

# What is employee engagement?

01

## Introduction

Finding an answer to the question, ‘What is employee engagement?’ is much easier said than done. Currently there is no single, universally accepted definition of employee engagement, although huge amounts of time and energy have been spent trying to agree upon one! Research shows that just 14 per cent of companies have a definition of employee engagement, and where companies do have a definition they report that it is not well understood (Spotlight on Employee Engagement, 2017, People Lab).

In their groundbreaking report to the UK government, David MacLeod and Nita Clarke (2009) identified over 50 different definitions of employee engagement. No doubt there have been many more definitions added to the list since then. The *Engaging for Success* report (2009) is a good place to start when reviewing the different definitions that exist. The report sparked a country-wide movement focused on improving employee engagement within the UK. There is now a website in place, with a whole range of information, case studies, resources and special interest groups. It’s well worth a visit for anyone with even a passing interest in this topic: [www.engagingsuccess.org](http://www.engagingsuccess.org).

The lack of a single, universally agreed definition of employee engagement presents a great opportunity to figure out what engagement means for your organization. Over the years, I have run training courses for hundreds of people on employee engagement. The discussion usually begins with, ‘What is employee engagement?’ Typically the conversation, and then the realization that there is not a straightforward answer, splits the room: those who feel uncomfortable with the lack of an agreed definition and those who are excited about the prospect of coming up with their own answer. However, despite the absence of a single definition, when talking about what engagement means, some key themes emerge pretty quickly. Words such as involvement, commitment, discretionary effort, collaboration, motivation and performance

are common. How practitioners then choose to convert these themes into an actual definition is up to them.

There are also those who believe an exact definition is not needed: you know it when you see it; it is something that you feel and is beyond a single definition. In fact, some organizations I work with choose not to define employee engagement at all. Instead they choose to talk about creating a great place to work or similar. The critical success factor is that however you choose to define or talk about engagement within your organization, people understand this. It's vital that, amongst the senior leadership team at the very least, there is a common understanding of what you collectively mean by 'employee engagement'. The term has become so ubiquitous that it is often used freely within organizations to mean different things to different people. Developing a definition, or expressing what you understand by employee engagement within your organization, is a great place to start to improve engagement.

### ACTIVITY

#### Engagement brainstorm

You can use this simple activity as a great way to get your stakeholders to begin thinking about what they understand by employee engagement:

- In a team meeting or at an engagement workshop, ask people to take one minute to individually write down as many words as possible that come into their head when they think about employee engagement.
- When the minute is up, ask everyone to circle the one word that resonates most with them.
- Then ask each person to call out their word, and capture the various words on a flip chart.
- Use these outputs to generate a discussion on what engagement means to people.
- Good questions to ask are what employee engagement is and what it isn't. This discussion could form the basis of a definition for your organization.
- What is immediately clear is that it means different things to different people and is very personal.

## A brief history of employee engagement

When was the first time you heard the term ‘employee engagement’? You might be surprised to learn that engagement was first referred to in an article by William Kahn in 1990, although he talks about personal engagement and disengagement, rather than employee engagement. Kahn’s research looked specifically at the psychological conditions of personal engagement and disengagement at work. Within the article Kahn talks about personal engagement as the extent to which people employ and express their personal selves at work, and disengagement as the extent to which people withdraw and defend their personal selves at work. Interestingly Kahn identified meaningfulness, safety and availability as psychological conditions that impact personal engagement at work: these are themes that come up time and again when looking at what employee engagement means.

When looking at the academic literature, engagement is a term used in the following ways:

- to refer to a psychological state (eg involvement, commitment, attachment, mood);
- to refer to a performance construct (eg either effort or observable behaviour, including pro-social and organizational citizenship behaviour);
- to refer to a disposition (eg positive affect);
- or for some a combination of the above.

