came a shift, coinciding with a **shift** from an industrial and service economy to an [experience economy](#), **from satisfaction and commitment to engagement.** With this came a semi-severance of the concept of loyalty **the death of a 'job-for-life'.** Employees soon began focusing on experiences and tended to move from job to job, acquiring new skills and providing the company with their pre-existing skills. With this new motive of switching jobs and organizations with a sense of relative freedom, organizations began to realise they were losing out on their best employees leaving too early and costing them a great deal of money finding and training up someone new.

Combined with the transition from an industrial and service economy to an experience economy, the nature of corporate value also feeds into the development of employee engagement. Over the last 20 years, the total value of a business has **transitioned from tangible assets** of a business **to intangible assets.** A tangible asset is one that is easily measurable, for example, machinery or property. An intangible asset is that which is particularly hard to measure, for example, human capital and knowledge value. Over the two decades there has been a shift from 25% intangible assets/75% tangible assets to 75% intangible assets/25% tangible assets. This indicates a transition work with an **increasing human element**. Work which values a level of emotional and intellectual energy.

The idea of employee engagement accelerated in 1999 and was adopted widespread following the publishing of a [paper](#) titled *'From People to Profits, the HR link to the service profit chain'*, which found that **employee behavior and attitudes** towards their company can **have an effect on sales** and **customer satisfaction.** [Research](#) in 2002 indicated that improvements in employee engagement may also lead to increases in business-unit outcomes (including profit). This paper was a catalyst for the rapid expansion of interest in employee engagement. Further research substantiated the link between engagement and performance helping to establish the imperative role that engagement now has in the workplace.

Engagement is now a **cornerstone of HR** and an embedded feature of the workplace. The focus is now shifting from generating employee engagement to sustaining employee engagement. With a plethora of research, articles, blogs, events and courses dedicated to employee engagement it is clear that organizations recognize the importance of engagement and are trying to maintain a high level of engagement. After engaging the employees, sustaining the engaged employee becomes the most important task. Optimizing your [employee experience journey mapping](#) so that engagement is at the forefront can help you do this, with some people claiming employee experience to supersede employee engagement.

If you're interested at a more in depth level about the history of employee engagement, we recommend these articles:

[The evolution of employee engagement: A unique construct](#) - Prerna Chandel

[A Historical Perspective of Employee Engagement](#) – Michael Shuck & Karen Wollard

Global Employee Engagement

Global employee engagement is currently at an all-time high of **65%** ([Gallup](#)). Put differently, across the world, almost two-thirds of the employed population feel engaged with their organization. As we delve deeper into the report it reveals **trends at national** and **international levels**.

Africa constitutes the largest increase for a region, with an average increase of 5% (up to 66%) across the continent – with Nigeria showing the greatest increase (9%). Engagement in **Latin America** plateaued in the last year but is still at a high of 75%. Looking further it appears that the drop in engagement in the bigger Latin American economies (Brazil, Argentina, Mexico, Peru, Columbia and Chile) appear to be offset by rapid growth in Costa Rica, Venezuela and the Dominican Republic. In **Asia and the Pacific**, employee engagement reached its joint highest employee engagement score of 65%, with the key economies (China, Japan and India) evidencing a 2% increase.

In Canada, engagement dropped 1% to 69%, while the engagement in the US remained at 64%. Europe represents a region with particularly slow growth in employee engagement (+2%), to reach 60%. Differences between European countries reveals particularly interesting trends. Austria and Sweden (+9%), the Netherlands (+8%) and France (+7%) all indicating great growth in the area. Portugal and Greece also reported improvements in employee engagement. Aon suggest that this growth in engagement may be driven by economic rebound in previously struggling European markets.

The UK showed decline in employee engagement across last year dropping 3% - which represents the biggest decline amongst the 29 largest economies globally. Aon argue that this decline may be associated with Brexit.

