

Managing People
(LCBB5004)

ASSESSMENT 2

Employee Engagement Report

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Introduction

Challenging times businesses are facing due to the Covid-19 pandemic, force organizations to consider new ways of managing their workforce, business strategies and to change their overall view of well-being. Employers not only need to ensure the health and safety of their employees, but also to attempt to keep and even enhance levels of engagement, so to support workforce motivation and commitment. The aim of this report is to review the concept and drivers of employee engagement, to evaluate diagnostic tools of measuring engagement and to help the Chief Executive in constructing employee value proposition and strategy to increase levels of engagement among her employees.

The Concept of Employee Engagement

Definitions

One of the earliest and most cited concepts of employee engagement was proposed by Kahn (1990) who was the first to review engagement in psychological term, focusing on the relationship between individuals and their work, and underlying the ways in which people are engaged with their work – physically, cognitively, and emotionally. (Schneider *et al.* 2018) According to his definition, employee engagement refers to “the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”. (Kahn, 1990) In his later writings when describing an engaged employees Kahn identifies them as working hard, putting efforts, energized by and focused on their work, and striving to progress in their work. (Kahn, 2010) Schneider and Macey (2008) identify employee engagement as a desirable condition, which has organizational purpose and indicates commitment, involvement, passion, energy, focused efforts, and enthusiasm. Analogously, Erickson (2005) illustrates it as connected to passion and commitment, in the context of one's willingness to invest and to put his discretionary efforts to promote organizational success. The Chartered Institute for Personnel and Development (2007) suggests that employee engagement could be seen as combining individual's commitment to organisation and its values and a willingness to support colleagues.

Job and Organizational Engagement

Job engagement indicates the extent to which employees are captivated by the performance of their own job roles. (Saks, 2006) Job engagement refers to the discretionary efforts that employees put because they find their jobs interesting and challenging. (Armstrong, 2014) Kahn (1992) describes it as a multidimensional motivational concept that reflects individual's investment of his/her physical, emotional and cognitive energy in active job performance.

Organizational engagement is related to individuals' ability to identify with the purpose and values of the organization. Saks (2006) identifies it as 'the extent to which an individual is psychologically present as a member of an organization'. One of the definitions underlines that organizational commitment is the intensified connection employees have with their organization. (Armstrong, 2014) The organizational characteristic of the engagement is highlighted by Robinson *et al.* (2004) who define the term as individuals' positive attitude regarding the organization and its values.

The Importance of Employee Engagement for Organizations

Several studies suggest that employee engagement leads to a variety of positive outcomes for the organizations. (Fisher *et al.* 2010) The impact of engagement could result in higher productivity and profits, improved quality, higher customer satisfaction and loyalty, higher level of performance, lower levels of absenteeism and increased levels of retention. Engaged employees could foster the implementation of organizational change and stronger organizational culture. (Patro, 2013) Stairs and Galpin (2010) affirm that highly engaged employees could affect positively organizational performance resulting in less absenteeism higher employee retention, increasing their efforts and productivity. Engaged employees are emotionally connected to their organizations, they work with high levels of involvement and passion, with willingness to go beyond the employment agreement, for the accomplishment of their organisation goals. (Markos and Sridevi, 2010)

Drivers of Employee Engagement

As engaged employees are meant to be more productive, in this way enhancing organizational performance, it is needed for every organization to identify and understand the main drivers of employee engagement. Although there exist numerous drivers of engagement, which may vary according to the industry, job level and functions, and organisational culture, some of them are defined as critical and common to all kinds of organizations. (Robinson *et al.* 2007)

Feeling valued and involved

Robinson (2004) advocates that one of the main drivers of engagement is the sense of being valued and involved. This driver correlates to the involvement of decision-making, the ability of the employees to voice their ideas, and the extent to which manager listen to value their contributions. Moreover, it is related to the opportunities given to employees to develop and company's concerns about employees' health and well-being.

