How effective are surveys in measuring employee engagement?

December 2008
What is employee engagement?

The Institute for Employment Studies (IES) (Robinson et al, 2004, p.9) defines engagement as ‘a positive attitude held by the employee towards the organisation and its values, and that engagement is a ‘two-way relationship between employer and employee,’ which the ‘organisation must work to develop and nurture.’

Smythe (2007, p.30) also places employees at the centre of the process, as agents not objects of change and sees employee engagement as a ‘practical capability,’ which can be developed by leaders to add value to the organisation by ‘engaging with the right people in decision forming.’

However, despite the increased popularity of engagement with HR and internal communications professionals, there is still not a generally accepted definition available. This is due to an absence of a coherent body of empirical research, and the IES (Robinson et al, 2004, p.1) discovered, that ‘for such a well-used and popular term, engagement has surprisingly little associated research.’

Employee engagement is therefore, a fairly recent development of older theories of motivation and communication, which originate from social psychology (Smythe, 2007, p. 179). Frank et al. (2004) noted that classic theories of employee motivation, such as McGregor (1960, Appendix A), Hertzberg (1966, Figure 1.2) and Alderfer (1969, Appendix C) are seen as providing the roots for employee engagement, with the most notable dating back to 1943 with Maslow's Hierarchy of Needs.

Maslow's Hierarchy of Needs is normally represented as a pyramid with the more primitive needs at the bottom (Simons et al, 1987). Figure 1 shows that psychological and safety needs (salary, job security) are an important, pre-requisite base in order for engagement to flourish. This increased engagement occurs through personal growth and rising up the hierarchy, to the highest point of self-actualisation, achieving career goals. Therefore, taking the time to understand the motivations of individuals should pay dividends for the internal communicator (Smith, 2005, p. 43), in trying to determine the drivers or influencers of employee engagement. The drivers of engagement will be assessed in more detail later in the assignment.
Hertzberg developed Maslow’s Hierarchy of Needs in his Two Factors theory (Figure 1.2) and argued that ‘positive satisfaction’ is only gained when motivators, such as recognition and personal growth are met and not when hygiene factors such as salary and bonuses are achieved. Hertzberg therefore, supports Maslow’s theory that employees become more engaged through personal growth and recognition than salary.

Source: Maslow 1943

Source: Herzberg 1966
The lack of research and understanding of employee engagement is evident in the Melcrum report (2005). The report suggests that inconsistent messaging on employee engagement will prevent ownership from taking place, and there will be conflict in the design team due to the different interpretations. Therefore, this lack of clarity about what employee engagement actually is, threatens the development of engagement itself.

**The Drivers of Employee Engagement**

Engagement is all about inspiring employees to ‘give it their all.’ Some of the most successful organisations are actually known for their unique work environments in which employees are motivated to do their very best (Bernthal, 2007, P1). Towers Perrin (2004) found that training and development produced engaged employees, who had a 3.74 percent higher operating margin and 2.06% higher net profit margin than average. The Hay Group (2001) also discovered that engaged employees are up to 43% more productive than disengaged ones.

The research shows that engaged employees perform better. Therefore, it is clearly in the organisation’s interests to understand the drivers of engagement (Robinson et al, 2004). Drivers of employee engagement are aspects of the organisation, that if improved will have the greatest impact on employee engagement (Kenexa, 2007). However, as with the definition of engagement being defined differently, the research undertaken over the past few years has also come up with different key drivers and implications (Soldati, 2007).

The IES (Robinson et al, 2004, p.23) identified the strongest driver of employee engagement as feeling valued and involved in the organisation. This then led to the development of the IES diagnostic tool (Figure 2), which can be used to derive organisation-specific drivers from attitude survey data. The engagement tool shows that it is more important that employees receive training and performance appraisal, in order to feel more valued, involved and hence, engaged. In comparison, pay and benefits are of lower importance to the employee, supporting Hertzberg and Maslow’s theories regarding the drivers of employee engagement.
Cantrell and Benton (2005) further support the IES, Hertzberg and Maslow’s theories that reward and recognition as well as performance appraisal, drive the level of engagement within organisations.

The Corporate Leadership Council’s (CLC) model of engagement, as shown in figure 2.1 illustrates that engagement leads to discretionary effort, going ’above and beyond’ the call of duty, in terms of performance and commitment to and for the organisation. This engaged environment fosters a high retention rate, due to a strong desire of employees to remain at the company. The study also found that the greatest impact on discretionary effort comes from emotional commitment, which is how an employee values and enjoys their job and organisation.
Business researchers at Gallup identified 12 questions measuring the effect of employee engagement, including such issues as retention, productivity, profitability, customer engagement and safety. These questions, known as the Q12 (appendix C), measure those dimensions that leaders, managers, and employees can influence in order to improve employee engagement (Buckingham and Coffman, 1999).
2.3 Employee engagement surveys

Most large organisations, having first of all established the key drivers, then attempt to measure employee engagement. This measurement is generally carried out via a large scale employee survey, the effectiveness of which, will be assessed in this section of the assignment.

The Melcrum report (2005) found that there has been a rise in organisations purchasing engagement surveys since the start of the 21\textsuperscript{st} Century. The report also found that most organisations saw the engagement survey as the engagement process, rather than a means to measure engagement and then create action plans to improve engagement within the workforce.

Typically, the employee surveys, which the Melcrum report refers to, tended to be annual surveys to the entire workforce with over 100 questions. Welbourne (2003) agreed with Melcrum and argued that managers measured rather than engaged with their workforce. ‘It’s fairly easy to run a point in time employee engagement survey and then show the scores to managers. When you do this employee engagement is an event…It’s much more difficult to make engagement a way of life in your organisation.’

Smythe (2007) is ambivalent about measuring engagement, especially with large scale surveys, which he believes are little more than re-branded employee satisfaction surveys. ‘Grand surveys painting systematic patterns of satisfaction give managers little help’ (Smythe, 2007, p.31). Smyth is also critical about the drivers of employee engagement and believes it is a ‘sinister assumption for management to understand what drives the "rat in the cage."’ He is ‘of the view that attempts to coerce people to think, feel and behave in ways pre-ordained by an elite, aside from being distasteful, are unlikely to bring the best out of people’ (Smythe, 2007, p.78).

These criticisms of engagement surveys suggest that they are not an effective method of measuring engagement, because it is difficult to establish what the drivers are, which in turn makes it impossible to effectively measure engagement. Smythe is however, in favour of highly focused surveys, which identify drivers of business performance and then draws some conclusions to engagement practices, which contribute to high or low business performance.
Organisations have recently taken on board the criticisms of large-scale engagements surveys and today’s surveys are often shorter and more frequently administered than traditional instruments (Vance, 2006, p 19). Bernthal (2007, P1), states, that ‘instead of conducting broad culture or climate surveys with 100 or more questions, many organisations are opting for a focused approach that measures fundamental qualities of the workplace. Survey questions or statements now openly link employee attitudes to business objectives; for instance, ‘I can see a clear link between my role and BT’s objectives’ (Vance, 2006, p 19).

The research therefore, shows that organisations that give some thought and focus to their engagement survey’s, are much more effective in measuring employee engagement.
References

Books and Articles


Websites

McGregor: X and Y Theory (1960)

‘Theory X’
Theory X - authoritarian, repressive style. Tight control, no development. Produces limited, depressed culture.

‘Theory Y’
Theory Y - liberating and developmental. Control, achievement and continuous improvement achieved by enabling, empowering and giving

Management

Staff

Management

Staff
Appendix B

Alderfer: ERG Theory (1969)