

Qualification: CIPD Diploma in Applied Human Resources

Module Name: Employee Engagement - Understanding

Activity 1 - 6

Word Count: 3000

Student Name: Melanie Goldsworthy

Student Number: 1905548

CIPD Membership Number: 55478711

By signing below, I confirm that the work/evidence presented is my own, unaided work. I understand the regulations pertaining to candidate malpractice and the action that may be taken as a result.

Signed: MGoldsworthy

Date: 26/10/2020

Employee Engagement – Understanding

1.1 Define employee engagement.

Employee engagement is a state where the employee and employer benefit from mutual gains in their relationship. The employee benefits from this relationship through job satisfaction, good well-being and pride in their work, and the employer benefits by having that employee's good performance, commitment and enthusiasm. For an organisation, having this type of engaged and motivated employee(s) is good for business and research has shown that measures of engagement go hand in hand with higher performance which ultimately means better business for the organization. Employee engagement is seen as a combination of commitment to the organization and its values, including a willingness to help colleagues (Employee Engagement & Motivation | Factsheets | CIPD, 2019).

Schaufeli and Bakker (2004), describe employee engagement as being directly related to turnover intention through vigor, dedication, and absorption.

The definitions for an employee who demonstrates these traits are:

- **Vigor** – the employee will have high energy levels, mental resilience during work, willingness to invest effort and persistence when there are challenges
- **Dedication** – the employee will have a sense of significance, enthusiasm, inspiration, pride in their work, and challenge
- **Absorption** - the employee will be fully and happily engrossed in their work and will have focused attention, a clear mind, and effortless concentration

Another theory of employee engagement is that it is based on trust, integrity, two way commitment and communication between an organization and its members. This approach focuses on organizational and individual performance, well-being and productivity to increase the chances of business success. Employee engagement is about being fully included as a member of the team, having clear goals, being trusted and empowered, receiving regular constructive feedback and to have opportunities to support and develops new skills. The organizations values need to be consistent with its actions in order to have committed, loyal employees who have pride in their roles and go the extra mile to finish work (What is Employee Engagement, 2020).

Whilst these are three definitions, there are many more as there is no common understanding of employee engagement and no 'one size fits all' approach.

1.2 Compare and contrast employee engagement with other related concepts.

Employee engagement can be conceptualized into a three-dimensional concept which is directional and occurs on two different levels. Engaged employees express themselves physically, cognitively and emotionally which suggests that employee engagement is a complex concept. The issue with this conceptualization is that one size does not fit all and there will be different drivers of engagement depending on different parts of a business (Taylor and Woodhams, 2016).

MacLeod (2015) says that employee engagement is about involving employees in what the organization is trying to achieve, having employee voice which is listened to, values and behaviors

that are aligned which creates trust, low levels of 'burnout', and treating employees as 'humans' and not a number. This directly relates to the managers of the employees and the way they treat them; a strong line manager who does the above is more likely to have engaged employees who go the extra mile than those who don't (Engage for Success, 2015).

A concept that is related to employee engagement is 'organizational commitment'; this concept depicts three 'mindsets' that can characterize an individual's commitment to their organization which are: affective commitment, continuance commitment and normative commitment. Affective commitment is where an employee has a positive emotional attachment to the organization and strongly identifies with the organizations goals where they will go above and beyond because they want to. Continuance commitment is where an employee remains with an organization on account of the perceived 'cost' such as friendships and economic costs such as pension rights and remain with an employer because they feel that they 'have to'. Normative commitment is where an employee feels that they should remain with their employer because they have been invested in through training, for example, and feels that they have a moral obligation to remain with that employer until the 'debt' is paid. Employee engagement does not automatically follow from feelings of job satisfaction and happiness and do not themselves create high performance (Taylor and Woodhams, 2016).

Employee engagement suggests that involving employees in organizational objectives, having job satisfaction, pay satisfaction and so on is related to employee engagement and can be provided by the employer to an extent, but organizational commitment suggest that the employee behaves and is only as engaged as their own mindset. Despite this difference, engagement and commitment have identified that employees who are engaged have a positive perception of their organization, identify with its goals and are willing to go the extra mile. As there are so many variations of employee engagement it is only reasonable to acknowledge that there will be other related concepts that play a part in employee engagement holistically.

