



What is Employee Engagement?

Overview of History, Theory, and Current Applications

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Conducting an internet search of “employee engagement” at this time (July, 2011) yields 3.7 million results. A search for “definition of employee engagement” reveals 13,000 results. Anecdotally, it seems as if everyone has the ‘answer’ or ‘keys’ to employee engagement. However, our perspective is that each organization holds their own answer or keys to engagement, they just need to use a comprehensive measurement model to tap into their answer and have organizational as well as leadership support to be able to use their keys to open the door to increased engagement, productivity, and positive business results. In this paper we will explore the history of engagement, popular frameworks and definitions, and best practices in assessing employee engagement.

HISTORY

Employee engagement should be recognized in the context of the historical influences and events surrounding our workforce. Before Industrialization, working outside the home (or farm) may still have entailed owning or working for the family business, such as the local mercantile store, being the town doctor, or running the town hotel. After the advent of Industrialization, factories sprang up and people started working en masse for ‘organizations’. Up until this point, most employers had not been worried much about motivating employees or even considering their influence on the work. In small towns and small companies, people worked as a family and a strong work

ethic was paramount in maintaining a job. As people moved to work in factories and larger organizations, employers were concerned about getting the most out of their employees, but not yet motivating them in the way we think of motivation today.

At this point, employers began to consider job satisfaction as a concept worth their time. If employees



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were satisfied, they reasoned, they would stay and give more to the organization. In an era where factories and new companies were opening literally overnight, retention and production was the name of the game to succeed. This concept was studied for decades by organizations and by early Industrial/Organizational (I/O) Psychologists. It also extended to include climate research, such as developing a customer service-

oriented climate, and the resulting impact to satisfaction, productivity, and business results.

During this time primarily after WWII, the business sector was exploding in white collar jobs and employees were becoming known as 'knowledge workers'. Instead of employees only being needed for physical jobs, other professions were expanding and becoming increasingly necessary, ones that valued the intellectual contributions of employees. For example, information technology was the biggest expansion, but human resources, marketing, finance, business operations, and other disciplines were growing. As employees' intellect became the commodity, employers started looking for new ways to attract, retain, and get the most of their employees. The field (i.e., I/O and HR) mainly stayed focused on job satisfaction through the 1990s, though some organizations expanded to include broader climate issues.

It was not until around 2000 that researchers started to extend these concepts further, recognizing that job satisfaction was mainly a one-way concept (also a passive concept) and human behavior is much more complex than that. We are active in our choices at work, in how we experience our work and careers, and our experience is a two-way fluid experience, influenced by the organization, our managers, and co-workers. It is circular; how we are treated and the work we are given influences how much we will 'put in' to our work and in various ways - physically, mentally, and emotionally. This was a new way to look at employees for the business sector. The academic sector had been seeing this for awhile, yet without the key term of 'employee engagement' to resonate with business leaders, it didn't catch on.

The Gallup Organization is largely credited with coining the term (though in the academic literature there are previous instances), and after it took off employers were ready to learn more, show how their employees were making a difference, and how to optimize employee

input and productivity.

Because the field was so new, many people from business leaders to HR professionals were eager to study engagement and apply it; everyone from businesses to consultants to academics seemed to define it differently. In general, as studies were conducted over time with employees, basic definitions and frameworks of engagement began to emerge, including:

- the active two-way aspect of engagement (from employers and employees)
- the multi-faceted angles of physical, mental, and emotional investment, engagement as a state of being (not just an outcome), and
- the most common drivers of engagement (e.g., manager effectiveness, workplace environment, leadership influence, rewards and recognition, career development and opportunities, belief in company strategy, relationships with co-workers, job itself, work-life balance, and compensation and benefits).

Many consulting firms came out with their models, frameworks, definitions, and answers for employee engagement - each a little bit different, but each convinced they were correct (see Note 1). For employers and client organizations eager to be on the cutting edge of human resources, this was confusing and created artificial divides based on which framework the organization or HR professionals subscribed to. Most consulting firms still have their own definition or model, but what is important is to understand the research and theory behind it.