The hugely influential work of Gallup, as reported by Harter *et al* (2012), played no small part in the rise in interest in employee engagement. Gallup began by looking at what was unique to high-performing businesses and business units. Their extensive work resulted in the development of the Q12<sup>®</sup> tool, which is essentially a 12-question survey designed to measure engagement. Their substantial credibility and expertise, coupled with a tool allowing measurement of employee engagement, appealed to a number of chief or senior executives (commonly known as the ‘c-suite’) and an industry of employee engagement surveys was born.

Employee engagement is now everyday language within organizations, and yet there is still a huge amount of discussion as to what it actually means. Let’s take a look at some of the definitions of employee engagement that currently exist.

**ACTIVITY****Engagement timeline**

What is the history of employee engagement within your organization? Have a go at mapping the evolution of employee engagement within your company as a timeline:

- When did you first start talking about it or looking at it?
- What sort of activities did you start doing?
- Capture your engagement timeline and track how engagement has improved or declined over time if you have the data.
- Map the different types of activity your engagement programme has involved against your timeline.
- Critically evaluate the activity you have mapped against your timeline: what has worked, what has not worked and are you making any progress in improving employee engagement?

## Definitions of employee engagement

Different definitions of employee engagement make reference to a range of human resource management (HRM) and organizational behaviour concepts such as work effort, commitment to the organization, job satisfaction, motivation and optimal functioning. However, what they tend to have in common is that they view engagement as an internal state of being. Engagement is something that the employee has to offer and cannot be 'required' as part of the employment contract or objective setting process. The following definitions provide a flavour of the many definitions that exist.

The Engage for Success website defines engagement as: a workplace approach resulting in the right conditions for all members of an organization to give their best each day, be committed to their organization's goals and values, be motivated to contribute to organizational success, and with an enhanced sense of their own well-being. The Chartered Institute of Personnel and Development (CIPD), in their work with the Kingston Employee Engagement Consortium, define employee engagement as: 'being positively present during the performance of work by willingly contributing intellectual effort, experiencing positive emotions and meaningful connections to others' (Alfes *et al*, 2010).

This definition provides three dimensions to employee engagement:

- 1 *Intellectual engagement*, ie thinking hard about the job and how to do it better.
- 2 *Affective engagement*, ie feeling positively about doing a good job.
- 3 *Social engagement*, ie actively taking opportunities to discuss work-related improvements with others at work.

Interestingly, academics tend to talk about ‘work engagement’ as opposed to employee engagement. Shaufeli and Bakker (2004), two well-known and highly regarded academics who have made a significant contribution to the world of engagement, define work engagement as: ‘a positive, fulfilling, work-related state of mind that is characterized by vigour, dedication, and absorption. Rather than a momentary and specific state, engagement refers to a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behaviour.’

*Vigour* is characterized by high levels of energy and mental resilience while working, the willingness to invest effort in one’s work, and persistence even in the face of difficulties. *Dedication* refers to being strongly involved in one’s work and experiencing a sense of significance, enthusiasm, inspiration, pride and challenge. *Absorption* is characterized by being fully concentrated and happily engrossed in one’s work, whereby time passes quickly and one has difficulties with detaching oneself from work. It is easy to see that there are overlaps between this academic definition of work engagement and the CIPD’s definition of employee engagement.

Professor Katie Truss, who was instrumental in setting up the Kingston Engagement Consortium, defines employee engagement (in Alfes *et al*, 2010) as:

about creating opportunities for employees to connect with their colleagues, managers and wider organization. It is also about creating an environment where employees are motivated to want to connect with their work and really care about doing a good job... It is a concept that places flexibility, change and continuous improvement at the heart of what it means to be an employee and an employer in a 21st century workplace.

The Institute of Employment Studies (IES) defines (Robinson *et al*, 2004) engagement as:

[a] positive attitude held by the employee towards the organization and its values. An engaged employee is aware of the business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employee and employer.

It is clear to see from these definitions alone that there are common themes that run through them. When asking people to define employee engagement, though, one of the big questions asks whether engagement is an attitude, a behaviour or an outcome.