Effective Leadership

Effective leadership is another critical factor which drives employee engagement. Good leaders could positively impact employee engagement by being fair, having clear expectations, and recognizing employee's performance, as a result enhancing employees' sense of attachment to the job. (Macey and Schneider, 2008) Additionally, leadership could influence employees emotional state of psychological safety by offering an environment of trust and support, where employees feel safe to engage fully. (Kahn, 1990)

Well-Being

To increase employees' commitment and create an environment in which they feel valued, employers are responsible to look after their workforce, by considering their needs. This requires establishing working conditions that meet health and safety requirements, enhancing the work-life balance and dealing with issues as stress, harassment, and bullying. (Armstrong, 2014) When the organization is satisfying the basic employee's needs by establishing clear expectations, providing basic material support, encouraging employee's contribution, and giving them a chance of progress and development, this result in the presence of positive emotions which heighten workers performance and quality of life. (Harter *et al.* 2003)

Communication

A significant role in driving employee engagement is played by the communication within the workplace. Superiors need to communicate clearly with employees to assist them in relating their role to the vision of leadership. Organizational values need to be communicated effectively to all employees to attain employees' support in reaching organizational goals. Good communication is vital for creating commitment, an atmosphere of integrity and trust, focused and productive workforce. (Robinson *et al.* 2004)

Development Opportunities

Giving employees opportunities to develop themselves and unleash their full potential is fundamental to fostering engagement. Organizations which provide training and development programs help their employees obtain new skills, make advancements in their careers and feel valued, so reaching higher levels of performance. Training and development initiatives not only improve individuals' skills and competences, but also drives organizations to grow further. Moreover, this allows organizations to create a workforce that is engaged, motivated and having long-term value. (Antony, 2018)

Diagnostic Tools to Measure Engagement

Measuring engagement allows organizations to monitor progress, identify the existing gaps regarding organizational engagement, retention and motivation. Additionally, it supports improving productivity and attaining business objectives. As there is no universal tool for measuring engagement, it is essential for organizations to use an appropriate combination of different tools that best fits their purpose. (Lockwood, 2007) Employers can analyse several factors when assessing engagement, including how proud are the employees of their organization, to what extent they are willing to go the extra mile, do they believe in the company's products and services, are they confident the organization gives them the opportunity to develop their full potential. (Robertson-Smith, 2009)

IES Engagement Survey

The Institute of Employment Studies has developed a diagnostic tool for measuring engagement, described as attitudinal survey, consisting of 12 statements related to various characteristics of an engaged employee. The aim of the statements is to examine organizational citizenship, commitment, alignment between individual's and organizational values and the extent to which organizations enable their employees to perform well. (Robinson *et al.* 2004) IES tool can be used to obtain information about specific drivers from attitude survey data. The application of the tool is directed to foster a sense of feeling valued and involved. (Rajagopal and Abraham, 2007)

Gallup Workplace Audit (Q12)

The Q12 employee engagement survey constructed by Gallup is designed to assess employee engagement and its link to organizational performance. The questionnaire addresses issues such as understanding what is expected of employees at work, presence of right resources to perform well, the extent to which their voices are listened and considered, the presence of encouragement to grow and developed, the existence of support in terms of friendships at workplace. (Robertson-Smith and Markwick, 2009) Providing a framework for managers and leaders to focus on the most important issues and identify the requirements to unleash employees' potential is a fundamental purpose of Gallup's diagnostic tool. Furthermore, using the Q12 encourages leaders to incorporate the concepts of each item into casual conversations, meetings, performance evaluation and goal setting in order to meet the basic psychological needs of their employees, thus enhancing the levels of engagement. (Gallup Inc., 2020)

Utrecht Work Engagement Scale (UWES)

A widely used tool in measuring employee engagement, developed by Schaufeli *et al.* is the Utrecht Work Engagement Scale (UWES). Based on their definition of engagement as a multidimensional construct comprising of vigour, dedication and absorption, UWES integrates

this multidimensionality by providing an opportunity to evaluate not only levels of engagement but also employees' mental health and well-being. (Mills *et al.* 2011) A measuring scale is available in long form (UWES-17) and a short one (UWES-9). The shorter version has been demonstrated to have a good reliability and validity, indicating significant correlation with the theoretical concept of engagement. (Seppälä *et al.* 2008)