EMPLOYEE ENGAGEMENT FRAMEWORKS AND DEFINITIONS

As we know from the recent history of employee engagement, there are different ways to define engagement and different overarching frameworks used by consulting firms, consortia groups, and research organizations to study and report on employee engagement. The table below summarizes definitions and frameworks from several organizations; it is evident what the similarities and differences between each variation are. Some view engagement as a more internal feeling that the employee controls, others view it as heavily influenced by external factors the organization can provide. In addition, some view engagement as purely attached to the organization as a whole, others to the workgroup or team alone, and others to a combination of both. Before discussing more about how to best measure it, it is important to understand some of the most common and widely available definitions, layed out in the following table:

Note 1: At the time this emergence was happening, we were still working internally at a large corporation. We were fortunate to have already had an internal framework and model for how we viewed the employee experience that included all of these concepts, but was not confounded by branded terms or a vendor's proprietary items. We were able to continue on with our internal framework, incorporating lessons learned (and items) from the external research going on around us. Thankfully, that allowed us to view the field as it developed with a pragmatic approach, which we still hold onto today.

ENGAGEMENT FRAMEWORK OR DEFINITION	OUTCOMES AND RESEARCH SUPPORT	SOURCE
<p>"We define 'engagement' as the emotional and intellectual involvement that motivates employees to do their best work and contribute to your organization's success." Engaged employees consistently demonstrate three general behaviors. They:</p> <p><i>Say</i>—consistently speak positively about the organization to coworkers, potential employees, and customers.</p> <p><i>Stay</i>—have an intense desire to be a member of the organization despite opportunities to work elsewhere.</p> <p><i>Strive</i>—exert extra time, effort, and initiative to contribute to business success.</p>	<p>Client research with 1,500 organizations</p>	<p>Aon/Hewitt website</p>
<p>Q12, a proprietary list of 12 closed-ended items including such controversial statements "I have a best friend at work." Items are behavioral/actionable at the supervisor or manager level, and do not include attitudinal or internal feelings or intentions. Concepts include expectations, role clarity, materials and equipment, opportunities, company mission, quality of work, rewards and recognition, learning and growth, etc. Due to the proprietary nature of the survey items, they cannot all be displayed here, though they can be found online.</p>	<p>On-going meta-analyses of client companies showing the linkage between these 12 concepts, employee productivity, and business results. <i>The number of clients or respondents whose results were used for the research was unavailable at the time of this paper's writing.</i></p>	<p>Gallup, Inc. website and PDFs available online (see reference list)</p>
<p>The Corporate Leadership Council presents a new model of employee engagement emphasizing business outcomes. The Council defines engagement as the extent to which employees commit to something or someone in their organization, how hard they work, and how long they stay as a result of that commitment. By using this outcomes-focused definition, we can measure the tangible benefits of engagement, as opposed to focusing on "engagement for engagement's sake."</p> <p>The drivers of engagement are Rational Commitment (to the Team, Manager, and Organization) and Emotional Commitment (to the Job, Team, Manager, and Organization), which lead to discretionary effort and intent to stay. Discretionary effort then leads to performance and intentions to stay lead to retention.</p>	<p>Client Research; 50,000 employees; 59 Organizations; 10 industries; 27 countries</p>	<p>Corporate Leadership Council</p>
<p>Engagement is a value chain. It starts with a high performance work environment, which leads to employee engagement feelings, which lead to employee engagement behaviors, which yield tangible performance outcomes (productivity), and intangible assets (brand equity, customer satisfaction, loyalty, innovation, lower risk) and then onto shareholder value. Employee engagement includes a personal internal state and an external behavioral state. Working definition: "Engagement is an individual's sense of purpose and focused energy, evident to others in the display of personal initiative, adaptability, effort, and persistence directed toward organizational goals." (p. 7)</p>	<p>Based on research with 65 client firms including their return on assets, profitability, and shareholder value.</p>	<p>Employee Engagement: Tools for Analysis, Practice, and Competitive Advantage by W.H. Macey, B. Schneider, K.M. Barbera, and S. A. Young (all of Valtera)</p>
<p>Engagement is a personal state of being, influenced by internal and external factors that may not remain the same over time. It is an active-stage, including emotional connection, cognitive elements, and behavioral evidence. Employees can have and express different levels of workgroup engagement and company engagement. They may also exhibit professional engagement, associated with their career path or profession, separate from the organization for which they actually work.</p>	<p>External research (see Macey, et al.), externally-based client work with non-profit and for-profit organizations having 30-100,000 + employees, and internal experience with several large global public for-profit organizations.</p>	<p>Paris Phoenix Group Experience</p>

