

# CIPD Employee engagement

See [www.cipd.co.uk](http://www.cipd.co.uk) for further details

January 2007

This factsheet gives introductory guidance. It:

- considers what is meant by 'employee engagement' and why organisations are interested in it
- looks at how employers can build an engaged workforce
- outlines findings of recent CIPD research
- includes the CIPD viewpoint.

## What is employee engagement?

Employers want employees who will do their best work, or 'go the extra mile'. Employees want good work: jobs that are worthwhile and turn them on. More and more organisations are looking for a win-win solution that meets their needs and those of their employees. What they increasingly say they are looking for is an engaged workforce.

So what is employee engagement? It 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.

## Why are organisations interested in employee engagement?

Employers want engaged employees because they deliver improved business performance. CIPD research has repeatedly demonstrated the links between the way people are managed, employee attitudes and business performance:

- When employers deliver on their commitments (when by their actions they fulfil employees' expectations), this reinforces employees' sense of fairness and trust in the organisation and generates a positive psychological contract between employer and employee.<sup>1</sup> For more information on the psychological contract, see our factsheet on that topic.
  - Go to our factsheet on the Psychological contract
- The high performance or 'black box' model produced by Bath University builds on the psychological contract but emphasises the role of line managers in creating conditions under which employees will offer 'discretionary behaviour'. The model recognises that employees have choices and can decide what level of engagement to offer the employer.<sup>2</sup>

Organisations increasingly recognise the importance of their 'brand'. Engaged employees will help promote the brand and protect the employer from the risks associated with poor service levels or product quality. Similarly, a strong employer brand will help in attracting and retaining employees.

## How do employers build an engaged workforce?

The first step is to measure employee attitudes. Most large employers in both private and public sectors now conduct regular employee attitude surveys. The results typically show what employees feel about their work on a range of dimensions including, for example, pay and benefits, communications, learning and development, line management and work-life balance. Attitude survey

data can be used to identify areas in need of improvement and combined with other data to support performance management.

The drive for an engaged workforce needs to build on good people management and development policies, and the active support of line managers. People management strategies and policies need to be aligned with those of the wider business. Employees need to understand how their work contributes to organisational outcomes. A minority of employees may not want to be engaged; organisations may need to give particular attention to recruitment and communications. There is no short-cut to building and maintaining employee engagement, but the time, effort and resource required will be amply repaid by the performance benefits.

There is no definitive all-purpose list of engagement 'drivers'. However, CIPD research into employee attitudes<sup>3</sup> found that the main drivers of employee engagement were:

- having opportunities to feed your views upwards
- feeling well-informed about what is happening in the organisation
- believing that your manager is committed to your organisation.

Perceived managerial fairness in dealing with problems also impacts significantly on individual performance, although it is not significantly related to engagement.

Similarly the Institute of Employment Studies (IES) has concluded that the main driver of engagement is a sense of feeling valued and involved<sup>4</sup>. The main components of this are said to be:

- involvement in decision-making
- freedom to voice ideas, to which managers listen
- feeling enabled to perform well
- having opportunities to develop the job
- feeling the organisation is concerned for employees' health and well-being.

Engagement levels are influenced by employees' personal characteristics: a minority of employees are likely to resist becoming engaged in their work. But people are also influenced by the jobs they do and the experiences they have at work. The way in which both senior management and line managers behave towards, and communicate with, employees, plus the way in which work is organised and jobs defined, contribute significantly towards making work meaningful and engaging.

## Human capital management

Monitoring levels of employee engagement is a key element in managing human capital – for more information on human capital, see our separate factsheet on that topic.

- Go to our factsheet on Human capital

One company that has made substantial progress in this area is the Royal Bank of Scotland (RBS). Their human capital model links HR information such as attitudes, recruitment and turnover from across its global units in a consistent way, which is then analysed with key business indicators. The credibility of the model depends on the ability to demonstrate how engagement helps employees add value. An analysis of processing and customer contact centres showed that productivity increased in tandem with engagement levels.

Fundamental to managing engagement as a process is ensuring that action is taken on the findings of employee attitude surveys. RBS boils down its findings into an 'engagement impact' diagram, which answers basic questions managers may have such as what do the data tell them and what are the issues they need to watch<sup>5</sup>.

Although measurement can be key to identifying issues, managing an engaged workforce also

requires 'soft skills' and the creation of a culture based on mutual respect between managers and employees.

## Going with the flow

Engagement is not about driving employees to work harder, but about providing the conditions under which they will work more effectively – or in other words, it is about releasing employees' discretionary behaviour. This is more likely to result from a healthy work life balance than from working long hours. Engagement is wholly consistent with an emphasis on employee well-being: arguably it is an essential element in contributing to that well-being.

There is a parallel between the concept of engagement and that of 'flow'. This is the term used by the American Psychological Association to describe the state of mind in which people become completely involved in an activity and become so immersed that they lose track of time. Flow – and engagement – can result when an employee has job autonomy, support and coaching, feedback, opportunities to learn and develop, task variety and responsibility.

Positive emotions seem to have more than twice the impact on performance as negative ones, which suggests that managers can achieve more by promoting engagement than by simply 'trouble-shooting' or dealing with problems<sup>6</sup>.