2.1 Describe the typical HR, leadership and cultural elements likely to be found in an organisation characterised by high levels of employee engagement.

Within organizations employers will often use metrics to make smarter decisions regarding the cost of turnover, hiring staff and on boarding efficiencies, for example. Emotional metrics are just as important and relate to employee wellness, happiness and relationship quality with managers. Business can't afford to just pay an employee and leave them alone as employees want to be engaged and feel an emotional attachment to their organization. Organizations must ensure that to have engaged employees that the managers are emotionally intelligent. The business should conduct surveys on a regular basis where employees can feed back on their thoughts for the organization to consider, and implement new ways of engaging their employees through aligned HR and organizational strategy (Shriar, n.d.).

Another important factor found in organizations with high employee engagement is trust. Employees who trust the organizations they work in are more likely to demonstrate behaviors such as sharing information and working well in teams. Employees in these types of organizations are also more likely to have higher levels of job satisfaction, less likely to leave, recommend their employers to others as a good place to work and resist less to change (Employment Relations Comment, 2012).

Companies and pioneers who have become more innovative and who have the most progressive work places have eight trends. They separate the bold from the boring and make work more fun.

Over 150 pioneers, founders, CEO's and employees were visited to understand how to work differently.

What they found is that they go from traditional, to progressive:

1. Profit > Purpose & values – Focusing on building a workplace around common purpose & values. Employees have energy, passion & motivation to go to work.
2. Hierarchical pyramid > Network of teams – Progressive organizations have an agile network of teams who are responsible for their own results and feel the impact of their decisions. This increases responsibility, communication, adaptability and to support their teammates.
3. Directive leadership > Supportive leadership – Leaders will remove barriers for their employees and help their employees to thrive as opposed to telling them what and how to do their jobs.
4. Plan & predict > Experiment & adapt – These organizations embrace change and abandon guessing precise predictions. They are focused on experimentation and embrace it in everything they do.
5. Rules & control > Freedom & trust – Progressive organizations trust their employees and don't believe in extensive control. Employees perform best when given a higher degree of autonomy and can do their job in the way they see fit.
6. Centralized authority > Distributed decision making – Distributed authority and decision-making with the front line employees works well as these are the people who know the customers, suppliers and production machines. This enables the organization to be agile in responding to clients.
7. Secrecy > Radical transparency – These organizations who are transparent with their employees are more likely to make better decisions in better time and solve problems sooner. This promotes collaboration in and outside the organization.
8. Job descriptions > Talents & mastery – Progressive organizations try to make use of the talents of the employees and offer them the freedom to choose their tasks and responsibilities based on their interests, strengths and talents (8 trends | Corporate Rebels, 2020).

2.2 Evaluate the need for alignment between employee engagement and other organisational factors.

CIPD (2019), states that there is a need for organizations to focus on flexible working and other factors to support better work-life balance and wellbeing within their workforce. The most common factors that link with employee engagement are:

- Work-life balance & flexible working
- Pay and benefits

- Contracts
- Job design and the nature of work
- Relationships at work
- Voice and representation
- Health and well-being

The associations between good-quality work and productive organizations lie in the way the organizations apply and promote the factors above. Employees who have a positive perception or are able to incorporate these factors into their work are more likely to be satisfied workers, enthusiastic, put in effort and stay with their employer.

Employees who are happier, healthier and more fulfilled in work deliver improved business performance and are more likely to be organizational advocates than non-engaged employees. Employees who are advocates are more likely to promote their employer as an employer of choice which positively impacts on the brand. However, there are many complex factors that impact on business profit within the organization and outside of it; it would be misleading to assume that superior corporate outcomes are directly and only linked to employee engagement. For example, a family run business such as a Chinese restaurant will employ only family members who will be engaged with the business, but this does not mean it will or will not be profitable as there are many other factors such as: is the food good? Where are they located? Do they offer delivery or the option to sit in? Are their prices reasonable, and so on (Taylor and Woodhams, 2016).