ENGAGEMENT RELATED TO BUSINESS RESULTS - THE VALUE CHAIN MODEL (MACEY ET AL., 2009)

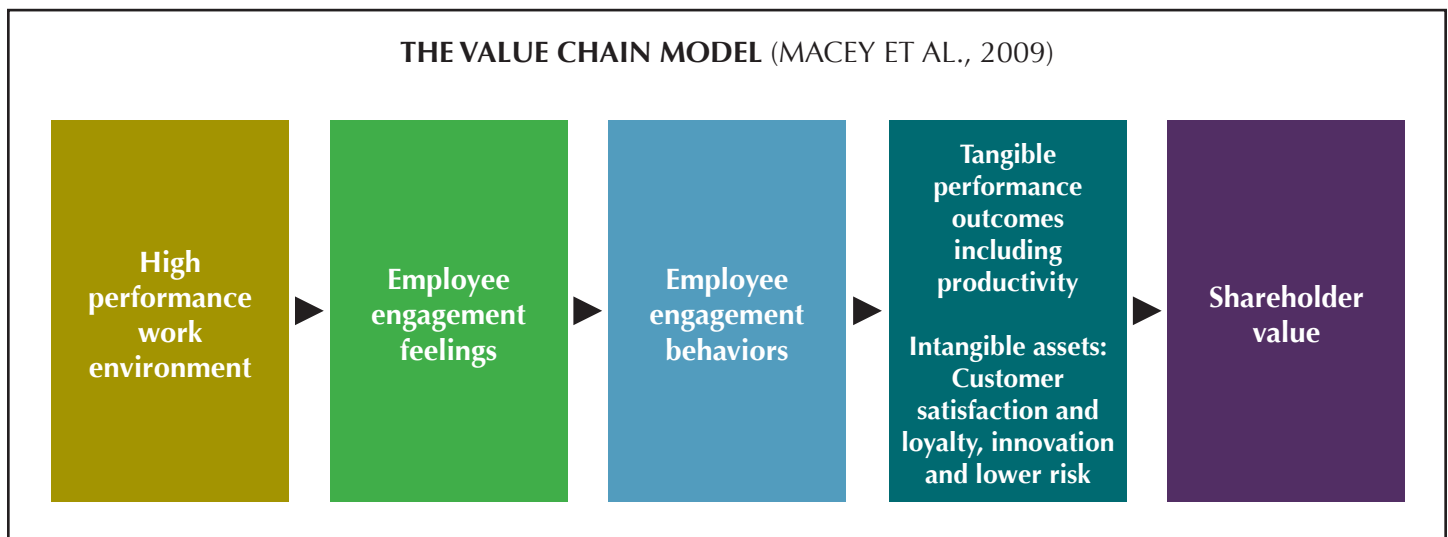
The concept of engagement having a “value chain” (Macey et al., 2009), is a robust way to think about the impact that engaged employees have on the organizations in which they work. While many large and well-known consulting firms (Gallup, Aon/Hewitt, Kenexa, Valtera) have shown the connections between engagement and business results at many levels (individual sales performance, retail store performance, overall company stock performance), this view is one of the most succinct ways in which to understand it. It also incorporates the responsibility of the organization to facilitate an environment in which employees have the opportunity to be engaged. Often, our clients want to see engagement results at the team-level and want to determine what individual managers can do to foster higher engagement, which is definitely a key driver. However, this model allows for an antecedent to that, the holistic environment.

In addition to the concepts outlined in this model - described in detail in Macey et al.'s (2009) book - it is also important to know that engagement is not unlimited, nor is it one-sided (as is the case with satisfaction).

Engagement is a reciprocal relationship in which the environment that is supportive and conducive to higher engagement can help draw engagement behaviors out of employees. When those behaviors positively impact business results, the organization will be even more likely to put more energy and funding into the environment and support of employees, positively influencing the chain to begin again.

Employee engagement as a ‘feeling’ includes a sense of urgency (goal-directed), being very focused, having a level of intensely deep concentration, and having enthusiasm (Macey et al., 2009). How this looks to others, behaviorally, is that engaged employees are persistent, proactive, attempt to expand their roles, and adapt to change. When these behaviors are aligned with the strategic goals of the organization, the impact to business results is not far away.

