

EMPLOYEE ENGAGEMENT STRATEGY:

A STRATEGY OF ANALYSIS TO MOVE FROM EMPLOYEE SATISFACTION TO ENGAGEMENT

Employee engagement surveys are a good tool for soliciting the ideas and opinions of your employees. They communicate to your employees what senior management deems important. They provide data to help you understand your organization and work group's strengths and opportunities for improvement. They provide baseline, historic and normative comparisons so you know how your organization is doing compared to others. Employee surveys, in and of themselves however, don't create fully engaged or committed employees.

Effective feedback, action planning, implementation and follow up to the survey results are the critical steps in developing engaged and committed employees. By collecting survey data, you have raised the expectations that something will be done with the results. Survey results then can be the catalyst for change and organizational development.

The idea of creating a more engaged workforce is not a new idea. For more than 20 years, managers have been looking at the organizational factors, which engage (or disengage) employees. Research studies have been conducted to determine the link, if any, between an engaged workforce and organizational performance. While some research remains inconclusive, there is a growing body of work that suggests a link between employee engagement and organizational performance does exist. Marcus Buckingham and Curt Coffman found employees who responded more favorably to survey questions on engagement, also worked in business units with higher levels of productivity, profit, retention and customer satisfaction. These researchers also found that the manager, not the pay, benefits, perks, etc. was the key in building and sustaining a strong workplace.

Before we address ways to use survey data to engage employees, we must define who they are and what distinguishes engaged employees from disengaged employees. Fully engaged employees are more committed to the organization. They are less likely to leave for other opportunities because they like what they are doing. They like where they are and they like the people they work with. Fully engaged employees tell others about the organization and are more likely to refer good candidates. They have a sense of pride and ownership in the organization. Fully engaged employees are more productive and contribute more significantly to the organization's success. Employees only become fully engaged after basic workplace needs are fulfilled.

Disengaged employees, on the other hand, are more likely to cost the organization. Employees who are disengaged:

- § Miss an average of 3.5 more days per year
- § Are less productive
- § Cost the US economy \$292 to \$355 billion per year
(Financial News, March 2001)

How much do disengaged employees cost your organization? Use the following example as a guideline to see how much disengaged employees cost you. The chart below is based on responses obtained from over 90,000 engaged and disengaged employees.

Engaged	Moderately Engaged	Disengaged
30%	40%	30%

# Of Disengaged Employees	Cost Per Employee Per Workday	Annual Cost
18,000	@\$10	\$45 million
18,000	@\$50	\$225 million
18,000	@\$100	\$450 million
Total Number of Employees = 60,000		

What do disengaged employees cost you in terms of:

- Quality
- Safety
- Customer satisfaction
- Number of days off
- Missed opportunities

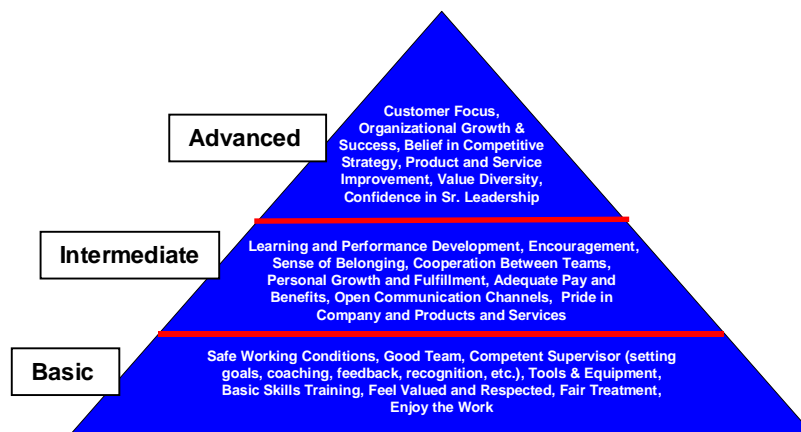
The use of employee surveys as a management tool has significantly increased over the past 50 years. Over half of the US-based companies are conducting surveys of employees. While most organizations see the value of implementing an employee survey process, many organizations fail to obtain the most “bang for their buck.”