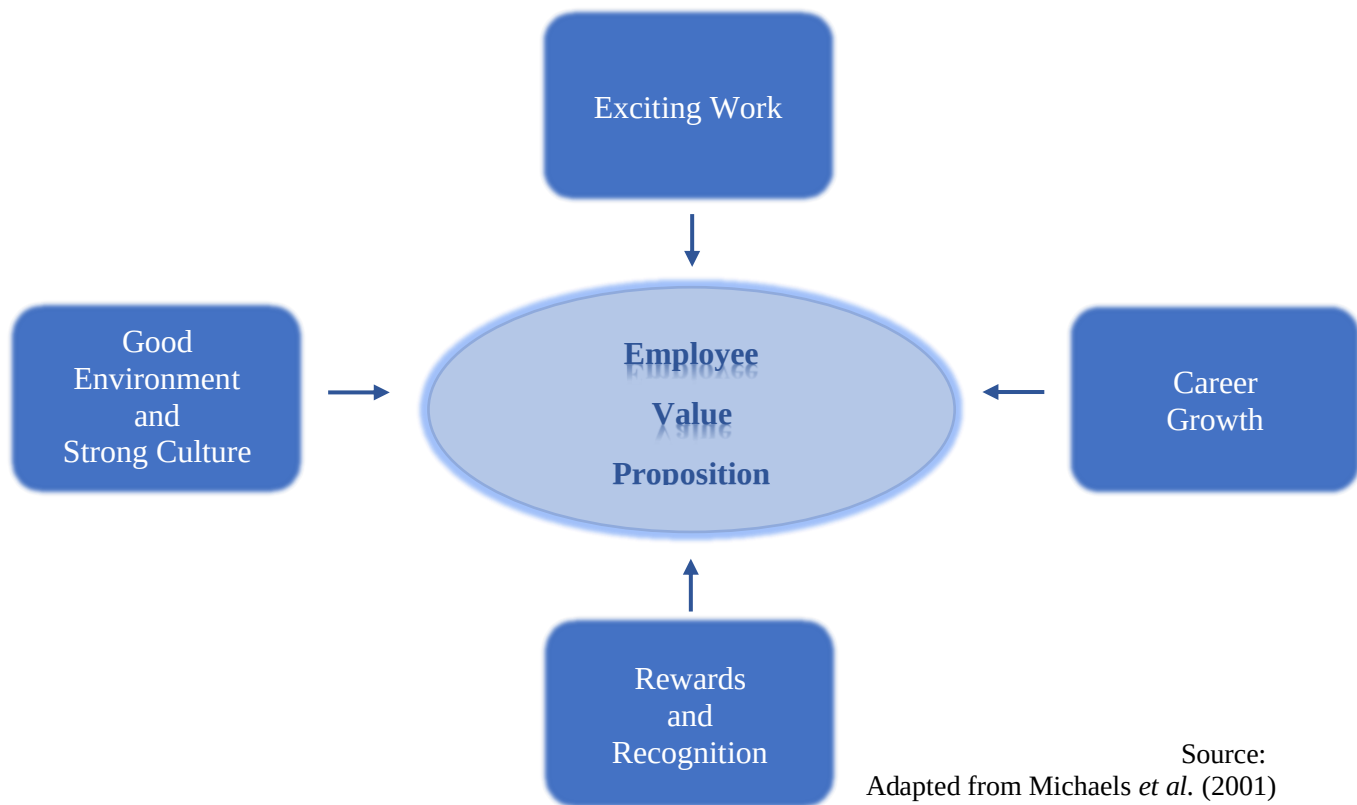
Understanding the levels of engagement in an organization requires not only suitable tools for measuring, but also considering how the results would be turned into action. To obtain effective result from the feedback provided by the employees, employers need to ensure actions taken are transparent and directly communicated with the received feedback. This would guarantee employees trust, feeling valued and listened to. (Robertson-Smith and Markwick, 2009)

Employee Value Proposition

To attract and retain talented workforce, a main task for every organization is to create a winning employee value proposition, which would differentiate it from its competitors and would make it a better workplace. The employee value proposition sums up everything employees experience and receive while working in a company, this including satisfaction of their job, environment, leadership, compensations, colleagues, rewards. It is related to the extent to which organization satisfy employee's needs, expectations and even dreams. A strong value proposition is what motivates employees to unleash their full potential and to give their best at work. (Michaels *et al.* 2001) Organizations which want to build compelling value proposition should focus on employees' needs to feel valued, to work in an environment of trust and integrity, to develop and grow their talents.

