

Employee Engagement now a workplace imperative

Whether companies are endeavouring to survive and respond to the current recessionary pressures, or whether they are searching for the “holy grail” of competitive advantage, the subject of Employee Engagement has recently gained in popularity, as a means of enhancing organisational performance.

While the term was originally coined by the GallupTM organisation, there is no agreed definition, but rather it is a general term to describe the extent to which employees are committed, loyal and motivated to provide discretionary effort. The intensification of competition has resulted in businesses attempting to harness this discretionary effort to increase overall organisational performance. Thus, employee engagement has quickly emerged as a key critical business driver. In Ireland, the Labour Relations Commission commissioned a study in 2011 on the effects of the recession on the manner in which people are managed at work. Their study found that in order to respond to the crisis, organisations are developing strategies and initiatives aimed at reducing costs while simultaneously introducing specific engagement measures to improve innovation and increase employee discretionary effort.

Of course the concept is not without its cynics with claims that it is just another fad or buzzword. However, its popularity is on the increase as organisations look for ways of doing more with less, so much so that it is becoming a management necessity. The influential Jack Welch claims that employee engagement is the first measure of a company’s state of health, followed only by customer satisfaction. GallupTM research shows that high engagement levels are associated with higher levels of profitability, customer satisfaction, and productivity and with lower levels of employee turnover. According to the Economic Intelligence Unit, it is now becoming an important issue at the boardroom table with 84% of CEO’s reporting that disengagement is one of today’s biggest business threats. Closer to home, this writer last year conducted a survey amongst 40 Irish middle and senior managers and 100% of the private sector respondents reported that employee engagement is a strategic issue for their organisations. Obviously, enhancing engagement and increasing commitment levels has clearly become a current business imperative.

So how can organisations increase engagement levels? The first step is to understand what actually drives commitment, motivation, and discretionary effort? There are many models out there developed by both academics and practitioners but common threads do exist among them. Quality leadership supported by good working relationships, effective communication, recognition and opportunities for development and growth all contribute to enhancing employee engagement and commitment. Most of these have no financial cost to the organisations. Some

people might say it's a "no brainer" but if so, why aren't all organisations doing it? The key here has to lie in the quality of managers and supervisors. The well-known adage that people "don't leave organisations, they leave managers" highlights the importance of the manager to the employment relationship and their impact on the positive or negative experiences of employees and thus on the engagement levels of their teams. The pressure for change in the workplace environment due to the economic downturn, increasing competition and the imperative to reduce costs, is wholly reliant upon the co-operation between management and staff and this can only be achieved in a climate of authenticity and trust. Trust is the one key factor in building engagement through the creation of an open climate, good communications, involvement in decision-making and empowerment.

Managers and supervisors are very powerful catalysts and there is potential for creating real competitive advantage for those organisations that succeed in tapping into their employees' discretionary effort. Successful employee engagement is reliant upon the quality and effectiveness of managers, but isn't everything?