

# Employee engagement a review of current thinking

[Business](#), [Management](#)



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It works closely with employers in all sectors, government departments, agencies, professional bodies and associations. IES is a focus of knowledge and practical experience in employment and training policy, the operation of labour markets, and HR planning and development.

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Engagement is consistently shown as something given by the employee which can benefit the organisation through commitment and dedication, advocacy, discretionary effort, using talents to the fullest and being supportive of the organisation's goals and values.

Engaged employees feel a sense of attachment towards their organisation, investing themselves not only in their role, but in the organisation as a whole. 2.

Engaged employees are more likely to stay with the organisation, perform 20

per cent better than their colleagues and act as advocates of the business.

Engagement can enhance bottom-line profit and enable organisational agility and improved efficiency in driving change initiatives. Engaged individuals invest themselves fully in their work, with increased self-efficacy and a positive impact upon health and well-being,

which in turn evokes increased employee support for the organisation. 3.

Engagement levels can vary according to different biographical and personality characteristics.

Younger employees may be positive when they first join an organisation, but can quickly become disengaged. Highly extravert and

adaptable individuals find it easier to engage. Engagement is a choice, dependent upon what the employee considers is worth investing themselves

in. 4. Engagement levels vary according to seniority,

occupation and length of service in an organisation but not by sector.

The more senior an individual's role, the

greater the chance of being engaged. Presidents, managers,

operational and hands-on staff tend to be the most engaged,

professionals and support staff the least,

but this varies between organisations. 5.

There are seven commonly referenced drivers of engagement:

the nature of the work undertaken,

work that has transparent meaning and purpose,

development opportunities, receiving timely recognition and rewards,

building respectful and assertive relationships,

having open two-way communication systems and inspiring leadership. v

6. There are a variety of measures of engagement available. However,

the lack of a

clear definition of employee engagement and the differing requirements of each

organisation means there is likely to be considerable variation in what is

measured in these surveys. 7.

Being satisfied at work is a weaker predictor of business outcomes than engagement and lacks the two-way reciprocal relationship characteristic of engagement. There is a very strong relationship between organisational citizenship and engagement, as both focus upon going beyond the expected.

Both engagement and the psychological contract have a cognitive and emotional element and can depict the two-way employee-employer relationship. vi Introduction 1 1 Introduction 1. 1 Why is engagement of importance and interest?

In his 2004 book entitled *The New Rules of Engagement*, Mike Johnson wrote 'the ability to engage employees, to make them work with our business, is going to be one of the greatest organisational battles of the coming 10 years' (p. 1).

Five years on and

employee engagement is now a management hot topic and one which has quickly absorbed into the HR agenda.

It is a key challenge which is capturing the attention of executives and HR professionals alike (Soldati, 2007; HR Focus, 2006) and, increasingly, the acceptance of academics. Today, it is a rare to find articles in the popular HR or management press without some mention of engagement and how to enable it. Yet, to date there is no one clear and agreed definition of engagement and many researchers and practitioners describe the term in very different ways (Soldati, 2007).

Nevertheless,

there is an increasing awareness that employee engagement is pivotal to successful commercial and business performance,

where engaged employees are the ‘

backbone of good working environments where people are industrious, ethical and accountable’ (Levinson, 2007a; Cleland et al, 2008).

Engagement can affect employees’ attitudes,

absence and turnover levels and

various studies have demonstrated links with productivity,

increasingly pointing to a high correlation with individual,

group and organisational performance, a

success measured through the quality of customer experience and customer loyalty (Hemsley Fraser, 2008, cited in The HR Director, 2008;

The Conference Board, 2006).

Organisations with higher engagement levels tend to have lower employee turnover, higher productivity,

higher total shareholder returns and better financial performance (Baumruk, 2006). Towers Perrin (2007) found that

organisations with the highest percentage of engaged employees increased their

operating income by 19 per cent and their earnings per share by 28 per cent year" to"year.

Highly engaging organisational cultures may also have an attractive 2

Employee Engagement: a review of current thinking employer brand,

being an employer of choice which attracts and retains the best

talent (eg Martin and Hetrick, 2006).

By building a culture that enables employees to engage in their work, organisations may benefit from staff who are willing to go the extra mile and achieve better financial performance (Baumruk, 2006). However, despite the potential gains of improved engagement levels, Gallup found that more than 80 per cent of British workers are not truly committed to their work, and a quarter of these are dissatisfied and 'actively disengaged', putting no passion into their work (Flade, 2003).