3.1 Explain why employee engagement is an increasingly vital dimension of HR strategy and practice.

Employee engagement is a vital dimension of HR strategy and practice, especially with the recent pandemic. The coronavirus outbreak and measures that followed to minimize the spread will have a long-lasting impact on the economy, business and working lives. Organizations have had to become increasingly agile and respond to new rules and measures quickly and effectively, including how they operate, how jobs are carried out, new safety measures and returning staff to the workplace with new procedures. Workers in turn have to navigate new ways of working, being furloughed at any moment, as well as adapt quickly to changing circumstances in their personal and work lives. It is important for organizations to look after their employees who are increasingly worried about job security and how their personal and work lives are constantly changing. Organizations are facing the reality of keeping their workforce engaged with their work whilst also trying to weather this storm (Impact of COVID-19 on working lives | Survey reports | CIPD, 2020).

Without engaged employees the business is less likely to do as well as other similar organizations that do have engaged employees. The way people are managed, motivated and deployed, and the skills and knowledge that they have should all shape the business strategy (Strategic Human Resource Management | Factsheets | CIPD, 2020).

During the pandemic, employees have become heavily reliant on their employer to make good strategic decisions that don't impact them negatively. Employers who have responded well to the pandemic such as Timpson who kept their 5,5000 employees on full pay whilst their shops were shut, and Morrisons who gave £10 million worth of food to food banks are more likely to have engaged and committed employees. They have done the right thing which positively impacts on the way employees and customers view them; this strengthens their brand as a good employer. There are employers who have done the opposite, such as JD weatherspoon who encouraged staff to get

news jobs and refused to pay for beer that had already been supplied to them by breweries. The cruise company 'Cunard' who kept selling cruise breaks in the middle of lockdown despite Australian government banning visitors. These companies have negatively impacted their brand by appearing untrustworthy and unethical to employees and customers (Van Leeuwen, 2020).

3.2 Evaluate the potential benefits, for different parties, of high employee engagement.

Employees who are engaged and committed to their work give companies crucial competitive advantage which includes higher productivity and lower employee turnover. For this reason organizations of all sizes and types invest in policies and practices that promote engagement and commitment in their workforces (Vance, n.d.).

An engaged workforce means happier customers, who are more likely to return meaning the organization gets repeat business. These customers may tell their friends and family which means you might get new customers. Due to social media, word spreads further and faster; this can be a wonderful tool for organizations or complete hell. Customers can write reviews on websites regarding their experience and potentially hundreds or thousands of people will read it and make their mind up based on these reviews, whether they are a true reflection or not. This could mean that the business will gain lots of new customers and positively impact the business and its profits, benefitting the stakeholders, managers and employees. More money could mean higher wages, investment in the employees and organization, and so on.

Other parties who benefit from high employee engagement are external providers such as suppliers. If suppliers are treated well and have a good relationships with the employees, this benefits both as this help suppliers business grow which helps the economy, especially in instances where businesses have contracts with small local suppliers.

It is becoming increasingly complex to work in these new times where everyone has an opinion and can express it so easily via social media sites such as Indeed and Glassdoor. It is increasingly important for employers to treat employees fairly and for managers to be reasonable and engage their employees (Benefits of Employee Engagement, n.d.).

4.1 Identify key sources of employee engagement related data.

People analytics can help to improve evidence based decision making within organizations through insights about their workforce and HR policies and practices. People-data collected by HR systems can show analytics on payroll, absence management and operations performance, for example. There are many different ways to collate data to help organizations such as macro factors (data that shows national statistics or trends such as labor market health), and micro factors (data that is within an organization or sector and shows absence levels, for example). In 2001, Gallup Q12 study produced research regarding employee engagement across the UK and found that only 17% of British workers were engaged in their work whilst 63% were non-engaged and 20% were actively disengaged. This data shows the national statistics but the statistics may vary depending on individual organizations and their culture, ethics and how they treat their employees (Taylor and Woodhams, 2016).

To understand and interoperate different data for organizations is important as it is necessary for HR and organizational strategy. Macro factor data such as labor market health will impact on organizations recruitment, either positively or negatively; if the labor market health is good then employers can recruit easier and will have a greater pool of candidates to select from resulting in them being able to employ the best people. If the labor market is poor there will be fewer candidates applying for jobs. This will mean that employers, depending on how desperate they are to fill a role won't have as many candidates to select from and may employ someone that they wouldn't have if the labor market was better (People Analytics | Factsheets | CIPD, 2020).