Employee Value Proposition Components

Based on the ideas and concepts covered above, the following paragraphs would analyze some potential elements for constructing employee value proposition, which could be used by the Chief Executive to strengthen the value proposition and to increase the levels of engagement among company's employees. It is important for employers to understand that there is no universal formula for creating a strong employee value proposition, it depends on individuals' needs and preferences, which need to be considered when shaping organizational culture and building the business strategy. Although, there exist several elements that are common to all winning strategies. (Nel, 2009) (See **Appendix A**)



Exciting work employees are passionate about

An essential element in building a strong EVP is offering interesting and challenging work that people feel passionate about. The business strategy should be formed in a way that attract highly talented people. Employers should consider creating job roles that are interesting and expansive, and which give employees autonomy and responsibility, hence increasing their sense of psychological meaningfulness and positively affecting the levels of engagement. (Michaels *et al.* 2001)

Building an environment of involvement, trust, and respect

Building a strong, positive culture, environment fostering trust, respect and involvement, and having leaders that inspire employees are another key element of winning employee value proposition. Organizations should establish strong culture in which leaders' goals and values are aligned with those of the employees, an environment of mutual trust and respect, honest communication and leaders who inspire, effectively communicate the organizational values and vision, and support employees' development, as a result improving the sense of engagement and heighten employee value proposition. (Michaels *et al.* 2001)

Rewards and Recognition

This element combines all aspects of the work experience of value to employees – not just the tangible rewards, such as pay and benefits, but also the intangible ones in terms of job design, learning and development, employee well-being. Companies striving for a winning EVP must implement in their payment strategies an appropriate blend of both financial and non-financial rewards to ensure their employees are motivated, committed and ready to demonstrate discretionary efforts. Some intangible rewards valued by employees include opportunities for development, recognition for job well-done from leaders and colleagues, work-life balance. (Torrington, 2017)

Personal Growth and Career Development

By giving employees opportunities to develop their abilities, gain new knowledge and learn new skills and reach their potential, employers influence how engaged their workforce feels in the workplace and encourage them to grow personally. (Patro, 2013) Opportunities for career development make employees feel that organizations take a long-term view of their value. Additionally, this enhances the level of how engaged and motivated employees are. (Robinson *et al.* 2004)

Conclusion

Challenges encountered by the organizations in this time of economic instability could only be mitigated by the discretionary efforts of the most valuable asset in an organization – its workforce. Focusing on enhancing the levels of employee engagement by understanding the main drivers and choosing suitable tools for measuring its levels could give the Chief Executive the opportunity to overcome the obstacles and maintain her company viability. The organization should take more measures to improve employee engagement in terms of well-being, effective communication, recognition and rewards, and good leaders who motivate and inspire. Highly engaged workforce which feel valued and involved would result in increased efforts and productivity and would support the company to adapt quickly to current changes.

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Appendix A

Herzberg's Two-Factor Theory of Motivation

Based on an investigation of the sources of job satisfaction and dissatisfaction, the two-factor theory (Hygiene-Motivation theory), developed by Frederick Herzberg, establishes the link between job design, motivation and satisfaction. According to Herzberg, there are two factors that affect feelings of satisfaction and dissatisfaction. (Armstrong, 2014)

Hygiene factors (dissatisfiers) are related to the job environment and are extrinsic to the job itself – pay, working conditions, interpersonal relations, job security and quality of supervision. The term ‘hygiene’ is used as analogue to the medical term meaning preventative and environmental. These factors primary role is to prevent job dissatisfaction, they neither satisfy, nor motivate by themselves and generally have little effect on positive job behaviours. (Mullins, 2016)

Motivational factors (satisfiers) are intrinsic by nature, as they are interrelated to the job content. This set of factors includes recognition, achievement, responsibility, and personal growth, which serves as actual motivators for employees at the workplace. If employers aim to motivate their employees to give their best, they should concentrate on the motivational factors, as these are related to the quality of experience at work. (Mullins, 2016)



Source:
Adapted from Mullins (2016)