Gallup (2006) proposed that employees could be divided into three types with regard to their level of engagement, the engaged, not engaged and the actively disengaged, with the latter being of most concern to the employer brand as a result of sharing their discontent with their co-workers and the wider world (see Figure 1. 1). Hukerby (2002, cited in Pech and Slade, 2006) suggested that 20 per cent of employees in the UK are disengaged, having 'mentally quit', yet they continue to stay with the company. As Tasker (2004) pointed out, there is an increasing trend of disengagement, yet only 52 per cent of organisations are doing anything about it, and 44 per cent of a study of 400 HR professionals considered tackling the issue to be an 'overwhelming challenge'.

One explanation may be that whilst many employers are aware of the import

ance

of employee engagement and that HR and organisational development professionals have a strategic and pivotal role in raising levels (Hemsley Fraser, 2008 cited in The HR Director, 2008),

many are uncertain of how to enable the

conditions for engagement to flourish (Pech and Slade, 2006). Figure 1. 1:

The three types of employees The Three Types of Employees 3 2 3 Source:

Gallup (2006) ENGAGED employees work with passion and feel a profound connection to their company. They drive innovation and move the

organization forward. NOT-ENGAGED employees are essentially 'checked out'. They're sleepwalking through their workday, putting time — but not

energy or passion — into their work. ACTIVELY DISENGAGED employees aren't just unhappy at work; they're busy acting out their unhappiness.

Every day, these workers undermine what their engaged co-workers accomplish. Introduction 3 1. 1. 1 New expectations '

The new generation didn't sign up for the old deal' (Kinsey Goman, President of Kinsey Consulting Services quoted in Bates, 2004).

Over recent years there has been seen a significant shift in the employee-employer relationship. With increasingly competitive markets, globalisation, a volatile economic climate,

demands for constant change and the war for talent,

organisations face significant

challenges in their pursuit for business success.

The psychological contract is now different to what it once was; for many, there is no longer a job for life, and indeed



redundancy is a very real possibility.

There is also evidence that expectations of

employers and employees differ from those of the past.

In increasingly turbulent times engagement may therefore be the 'deal-breaker' for organisations seeking sustainable success.

Some employees now seek short-term careers in different organisations with the

expectation that they will commit for the short-term and move on from jobs that are not satisfying,

or simply use experience gained in one role as a stepping stone to another job (Bates, 2004).

Organisations want people to put in extra effort and

generate innovative ideas to improve services and save money (Skapinker, 2005).

Managers need to recognise this shift and refrain from using an autocratic management style, which is likely to disengage employees who seek more collaborative and empowering management, and inhibit innovation and a willingness to exert extra effort (Bates, 2004).

1. 2 IES research to date  
IES research into engagement to date has been widely tested,

firstly in the NHS

and then in eight other organisations spanning the private and public sectors

. Our key research to date has focused on: â-

defining and measuring engagement:

IES' first research step was to investigate

what HR professionals understood when they used the term engagement and

d this prompted IES to offer our own definition (Robinson et al., 2004) â-  
identifying engagement drivers:

promoted by the interest of IES HR Network members,

1 IES undertook a study to define engagement, devise a method of  
measuring it and establish its drivers (Robinson et al., 2004)

1

The IES HR Network combines membership of a select community with acces  
s to leading edge research carried out by IES.

Membership is by invitation to organisations that will both gain  
from membership and also contribute to the collective success of the commu  
nity. Further information can be found at [www.employmentstudies.co.uk](http://www.employmentstudies.co.uk)

4 Employee Engagement: a review of current thinking â-

developing an engagement diagnostic tool: IES has developed a robust  
measure of engagement which can be assessed using a series of attitude  
statements (Robinson et al., 2007). 1. 3 Purpose of review

To continue our extensive work to date and in an endeavour to bring some cl  
arity in an area of much confusion, this paper,

based on a systematic review of the literature on employee engagement,  
seeks to synthesise the current thinking and evidence. This review will: â-  
explore how engagement is defined in the practitioner, consultancy and  
academic literature and overlaps with other concepts â-

explore what are thought to be the outcomes of engagement for organisatio  
ns and their employees and how they can be measured â-

consider if some people are more likely to engage than others â-

review what the current literature tells us are the key drivers and barriers to

engagement – finally,

consider how to develop a culture supportive of engagement.

This review will be relevant to a wide audience whether you are new to engagement or whether you are working to improve and maintain engagement levels in your organisation. 1. 4 Method

Literature for this review was predominantly sourced from general internet searches and the use of online management journal databases including Ebscohost®. What is Engagement? 5 2 What is Engagement?

Understanding what engagement is, is an important yet complex challenge, and

there remains a great deal of scope for discussing the various approaches.

