



Paper

Bridging the gap: an evidence-based approach to employee engagement

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Shooting on to the HR scene in the early noughties; employee engagement is a prime example of a concept that has truly captured the attention of HR and management professionals. Type 'employee engagement' into Google and you get 153 million hits, representing an industry valued at over \$1 billion in the US alone (Bersin, 2015a). In today's organisations, the term 'engagement' is used so frequently it could be accused of becoming the latest in a long chain of management fads. These concepts are often impressively packaged and sold at scale as the latest answer to your business challenges, but to what extent are these solutions built on a robust evidence base?

Despite the research in the engagement agenda developing, a so-called 'engagement gap' appears to be growing in organisations. With evidence demonstrating that a highly-engaged workforce has robust links to organisational success, with high levels of disengagement putting organisations at risk. To what extent are HR and people-managers using the evidence base to shape their engagement strategies?

Firstly, this article explores the theoretical underpinnings and history of engagement to establish a robust concept for organisations to adopt. Secondly, it will argue the concept is not one-dimensional and engagement can occur at many levels within an organisation. Finally, based on the evidence base, the drivers of engagement will be discussed, outlining the strategies that organisations, HR professionals and people managers can take to improve levels of employee engagement.

What is employee engagement?

Defining engagement is a contentious issue and definitions vary widely across both academic and practitioner domains. Whilst conceptualising engagement may feel like an academic point, it is essential for an organisation to know what engagement means to them before embarking on trying to measure and improve it. The lack of a clear definition will certainly be contributing to the aforementioned 'gap', therefore organisations hoping to improve engagement must spend time defining what it means to them.

An early and widely used definition of engagement dates back to the 90's and is reported as the 'harnessing of organisation members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances' (Kahn, 1990, p. 694). Engagement is therefore here defined as being 'role specific'.

In everyday life, we all occupy various roles we are familiar with (eg being a daughter, a mother, a sister, a worker). The same concept was applied by Saks (2006) to our working life, as there are many roles an employee can occupy in the workplace, such as: an occupation or professional role, a job/work role, the role of a team member, a departmental member and an organisational member.

Saks' seminal research explored the most pertinent roles an individual engages with at work, the job role and the role as an organisational member, and established that that job and organisational engagement are related but distinct concepts.

For organisations, this is a key distinction to make, as different types (or levels) of engagement operate in distinct ways which must be reflected in any organisational

strategies aimed at improving engagement. Firstly, someone can be highly engaged with the organisation but have low levels of job engagement or vice versa. Secondly, job and organisational engagement are predicated by different HRM practices. Finally, job and organisational engagement motivate different organisational outcomes. Implications of these factors are discussed throughout this article.

How does engagement work?

The theoretical underpinnings of engagement have been hotly debated. However, a widely accepted view applies social exchange theory (SET) to the concept (Saks, 2006). This perspective is based on the premise of a 'social exchange' between an individual (an employee) and an 'exchange partner' (eg a line manager). That is, workplace relationships develop via a set of social interactions to create an invested, interdependent, trusting relationship over time. Ultimately, workplace relationships are thought to be a key facilitator in driving engagement by creating a 'you scratch my back, I'll scratch yours' approach.

Whilst there are a countless number of potential exchange partners within a workplace, two are considered most prominent: the direct line manager and the organisation (Masterson, Lewis, Goldman, and Taylor, 2000). IES has long argued the vital role the line manager plays in engagement, developing an 'engaging manager' tool (IES, 2018a) based on our extensive and ongoing research. However, line-managers do not have an easy time of it. Robinson (2018) identified that line managers often find themselves in a managerial role with little experience or support, juggling the competing pressures of people management with their 'day job', whilst themselves having frustrations when trying to fulfil their role. These factors negatively influence a line-managers ability to engage and motivate their team, therefore it's HR's role to step in and act. HR can start by asking a series of questions:

- Are there gaps in our people-management training?
- Does any training focus on positive aspects of people management?
- Do line-managers understand the important role they play in engagement?
- Is there any training focused on the personal wellbeing on line-managers themselves?
- How are line managers supported?
- How do we communicate to line-managers?