"Employee Engagement in the U.K dropped significantly as they are still trying to find their wat after the 2016 Brexit vote" - Dan Riley (Aon's European Talent Practice Market Leader)

[Research by Aon](#) into engagement during times of change argues that engagement may take several years to recover after such large-scale changes.

The current state of employee engagement globally is super interesting, and you can read in greater depth the statistics behind it here, in one of our previous [blogs](#) or alternatively you can read the [AON 2018 Global Employee Engagement](#). Keep an eye out for their 2019 report when it is released.

Employee Engagement in Your Organization

This **next section** looks at **employee engagement in the modern organization,** providing you with **top tips** and **best practices** for employee engagement. We will also demonstrate what both good and bad employee engagement looks like so that you can figure out what's happening at your organization...

On that point...

What Does Bad Employee Engagement Look Like?

There a few **signs** which indicate negative employee engagement, otherwise known as a**ctive disengagement.** There is a multitude of factors which may underlie disengagement but what is the symptomatology which serves as a red flag for disengagement;

1. Apathy

An employee who acts like they don't care and are exhibiting a distinct lack of motivation indicates they are exhibiting no engagement or worse active disengagement. An engaged employee would not show an apathetic attitude for work. Fear not however! Apathy is a symptom which can be treated. Some of the most common causes of an apathetic attitude at work are stress, personal issues or the feeling that work goes underappreciated. All of these root causes can be solved with good leadership which will help you understand the problem and work together to come up with a solution and start seeing the employee become re-engaged.

2. Undermining

One of the key aspects of an effective team is collaboration, support and encouragement. If an employee is exhibiting behaviors which undermine that of an individual or of the team generally it is also likely they are experiencing active disengagement. Undermining an individual or team dynamic is unacceptable behavior and needs to be dealt with relatively swiftly as not only do they damage productivity, but they also threaten to create discourse amongst the team and individual morale levels.

3. Withdrawal

This point is implicitly linked to apathy. When an employee's morale and motivation take a dip, or they feel as though they are underappreciated an employee can be said to be experiencing withdrawal. It is slightly difficult to spot employee withdrawal, as often you can put withdrawal down to a bad day. But if this withdrawal continues over time it is time to act. An employee suffering from withdrawal may avoid group outings, miss meetings or call in sick more often.

4. Poor Quality

Errors, overlooking priorities and missed deadlines are all signs of poor-quality work, which in turn, if appearing consistently indicates poor employee engagement. Engaged employees produce good quality work and are looking to improve where possible. Those who are not engage won't give you their best effort, produce low-quality work and will hope to get away with it by flying under the radar.

5. Productivity Drop

Linking to the previous point about quality, a drop-in productivity may indicate a lack of engagement. A brief reduction in productive work can be put down to personal issues, stress or work pressures. However, if this trend continuous it may be cause for concern as it indicates that the employee does not care as much as they should.

6. Absenteeism

If an employee is frequently late, leaving early, having unplanned leave or calling in sick this is certainly a red flag for poor engagement. Further, if they are ignoring meetings, notifications and deadlines while out of the office (consistently that is) this may also be a cause for concern.

Managers need to consider what the best action is to take regarding each of these issues. Of course, each situation will be different and what may work with one employee may not work for another. It is likely that in most situations the employee is disillusioned with the one or more aspects in the workplace. Trying to have a conversation between manager and employee may help to enlighten where the problem lies from where action can be taken. If this doesn't work, it is perhaps best to take a more procedural approach. If, after multiple attempts the issue isn't reconciled then serious action may need to be taken.

What does Good Employee Engagement Look Like?

1. Motivation & Enthusiasm

Employees who are highly engaged typically show motivation and enthusiasm when they turn up for work. Do they respond to new work and projects with enthusiasm, and are they motivated to perform when given a new task? Engaged employees will talk positively about the company.

2. Collaboration & Teamwork

Collaborating staff and effective teamwork is a key indicator of engaged employees. If you're looking at the individual level, an engaged employee will engender collaboration and effective teamwork in others. For example, an engaged employee will try and work proactively with others (who may not be engaged) to achieve the best results possible for a task.