This section will explore definitions of engagement used by companies, consultancies and academics,

shedding light on similarities and differences in these definitions

and drawing together common themes. Key points – Numerous,

often inconsistent, definitions of engagement exist in the literature. It

is variously conceived as a psychological or affective state, a performance construct or an attitude. –

Company based models view engagement as an outcome – engaged employees show commitment, loyalty, exert discretionary effort,

use their talents to the

fullest and are enthusiastic advocates of their organisation's values and goals.

Many see engagement as a step higher than satisfaction or motivation.

– Academic definitions focus on outcomes of engagement (advocacy, dedication, discretionary effort, fostering change);

the psychological state (employees fully involve themselves in work, are absorbed, focused and energised); and the two-way beneficial relationship between employer and employee. Consultancy-based models define engagement as a psychological state with numerous outcomes for the organisation, and consider the role of the organisation in enabling it. Engagement results from having a line of sight between individual and business performance so staff understand their contribution, as well as a culture that values, encourages and listens to staff. All sources define engagement to some degree by its outcomes and something given by the employee which can benefit the organisation.

They generally agree

that engaged employees feel a sense of attachment towards their organisation, investing themselves not only in their role, but in the organisation as a whole. 6 Employee Engagement: a review of current thinking 2. 1 Defining engagement

As a concept that has developed over time, engagement has been defined in numerous, often inconsistent, ways in the literature, so much so that the term has become ambiguous to many and it is rare to find two people defining it in the same way (Macey and Schneider, 2008a).

It has variously been conceived as a psychological or affective state (eg commitment, involvement, attachment etc.), a performance construct (eg role performance, effort, observable behaviour, organisational citizenship behaviour etc;

Macey and Schneider, 2008a) or an attitude.

Some even relate the concept to other specific constructs such as altruism or initiative (Macey and Schneider,

2008a) and little consensus has been reached in

the literature as to which of these definitions is the definitive, or at least, 'best-fit' model of engagement.

A good definition of a concept especially one of a cognitive or subjective nature 'leads to common understanding ...

is illustrated with many behavioural examples ... stated

in such a way that the operations for its measurement are ... clear ... and widely accepted as logical and reasonable' (Rotter, 1990 p. 490).

The importance of defining terms

such as engagement was highlighted by Rotter,

who suggested that different

meanings that are read into the term result in considerable variation in what is being measured, which '

produces a series of contradictory and non-replicable studies'. 2. 1. 1

Company definitions

Organisations are where the theory of engagement is ultimately put into practice;

they offer a great insight into how engagement is viewed and used in 'the real world'.

The following examples illustrate how organisations across various

industries in the public and private sectors define employee engagement.

What is Engagement? 7 Examples of how organisations in the private sector

define engagement Vodaphone defines employee engagement as ‘ an outcome “ measured or seen

as a result of people being committed to something or someone in the business — a very best effort that is willingly given".’ (Suff, 2008)

Johnson and Johnson defines employee engagement as ‘

the degree to which employees are satisfied with their jobs, feel valued, and experience collaboration and trust.

Engaged employees will stay with the company longer and continually find smarter, more effective ways to add value to the organisation.

The end result is a

high performing company where people are flourishing and productivity is increased and sustained’. (Catteeuw et al., 2007 p. 152)

BT believes employee engagement is ‘ a combination of attitudes, thoughts and behaviours that relate to satisfaction, advocacy, commitment, pride, loyalty and responsibility’. BT claims it is ‘ broader than the more traditional concept of

employee satisfaction and relates to the extent to which employees are fully engaged with the company and their work’. (BT, 2008)

Barclays suggests a formal definition of employee engagement might be, ‘ the extent to which an employee feels a sense of attachment to the organisation he or she works for,

believes in its goals and supports its values.’ Barclays also suggest that it is possible to ‘

gain a good sense of someone’s engagement by asking a simple question, would you recommend Barclays as a good place to work?’. (Barclays,

2008) Dell refers to being engaged as ‘

giving time and talent to team building activities’. (Dell, 2008)

Nokia Siemens Networks describes being engaged as ‘ an emotional attachment to the organisation,

pride and a willingness to be an advocate of the organisation,

a rational understanding of the organisation’s strategic goals, values,

and how employees fit and motivation and willingness to invest discretionary effort to go above and beyond’. (Nokia Siemens Networks, 2008) Source:

Definitions drawn from company websites 8 Employee Engagement: a review of current thinking Examples of how organisations in the public sector define engagement The University of York suggests that ‘

employee engagement is a combination of

commitment to the organisation and its values plus a willingness to help out colleagues ....

