Employee Engagement—
Why Care?

An engaged workforce that performs with energy, focus, and commitment is critical to organizational survival. **By Ross Tartell**

Over the last decade, employee engagement has developed as a vital component of Human Resource strategy. But economic realities during the last few years have narrowed the focus of some companies to concerns about cash flow and sales, leaving employee engagement forgotten amid the imperative for economic survival. Stagnant growth and high unemployment characterized an environment that caused many employers to act as if employees were lucky to have a job and could easily be replaced if they didn't produce.

But today, as economic constraints are easing, employers are faced with the re-emergence of competition for talent. A 2011 worldwide study of almost 11,000 employees by consulting firm Blessing White reported a disturbing trend: Only 61 percent of employees report that they plan to stay with their current employer through the next 12 months. That means that four out of 10 employees hope to leave their current employer during the next year—a possibly devastating talent drain.

The Blessing White study reported both good news and bad news about engagement levels. The good news is that engagement levels generally have been stable through the recession, but the bad news is that fewer than one-third of employees report being engaged on the job. This finding of low levels of employee engagement is reinforced by the Society for Human Resource Management’s (SHRM’s) 2011 Employee Job Satisfaction and Engagement study, which reports that “all the surveys, from Gallup to Towers Watson, consistently show that only a small minority of employees feel fully engaged at work.”

**WHO IS ENGAGEMENT IMPORTANT?**

People who are engaged by their work have a sense of urgency, focus, enthusiasm, and intensity. The SHRM study reports: “People who are engaged are determined to accomplish their work goals and are confident they can meet the goals.” In today’s fight for survival, organizations must have a highly engaged workforce. A disengaged staff can be a major cause of a spiral into insolvency.

The payoff of an engaged workforce is highlighted by two studies conducted by Towers Watson:

• A one-year study of 50 global companies compared those with highly engaged employees to those with low engagement. This study reported a 19 percent increase in operating income and 28 percent growth in earnings per share for companies with highly engaged employees. Companies with low levels of engagement saw operating income drop by 32 percent and earnings per share decline 11 percent.

• Another study looked at 40 global companies over a three-year period. This study found a spread of 5 percent in operating margin and a spread of 3 percent in net profit margin between companies with high employee engagement and those with low engagement.

Clearly, an engaged workforce is critical to business success.

**HOW CAN YOU IMPROVE ENGAGEMENT LEVELS?**

Low levels of engagement are a significant competitive disadvantage. But while the problem is important, most companies do not realize that significant improvement in engagement levels can be accomplished through a set of human interactions focused on a few vital areas.

Six leverage points significantly affect engagement levels:

• Quality of interaction with the direct supervisor
• Strategy and objectives
• Meaningful work
• Developmental opportunities
• Adequate resources to get the work done
• A culture of support, ethics, and performance
Quality of interaction with the direct supervisor. Blessing White points out that the dialogue between manager and direct report "is at the heart of high engagement and sustainable performance." Remember the old adage: "People don't leave companies, they leave managers." It is through the ongoing manager/direct report dialogue that almost all the key engagement leverage points begin to take shape. Without this sometimes challenging, always candid and respectful dialogue, none of the other drivers of engagement have a chance to make a difference.

Strategy and objectives. Two factors are critical if strategy and objectives are to be a positive force for engagement. The first is that they are defined and communicated. Without clear understanding of the objectives, there can be no focus. Second, there must be a certain level of confidence that the strategy will work. After all, who wants to work on something that likely will fail, even if the cause is noble?

Meaningful work. Possibly you know the apocryphal story of the three bricklayers. Each was asked what they were doing. The first said he was laying bricks. The second said he was building a wall. The third replied that he was building a cathedral. You can guess which bricklayer had the highest level of engagement. People who work on activities that have meaningful impact and contribution tend to be highly motivated. This point is reinforced by a McKinsey and Company multiyear research project that reported, "Of all the events that can deeply engage people in their jobs, the single most important is making progress in meaningful work." Ongoing dialogue among supervisors and their teams can foster this crucial understanding among employees of the significance of their work.

Developmental opportunities. Most people value the opportunity for personal development and deeply appreciate someone's interest in their welfare and future. A manager's respectful and candid developmental discussions can be a strong indicator of an organization's commitment to the individual. This type of constructive dialogue, accompanied by practical developmental activities, shows a level of commitment and a capacity to develop talent for the future that is personal and constructive.

Adequate resources to get the work done. Everyone wants to succeed, and success requires the capacity to get things done. Motivation and engagement suffer when employees struggle to get the minimum resources needed to do the job. A theory of motivation—Expectancy Theory—talks about the likelihood of being able to achieve a goal. If the goal is too hard to achieve, then people will not be motivated because they believe it cannot be attained. That doesn't mean a goal shouldn't be difficult or a "stretch." But individuals need to believe that through their efforts and sacrifice, there is a reasonable expectation that they can achieve success.

A culture of support, ethics, and performance. Then there is the culture. Is it a culture of support, challenge, respect, trust, and achievement—or is it highly politicized, destructive, and characterized by a win-lose dynamic? The culture needs to enable the creation of cooperative bonds among people, so each person can feel a commitment to co-workers and the team. That establishment of a personal connection with at least a vital few co-workers will reinforce engagement and build a shared sense of responsibility that results in support, commitment, and performance, especially when the going gets tough.

THE LEARNING PROFESSIONAL'S RESPONSIBILITY

Managers can significantly influence engagement levels through their communication and their perspective. How they interact, the expectations they set, and how they support their direct reports’ work and development can change a bystander into a highly engaged colleague. Senior leaders also play a crucial role through communication of strategy by ensuring that, whenever possible, there are adequate resources to achieve important goals.

Clearly, much of what the leader needs to do to increase employee engagement levels can be shaped through learning. Learning professionals have a responsibility to their organizations to ensure that perspectives and approaches critical to successful engagement are built into curricula, incorporated into developmental plans, and then included in the talent discussions that shape the future leaders of the organization.

Organizations face daunting challenges and need to use every resource at their disposal to stay competitive. An engaged workforce that performs with energy, focus, and commitment is critical to organizational survival. Addressing the issues that drive engagement levels is a significant strategy to move from surviving to thriving.