Action planning is a critical component of any survey process (i.e., employee, customer, or 360⁰ feedback). Without follow through and implementation of action steps, the survey becomes an exercise executed on a periodic basis instead of a process designed to identify opportunities to improve the overall health of the employee population. Some leaders do not know what to do with their survey results, understand where to start, or how to identify important priorities for action planning so often do nothing at all. Some leaders spend a lot of time and energy on action planning only to work on the wrong things.

The [Employee Engagement Strategy](#) is an action planning strategy that categorizes survey items based on three levels or tiers of employee engagement. The tiers of engagement are based on

motivational theories that suggest certain factors need to be met before employees can achieve a level of satisfaction with their job and the company.

Survey items are divided into the three tiers, each tier addressing higher organizational needs. Models of human functioning and employee motivation, such as Maslow's hierarchical theory of needs (physiological, safety, love, esteem and self-actualization), Alderfer's ERG model (existence, relatedness and growth) and Herzberg's Two Factor theory (hygiene and motivators) (Pinder, 1998) have been used to form the basis of the Employee Engagement Strategy. All three models describe different levels of fulfillment starting with basic or necessary-for-survival needs. While the Employee Engagement Strategy does not mirror the theorists' ideas directly, it does apply the same principle of a hierarchical structure and the need for fulfillment or satisfaction along different dimensions.



The first tier or level is a categorization of items that address basic needs of the job. These items make up the BASIC category of engagement. BASIC items are fundamental to the job. For most of us, we take them for granted, but if left unmet or unfulfilled, employees could become dissatisfied with their job and the company.

The second tier or level is a categorization of items that address growth and development needs. These items make up the INTERMEDIATE category of engagement. Once the basics are met, then employees can focus more on INTERMEDIATE factors. If INTERMEDIATE factors are fulfilled, satisfaction with the job and the company improve.

The third tier or level is a categorization of items that address organizational commitment needs. These items make up the ADVANCED engagement category. To exceed employees' expectations, ADVANCED factors need to be addressed.

Focusing on BASIC engagement factors provides a solid foundation and focus for action planning. Managers and organizational leaders can use the results of their employee survey to focus action planning efforts on traditional survey dimensions such as Quality, Job Satisfaction, Environment,

Health and Safety, Communications, Management Practices, etc. but can also use the results to understand the engagement levels of various work groups.

While this strategy follows the hierarchical structure of theories of motivation, one level does not have to be completely fulfilled before a manager can work on another level. It simply means that in order to improve survey results, managers must take a look at the BASIC items and, if low scores are present, begin working on those items. Showing how much the company is doing for the community is great (advanced item) but will not improve employee satisfaction and engagement if the employee's equipment doesn't work or the employee doesn't feel valued or respected. Eventually they will become dissatisfied and either leave the company or retreat in some other way – lower productivity, increased absenteeism, etc.

The use of the three tiers or levels of employee engagement in reports and leadership action planning strategies is designed to further enhance the effectiveness of the employee survey by layering the responsibility and action of leadership at all levels. Low favorable scores on BASIC items are included as opportunities for improvement and should receive a higher priority, greater attention and focus from an action -planning standpoint. Low favorable scores on INTERMEDIATE items are included as opportunities for improvement as long as all or most the BASIC issues have been addressed or resolved. ADVANCED items should receive priority only after BASIC and INTERMEDIATE issues have been satisfied. Fully engaged organizations spend more time working on ADVANCED factors because BASIC and INTERMEDIATE issues have already been resolved and appear as strengths on survey results.

Instead of just working on the lowest scoring items (lowest favorability) or developing actions based on corporate-wide issues, as is historically practiced, managers can use the Employee Engagement Strategy to focus action planning efforts on the things that matter most to employees and will receive the greatest return on their investment.