Employee Engagement goes beyond job satisfaction and is not simply motivation’ (University of York, 2008)

The Civil Service sees being engaged as ‘ more than just being satisfied or motivated.

Engaged employees have a sense of personal attachment to their work and organisation that means they want to give of their best to help it succeed.

Engaged employees tend to speak positively about their organisation and have an active desire to stay.’ (Civil Service, 2008)

Leeds Metropolitan University refers to engagement through employees using their ‘ talents to the full wherever possible’

(Leeds Metropolitan University, 2008) The NHS sees engagement as ' a measure of how people connect in their work and feel committed to their organisation and its goals.

People who are highly engaged in

an activity feel excited and enthusiastic about their role,

say time passes quickly at work, devote extra effort to the activity,

identify with the task and describe

themselves to others in the context of their task (doctor, nurse,

NHS manager),

think about the questions or challenges posed by the activity during their spare moments (for example when travelling to and from work),

resist distractions, find it

easy to stay focused and invite others into the activity or organisation (their enthusiasm is contagious)' (NHS National Workforce Projects, 2007)

Source: Definitions drawn from organisations' websites What is Engagement?

9 Summary of company definitions

These company definitions tend to view engagement as an outcome, something given by the employee.

They often refer to the employee's attachment, commitment and loyalty to the organisation.

They refer to the effort and time they are willing to expend, whilst constantly finding ways to add value and use talents to the fullest.

Several of the definitions refer to the employee as an enthusiastic advocate showing pride and support for the organisation's values and goals.

Many see engagement as a step higher than satisfaction or motivation at wo



rk. However, with the exception of Johnson and Johnson, who indicate that engaged employees experience collaboration and feel valued, there is little mention of a reciprocal relationship and what the employer offers to enable engagement.

2. 1. 2 Academic definitions In 2006,

Saks commented that there is comparatively sparse academic literature on employee engagement and much of the research has been within the practitioner and consultancy sectors.

Whilst academic literature may offer fewer definitions, academics are increasingly showing interest in the debate with many seeking to understand different aspects of engagement from the drivers to its impact on organisational performance. However, there is a conflicting use of the term engagement in the academic literature. In their recent review, 'The Meaning of Employee Engagement', Macey and Schneider (2008a) propose that engagement is sometimes defined on the basis of what it 'is' (psychological state), whilst on other occasions on the basis of the behaviours it produces (behavioural) and sometimes as a disposition or attitude towards one's work (trait). In defining engagement, Macey and Schneider (2008a p. 6) split engagement into these three areas and propose that 'trait engagement' is an inclination to see the world from a particular vantage point and this is reflected in the individual's

state engagement' which leads to ' behavioural engagement', defined in terms of exerting discretionary effort. This proposition has, however received criticism by Newman and Harrison (2008) who argue that when engagement is broken up into the separate aspects of state, trait and behaviour, state engagement becomes a redundant construct and tells us nothing more than an individual's attitude towards their job which, as they point out, has been suitably measured by other constructs in the past. Instead, they argue that the defining features of employee engagement are the simultaneous presence of three behaviours in employees, namely their performance in the job, citizenship behaviour and involvement. However, this proposition shies away from defining the psychological state of engagement and merely describes its outcomes.

10 Employee Engagement: a review of current thinking Engagement as a psychological state

Much of the academic research on engagement has been inspired by the definition proposed by Kahn in 1990 (eg Rothbard, 2001).

Kahn (1990) defined engagement in terms of a psychological state 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' (p. 694).

In his qualitative study of summer camp counsellors and architects, Kahn explored the workplace

conditions in which people engage with or disengage from their organisation.

He

found that engaged individuals express and fully involve their sense of self in their role with no sacrifice of one for the other.

Kahn proposed that engaged

individuals are prepared to invest significant personal resources, in the form of time and effort, to the successful completion of their task, and that engagement is at its greatest when an individual is driving 'personal energies into physical, cognitive and emotional labours' (p. 700).

This 'self-employment', as Kahn refers to it,

resembles what other researchers have termed 'effort, involvement, flow, mindfulness and intrinsic motivation' (Deci, 1975; Hackman & Oldham, 1980; Langer, 1989; Lawler & Hall, 1970; all cited in Kahn, 1990; Csikszentmihalyi, 1982). For instance,

Kahn's definition resembles the flow"

like experience proposed by Csikszentmihalyi (1982), which implies being 'psychologically present', where an employee is so mentally, physically and emotionally involved in their work that they are unaware of the passage of time at work.

This concept was also referred to in the NHS definition of engagement.