The aspect of the organization’s capability to ensure the environment is conducive to engagement involves giving employees the capacity and information they need to do their jobs well. This includes, but is not limited to:



- Learning opportunities accompanied with personal support; jobs that are intrinsically motivating (i.e., that are meaningful and have specific goals) to employees
- Giving employees the freedom to do their jobs as they see fit - autonomy to make decisions, trust, and fairness
- Processes that support the organization's goals, and the knowledge to execute their jobs in alignment with the overall organizational goals.

These are not easy areas to fulfill on the organization's side, but are crucial antecedents to an employee's feelings of engagement.

Engagement and satisfaction are therefore different aspects of an employee's work life. Engagement requires a goal-directed energy and is active and ongoing, reciprocated and a symbiotic relationship with the organization. In contrast, satisfaction is more one-way; it is a positive emotional state resulting from the appraisal of one's job and experiences. It results from what the organization does for employees to feel good about being there, but is an end-state of contentment.

APPLYING ENGAGEMENT

In applying the definition and various frameworks of engagement, it is important to fully grasp which definition and framework will work best for the organization. The definition and framework will underpin the measurement approach that is used, so it needs to be well-understood before proceeding.

Organizations find value in measuring employee engagement because the results are useful at all levels of the value-chain, to determine which areas need more support or resources, and which areas are doing well. For example,

- If the measure indicates that the environment is not fully supportive, changes can be made at the organization-level or manager/team-level to better

support employees.

- If the measure indicates variation or negative results related to employees' self-reported feelings of engagement, managers can work with employees to understand their unique situations.
- If the measure indicates positive feelings, but it is not resulting in visible actions or behaviors of engagement, more research can help identify where the chain is breaking down - is the environment or are processes in the organization thwarting turning the feelings into action?

When the measurement model can be used to develop a robust assessment and the results can be easily used to build action plans, the impact to the business results will be more immediate and also will be able to be seen and quantified. The quantification of this relationship is sometimes necessary for organizations to fully buy-in and support that they have a responsibility in the overall system and to encourage their continued commitment to employees.

ASKING THE RIGHT QUESTIONS

Developing the question set (i.e., script, protocol, and survey items) should be done carefully and thoughtfully. Different types of questions will yield different responses, so it is important to understand what you want and need from the research. The table below provides examples of question types that you may consider which are traditionally used in employee engagement research. However, some consulting firms have their own set of items or questions that they will support as being "the best set" of employee engagement items. In our experience there are consistent concepts that should be measured that drive engagement, related to the value-chain. However, there are different ways to ask similar questions and the "best" set of items will be items that are not only written properly, but will resonate with employees in the organization, and include all of the main areas relevant to engagement. Consulting firms that want you to use their proprietary set of items are often doing so because it is easier for them to administer

(meaning no customization, no translations, or new programming), and it also yields them more data to add to their overall research database. Items or wording that deviate from their specific items mean that it is data (i.e., responses) that they cannot include in their ongoing research and it also means more work (e.g., programming, translations, etc.) for them. What is most important is that the item set covers the full range of

employee engagement first, and that benchmarking or norm data is considered as a secondary goal.

The table below shows some common ways of measuring employee engagement. These are just examples of question types that may appear on a survey or assessment; they are not a full engagement survey.

TYPE OF QUESTION	PURPOSE	EXAMPLES
Closed-Ended	Assessing individual aspects of engagement and breaking down different facets into smaller concepts based on what employees feel, think, and intend, as well as how they behave. Aggregated, these items can combine to form categories that drive overall engagement metrics or indices and can be easily tracked over time.	<ul style="list-style-type: none"> • Overall, I am excited to come to work. • I would recommend my workgroup as a great place to work. • I like the work I do. • My co-workers respect each other. • I believe this company is headed in the right direction. • My manager is invested in my career and professional development. • My career goals can be met within this organization. • I intend to work for this company for _____ more year(s).
Ranking	Determine relative importance of a list of aspects and the employee impact or influence on the employee experience. Can be good to verify what is found with closed-ended questions and help prioritize concepts in action planning, but does not lend itself well to measuring overall engagement levels.	<p>Please rank the following aspects based on importance to your overall employee experience.</p> <ul style="list-style-type: none"> • Manager Effectiveness • Leadership Effectiveness • Belief in Company Strategy • Relationships with Co-workers • Job/Actual Work and Projects • Career Possibilities • Training Opportunities • Rewards • Recognition • Work-Life Balance • Benefits • Compensation • Other: _____
Open-Ended	Generally assessing different engagement aspects in an employee's own words or asking for suggestions for improvement.	<ul style="list-style-type: none"> • How can your manager better connect with you and your team? • What could we do as an organization to increase manager effectiveness? • What could we do as an organization to make it easier to get things done?