Accord Management Systems studied the survey results of three global service and manufacturing organizations (N = 140,000, N = 40,000, N = 2,000). Top and bottom work groups' results were analyzed to determine if there was a difference between engagement scores across the groups and if the difference in engagement scores was correlated to overall performance. Our research indicated that work groups with higher results on the BASIC engagement factors had:

- More flexible workforce
- Fewer excuses toward change
- Willingness to take on new challenges
- Willingness to improve processes
- More consistent response to Basic, Intermediate and Advanced factors
- Higher service/product quality

Work groups with lower results on the Basic engagement factors had:

- Increased problems with pay and benefits, quality, continuous improvement, and product and service quality
- Inconsistent response to Intermediate and Advanced factors
- More vulnerable to union activity

Example of a Fully Engaged Organization

A leading service organization has seen remarkable results in employee commitment, customer satisfaction and financial performance over the past five years. Revenues have nearly doubled from 3.7 billion to 6.3 billion; customer satisfaction has improved making it number 1 in the industry; and employee loyalty and commitment continue to increase even in a time of “survival of the fittest”. This service organization has been ranked as one of the best companies to work for and has received numerous customer satisfaction awards.

How have they achieved such accomplishments in a turbulent economy? What are they doing to create a prospering and successful company? The answer is simple; *they focused on their employees*. The employees who run the business, who work hand-in-hand with the customers every day, really like what they are doing and are rewarded for their efforts. This organization has fully engaged employees working hard to improve customer satisfaction day in and day out.

Development of fully engaged employees didn't happen overnight. Senior management set in place a strategic plan for creating an organization that provided for employee empowerment and ownership. They worked aggressively at recruiting and hiring only the very best. In order to keep the very best, they developed effective training, development and incentive programs to support and motivate their employees. And finally, senior management established an ongoing commitment to solicit employee opinions and suggestions with an unwavering dedication to making improvements revealed in their employee survey results.

Employees classified as “fully engaged” not only have basic requirements of the job fulfilled and are satisfied with growth and development opportunities but are also engaged in organizational development. Fully engaged employees are more concerned about satisfying higher organizational needs such as being involved in the organizational community, understanding the competitive positioning of the company, and fostering innovation and creativity. Fully engaged employees not only display high levels of job satisfaction but also are enthusiastic about wanting others to join the company.

What does an engaged workforce look like? Engaged employees (and managers) talk with your customers. They give recognition to the right people at the right time in the right place. They treat each other with respect. They listen. And to understand how effective they are, they measure everything, including employee engagement.

How to use the Employee Engagement Strategy to Identify Strengths and Opportunities for Improvement

The Employee Engagement Strategy provides a solid method for identifying those factors driving satisfaction within your work group or company. Information obtained from the engagement category analysis will help formulate action steps and will help create the sense of urgency for accomplishing your objectives.

Step One: Sort the survey items by engagement factors or levels. The identification of levels can be performed at the time of analysis or at the time of survey development. Identifying the factors at the time of development ensures that your survey instrument is not heavily weighted toward one level or another. Gather input from subject matter experts and key stakeholders to gain consensus on which of your survey items should be categorized as BASIC, INTERMEDIATE OR ADVANCED.

BASIC, INTERMEDIATE AND ADVANCED items may vary slightly from one organization to another. Company norms, current policies and practices, and cultural orientation may significantly impact the identification of levels. Employee ownership and involvement may be viewed as an INTERMEDIATE item, for example, in a company that is more conservative and autocratic in decision-making practices. The same item may be classified as a BASIC item in a more innovative and progressive company. Review the diagram on page for more information on item identification and ensure consensus from key stakeholders.

If survey items were not identified as BASIC, INTERMEDIATE or ADVANCED prior to running reports, another way to group items by factors is to create an Ad Hoc report. The Ad Hoc Report Builder is a tool that allows you to customize reports by displaying data found in different places into one central report. BASIC items that are scattered throughout your report in different categories can be grouped together in an Ad Hoc report to create a new category report. Grouping all BASIC items together in one report will provide greater focus and clarity around the basic issues and improve interpretation of your results.

Step Two: Once the items have been tagged and sorted by factor/level, review the scores for each factor/level. The overall score for each factor/level will identify overall satisfaction within each level. Low overall satisfaction scores for BASIC indicate a void and dissatisfaction in fulfilling basic employee needs. These needs should be met before tackling other issues. Low overall satisfaction scores on INTERMEDIATE items indicate a void in fulfilling growth and development needs for employees. Growth and development needs are important to work on but should not take precedent until basic needs are fulfilled. Low overall satisfaction scores on ADVANCED items generally indicate a desire to understand more about the strategic direction of the company. ADVANCED items typically will receive low scores if employees are dissatisfied with senior management or have received little communication about the health and direction of the company. Again, ADVANCED items should only be acted upon at the work group level if BASIC and INTERMEDIATE items are at acceptable levels.