Similar to Kahn's definition, Maslach, Schaufeli and Leiter (2001, p. 417) also refer to engagement as a psychological and emotional state, a 'persistent, positive

affective"motivational state of fulfilment' and Hallberg and Schaufeli (2006) define it as 'being charged with energy and fully dedicated to one's work'.

Rothbard (2001)

supports and expands Kahn's definition to suggest that engagement also reflects being absorbed and intensely focused in one's work.

This is consistent with Schaufeli et al.'s (2002, cited in Sonnentag, 2003) definition which reports vigour, dedication and absorption as being the core dimensions of engagement.

Engagement as a behavioural outcome

Other academic definitions have focused more on the outcomes of engagement, much in the same way as those proposed by companies: ‘

An engaged employee extends themselves to meet the organisation's needs, takes initiative, is proactive,

reinforces and supports the organisation's culture and values, is in the flow, shares the values of the organisation,

stays focused and vigilant and believes he/she can make a difference’.

(Macey, 2006 cited in Kaufman et al., 2007). What is Engagement? 11

Macey and Schneider (2008a) define engagement as ‘

discretionary effort or a form of in"role or extra"role effort or behaviour’ (p.

6), involving innovative and adaptive performance and going ‘

beyond preserving the status quo, and instead focus on

initiating or fostering change in the sense of doing something more and/or different’ (p. 24). Similarly, Tasker (2004) describes engagement as ‘

a beneficial two"way relationship where employees and employers “

go the extra mile" for one another’.

Summary of academic definitions  
Whilst academic definitions of engagement also tend to focus on the outcomes of engagement (advocacy, dedication, discretionary effort),

much in the same way as companies, they do, however, pay more attention to the psychological state of engagement.

They describe engaged employees as being fully involved in their task, absorbed, charged with energy, vigour and focused, so much so that they lose track of time at work.

The academic definitions are consistent with those posed by the companies in their view of engagement as an outcome.

However, they pick up on additional outcomes such as fostering change, being innovative and doing something different.

They also point to the two-way beneficial

relationship between employer and employee,

but do not mention anything about

what organisations do in practice to enable experience of the state of engagement and to experience the outcomes. However,

as Balain and Sparrow (2009) also note,

the problem with academic definitions is they often do not offer an explanation of

how engagement is distinct from other concepts such as job commitment and involvement.

Overlaps between engagement and other concepts will be explored

later in the report. 2. 1. 3 Consultancy and research institute definitions

The majority of definitions of employee engagement are found in the consultancy literature. However,

Macey and Schneider (2008a) point out that many HR

consultants have avoided defining the term in favour of making reference onl

y to probable positive consequences.

This is consistent with our findings so far, that there has been a focus on outcomes in definitions, particularly notable in company definitions, with little if any reference to the role of the organisation. The following definitions have been proposed by several high profile consultancy and research institutions. 12 Employee Engagement: a review of current thinking Examples of how consultancy and research institutions define engagement Mercer defines engagement as ‘

a state of mind in which employees feel a vested interest in the company’s success and are both willing and motivated to perform to levels that exceed the stated job requirements.

It is the result of how employees feel about the work experience — the organisation, its leaders, the work and the work environment’. (Mercer, 2007)

The CIPD suggests engagement ‘ can be seen as a combination of commitment to the organisation and its values plus a willingness to help out colleagues (organisational citizenship).

It goes beyond job satisfaction and is not simply motivation.

Engagement is something the employee has to offer: it cannot be ‘ required’ as part of the employment contract’. (CIPD, 2007)

Ixia consultancy defines emotional engagement as ‘ employees feeling safe and secure enough to be their best selves at work, to bring their ‘ whole’ selves to work, and to feel respected and valued for ‘

who they are being' in their job role and respon" sibilities.

It is also about feeling connected to something bigger by way of feeling part of something that matters and at the same time feeling that individual contribution matters,

that individuals can and do make a difference to the bigger picture.

Employees feel both emotionally engaged with each other as well as with the work'. (Cleland et al., 2008)

Ipsos Mori describes engaged employees as individuals who are ' satisfied and get fulfilment from their job role ... feel motivated to do a good job and help the

company succeed ... understand their personal contribution and can link it to the

success of the company ... feel committed to helping the company achieve its

objectives ... have a desire to be involved in what is happening within the company

... have a sense of pride in working for the company ... speak highly about the company as an employer and its services'. (Ipsos Mori, 2008)

Hewitt Associates defines engagement as ' the energy, passion or " fire in the

belly" employees have for their employer or more specifically what their employer is trying to achieve in the market'.

Hewitt Associates also suggest that engaged