Note 2: If you are selecting a vendor or consulting firm to assist with an employee engagement survey, be sure you understand their definition of engagement and ask for their research to support it. If they have a broader view of engagement, make sure you are comfortable with how they will work with you to apply it to your organization and incorporate previous internal organizational research you have.

When building an employee engagement survey, be sure to work with an organization that is knowledgeable about different frameworks and who has experience in measuring employee engagement based on sound, reliable research. If you don't feel like the questions they provide are measuring the full spectrum of the environment, feelings, and behaviors of engagement, then ask for additional item options. The firm may have an item library that they can draw from to help you select the items that are most appropriate to measure engagement in your organization, using the terms or words that will work best for you.

The process of developing a measurement strategy and robust assessment should take enough time to be thorough and should not be done in a vacuum; it should be influenced by the organization's strategy as well, and may include items tapping into related constructs (e.g., career development and performance management) to ensure a well-rounded survey that takes into account the full people system. The administration phase of an employee engagement study can vary from a month (small organizations, all online) to upwards of a year (large, multinational organizations with paper surveys).

MOVING TO ACTION

Turning the results into actionable plans that managers, leaders, and the HR organization can use to benefit the employees and organization as a whole can be what differentiates a 'good' survey program from a 'bad' survey program. Designing the reports, analyzing where changes will have the most impact, and communicating results clearly is not easy and requires some expertise about surveys as well as knowledge about what will be successful in the specific organization. Often, standard reports are not compelling enough to get a manager or leader to initiate action. Instead, customized reports, personal support and results interpretation, and/or leader-led discussions may be necessary to facilitate long-term actions and change.

Moving from results to action is an on-going change management process, which benefits from the support of internal HR and OD professionals who can partner with business leaders to champion change efforts. Reputable consulting firms should be able to share best practices and assist in developing communications, HR and manager training, and personal coaching throughout the action planning process to support the highest return on investment and positive impact to get to tangible and intangible business results. Additionally it can be quite helpful to consider action plans at different levels based on different drivers and outcomes of engagement such as at the manager and team-level, organization or leadership-level, and even at a programmatic level (via systems, HR, or other supporting areas).

CONCLUSION

Employee engagement is not a one-way phenomenon. It is a symbiotic relationship between the organization and the employee that will impact business results. If left unmeasured, an organization is not in a position to know how to start turning around business results that are impacted by their employee base. When measured thoroughly, employee engagement (results) can provide deep insight into the relationship between employees and the bottom line. It can also serve as the impetus to improve the organization where it matters the most, for the many talented employees driving the organization. In addition, managers will have the tools they need to make a positive change for their teams and to improve themselves. It's important to keep in mind that change will not happen overnight, but measurement is one way to start. It can be complicated, so it is wise to seek the partnership of professionals who have expertise in this area and who understand your business needs. Once you have embarked on measuring engagement, you will see how powerful it is to have metrics that reflect your employee's true experience and the difference you can make in their lives and to the organization.



Consultant's Corner

While there are many definitions and frameworks to engagement, we don't believe that there is a one-size-fits-all approach at the item-level. We do agree with the foundational elements, identified as key drivers of engagement, that most of the employee engagement research has found. We also agree with the varying concepts used in the measurement of engagement. However, while we start with a list of standard engagement items for our client surveys, covering the well-researched drivers of engagement, we also collaborate with our clients to include items and concepts that are meaningful to their organizational culture or

customize our items so that they will resonate with our clients' employees. Our experience helps us to answer client questions and to ensure they are measuring appropriate concepts, planning for year-over-year benchmarking/tracking, and being strategic about capturing related aspects and outcomes to improve their internal metrics while have a forward-looking view. We want to help organizations not just to measure engagement; we want help them to reach their strategic business and talent management goals through interventions and action planning that are beneficial for employees.

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