

Implementing an Employee Engagement Programme

A People & Culture White Paper

Introduction

Over the last decade, employers focus has moved away from employees who are satisfied with their working conditions, to those who are committed to the organisation and not considering a move, to those who are genuinely engaged in the work and mission of the organisation and willing to expend extra effort to help it succeed.

Employee engagement can be seen as ultimately about performance, because harnessing the discretionary effort of people does improve performance. If individuals are performing at the top of their potential then it makes sense that teams, divisions, departments and organisations will work more effectively together. Customers will receive better service, efficiency will improve. Waste will be reduced. Overall performance will be enhanced.

However improving employee engagement requires a systematic process based approach and involves some key stages:

Step 1: Set the context and develop the business case

Step 2: Understand current level of engagement

Step 3: Identify areas for action

Step 4: Implementation

Step 5: Evaluation

Step 1: Set the context and develop the business case

1. Define employee engagement in your organisational context

It is important to think about what engagement means for your organisation and develop a business case that is relevant.

It may be helpful to consider the following questions when developing your business case:

- What would a highly-engaged workforce look like, feel like, be like? How would it be different to now?
- What impact would this have – and how does it link to the business case?
- What experience do we have of high engagement – either in our own organisation, or experienced elsewhere? What is the learning from this?
- What sort of organisation do we want to be?
- How do we want employees to talk about the organisation as a place to work?
- What might being an ‘employer of choice’ mean to us?
- How do we want the public, our customers and or our service users to think of us an organisation – both as a strategic leader and a services provider?

2. Developing the business case and links to performance

Employee engagement is a key ingredient in achieving high quality performance – both at the individual, team and organisational level.

Extensive research, both in the academic and business communities, has shown clear links between highly engaged employees and the following factors:

- Bottom line performance
- Customer satisfaction and loyalty
- Absence
- Employee turnover
- Organisational citizenship
- Creativity and innovation.

In developing your business case you will need to address at least some of the following:

- What are the key drivers for focusing on employee engagement?

When developing a strategy to improve employee engagement, you will need to sell the business case to the business leaders, employees, the Chief Executive and senior managers. Consider the current priorities or key focus areas for your audience, and focus attention on these. They will be the key engagement drivers for your organisation.

For example, an engagement driver for a head of function may be high levels of absenteeism. In this case, linking the business case for employee engagement to performance in relation to absenteeism is likely to give greater negotiating strength than simply focusing on engagement for the sake of it.

- What are you trying to achieve? Do you have an engagement problem?

You may find it helpful to focus your objectives on developing a programme of action to improve engagement. You could consider either one or a combination of three 'lenses': the organisational, employee or customer perspective. Each lens offers a different objective and motive for employee engagement and will bring with them different associated costs and benefits. Appendix 1 contains a simple diagnostic tool that may help focus attention on the key areas.

- How much will this cost? What is the cost-benefit analysis?

The costs and benefits associated with improving employee engagement will depend on your objectives and your focus. If you can, work out both what your proposal programme of action will cost but also the potential payback in financial terms. There are, of course, some engagement strategies, such as talking to and listening to staff, that do not need to cost anything significant. A full-scale leadership development programme will certainly have a greater cost involved, but if poor leadership is the problem, then the longer-term benefits could far outweigh the costs.

3. Gaining buy-in and communicate intent

To be successful, your employee engagement programme of action needs buy-in and commitment from the most senior people in your organisation, including managers. This should not be seen as 'another HR initiative'.

Senior leaders need to publicly demonstrate their commitment to employee engagement; both through role modelling and 'walking the talk'. High visibility and high-level messages communicated clearly and consistently are essential.

Some questions to consider:

- Does the senior management team have a shared and consistent understanding of what employee engagement is and what stronger engagement would look like in your organisation? What difference would it make to the organisation?
- What support or involvement do you need from different groups of stakeholders? How are you going to get it?
- What other stakeholders do you need to involve, for example, trade union or other workplace representatives? How will you instigate this involvement?
- You may want to develop an employee proposition. An employee proposition is a commitment or 'promise' from an organisation to an existing or potential employee. It is consistent with the organisation's values and brand, and is distinct and credible to the experiences of current employees. A proposition can not only support engagement but also create a compelling case for your organisation being an employer of choice.
- What does success look like? What performance targets can be or have been identified that will enable you to a) set clear goals for employee engagement, and b) measure the success of your programme of action to improve engagement.
- Where is there resistance and how will you overcome or manage resistance?
- What barriers, constraints or challenges need to be tackled? How?

Step 2: Understand current level of engagement

1. Choose your approach to understanding engagement

It is important to remember that engagement is not about the measurement. The measurement tool itself cannot be a driver of engagement; it just offers some information to work with when seeking to leverage engagement, and the opportunity to measure how effective your business and people strategies are in terms of the employee experience.