For further discussion of these questions and information about how to support line managers, see IES's research for NHS employers (Robinson, 2018).

Why engagement matters

There is a considerable body of evidence demonstrating that engaged employees can significantly contribute to organisational success such as improved performance, profitability, productivity, customer satisfaction-loyalty as well as reduced levels of absenteeism and turnover¹ (Harter, Schmidt, & Hayes, 2002). It is thought that a highly-engaged workforce offers a special kind of competitive advantage to organisations. This is due to the inherent difficulty of imitation by competitors; it is claimed that it is easy to adapt your product and price but creating a highly-engaged workforce is something entirely different. However, the UK is still facing an 'engagement gap', with 68 per cent of employees reportedly 'not engaged' and 21 per cent actively 'disengaged' (Gallup, 2017).

As discussed previously, employee engagement is not a one-dimensional concept, and is instead made up of different levels of engagement; the most well-researched being the *job* and the *organisation*. This distinction is important for organisations to grasp, as job and organisational engagement are influenced in differing ways and are associated different business outcomes. Previously, this distinction has not been drawn in research and practice; targeting a multi-dimensional concept with a one-dimensional lens will maintain the engagement gap.

Outcomes associated with job engagement

As employee engagement has typically been investigated at the job level, there is a robust evidence base demonstrating the relationship with a range of positive outcomes. Benefits include; enhanced job satisfaction (Saks, 2006), improved job performance (Rich, Lepine, and Crawford, 2010; Xanthopoulou, Bakker, Demerouti and Schaufeli, 2007) and reduced levels of intention to quit (Saks, 2006; Yalabik, Popaitoon, Chowne and Rayton, 2013).

Outcomes associated with organisational engagement

Due to its relatively short time on the scene, there has been less research exploring the outcome of organisational engagement. However, there is good evidence demonstrating the link with organisational citizenship behaviours (OCBs). OCBs are voluntary, discretionary behaviours that fall outside of an employee job description or contractual role. Behaviours could range from helping a struggling colleague to 'going the extra mile' on a work task. OCBs are positively related to organisational success (Campbell Pickford and Joy, 2016)

¹ A point to note is that engagement is often thought of as an 'outcome' in itself, whereas it is actually a 'psychological state', which motivates positive behavioural outcomes (eg job satisfaction). The combined impact of positive behavioural outcomes subsequently influences organisational performance.

For organisations that are experiencing a specific problem, it is important to work backwards to identify the problem they are trying to solve, establishing which level of engagement, be it 'job' or 'organisation' engagement, is associated with the desired outcomes and create an engagement strategy which incorporates drivers of that specific level of engagement.

Diagnosing engagement levels

Nowadays, we often read about the 'death of engagement surveys'. Practitioners are calling out surveys for being overly lengthy, box-ticking exercises that get rolled out once a year with no real purpose. However, is this the fault of the survey or the organisation? Evidence suggests the latter, as large and complex organisations (such as the NHS) still endorse the use of surveys to provide a 'wealth of data' that can be used to 'develop management', 'improve staff experience' and 'enhance overall organisational performance' (NHSE, 2018). For the NHS, the key is how it uses and acts on the data it gathers. A survey, after all, is just the start and the real value comes from analysing the data, putting a strategy in place and communicating effectively back to staff.

Survey length

The traditional design and distribution of a survey is also contributing to its so-called 'death'. Surveys needn't be the length of *War and Peace*; shorter surveys can be used effectively to diagnose engagement levels at both job and organisation level, with some engagement scales using just 6 questions (See Fletcher and Robinson, 2013).

Question format

Whilst open text questions add depth to a survey, too many can often significantly add to the time it takes to complete the survey and analyse those responses. To counter this, does your organisation have the capacity to supplement surveys with focus groups or interviews, to delve into the issues and identify the real issues in your organisation?