Micro factor data such as absence levels, for example will impact on the organization in a different way to macro factors. If an organization is experiencing high levels of absenteeism for example, it may be due to a range of factors within the organization such as burn out, poor working conditions, poor processes, lack of employee engagement or all of these. Employers will need to understand these and incorporate ways to improve and manage them within the business and HR strategies. It is important for employers to engage their employees and to provide them with their basic pay and benefits and to improving retention through career development opportunities, communicating and consulting with them, being flexible, paying attention to their well-being and treating them fairly (Employee Turnover & Retention | Factsheets | CIPD, 2020).

4.2 Describe key trends in employee engagement and differences linked to gender, demographic and other factors.

The CIPD UK working lives report, (2019) states that there is a lack of equality in access to flexibly working arrangements and shows that 45% of women employees work part-time compared with 14% of men. This could be because women are more often reporting the provision of care as a primary driver whilst men are not. Another factor is demographics as employees in higher positions within an organization often have to commute to work. Commuting is considered as one of the least appreciated work-related activities as it is associated with 'lost time'. The region in which employees are commuting also differs considerably with workers in London reporting lengthier commutes to those in rural areas or workers who are in lower-grade, semi-skilled, unskilled or casual jobs.

Age is another factor of employee engagement as different age groups want different things. The population is ageing with older workers in work longer. Employers are less likely to invest in training and opportunities for older workers as the return isn't likely to be so great if they are close to retirement. Employers should prepare for the ageing workforce and take advantage of their attributes and what they can offer to an organization (The impact of an ageing workforce | CIPD, 2018).

On the other side are the Gen Z's and Millennial employees who are more outspoken and transient and don't always want the same things as in the past. Gen Z and Millennials ranked work-life balance as priority when choosing an employer which is why it is important for organizations to embrace flexible working and promote work-life balance. Without these, it is going to become difficult to engage this workforce purely through pay and benefits (Stahl, 2019).

4.3 Evaluate the future for employee engagement, based on current trends.

Employee engagement needs to be characterized as transformational where organizations spend the majority of their engagement efforts 'post-survey' and focus on building an environment which truly engages employees. Employers need to inspire employees to do their best and align their efforts with the needs of the business and business strategy (Institute for Employment Studies, 2014).

Covid-19 has accelerated the transformation of agile ways of working, new business models and the way organizations work due to new and changing regulations. Managers need to introduce work methods and policies that nurture the emotional connections between employee and their work places. Now more than ever are workforces working from home and often don't see any of their colleagues or managers in the flesh. Managers will need to utilize technology like 'Zoom' and 'Microsoft Teams' to keep in touch with employees; 1-1 check-ins is a positive way to keep in touch and keep employees engaged. Creating a positive work environment where workers who are working from home can do their work and also attend to their personal needs such as taking care of children, elderly, pets and errands simultaneously has helped with employee engagement. Another way for organizations to engage their workforce during these times is to encourage them to trust in leadership. Organizations have had to make difficult decisions and a good way to communicate with their workforces is to become more transparent with them, instilling trust (What has COVID-19 taught us about employee engagement?, 2020).

Taylor and Woodhams, (2016) argue that employees will not necessarily be engaged just because they are employees and that whilst they have a job, if others around them are losing theirs through cut backs and redundancies, they are more likely to be preoccupied with themselves and their own security; being engaged in their work will be far from their minds. Employees on 0hrs or casual contracts who may have initially thought this was a good way to maintain work-life balance are now concerned with layoffs or being made redundant as they have less security than those with fixed and permanent contracts.

I predict that there will be more emphasis on organizations to focus on being agile and at the same time, maintaining employee engagement in order to operate effectively. This being said, organizations will need to find new ways of communicating to employees whilst maintaining their trust and well-being in ever changing circumstances. Nationally the labor market will be good for employers who are hiring but as the economy starts to struggle due to the impact of Covid-19, employers will need to review pay and whether or not they can do without certain job roles. Engaging the workforce is an ever evolving task and managers, leaders and HR teams will always have a part to play in promoting and enabling this.

Bibliography

Archive.acas.org.uk. 2012. *Employment Relations Comment*. [online] Available at: <<https://archive.acas.org.uk>> [Accessed 24 October 2020].