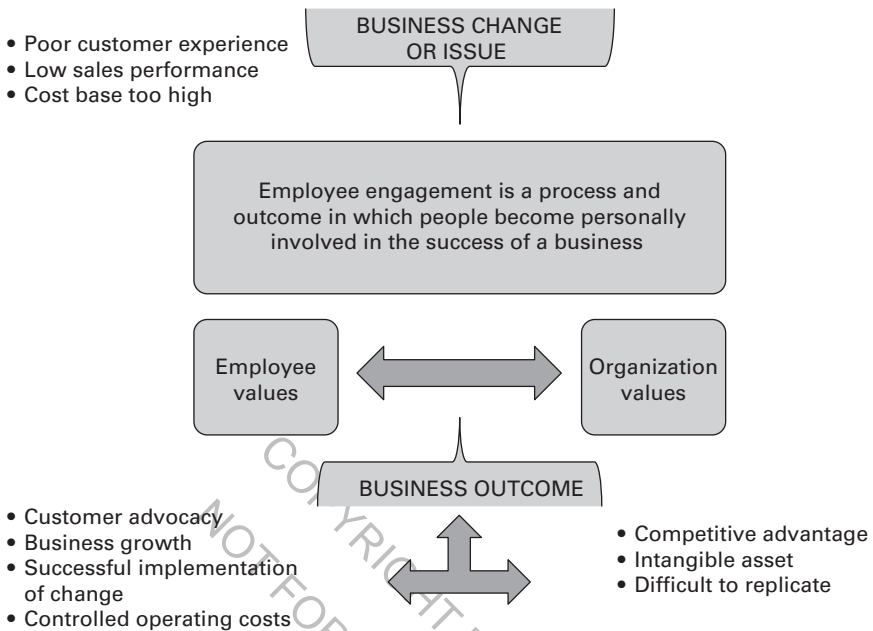
Some would argue engagement is all about *attitudes* towards the organization, or people we work with. For example, we may feel proud to work at a particular company, we might like the people we work with or our boss. For others engagement is all about *behaviours*, for example, would we recommend our company to others? Or do we go the extra mile to finish a piece of work? Finally for others, engagement is all about the business *outcomes*, for example, are people staying with the company rather than leaving? Are employees less absent, or is there more innovation?

Most engagement surveys seek to measure all three of these components and they are difficult to separate. For example, employees choosing to stay with the company is both a behaviour and a business outcome and quite likely the result of the beliefs and attitudes the employee holds about the organization. However, these attitudes could be, 'I want to keep working here because I love my job and the people I work with,' or they could be, 'I don't really want to be here any more but it's tough out there and I'm not sure I could find another job like this, so I'll stay put.' With this example, you begin to see the danger of simply focusing on one aspect of engagement. People may be staying because they are highly engaged, or they may be staying because there are few jobs in the current marketplace. It's my belief that they are all related and important for engagement. It is less important which comes first, what the pre-conditions of engagement are; what we tend to observe is that they all reinforce each other to contribute to employees' overall engagement.

The definition I use, which is adapted from the work of John Smythe (2007), author of *The Chief Engagement Officer*, describes employee engagement as: 'the extent to which people are personally involved in the success of the business'. When explaining this definition I use the model in Figure 1.1 below.

I use this definition and model for a number of reasons:

- It's simple and differentiates between simply being happy or satisfied at work and engaged.
- It views engagement as an attitude. I believe I am personally involved in the success of the business, which is related to attitudes such as pride and loyalty.

**FIGURE 1.1** What is employee engagement?

- It views engagement as a behaviour. If I am personally involved in the success of the business then I am more likely to go the extra mile because I care.
- It views engagement as an outcome. The model acknowledges that there is a reason we focus on engagement in the first place, such as reducing employee attrition, and that by engaging our employees we will facilitate the desired business outcome.

Finally, this model also highlights the importance of alignment between an individual's values and the organization's values. Engagement must be a two-way process: the organization has to work hard to ensure it is set up and hard-wired to develop engagement but also the employee has to choose to volunteer themselves to be engaged. In addition, if the values of the organization are incongruent with the employee's personal values, it is unlikely they will feel engaged, at least for any length of time.