## How engaged are British employees?

Many of the factors influencing employee engagement will be common to all organisations. To help identify these common factors, CIPD commissioned Kingston University and Ipsos/MORI to undertake a national survey of employee attitudes. The results<sup>3</sup> provide a national benchmark against which employers can measure the findings of their own employee attitude surveys.

Engagement can be said to have three dimensions:

- **emotional engagement** - being very involved emotionally with one's work
- **cognitive engagement** - focusing very hard whilst at work
- **physical engagement** - being willing to 'go the extra mile' for your employer.

The report finds that over a third of employees are actively engaged with their work – a rather higher figure than some other surveys. Of the three types of engagement identified, levels of emotional engagement are the highest, with around six in ten employees being emotionally engaged (feeling engrossed in their work), whilst three in five are cognitively engaged (focusing very hard on their work) and around four in ten are physically engaged (willing to go the extra mile).

Other key results from the research are:

- More women than men are engaged with their work.
- Around a quarter of under 35s report feel engaged compared with two in five over 35s.
- Almost half of managers are engaged compared with around three in ten non-managers.
- Those on flexible contracts tend to be more emotionally engaged, more satisfied with their work, more likely to speak positively about their organisation and less likely to quit than those not employed on flexible contracts.
- Public sector employees are more likely not to feel their senior managers have a clear vision for the organisation and have less trust and confidence in their senior managers. They are also less likely to believe organisational communication.

## Outcomes of engagement

The positive linkages which research has found between employee engagement, advocacy, performance and intention to quit mean that it is in employers' interests to drive up levels of

engagement amongst their workforce. But levels of engagement have significant benefits for employees as well, since engagement is positively associated with job satisfaction and experiences of employment.

### Implications for managers

Given the clear association between engagement, job satisfaction, advocacy and performance, there is every incentive for managers to seek to drive up levels of engagement among the workforce. Employers should consider:

- allowing people the opportunity to feed their views and opinions upwards is the single most important driver of engagement
- keeping employees informed about what is going on in the organisation is critical
- employees need to see that managers are committed to the organisation in order to feel engaged
- having fair and just management processes for dealing with problems is important in driving up levels of performance.

Different groups of employees are influenced by different combinations of factors, and managers need to consider carefully what is most important to their own staff.

### CIPD viewpoint

Employers should pay more attention to creating an engaged workforce. This is a business issue. The employment relationship requires regular attention and maintenance but, if not carefully managed, HR business partnering can lead to neglect of the 'employee advocacy' role<sup>7</sup> with damaging effects on engagement. Adopting an effective engagement strategy can provide an opportunity for HR practitioners to acquire new skills and work alongside professionals in other parts of the business, including those responsible for marketing and corporate social responsibility. The development of a robust employee proposition or employer 'brand' can also support a positive psychological contract between employer and employees.

Engaged employees are more likely to act as organisational advocates than disengaged employees and can play a powerful role in promoting their organisation as an employer of choice. Research confirms however that there is a significant gap between levels of engagement found among UK employees and those that would produce optimum performance. HR professionals need to recognise that engagement is a strategic issue that cannot simply be left to manage itself. Organisations should review their communications and particularly their arrangements for listening to employee opinions. Line managers need support in designing challenging jobs and managing effective teams.

### References

1. GUEST, D.E. and CONWAY, N. (2004) *Employee well-being and the psychological contract*. Research report. London: Chartered Institute of Personnel and Development. For more information, see our psychological contract research pages
2. PURCELL, J. at al (2003) *Understanding the people and performance link: unlocking the black box*. Research report. London: Chartered Institute of Personnel and Development. Available at <http://www.cipd.co.uk/bookstore>
3. TRUSS, C., SOANE, E. and EDWARDS, C. (2006) *Working life: employee attitudes and engagement 2006*. Research report. London: Chartered Institute of Personnel and Development. Available at <http://www.cipd.co.uk/bookstore>
4. ROBINSON, D., PERRYMAN, S. and HAYDAY, S. (2004) *The drivers of employee engagement*. Brighton: Institute for Employment Studies.
5. MATTHEWMAN, J. and MATIGNON, F. (2005) *Human capital reporting: an internal perspective*. A guide. London: Chartered Institute of Personnel and Development. Available at <http://www.cipd.co.uk/guides>

6. MARKS, N. Happiness is a serious business. In: CHARTERED INSTITUTE OF PERSONNEL AND DEVELOPMENT. (2006) *Reflections on employee engagement*. Change agenda. London: CIPD. Available at <http://www.cipd.co.uk/changeagendas>
7. ULRICH, D. and BROCKBANK, W. (2005) *The HR value proposition*. Boston, MA: Harvard Business School Press.

### Further reading

CIPD members can use our Advanced Search to find additional Library resources on this topic.

- Go to Advanced Search

CARTWRIGHT, S. and HOLMES, N. (2006) The meaning of work: the challenge of regaining employee engagement and reducing cynicism. *Human Resource Management Review*. Vol 16, No 2, June. pp199-208.

BAUMRUK, R. and GORMAN, B. (2006) Why managers are crucial to increasing engagement. *Strategic HR Review*. Vol 5, No 2, January/February. pp24-27.