

# Factsheet – Employee Engagement



## What is employee engagement?

For many years employers sought to understand and influence the satisfaction levels of their employees as it was believed that employees with high levels of satisfaction at work outperformed those with lower levels of satisfaction; so the greater the overall employee satisfaction, the greater the organisation's performance and productivity.

Thinking has since shifted to suggest that performance levels increase if an employee has a positive attitude towards the organisation, its mission and values, i.e. if they are “engaged” with the organisation, its mission and values.

There is no one agreed definition of “employee engagement”. Engage for Success defines it as ‘a workplace approach resulting in the right conditions for all members of an organisation to give of their best each day, committed to their organisation's goals and values, motivated to contribute to organisational success, with an enhanced sense of their own well-being.’<sup>1</sup>

Or, more simply, whereas satisfaction is more about being content with the job and work environment, engagement focuses on how best to influence and leverage the level of commitment, enthusiasm, motivation and drive of each individual, ultimately for the organisation to further increase outputs and performance. Conditions that can impact levels of employee engagement include understanding the mission and values of the organisation; effective leadership and management; a safe and health working environment; reward and recognition and having an opportunity to be heard.

Readers should note that salary on its own is a “hygiene” factor - a satisfier, but not a motivator in the long-term. The concept of employee engagement is about accessing the discretionary effort of the workforce on the basis that salary levels are acceptable even if not high for the sector or role.

## What is an “engaged employee”?

The 2009 Government Report “Engaging for success: enhancing performance through employee engagement”, describes an engaged employee as an individual who “might feel pride and loyalty (attitude); be a great advocate of their company to clients, or go the extra mile to finish a piece of work (behaviour).”<sup>2</sup>

Highly engaged employees are typically motivated, high performers, healthier and more satisfied at work than employees with low engagement or those that are disengaged. On the contrary, employees with low engagement are likely to be less inclined to perform for the benefit of their organisation or service users / clients and be demotivated. Employees who are disengaged may seek alternate employment or become disruptors within their current working environment.

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<sup>1</sup> What is Employee Engagement, Engage for Success

<sup>2</sup> Engaging for Success: enhancing performance through employee engagement, D MacLeod & N Clarke, Crown Copyright, 2009

## Benefits of highly engaged employees

Employees who are engaged can have a positive impact on the organisation they work for, this being particularly relevant for service organisations where service users or clients are interacting regularly with the workforce and through that contact can be influenced positively or adversely in their impression and opinion of the organisation.

In 2012 Engage for Success produced a report summarising numerous surveys that had been conducted to measure the impact and benefits of positive employee engagement to the UK economy.<sup>3</sup> The findings within the report included:

- Organisations with employee engagement scores within the top quartile had:
  - twice the annual net profit;
  - revenue growth 2.5 times greater;
  - 18% higher productivity; and
  - on average, 12% higher customer advocacy than those within the lower quartile
- Those with high levels of employee engagement have employee turnover rates 40% lower than those with low levels of engagement.

In a landscape of budget and funding cuts the above findings present a compelling case for social sector employers to understand existing employee engagement levels and develop fit for purpose strategies to improve engagement within their workforces.

## How to develop an employee engagement strategy

An employee engagement strategy defines the actions an organisation will take to improve levels of engagement. There is no “one size fits all” employee engagement strategy as your approach will be best determined by considering the unique needs and characteristics of your organisation and workforce.

To guide you in your thinking about how to consider employee engagement in your organisation we recommend an approach that actively encourages employees to understand and feel connected to the values of your organisation; enables employees to deliver to their highest potential; provides for recognition of their contribution and ensures they feel supported with their overall well-being.

To develop an appropriate engagement strategy you should first identify how employee engagement currently manifests itself within your organisation; this could mean simply talking to your employees or holding workshops to find out how and when they feel aligned with the aims and work of the organisation, what motivates (and demotivates) them and what drives them to achieve at work.

Once you have identified the above, a logical next step is to measure current levels of engagement, employee surveys being a popular approach. Questions should be tailored to the specific factors you have identified as motivating and driving your employees, for example:

- Values of the organisation
- Leadership

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<sup>3</sup> The Evidence, Engage for Success, 2012

- Line management
- Recognition of good performance
- Work-life balance
- Development
- Staff benefits, incentives, bonuses etc.

In addition to undertaking an employee survey you could measure key employee engagement metrics such as employee turnover and reasons for leaving, absence rates, feedback from service users or clients, financial and service contract performance etc.

Survey outputs and metrics will form a baseline of results for future year on year comparisons. They will help you identify opportunities and areas for focus going forward plus any areas of concern. Some metrics (such as employee turnover) will be suitable for comparing with results from across the sector to benchmark your organisation.

### **How organisations can improve employee engagement**

Once you have identified existing levels of employee engagement, any areas for development can be the focus of your employee engagement strategy / action plan, developed according to available resources. Communicating survey outputs and metrics with employees and involving them in developing an action plan can itself have a positive impact on employee engagement.

Just taking a few steps to improve employee engagement is likely to result in improvements in the performance of your workforce. Impactful actions where resources are limited include:

- Ensuring your vision and values are clearly communicated and understood by employees
- Recognising good performance, a simple thank you can be impactful
- Giving constructive feedback on performance or behavior when needed, focusing on how improvements can be achieved
- Creating ways for employee voices to be heard
- Identifying ways for employees to get involved and try new things
- Reviewing or introducing relevant policies
- Looking at ways to provide learning and development opportunities
- Ensuring your team take regular breaks from work to maintain their health and wellbeing.

Please request Roots HR's FREE factsheet on Employee Wellbeing for further guidance and ideas in this specific area.

Once implemented, any changes should be reviewed and measured for impact through future survey results and metrics.

### **Record keeping**

The General Data Protection Regulation (GDPR) applies to personal data. Managers should be aware that employee engagement surveys may contain personal data including special category data. Such data should be processed and stored in compliance with your organisation's Data Protection Policy.

### **Specialist advice from Roots HR**

For further support on employee engagement, please contact Roots HR on 01562 840060 / [info@rootshr.org.uk](mailto:info@rootshr.org.uk). We can assist with areas such as developing and implementing simple and effective workforce strategies, providing low cost employee surveys, performance management including appraisals, employee wellbeing, flexible working and management or leadership development.

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