## ACTIVITY

### Peak experience

The following activity is a great way to uncover what engagement means within your own organization and develop a definition that works for you.

Ask your team or the group you are working with to think about a time when they were really engaged at work – why they loved what they were doing.

Ask them to get into pairs and spend 10 minutes interviewing each other (five minutes each), using the following questions:

- Tell me about your most valued or engaging experience you have had in your work life? A time when you really loved your job?
- What were the conditions that made it possible?
- How did these experiences make you feel?

Ask pairs to capture an overview of their partner's story, what made it possible, and how it felt, and to also capture any key themes they observe emerging. Each pair will then feed back their partner's story to the rest of the group. When they do this capture the key themes on a flip chart.

**TABLE 1.1** Peak-experience capture template

	THE STORY	WHAT MADE IT POSSIBLE	HOW IT FELT
ME			
MY PARTNER			

#### Outputs

As pairs are recounting their stories, capture the key words that they feed back. Typically this will include themes such as:

- valued;
- pride;
- confidence;
- autonomy;



- trusted;
- teamworking;
- great manager;
- challenging work;
- success.

This exercise allows people to reconnect with the emotional side of engagement – by telling their stories people remember what it feels like to be engaged in their work. This is also a great exercise to get a group in a positive state of mind to talk about engagement.

Discuss and explain

When everyone has fed back their stories take a look at the words you have captured:

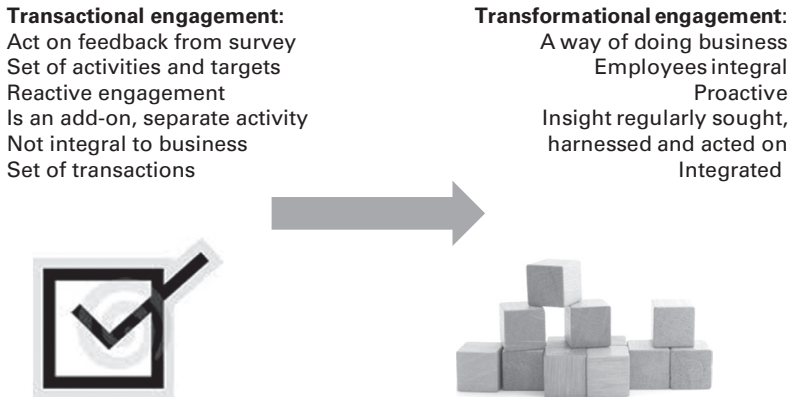
- What are the group's observations of the words you have captured?
- Using the words you have captured, ask the group to develop a definition or description of what engagement means in your organization.

## Approaches to employee engagement

What is perhaps more useful when considering what we mean by 'employee engagement' is to evaluate different approaches to improving or developing it.

In their *Engaging for Success* report to government MacLeod and Clarke (2009) differentiate between level 1 engagement, which they term 'transactional engagement' and level 2 engagement which they term 'transformational engagement' (see Figure 1.2). *Transactional engagement* is defined by a reactive set of transactions aimed at improving engagement, often in response to survey results. A transactional approach to engagement often begins with an engagement survey, which highlights a number of areas for action. An action plan is then put in place and actions are ticked off the list until they are complete, at which point engagement is done, and forgotten about until the next survey comes around. A transactional approach is often identified by a project or programme aimed to improve engagement, with an end date. Engagement is not integrated into the business strategy and cul-

**FIGURE 1.2** Transactional engagement versus transformational engagement



ture, but is a separate, add-on activity. *Transformational engagement*, however, is integrated into the business strategy and culture. It is proactive, with employee insight, ideas and opinions regularly sought, harnessed and acted upon. A survey is not necessarily required to understand how employees feel about the organization, or to drive action focused on improving engagement because this already happens as part of the business focus, culture and leadership style. A natural desire to improve engagement exists within the business. In reality, these two types of approach to engagement are not discrete – more often organizations sit somewhere between the two. I have found that discussing where your organization is on this scale is much more beneficial to improving engagement than spending time and energy debating a definition.