Many organisations turn to quantitative approaches such as employee surveys for measuring engagement. There are a number of reasons for this. Surveys have the advantage that they are easily distributed to all staff; provide some straightforward metrics that are useful for benchmarking and evaluating progress; data can be modelled to identify key drivers; confidentiality is easily assured; and data can be analysed by a range of demographics to help focus action planning.

The disadvantage of surveys is that they are sometimes held in suspicion by those completing them (fears that confidentiality will be breached, that nothing will be done with the data, etc); people can fill them in incorrectly, either accidentally or in a deliberate attempt to skew the data; and while they provide an indication of problems, they are unlikely to provide rich enough data to really understand the presenting issues.

Qualitative approaches can also be effective in connecting with staff and gaining a deeper understanding of the issues that need to be tackled if you are to improve engagement. They offer the advantage of providing rich insightful information about what works and what doesn't work in the organisation. Methods like appreciative inquiry, for example, can be helpful in generating energy in the organisation.

The disadvantage to qualitative methods is their sheer scale. In large organisations, they present logistical challenges. Some people may be reluctant to speak out in groups and so may not wish to participate. In addition to this, they don't provide easy 'measurement' so it's harder to show tangible improvements and to benchmark.

What sometimes works best is a qualitative input to identifying the initial survey parameters, a census survey to provide a broad understanding of engagement and then some smaller scale follow up qualitative work to explore particular issues identified in the initial survey.

Quantitative - Review organisational metrics

What information do you currently collect that provides an indication of engagement and performance levels? You might consider turnover patterns, absence levels, performance metrics, exit surveys, grievances, Audit assessments, and claims of bullying and harassment.

Can you benchmark this information against other comparable organisations? Combining all of this information can form a powerful picture of engagement and disengagement in your

organisation. It can also be helpful to map engagement diagnostic results against these metrics to create a fuller picture of the impact of engagement.

Qualitative methods

Qualitative data has the advantage of providing very rich, detailed insight into what works and doesn't work in your organisation. Although it cannot be used to benchmark or map against key performance indicators, the feedback is invaluable in deciding your priorities for action. Providing verbatim transcripts of feedback from survey open questions can provide substantial 'food for thought' for managers across the business.

2. Undertake research and focus on 'key drivers'

It should be noted that carrying out organisational research creates a wealth of data, which sometimes leads to an overwhelming sense that the organisation needs to 'fix everything' and can inevitably lead to paralysis or inertia.

If you have done a survey, action planning can be aided by the use of statistical modelling techniques that focus attention on high priorities. Just focusing on low scores can be misleading, so instead you can use your statistical survey data to create a prioritised model or action plan.

For maximum impact, conduct a key driver analysis that:

- a) shows those factors that have the strongest impact on employee engagement; and
- b) the interplay between the different factors.

This method can be based on simple or more advanced statistical techniques, and can help an organisation focus on outcome based contributions, rather than just high or low scores. Understanding the interplay of factors is key here; taking a different approach to rewards, for example, may not improve employee engagement if perceptions of line managers and their ability to manage performance is poor.

Think about the current initiatives that are in place and informed by your engagement data. Avoid re-inventing the wheel; if you have programmes in place to address priorities, revisit these to make sure they are working, and are informed by your engagement research.

3. Where possible, map survey results to key performance metrics

It is fairly straightforward to map engagement or opinion survey data against various key performance indicators. Key indicators at the organisational/service/unit/departmental level can be enough to highlight the relationship between engagement and performance and focus on where support and energy should be focused.

For example, you might consider mapping engagement scores against the following indicators, and use this picture to look for patterns that can inform your action planning:

- Turnover

- Absence
- Grievances
- Bullying and harassment
- Performance data

In addition to this, looking at exit interview data, and the key reasons for leaving in areas of low engagement or high turnover can provide further insight.

Low turnover doesn't necessarily equate with high engagement. If you have low levels of engagement but low turnover this could be a sign that people are staying because they don't think they have the option to leave, or the cost of leaving is considered too great, which may be a form of 'engagement' but is unlikely to result in good performance!

4. Identify 'high risk' areas and areas of good practice

Your engagement research might highlight areas of 'risk' and areas of 'good practice'. This is likely to be the case whatever data you are using. Understanding what is working in areas of high engagement against what is not working in areas of low engagement can be useful data in and of itself.

Step 3: Identify areas for action

1. Develop a central action plan

Action planning needs to be carried out both at the corporate level of the organisation, and at the service or team level.