3. Development

Is there evidence for continuous personal and professional development in the employee? This isn't necessarily putting more hours in at work. Instead are they taking on more responsibility? Are they taking on new challenges or trying to learn new skills? Do they seek out opportunities to improve both in and outside the workplace (i.e. workshops and conferences)? Employees who are engaged will want to learn, grow and develop.

4. Initiative

Engaged employees will take the lead sometimes, they won't ever be directionless! They may ask for guidance, but they like the challenge of working through things themselves.

5. Referrals & Recommendations

One of the key indicators of whether your organization has good employee engagement is in your hiring processes and retention. Have employees recommended the organization to others? Are positions filled quickly? Can you promote from within? Do employees stay at the company for a good length of time?

6. Positive relationships

Engaged employees will build positive relationships with their colleagues and managers to foster an ethos of teamwork, development and success.

7. Survey Data

If you want an even easier way of checking the level of employee engagement at your organization just have a look at the data. Use your employee engagement survey as a metric to determine how well you are doing. Alternatively use pulse surveys. Another great way of determining how you are performing with respect to employee engagement is to check Glassdoor. This provides employees with an anonymous space to reveal their true feelings about the inner workings of the company. They discuss what they feel works well and what doesn't.
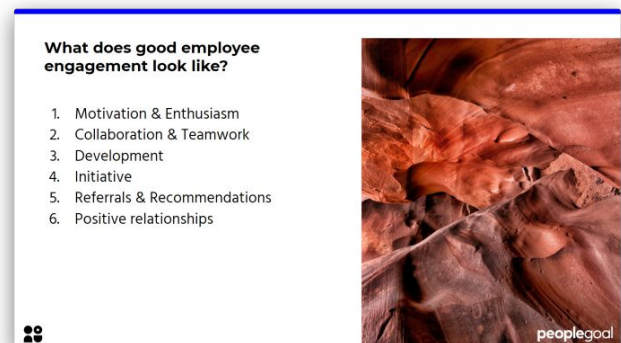
The Four Enablers of Employee Engagement

A seminal [paper](#) by **David Macleod** and **Nita Clarke** on employee engagement was released in 2009 called '*Engaging for Success: enhancing performance through employee engagement*'. The paper studied organizations across the UK measuring the levels of engagement and its relationship with performance. The paper concluded that there were four common factors in high performing organizations with high levels of employee engagement. They called these: '**The Four Enablers of Engagement'**

Note, there is **no 'one size fits all' approach** when trying **to create a successful employee engagement culture**, but these four enablers have been evidenced to help organizations. Organizations which show these enablers are not only **high performing,** but also **high in employee engagement**:

1. Strategic Narrative

Strategic narrative about the organization, which is both compelling and authentic and provided by empowering leaders. A strategic narrative means providing your employees with an organization's story. **What is the organization's purpose?** Where are its roots? Where is the organization heading? You will need to provide clear direction in your narrative to help your employees picture their importance in the narrative.

The report also suggests that the organizations narrative may want to follow these characteristics: **compelling, authentic, empowering, visible.**

2. Engaging Managers

Engaging managers will focus their employees and give them scope. They will treat their employees as individuals, will stretch and develop them. The **relationship between a manager and the employee** is **imperative for enhancing employee engagement.**

- Engaging managers make employees **feel part of a team**.
- Engaging managers provide **clear objectives**.
- Engaging managers care about an **employee's development**.
- Engaging managers stretch their employees.
- Engaged managers provide **regular, constructive and honest feedback**.
- Engaged manages are **approachable**.

3. Employee Voice

This means that **employees** are allowed and **encouraged to have an effective and empowered voice.** Employees need to see that their voice is **being listened too and acted upon**. Employees feel as if they challenge positions, opinions and processes when they feel is appropriate, they will not be met with hostility, but accept will create healthy and constructive debate. **A culture of listening** and responsiveness is particularly important for healthy employee engagement.

Organizations need to see their employees as central to any solution. They should be involved, heard and should be allowed (actually they should be encouraged) to share their ideas and opinions.

