

An engaging concept

In the middle of an economic downturn, with its inevitable negative effects on morale and motivation, it is even more important that organisations take steps to maintain, if not increase, employee engagement. At the same time, the recession is likely to place HR departments under even greater pressure to justify expenditure. In such an environment, human capital measurement may help organisations identify those HR initiatives that will have the most significant impact on engagement and consequently the bottom line.

What is employee engagement?

Defining employee engagement is not straightforward. But employers generally accept that it goes well beyond employee satisfaction. Engaged employees are not only satisfied with their pay and benefits and working conditions, but they also have an understanding of business needs, are committed to their work and are more likely to exert discretionary effort and add value to the organisation.

Presenting the business case

Most companies believe that engaged employees will act as advocates for the business, perform at a high level, provide excellent customer service in line with corporate values and stay with their employer for longer. But it is not just the organisation that stands to benefit. Engaged employees are more likely to be satisfied in their jobs and experience positive attitudes and emotions towards their work.

Measuring engagement

Measuring employee engagement puts organisations in a position to understand where they need to focus their efforts. Employers typically use employee surveys to provide an overall measure of engagement. These are often complemented by qualitative research, such as employee focus groups, which allows employers to put their broader survey findings into context and gain a deeper insight into why and how their employees are engaged. These findings can help them identify the key drivers of engagement and plan initiatives that will yield the greatest benefits.

Engaging staff

Taking the time to seek the views of employees may in itself help to make them feel more valued and involved in business decisions. But any positive impact is likely to be limited unless action is taken, and seen to be taken, on the basis of the results. Line managers are often responsible for acting on the findings and for

planning initiatives at a local level. HR, meanwhile, can use the results of any research to plan at the organisational level.

Employee engagement is achieved by having an attractive corporate culture where employees feel that they are being rewarded fairly, have interesting work to do, will be supported in meeting their career aspirations, and will be able to balance their lives at home and at work and enjoy both. Employees should also feel that their efforts and ideas are valued and recognised.

Employee involvement is key

An effective communication strategy is key to engaging employees and ensuring they feel valued and involved. Employers communicate with staff using a wide variety of channels, including corporate intranets, the Internet and staff meetings. But, to engage staff, communication needs to be a two-way process. To give their employees a voice, organisations are increasingly introducing information and consultation forums and suggestion schemes.

Focusing on line managers

Line managers have a critical role in engaging staff. They are responsible for carrying out appraisals, ensuring employees have access to learning and training opportunities, and for coaching staff. The way they manage their teams has a huge impact on an organisation's culture and employees' experience of work.

Proving a causal link

Some organisations are seeking to use human capital measurement to show a causal link, or at least an association, between engagement, other HR metrics and important business performance indicators. This may enable employers to establish a stronger business case for spending time and money on increasing the level of employee engagement. And this could prove important against a backdrop of economic recession, when it is likely that HR will be under greater pressure to justify investment decisions.