

Engagement

It's all the buzz! But what is it?

Engagement is frequently defined as "...creating experiences that connect with people on an emotional level, deepen organizational and brand relationships, heighten levels of enthusiasm, and potentially prompt positive actions. Incorporating the concept of engagement helps shift the focus to where it needs to be --- away from just tactics and more toward building a relationship strategy that's directly linked to business outcomes."¹

Engagement is not a new concept. Although it is today's catchphrase there have been decades of discussion about the impact of engagement (satisfaction, empowerment and the like) on corporate profits. Employee engagement becomes even more meaningful now that companies must squeeze maximum return from every asset. Dr. Thomas Lacki tells us that now is the time "... to move engagement from a conceptual notion to a concrete opportunity that actually measures results."²

We know that today's workers want rewards for their accomplishments just as they did in the past but many of the old carrot-and-stick motivational techniques are distasteful to them. First, they want the opportunity to grow as individuals and then to advance in their company. Fully 71% of workers say that a company's culture is central to workplace satisfaction. Even 57% of offsite workers agree with that claim.³ Employees also want access to the resources to do their job and they want acknowledgment of their role in the company's success.

Fostering employee engagement calls for the creation of an environment that allows workers to fulfill their individual needs. It is up to managers at every level to promote this kind of employee satisfaction but it is critical that there be an overall corporate culture to support their efforts.

Catlette & Hadden⁴ define Discretionary Effort as Personal Capability minus Minimum Requirements. Discretionary Effort is that extra push that only an employee satisfied with his job can choose to deliver --- and it is that performance management values. Research shows that the benefits of an engaged workforce go beyond just positive Discretionary Effort. Consider the facts:

- 85% of engaged employees intend to stay with their current employer thereby eliminating recruitment costs.
- Raising an employee's engagement to a high category yields about a 20% increase in performance. Conversely, companies with low levels of engagement have seen a 32% decrease in productivity.
- In a 10-year study that compares six Fortune 500 companies with high employee engagement ratings against six with low levels of engagement, the high rated companies outgrew the latter by roughly four-to-one.

A recent white paper⁵ suggests the following steps to promote a higher level of employee engagement.

First, keep tight focus on talent. In difficult times, employees tend to step back to the more basic hierarchical needs and, with that, their sense of commitment decreases. As a result, organizations must aggressively pursue the hearts and minds of their key performers. They must be sure they understand their workers' needs --- what they think and feel on a day-to-day basis --- and that the company shows adequate appreciation for their work.

Next, harvest ideas. Be sure the resources are in place to get employee's input on cost savings, productivity increases, improvement, and solutions.

Then focus on front line recognition. Foster immediate recognition for significant accomplishments wherever warranted. Do not make it a periodic scheduled event.

Finally, ensure compliance in every respect. Be sure that recognition activities are tracked and monitored, that they are ethical and legal, and will not create a negative image for the company and, by association, for the employee. Give workers an avenue for discussing ethical and compliance questions.

Like measuring Return on Investment, fostering engagement goes further than simply comparing before and after. It requires a detailed approach for setting standards and measuring results on a regular basis. The following case study⁶ from the Royal Bank of Scotland (RBS) clearly shows how this can be done.

At RBS, every business unit knows its measure of employee engagement, and every measure is underpinned by management actions that will impact directly on customer satisfaction and business performance.

The group calculates an 'engagement index' from the annual employee survey, measuring three key areas: employees' desire to say positive things about RBS, to stay with the company, and to go the extra mile to contribute to business success.

Once the survey findings have been identified (RBS also draws information from joiners' and leavers' surveys, as well as local 'pulse' surveys), it can build a model of 10 engagement 'drivers'. This feeds back into how the company manages performance, indicating the top three issues staff need to work on, as well as the three they are currently good at, but need to keep an eye on
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RBS has reported a 45% increase in job satisfaction over the past three years.

The initiative to improve employee engagement is far from an altruistic venture. The results are obvious bottom line improvements and the elimination of workplace disorder. It is also a natural lead to motivational programs that recognize exceptional performance.

Footnotes

¹ Beauchine, Fay and Rosenzweig, Jennifer, *At the Heart of Engagement*.

² Lacki, Thomas, Ph.D., *Engagement: The New Competitive Advantage*.

³ St. Clair, Stillman and Van Dyke, Melissa, *Recognition Remains Important in a Diverse and Evolving Workforce*.

⁴ Catlette, Bill & Hadden, Richard, *Contented Cows Give Better Milk*.

⁵ Van Dyke, Mel, *Engagement and Appreciation in a Time of Crisis*.

⁶ Employee Factor, The, *Does Your Company Link Engagement to Business Performance?*

Sources

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<http://www.carlsonmarketing.mediaroom.com/file.php/103/At+the+Heart+of+Engagement.pdf>

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<http://pipmag.com/columns.php?fid=200809GC03&ch=2>