#### DISCUSSION POINT

- Think about where your organization sits on this scale: are you nearer transactional engagement or transformational engagement or somewhere in the middle?
- How do your leaders view engagement?
- Start thinking about what you could do differently to start to move you towards transformational engagement.

Another way of looking at these different approaches is to consider taking either a *programmatically approach* to employee engagement (similar to transactional approach) or a *philosophical approach* to engagement (similar to transformational engagement). A programmatic approach views engagement as a programme, with a beginning and end, often managed by a project management office. However, a philosophical approach to engagement views engagement as a management mindset, which is common across the whole organization.

**TABLE 1.2** What does transformational engagement look like?

Companies with a transactional engagement approach...	Companies with a transformational engagement approach...
<ul style="list-style-type: none"> <li>• Start with an engagement survey and use the outputs from the survey to take action to improve engagement</li> </ul>	<ul style="list-style-type: none"> <li>• May not even need to do a survey – they have their finger on the pulse and aren't reliant on an annual survey to tell them how their employees feel</li> </ul>
<ul style="list-style-type: none"> <li>• Take a deficit approach – looking only to improve what isn't working</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure engagement is integrated into everything they do: every employee touch-point from recruitment, to on-boarding, to performance management and even exit is designed to ensure it contributes towards employee engagement rather than eroding it</li> </ul>
<ul style="list-style-type: none"> <li>• See engagement as a project or an initiative, owned by HR or worse still a project team</li> </ul>	<ul style="list-style-type: none"> <li>• Employee engagement is a key part of the organization strategy</li> </ul>
<ul style="list-style-type: none"> <li>• Once the actions from the survey have been delivered engagement is not talked about until the next survey</li> </ul>	<ul style="list-style-type: none"> <li>• Managers are developed to ensure they have the skills and capabilities to engage their people</li> </ul>
<ul style="list-style-type: none"> <li>• Don't view engagement as not part of the overall business strategy</li> </ul>	<ul style="list-style-type: none"> <li>• The organization is a listening organization: this listening is ongoing and authentic, not simply a once-a-year survey opportunity</li> </ul>
<ul style="list-style-type: none"> <li>• Have budget for the survey but no budget for what happens after the survey</li> </ul>	<ul style="list-style-type: none"> <li>• Employees genuinely have a voice and can contribute to the success of the organization</li> </ul>

(continued)

**TABLE 1.2** (Continued)

<b>Companies with a transactional engagement approach...</b>	<b>Companies with a transformational engagement approach...</b>
<ul style="list-style-type: none"> <li>• Don't invest in the skills and capabilities of their managers to ensure they can engage their teams</li> </ul>	<ul style="list-style-type: none"> <li>• There is a high level of trust in management</li> </ul>
<ul style="list-style-type: none"> <li>• Don't give employees a voice other than the annual survey</li> </ul>	<ul style="list-style-type: none"> <li>• Take a strengths-based approach to understand the conditions under which employees flourish at work</li> </ul>
<ul style="list-style-type: none"> <li>• Don't listen to employees in an ongoing way</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement is seen as everyone's responsibility</li> </ul>

### **CASE STUDY** What does employee engagement mean for your organization?

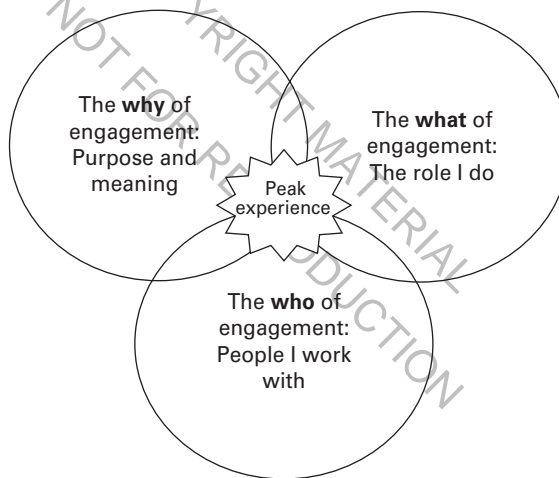
Bard are a great example of a company taking the opportunity of the lack of a universal definition of engagement to develop their own. They are part of Napp Pharmaceuticals, founded in 1923 by a chemist called Herman Richard Napp and a UK lawyer called Ernest Alfred Clifford. The current owners acquired the company in the 1960s, and it remains a privately owned company that is part of a worldwide association of independent companies. At the end of 2011 they were ranked 15th largest pharmaceutical company in the UK based on GP prescription sales and were the fastest growing company in the Top 15. They believe this success is driven by the fact that they continue to make the culture and their people a key strategic focus.