- Start by focusing on the possible areas for action, and understand the links between them
- Concentrate on prioritising, don't try to fix everything. The 'rule of three' is usually appropriate: by focusing on three key priorities you are more likely to achieve success
- Aim for some quick wins, where possible
- Accept that engagement may not be significantly improved overnight; you could be embarking on large scale organisational development projects. Communicate this to staff in order to raise their awareness and manage expectations
- Agree who is responsible for ensuring that action plans are coordinated and delivered
- Encourage managers to engage in local action planning with their teams. Coordinate local action planning centrally so that you are aware of activity taking place, can allocate resource appropriately, lend support where required and avoid duplication of effort

2. Equip and support managers at all levels

Some line managers are confident and competent to work with survey data and develop action plans; other may not be. Understandably, negative data can be met with defensiveness and managers can feel confused about where to go for support in developing their action plan.

- Support managers with one -to-one sessions, where required, to help them understand issues within their areas
- Provide support and the appropriate tools to enable managers to communicate results to their teams and to conduct, where appropriate, action planning workshops to engage their teams in any plans
- Provide data in the simplest form possible.
- Provide straightforward traffic light reports, simple maps of key drivers, or a short summary of highlights and lowlights.
- Provide easy action planning templates
- Establish an internal resource guide for managers so that they know what is available to them in the organisation for action planning. Alternatively, provide an action planning champion who can liaise with managers and help them with their action planning
- Avoid duplication of effort, and encourage 'buddying' or mentoring where appropriate
- Monitor local action plans and lend support if action planning appears to be slipping

Step 4: Implementation

1. Taking an organisational development or change management approach

This is the most important stage and where the majority of the hard work takes place. Yet it is the stage most often overlooked. This may be because it can also be the most challenging stage, where deep rooted cultural issues, behaviours, competencies, processes and procedures are addressed. It is likely that you may be embarking on far reaching and long-term change requiring a comprehensive change management approach.

An 'action learning' approach to implementation is one that engages staff at all levels and develops skill and knowledge in-house. You may need external facilitation, support and expertise.

2. Monitoring and ongoing communication

Communication of the engagement action plan, continued monitoring of progress, and keeping staff up to date with what is going on should help to improve engagement.

It keeps people in the loop, helps them see their role in the ongoing development of the organisation, embeds the idea that their views and opinions count, and keeps matters open and transparent.

Step 5: Evaluation

1. Evaluate improvements in engagement levels and key performance data

Ultimately it is important to understand whether improvement strategies have been successful. There are a number of ways in which the impact of your programme of action can be measured:

- Revisit internal data, such as turnover, absence, reports of stress, bullying, harassment. Have these improved? What do these improvements amount to in financial terms?
- Without resorting to data, how do things feel? Is there a greater energy? Are people saying morale has improved or are they quietly complaining?
- What does organisational performance look like? Are targets and objectives being achieved? What feedback are you getting on service users and customer satisfaction ratings?
- Re-measure employee engagement scores and key drivers. Have scores improved?

2. Logistics of evaluation

It is important to consider appropriate timescales for evaluation. If evaluations are carried out too quickly you may not see significant improvements, although if strategies for improvement are working you would expect to find an upward trend.

However, left too long, you may fail to notice that strategies are not working and therefore miss an opportunity to reprioritise.

Some suggestions when considering evaluation schedules are:

- Review organisational metrics every six months, and be prepared to respond to changing patterns.
- Conduct large scale surveys at least once a year
- Avoid survey fatigue by:
 - i. Taking 'pulse' surveys that focus on key metrics only and often target samples of the whole population (as opposed to a census survey)
 - ii. Stagger the distribution of these ad-hoc surveys throughout the year
 - iii. Promoting the action you have taken in response to previous surveys to encourage staff involvement

Appendix 1

If you answer yes to any of the following statements it could indicate an engagement problem:

- 1) *Employees feel far removed from the results of the business and have little understanding of how they contribute towards the strategy.*
- 2) *Employees do not understand the organisation's objectives or have no enthusiasm for them*
- 3) *Levels of absence are increasing, exceeding industry averages, or there are pockets in the organisation experiencing absence problems.*
- 4) *Levels of turnover are high, increasing, or exceeding industry averages.*
- 5) *The organisation has difficulty keeping key people, or there are distinct patterns of people leaving e.g. after one year of service*
- 6) *Superior performance is often undefined, unrecognised and/or unrewarded*
- 7) *Major leadership initiatives and priorities fail to get support*
- 8) *The organisation has trouble recruiting the right people*
- 9) *Morale appears to be low, either generally or in certain parts of the organisation*
- 10) *People often come to meetings and nod in agreement but little or no progress is made*
- 11) *There is a lack of information sharing across business units, a lack of collaboration across business units, and a lack of collaboration toward goals and results*
- 12) *Customer satisfaction ratings are low or decreasing*
- 13) *People feel disconnected from the organisation's customers*
- 14) *Data from employee surveys or feedback indicates low levels of satisfaction or engagement*
- 15) *There are issues with workplace behaviours such as bullying, harassment, or safety, or high levels of grievances or accidents*
- 16) *There are poor ratings on audit or regulator inspections*
- 17) *Major change programmes have failed to make progress or change doesn't seem to stick*