



## Article:

### Employee Engagement: Fad or JGMP?

Engaged, participating, involved, motivated, enthused. Aren't these all words that we would love to use to describe our organisations workforce? In the last few years the combined corporate effort to create "engaged" workforces has amounted to a major campaign; with budgets to match. But hasn't the employee engagement movement, with HR terminology of its own and whole internal communication structures dedicated to its creation, become a bit faddy? Surely we are fundamentally talking about just good managerial practices.

#### What's the fuss all about anyway?

There is little doubt that "employee engagement" has become one of the foremost issues for those in HR and internal communications functions. Increasingly UK plc sees a growing number of programmes and campaigns dedicated to it. And the reasons why? Obvious isn't it. It takes little to convince corporate leaders that the company gets a lot more out of motivated and committed employees than those that turn up to work, do what they have to and leave. Gallup research in the UK in 2003 calculated that disengaged staff were more likely to leave within a year (48%) than those who felt they were part of things (4%). In 2004, Accenture's High-Performance Workforce study showed that engagement ranked third among the factors that senior managers considered critical to business performance. So even if it's just on the cost of employee turnover, there seems to be a reasonable business case for focusing on the issue.

#### Key drivers of employee engagement

As I mentioned in my last article on organisational culture (big clue to what we are talking about here) the studies and books covering this subject is considerable. Gallup's Marcus Buckingham and Curt Coffman's 12 key questions to attract, focus and keep talented employees are supported by recent work done Melcrum. In their 2005 survey into employee engagement found that in 48% of organisations surveyed reported that senior leadership was a key driver (listed in their top 3) in achieving employee engagement. The top 10 drivers of employee engagement seem to be:

- Senior leadership
- Direct supervisors / managers
- Belief in company direction
- Involvement / consultation on decisions that directly impact the individual
- People-centric culture
- Formal internal communication
- Influence over how their job is done
- Understanding of key business issues
- Opportunity for career advancement
- Company values reflect personal values

#### So what's surprising about this list?

Probably that, in an age when business life is getting more complex, challenging and demanding of its workforce, not more companies are taking genuine steps to gain the commitment and the willing

discretionary effort of their people simply as part and parcel of how they generally run the business.

To embed employee engagement as a real business strategy requires commitment, measurement and alignment of solutions. One of the pitfalls, for example, many companies that want to develop an engagement strategy encounter is the lack of robust and useful measurement. Yes, small fortunes are spent in UK Plc on employee attitude and satisfaction surveys, but even assuming that anything is done with the information gathered to feedback to employees and develop action oriented solutions, many of the measurement tools employed only offer surface level information. What is required is diagnostic data that enables organisations to track back to find the causes of their employees' perceptions and attitudes.

### **What's the return for the effort?**

Among the factors that many organisations point to for choosing to focus on employee engagement is the expectation that it will significantly impact business performance. In linking these strategies with the bottom line, many organisations cite the well heard of metrics of employee retention, customer satisfaction, productivity and profitability.

Since the work done by Harvard professors Heskett, Sasser and Schlesinger on the Service-Profit Chain and Pfeffer on the Human Equation in the late 1980's and beyond, there is an overwhelming amount of evidence as to the business impact of employee engagement. In Melcrums own research, the trend from 2001 to 2004 for companies focused on employee engagement shows a growing percentage of companies reporting increased operating profit, mirroring a decreasing profit trend for companies that are not.

At a time when the debate about measuring and reporting on human assets is hotting up, apart from anything else, it seems to be good business sense to think about the organisation in this way. And it's "the way things are done around here" that really sets the engagement tone; the environment, mood, and style of the organisation that creates a people-centric culture.

### **JGMP?**

Taking all this into account, one is left feeling that there is quite a lot of hype about what is essentially common sense and Just Good Management Practice. Among the array of methods deployed in companies to empower employees and generate feelings of involvement, participation and part of the solution to business challenges, the role of leaders at every level and their seeming lack of capability continues to fuel the debate about the quality of management. One would like to feel that everything said about how team leaders influence work climate and employee perceptions of engagement is all common sense. Unfortunately its not very often common practise.

### **about the author**

Joe España is Managing Director of Performance Equations, a specialist organisational development and change consultancy. Performance Equations helps companies and individuals become more competitive by directly linking strategy to people and business performance. Their areas of focus are: Organisational culture & change, Leadership development, Team development and Service excellence. Joe and his team provide measurable solutions that are bespoke to particular needs, and that deliver performance where it matters most; the bottom line.

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