Mike Mair, Head of Training and Development at Bard, led a project in 2012 to understand what engagement meant for Bard. Developing effective employee engagement was a key part of their overall business strategy; however, when they further explored this they realized that they did not have a clear understanding of what they meant by employee engagement. Mike recognized that an important first step in developing employee engagement at Bard was to spend time figuring out what engagement meant to Bard, to develop a company-wide understanding. In summary, Mike wanted to demystify engagement. In order to do this he and his colleagues read books and journals, looked at case studies, researched the topic, and spoke to experts, all with a view to answering the following questions:

- What is engagement?
- What does it mean for Bard?

Following their research phase, and to begin to answer these questions, Mike led a session with their leadership team. The team spent time talking about engagement and what it meant to them, building on the knowledge they had acquired over the previous months. On discussing engagement as a team, what was clear was that it meant different things to different people: for some having a company purpose they could connect with was important, for others it was the people they worked with. There was no single definition that could effectively cover the variety of opinions within the room. Thankfully the session did result in a 'light-bulb moment' for Mike and the team. They concluded that for Bard, employee engagement is about the *why*, the *what* and the *who*:

**FIGURE 1.3** The 'why, what and who' of employee engagement



- The *why* relates to the meaning people find within their work, the emotional connection to the company, the overall purpose of the organization. Questions such as 'Why do I come to work?' and, 'What does my work mean for me?' helped them to discuss their own personal engagement 'whys'. For some people it is about supplying quality products to patients but for others it might be about making sure employees operate in a safe environment. Whilst the team concluded that the *why* is an important part of engagement for many employees, they also realized the importance of having employees figure this out for themselves, rather than have the company tell them the answer.

- The *what* is essentially about the job people do. For some people the ability to have autonomy was important to their engagement, for others the opportunity for mastery, or structure and process. Again the team observed that the *what* was different for different people, what engages employees in their role is very individual.
- Finally the *who* relates to a sense of belonging. For some employees, engagement and going the extra mile is all about who they work with: their teams, or colleagues, or their manager.

Mike argues that having this model of engagement for Bard has helped to create a common language across the business. The model allows for flexibility, giving employees the opportunity to talk about, and understand, what engages them at work. Mike believes articulating a definition for Bard would have stifled this opportunity to involve employees in thinking about what engagement means for them.

Bard are now using their model to have conversations with their people: asking them which of the three areas are important to their own engagement, and how engaged they currently are with each of the three areas. They have now launched a leadership engagement programme, whereby leaders attend a half-day workshop, which looks at the background and theory of engagement. Leaders are then given a few weeks to assimilate the learning and when they return the model is shared with them. They then share this framework with their teams, having conversations and dialogue about what engagement means to them, but all using the common language that the model offers them.

Bard are also looking at how they can measure the impact of using this approach to improve engagement. The model is of course the starting point for discussions on engagement; leaders are then tasked to take action based on the outputs of their conversations with their teams. Mike believes that they are already seeing better development conversations happening; he states that this approach is enabling the company to get to know its people better. Rather than making assumptions about what engagement means and what will make the difference, they are having company-wide conversations, involving employees in coming up with their own understanding of the term.