CIPD. 2019. *Employee Engagement & Motivation / Factsheets / CIPD*. [online] Available at: <<https://www.cipd.co.uk/knowledge/fundamentals/relations/engagement/factsheet>> [Accessed 12 October 2020].

CIPD, 2019. *Health And Well-Being At Work*. London: CIPD, pp.5-34.

CIPD, 2019. *UK Working Lives*. The CIPD Job Quality Index. London: CIPD, pp.4-12.

CIPD. 2020. *Impact Of COVID-19 On Working Lives / Survey Reports / CIPD*. [online] Available at: <<https://www.cipd.co.uk/knowledge/work/trends/goodwork/covid-impact>> [Accessed 25 October 2020].

CIPD. 2020. *Strategic Human Resource Management / Factsheets / CIPD*. [online] Available at: <<https://www.cipd.co.uk/knowledge/strategy/hr/strategic-hrm-factsheet#6778>> [Accessed 25 October 2020].

Corporate Rebels. 2020. *8 Trends / Corporate Rebels*. [online] Available at: <<https://corporate-rebels.com/trends/>> [Accessed 24 October 2020].

CIPD. 2020. *People Analytics / Factsheets / CIPD*. [online] Available at: <<https://www.cipd.co.uk/knowledge/strategy/analytics/factsheet>> [Accessed 26 October 2020].

CIPD. 2020. *Employee Turnover & Retention / Factsheets / CIPD*. [online] Available at: <<https://www.cipd.co.uk/knowledge/strategy/resourcing/turnover-retention-factsheet>> [Accessed 26 October 2020].

CIPD. 2018. *The Impact Of An Ageing Workforce / CIPD*. [online] Available at: <<https://www.cipd.co.uk/news-views/cipd-voice/issue-16/impact-ageing-workforce>> [Accessed 26 October 2020].

Deloitte Malta. 2020. *What Has COVID-19 Taught Us About Employee Engagement?*. [online] Available at: <<https://www2.deloitte.com/mt/en/pages/human-capital/articles/mt-employee-engagement-and-covid-19.html>> [Accessed 26 October 2020].

engageforsuccess.org. 2020. *What Is Employee Engagement*. [online] Available at: <<https://engageforsuccess.org/what-is-employee-engagement>> [Accessed 14 October 2020].

Engage for Success. 2015. [video] Directed by D. MacLeod. GivebackUK.

Institute for Employment Studies, 2014. *The Future Of Engagement Thought Piece Collection*. Engage for success thought leadership paper. Brighton: IES, pp.27-80.

Managementstudyguide.com. n.d. *Benefits Of Employee Engagement*. [online] Available at: <<https://www.managementstudyguide.com/benefits-of-employee-engagement.htm>> [Accessed 25 October 2020].

Schaufeli, W. and Bakker, A., 2004. *Job Demands, Job Resources, And Their Relationship With Burnout And Engagement: A Multi-Sample Study*. [online] Wilmarschaufeli.nl. Available at: <<https://www.wilmarschaufeli.nl/publications/Schaufeli/209.pdf>> [Accessed 12 October 2020].

Shriar, J., n.d. *10 Essential Pillars Of Employee Engagement*. Office Vibe, pp.5 - 89.

Stahl, A., 2019. *How Generation-Z Will Revolutionize The Workplace*. [online] Forbes. Available at: <<https://www.forbes.com/sites/ashleystahl/2019/09/10/how-generation-z-will-revolutionize-the-workplace/#1d8>> [Accessed 26 October 2020].

Taylor, S. and Woodhams, C., 2016. *Human Resource Management*. 2nd ed. London: CIPD, pp.80-93.

Taylor, M., 2020. Understanding what motivates us in a time of crisis. pp.1-4.

Van Leeuwen, H., 2020. *COVID-19 Creates Heroes And Villains Among Britain's Business Elite*. [online] Financial Review. Available at: <<https://www.afr.com/world/europe/covid-19-creates-heroes-and-villains-among-britain-s-business-elite-20200327-p45ehe>> [Accessed 25 October 2020].

Vance, R., n.d. *Employee Engagement And Commitment: A Guide To Understanding, Measuring And Increasing Engagement In Your Organisation*. London: SHRM Foundation, pp.8-53.