Choosing the right moment

The distribution of surveys often presents a problem. Annual survey results give a static snapshot of a moment in time, and the timing could also bias results – low scores observed in January by any chance? Critically, organisations should measure levels more often, taking advantage of pulse surveys, to give an accurate reflection of current engagement levels. Regular measurement helps organisations get to know their people and enables HR to incorporate feedback more quickly into HRM practices which address the current challenges being faced.

Choosing the right medium

It's not just 'when' to send a survey that organisation's needs to consider, but also 'how' it is received by your staff. With a shift to thinking about the 'employee experience' – a holistic approach that combines engagement, culture and performance management –

organisations must utilise technology, such as pulse surveys and smart phone apps, to meet the growing employee expectations in this digital age.

An evidence-based approach to improving engagement

Following diagnosis, HR has the difficult job of translating the data into strategy. An evidence-based approach, addressing the needs of the employees by using the research presented in the article along with IES' extensive engagement research base (IES, 2018b), offers the best chance of success.

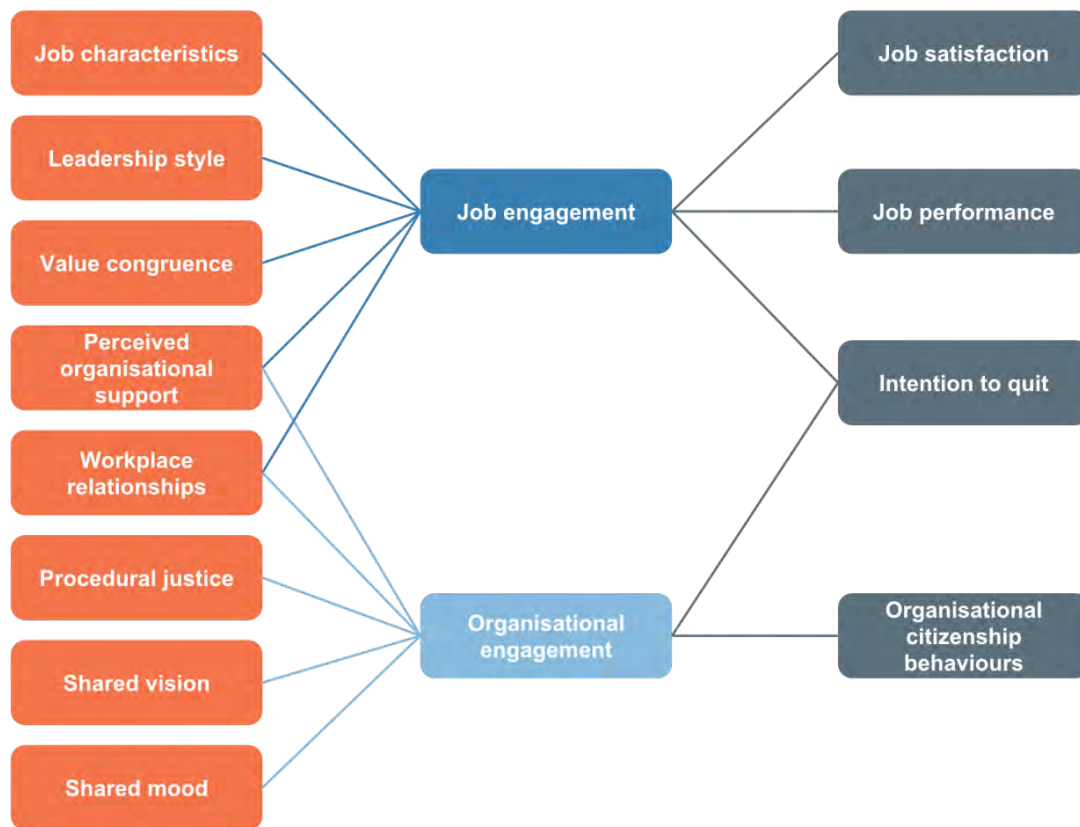
From an academic perspective, there have been two prominent streams of research exploring the drivers of employee engagement. The first focuses on the characteristics of the job and the second stream explores the complex social nature of engagement. Grounded in robust evidence, Figure 1 shows the drivers and outcomes associated with both job and organisational engagement (each is discussed in detail below). This article will discuss the evidence base in three sections:

- Unique drivers of job engagement.
- Unique drivers of organisational engagement.
- Shared drivers of *both* job and organisational engagement.

Notably, these are not a definitive set of 'quick fixes' and the influence of each driver will vary depending on the organisational context². They can, however, be used to form the 'overall package' of an engagement strategy, providing as it is crafted in response to the diagnostic data collected from your people. Additionally, a common theme across the driver is the unique role the 'engaging manager' has in translating research best practice into everyday reality for employees. So, for each driver listed on the left-hand side of Figure 1, several recommendations for HR practice are discussed.

² The drivers discussed in this article are not exhaustive, see Robinson, Perryman and Hayday (2004) for further analysis.

Figure 1: Drivers and outcomes of employee engagement



Source: IES

Drivers of job engagement

Job characteristics

The characteristics of the job or the task are one of the most well-researched areas of employee engagement. Stemming from the work of Hackman and Oldman (1980) and Bakker and Demerouti (2007) there is robust evidence of the positive contribution a well-designed and enriched job has on engagement.

When designing any job to maximise engagement, ideally it should provide:

- work that is challenging to the individual;
- a variety of work tasks;
- the opportunity to use a number of different skills;
- autonomy and the use of personal discretion;
- the opportunity to make a meaningful contribution; and
- feedback mechanisms.

Value congruence

Value congruence is the extent to which the values and behaviours expected by an organisation align with the behaviours an individual values as a part of their own self-image.

That is, when an employee is expected to behave in a way which is similar with the way they like to see themselves (their preferred self-image) they are more likely to find their roles inviting, valuable, and worthwhile and more willing to fully engage themselves (Rich et al, 2010). On the contrary, when values are misaligned and individuals are expected to behave in a role in a way which is incongruent with their preferred self-image, they feel devalued, taken advantage of, and less willing to give themselves to their role (Kahn, 1990).

A number of steps can be taken to improve value congruence:

- Design recruitment practices to identify individuals with similar values to that of the organisation.
- Use mentoring, socialisation opportunities, and an aligned set of people management practices to communicate a consistent set of values.
- Focus on strategies that directly impact trust and communication:
 - Practicing transparent and fair decision-making processes.
 - Frequent and open communication.

However, strategies to improve congruence must be implemented with caution as not to sacrifice diversity within an organisation.

Leadership style

Transformative leadership has become increasingly popular in management practice and evidence has demonstrated that it plays a role in increasing employee engagement. Additionally, the support received from the line-manager relationship plays an important role in nurturing job engagement. This is characterised by the perceived line-manager support, but also encompasses the existence and quality of a positive two-way relationship between a line manager and an employee (Balain and Sparrow, 2009).

Drivers of organisational engagement

Procedural justice

Procedural justice refers to the perceived fairness of the processes and procedures in place to achieve organisational outcomes. For example, if the process of allocating work tasks within a team is based on a set of fair parameters (such as resources, skills, job role, experience), even if the outcome isn't favourable for an employee the negative consequences are reduced. When a process leading to a certain outcome is thought to be unfair, the employee's reactions are directed at the whole organisation, rather than at the task or the specific outcome (Cohen-Charash and Spector, 2001). Increasing perceptions of procedural justice can be achieved by:

- evaluating processes to identify unjust decision making;
- articulating processes and procedures to ensure transparency; and
- using open and frequent communication to improve trust in leadership and managers.