Mike is keen to point out that engagement is already good within Bard, as measured by their annual survey; however, he believes that taking this approach will take them from good to great:

*We have good engagement but we can make it better – if we can demystify employee engagement and use this model and approach to facilitate good conversations then we believe it will have the impact we need. But of course it's all about what happens as a result of these conversations. Managers will*

*be asked to present back and share what they are going to do as a result of their conversations, this is when we will really see the impact of using this approach.*

In summary, Mike believes that using this model enables personalization of employee engagement, to ensure the approach and actions taken are right for individuals, their teams and the company. The model has helped create a flexibility that a wordy definition would not have. This approach has freed Bard from 'ticking the boxes', to move to a more transformational approach.

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## Should employee experience replace employee engagement?

Airbnb no longer have an HR department, instead choosing to focus on employee experience, with a team headed up by a Chief Employee Experience Officer rather than the traditional HRD. When the company made this move it sparked a great deal of interest from the HR community and beyond. Airbnb's mission is to create a world where you can belong anywhere, and they believe that central to achieving this mission is creating memorable workplace experiences across the entire employee life cycle, which is why they made the move to set up an employee experience function. They argue that this is different to the more traditional HR set up in that the focus is much broader. This wider scope includes the office environment, facilities, food, and CSR. In addition, it includes a group of employees that they call 'ground control', who are tasked to help bring their culture to life via a range of activities such as internal communications, events, celebrations, and recognition.

Whilst this certainly sounds like a fantastic approach to creating a great place to work, the more cynical might argue that this is simply a name change. Certainly in my first engagement role back in the late 1990s I worked as part of an organizational development team and the various departments that were part of the wider function included all of the above. We even had an equivalent to the 'ground control' concept who were called the 'smile' team.

There's no doubt that employee experience as a concept is gaining interest and attention, and some commentators are asking if it should replace employee engagement? Unsurprisingly my answer to this question is no! Quite simply, if we get the employee experience right, employees are more likely to be engaged and if employees are more engaged we are more likely to get the customer experience right and achieve a host of other desired business outcomes. In his book *The Employee Experience Advantage*, Jacob

Morgan argues that we need to purposefully design a work experience to create a truly engaged workforce which will unlock business performance.

Many commentators argue the case for a move away from employee engagement to employee experience by citing the lack of improvements seen in employee engagement despite the continued focus, or the ‘employee engagement gap’ as I call it. However, the reasons we have not seen improvements in employee engagement are because many companies do not have an engagement strategy and plan; they focus on the survey rather than what happens next, and there is little investment in practitioners’ development or improving line managers’ skills. In fact, much of the rationale I have come across which argues the case for a move away from engagement experience can be addressed via the chapters and content within this book. For example, some commentators argue that engagement is organization centric, whereas a shift to focus on employee experience is employee centric. I would argue that any decent engagement practitioner knows that we need to understand how employees experience the organization, that we need to involve them in the solutions to create great places to work and that we absolutely cannot make assumptions about what engages our people and teams. These are themes that are further discussed in more detail throughout the following chapters. In addition, in Chapter 5 you’ll find an activity that will help you to review your employee life cycle and overall employee experience to design an employee experience which will support employee engagement rather than sabotage it.

Technological advances have also contributed to the rising interest in employee experience. As companies begin to move away from the annual employee survey there are an increasing number of opportunities to gather data and insight on, and from, employees. The Swedish start-up Epicenter even offers implants to employees via microchips that are basically like a swipe card: enabling access to offices, operating printers or buying a latte at the coffee bar, all with a swipe of a hand. It is easy to see how these technologies and other wearables are enabling companies to gather a range of data to help them understand employee experience and behaviours in real time. It is still early days for these technologies and our subsequent understanding of how they might be used to help improve and develop the employee experience in order to positively impact engagement.

In summary, we need to consider both employee experience and engagement if we are to develop workplaces people want to join and contribute their best. Following the principles within this book will help you to develop and improve your employee experience and contribute towards an engaged workforce, which ultimately benefits not only your employees, but your customers and partners too.



## Summary

There is no doubt that the debate will continue as to what employee engagement is, how to develop it and the real impact it has. However, what is clear is that this increased focus on engaging employees has been significant not only in improving people's experience of work, but in improving the performance of organizations as well. Companies are increasingly realizing that an engaged workforce is not only good for employees, but good for customers and overall business performance as well.

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