Step Three: Next, review the scores on each item within the various levels. Reviewing individual items scores will help you identify key action items within each level/factor. Low favorable scores on BASIC items should be included as opportunities for improvement and should receive a higher priority, greater attention and focus. Low favorable scores on INTERMEDIATE items should be included as opportunities for improvement as long as all or most BASIC issues have been addressed or resolved. ADVANCED items should receive priority only after BASIC and INTERMEDIATE issues have been satisfied. Fully engaged organizations spend more time working on ADVANCED factors because BASIC and INTERMEDIATE issues have already been resolved and should appear as strengths on survey results.

Step Four: Create a list of all items that appear as opportunities. Items that are below acceptable cutoff scores, for example below 50% favorable, or are lower than other comparison groups, for example norms or total company, should be considered opportunities for improvement. Sort the items on your opportunities list by level. BASIC items should be listed first; INTERMEDIATE items second and ADVANCED items third. Make a list of all items identified and include in your feedback meetings.

Items	Total % Favorable
I know what is expected of me in my job. (B)	21%
I have the materials and equipment I need to do my job well. (B)	23%
My manager is fair. (B)	25%
My manager values me as much as he or she values our customers. (B)	37%
Promotions are handled fairly. (B)	43%
People in my work group are protected from health and safety issues. (B)	54%
I am aware of career opportunities in our company that are appropriate to my interests and abilities. (I)	35%
My manager helps me with my development needs and career progress. (I)	36%
My manager actively listens to me and is open to my suggestions and concerns. (I)	36%
Our recognition system promotes both individual and team performance. (I)	54%
My work gives me a feeling of personal accomplishment. (I)	65%
I understand my company's long-term goals and priorities. (A)	45%
I would recommend my company as one of the best places to work. (A)	50%
When management tells us they will do something, they do it. (A)	50%
Senior management gives employees a clear picture of the direction in which the company is headed. (A)	51%
There is cooperation between my work group and other work groups in the company. (A)	56%

Step Five: Determine your sense of urgency. An interesting concept that seldom comes up for discussion in survey feedback and action planning is urgency. Why determine your sense of urgency (and what is it)?

Consider the following. A global manufacturing organization conducted an employee survey and received their results six months after one division unsuccessfully campaigned for union representation. Several unions were already present within the organization so union representation was not uncommon or necessarily unwelcomed. This division, however, consisted of professional employees, not hourly workers, who were upset about development and growth opportunities. When asked if they liked the work that they do (BASIC), 71% of the group responded favorably. When asked if they would recommend the company as a good place to work, only 40% responded favorably. And when asked if they were satisfied with their opportunities to get a better job within the company (INTERMEDIATE) only 34% responded favorably. This group of professional employees really liked WHAT they were doing; they were just not sure they liked WHERE they were.

Obviously there were issues present in the work environment that the survey highlighted. Management of this division should have developed a high sense of urgency for implementing change based upon past experience and the low survey results. A priority list of issues should have been developed addressing the various levels of employee engagement. Quick action should have been taken to address those BASIC issues and then INTERMEDIATE issues that resulted in high unfavorability.

The survey results indicated a high level of dissatisfaction with issues that were pertinent for this group's survival. The employees, a highly educated and long tenured group of professionals, held a vast amount of brainpower, knowledge, and expertise that could not be garnered from any other resource or easily replaced. The growth of this organization rested on the shoulders of these knowledgeable employees. For this organization, there was a clear sense of urgency to see things change. Unfortunately, senior management didn't feel the same pressure or have the same sense of urgency as the dissatisfied group of professional employees. Change was slow in coming. Too many levels of bureaucratic delay slowed down the action planning process causing high dissatisfaction and more union campaigns.

Based on the case example above, sense of urgency is defined as the driving force behind change. If management, especially senior management, does not feel the burning need to change, then action planning efforts will be slow in coming or not supported at all. Action planning efforts will fail without a defined sense of urgency.

References

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