Shared vision

A shared vision encompasses the positive emotions that employees feel about the organization's outlook of the future and the commitment to reaching a particular, clearly-defined vision or purpose. A clear vision should be well communicated and embedded in everyday practices. If possible, involve staff of all levels in creating the vision – this will increase the feeling of ownership and commitment and motivate behaviours in line with the vision.

Shared mood

Shared positive mood captures how employees feel about their work in the organisation and the organisation itself. High-quality, positive relationships at work engender positive emotions. Strategies to develop such high-quality relationships are discussed further below.

Drivers of job and organisational engagement

Perceived organisational support

Perceived organisational support (POS) refers to a general belief that an organisation values the employee's contribution and cares about their wellbeing (Rhoades and Eisenberger, 2002). POS is higher within organisations that have:

- fair operational and human resource practices;
- low levels of organisational politics;
- supportive and inspirational leadership and management;
- supportive working conditions, including manageable demands placed on an employee (in terms of overload, conflict, and ambiguity) and the availability of resources to meet demand (such as autonomy, support and feedback).

Workplace relationships

Workplace relationships can often be forgotten, especially with the rise of virtual organisations and online communication. However, relationships play a key role in an engaged workforce and individuals can vary their levels of engagement based on the satisfaction and the strength of workplace relationships. One of the most important workplace relationships to foster engagement is the one an individual has with their line manager. However, that is not to discount the other relationship such as peers, team members and the organisation itself (typically represented by interactions with the senior leadership team). Trust is thought to provide the basis for interpersonal relationships (Blau, 1964). Individuals with trusting interpersonal relationships in supportive organisational environments are more able to take risks, expose their real selves, and try and perhaps fail without fearing the consequences

Developing workplace relationships is something which occurs overtime, there is no 'quick fix'. Relationships require investment, nurturing and patience to produce beneficial outcomes desired by organisations. Some strategies to improve the quality of the relationship include:

- Acknowledgement that relationships are two way – managers/organisations must give, as well as take, to create a state of ‘interdependence’.
- Developing trust in the organisation by:
 - having open, mutual, clear and regular communications;
 - increasing the regularity of communication; and
 - displaying genuine emotion during interactions.

As highlighted previously, the line manager plays a crucial role in nurturing engagement, see IES’ engaging manager research (Robinson and Hayday, 2009) for further evidence and discussion. Shared drivers offer organisations a unique benefit; a single intervention has the ability to improve job and organisational engagement, potentially reducing cost, time and resource. Most importantly, for higher chances of success, an engagement strategy must be focused on what it is trying to achieve, eg job or organisational engagement, and incorporate multiple drivers which are flexed for the specific organisational context and the needs of your people.

Actions for employers and HR

- **Understand** the differences between job and organisational engagement; use business data to identify where attention should be focused at the current time.
- **Use technology effectively**, to regularly measure levels of job and organisational engagement.
- Based on your data, create an **evidence-based strategy** that keeps your employee needs at its core.
- **Involve your line managers** – share data, provide specific training in line with the strategy and be on hand for day-to-day support. Don’t forget that line managers are integral for translating strategy into action.
- Be agile – **incorporate changes** into the strategy based on real-time feedback (but don’t forget to keep line managers in the loop).

Conclusions

Contrary to popular belief, employee engagement is not a single concept; instead it consists of different levels, ranging from the job to the organisation. Each level of engagement motivates different beneficial organisational outcomes and is predicted by a unique set of drivers. Organisations must decide what engagement means to them, in order to effectively measure and improve it. This article presents multiple drivers of job and organisational engagement, which organisations can incorporate into a holistic strategy and embedded into people management practices and systems.

Using diagnostic measures to ‘get to know your people’ and an evidence-based approach to improve engagement will put organisations in a far better position to achieve their desired outcomes. However, there is no one ‘magic solution’; the combination of drivers that will be effective will differ over time and context, therefore HR must consider the whole package within the specific context of the organisation.

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