4. Integrity

Another theme which David Macleod and Nita Clarke noticed during their meta-analysis was **organizational integrity.** This r**efers to the values outlined by the organization**. The values set out by the organization need to be reflected in the day to day behaviors of those implementing the values.

Without organizational integrity employees lose trust in those higher up – those meant to be instilling a culture of employee engagement. Organizational integrity needs to be displayed not only by senior leaders, but by managers and team leaders as well. Those not modelling organizational integrity need to be held accountable to show employees that the organization truly believes in the values it sets out for all of its employees.

The report outlines a pathway to build organizational trust, providing case studies of those with highly engaged and high performing teams exhibiting this process.

Drivers of Employee Engagement

- **Positive Motivation** – Employees are more likely to emotionally invest in their work, if they are met with a positive responsive. This isn't necessarily to be overly positive to every piece of work they produce, instead give credit where credit is due, but if a piece of work isn't up to scratch provide [constructive feedback](#) in a positive manner. In a rush to criticise, we may overlook the things we liked. If the positive is registered first, any negative is more likely to be listened to and acted upon. Make sure to have a reward and recognition programme in place for good work though!

- **Employee Well-Being** – The modern day employee wants their employee to view them more than just a mere worker. They want their workplace contribution to feel valued, but more than this, they want to see that their manager and senior leaders are [taking their well-being into account](#) as well.

- **Development** – Encourage personal and professional development in your employees. Foster this development. This shows that you care about their wellbeing. Employees will notice and be appreciative of this, and hence will be more likely to become engaged.

- **Communication** – The evolving world of work makes communication imperative to achieve a good level of employee engagement in an organization. [Remote working](#), flexi-time, part time and son on challenge conventional ways of communication. A key component of employee engagement regardless of the workplace is communication! Address any deficiencies in your communication channels which may be hindering performance and engagement.

- **Relationships with Management** – Akin to one of the four enablers (engaging manager) building a good relationship with your manager (and colleagues) is an important stage in building engagement in an employee. Having a good working relationship engenders team collaboration, motivation and enjoyment of work.

Employee Engagement Strategies
Conclusion

In conclusion, **successful employee engagement strategies** will not be based on one element alone. Instead, they should be an amalgamation of numerous strategy. A **holistic approach** is the optimum approach. A successful strategy will make good use of **a range of learning, development and people management practices**.

A successful strategy will not rely purely on the HR department. They cannot run all stages from creation to implementation. Employees from across the organization should be involved. A successful strategy requires a**ctive presence from senior leaders, managers, HR and lower level employees**. As such, successful strategies should align communications, HR policies and systems as well as learning and development.

Note, some employees will naturally be more engaged than others and display more engaged characteristic. Thus recruitment and performance management play a role in building an engaged workforce.

The Future of Employee Engagement

Employee engagement is now a topic which senior leaders, businesses and thought leaders consider to be a genuine human business issue and **a key factor concerning performance, employee retention and other workplace factors.**

A 2014 paper titled '*The Future of Engagement: Thought Piece Collection*', provides a range of different topics concerning the future of employee engagement. Topics range from the future of social media and its relationship to employee engagement to the emergence of employee engagement in conversational practice. The paper is **a must-read for anyone interested in the future of employee engagement and the engagement trends which we will see in the next few years**.

Conclusion

In this article we have considered a range of topics pertaining to employee engagement. What is it? Where has it come from? What are the advantages of having an engaged workforce? What is the current state of employee engagement globally? What constitutes good and bad engagement? And what are the key 'enablers' of employee engagement.

This essential guide provides you with an overall guide to engagement, but there is so much more to learn! So many more intricacies to individual topic areas to learn about. In an ever flexible world, organizations need to consider all their workforce from remote to those with disabilities. Everyone wants to feel engaged with their work! Everyone wants to feel aligned to an organization!

It's time to develop, nurture, foster and enjoy a culture of engagement in your organization!

peoplegoal