

# Seven Steps to Measure and Build Engagement —the Right Way



## Hay Group Insight

### Introduction

Many organizations have recognized the value of employee engagement. However, our research suggests that engaging employees is not alone sufficient to sustain maximum levels of performance over time. To get the most from motivated employees, leaders also need to enable them to channel their extra efforts productively. This white paper highlights the benefits of focusing on both motivating employees and supporting their success in designing employee engagement initiatives to enhance individual and company performance. We also present best practices for using employee surveys strategically to promote higher levels of organizational effectiveness.

### The Importance of Employee Engagement for Managers

Though frameworks for understanding engagement vary, the concept is commonly understood to capture levels of commitment and discretionary effort exhibited by employees. Engaged employees can be expected to display high levels of attachment to an organization and a strong desire to remain a part of it. Consequently, engaged employees are more likely to be willing to go above and beyond the formal requirements of the job, contribute organizational citizenship behaviors, pour extra effort into their work, and deliver superior performance.

Researchers have long recognized that organizations can't function through purely contractual relationships with employees. In the early twentieth century, for example, Chester Barnard, Elton Mayo, and others emphasized that organizations require cooperation from employees, not just compliance. Simple adherence to minimal role requirements is likely to have dysfunctional consequences in most settings. For example, unionized employees who "work to the rule" during contract disputes can quickly bring organizations to their knees.

In our view, "engagement" has captured the attention of managers insofar as it raises the notion of cooperation to a higher level. While cooperation is required and, to some extent, expected of all employees, engagement involves performing above and beyond what's expected. In that sense, engagement

holds out to organizational leaders the prospect of increasing productivity (i.e., getting more output from a finite set of human capital resources).

In an environment of increasing competition and a challenging global economy, where organizations are running “leaner” and forced to do more with less, tapping into the discretionary effort offered by engaged employees becomes all the more imperative for success in the marketplace.

The ever-increasing pace of change in modern organizations also fosters interest in engagement. In fast-changing environments, it becomes all the more difficult to precisely specify roles and responsibilities across a diverse set of jobs. To the extent that employees at all levels are likely to be faced more frequently with unanticipated and ambiguous problem-solving and decision-making situations, employers must count on them to act on their own in ways that are consistent with company objectives based on their understanding of, and alignment with, organizational standards, cultures, and values.

A final push for today’s emphasis on employee engagement comes from employees themselves. The redefinition of the social contract surrounding the employment relationship across all industries makes engagement a more pressing concern for many individuals. As the old loyalty-for-security bargain has eroded, the connections between individuals and organizations have grown more tenuous. Whereas a career was once defined as the steady movement over a period of time through a hierarchy of jobs in a single organization, individuals today are increasingly building careers from a series of patchwork moves across organizational boundaries. In charge of their own work paths, and their own definitions of career success, more and more employees are looking for work environments where they can be engaged and feel that they are contributing in a positive way to something larger than themselves.

## Enabling High Levels of Performance from Engaged Employees

Many organizations enjoy high levels of employee engagement. Yet they still struggle with performance issues. In these environments, employees are energized by goals and objectives and are eager to help their organizations succeed. But the employees themselves often indicate that they do not feel optimally productive.

What’s the missing piece? To borrow a line made popular by the movie *Jerry Maguire*, engaged employees seem often to be saying to organizational leaders: “Help me help you.” In other words: “Put us in roles that leverage our skills and abilities and allow us to do what we do best. Give us the tools, technology, information, support, and other resources we need to be effective. And, finally, get out of our way! Don’t introduce procedural barriers that will interfere with our ability to get things done. And don’t dilute our focus and consume our energy with tasks that don’t add value.”

Engaging employees, while important, is not sufficient to sustain maximum levels of performance over time. To get the most from engaged employees, leaders must also ensure that organizational systems and work environments support personal and organizational effectiveness. They need not only to motivate their employees, but also to *enable* them to channel their extra efforts productively.

Employee enablement, impacting the ability of engaged individuals and teams to make maximum contributions, has two key components. The first, *optimized roles*, requires that employees are effectively aligned with their positions, such that their skills and abilities are effectively put to good use. In deploying talent, leaders need to consider not only the requirements of the job and an employee's ability to meet them, but also the extent to which the job will draw upon the employee's distinctive competencies and aptitudes and fully leverage them. The second, *supportive environment*, involves structuring work arrangements such that they facilitate, rather than hinder, individual productivity. In a supportive environment, employees have the essential resources required to get the job done (e.g., information, technology, tools and equipment, and financial support). And they are able to focus on their most important accountabilities without having to work around obstacles in the form of non-essential tasks or procedural red tape.

Our research confirms that employee engagement and employee enablement are distinct outcomes that are influenced by different factors. Accordingly, leaders seeking to improve the effectiveness of their teams need to determine whether performance issues are the result of a lack of engagement, a lack of enablement, or both. Action implications will differ depending on the answer.

### **Employee Surveys: Promise and Challenges**

Employee surveys have become increasingly common in organizations over the last fifty years. Indeed, our own research suggests that over 75% of Fortune 1000 companies are currently surveying their employees on a regular or periodic basis. In our work with thousands of organizations over the last thirty years, we've seen a decided shift in the way organizations are using employee surveys. Initially, organizations tended to approach organizational surveys in a rather paternalistic way, seeking to understand how "happy" their people were and to direct the attention of management, budget permitting, to ways they might be made happier.

Fewer and fewer organizations these days are conducting "smiles tests" of this sort. Increasingly, organizations are turning to surveys as strategic tools, looking to leverage employee input to drive improved organizational performance. That orientation reflects a growing recognition of the critical link between people and strategy and the extent to which human capital provides the most sustainable source of competitive differentiation for organizations.

Employee surveys have the potential to help HR staff and organizational leaders understand the relationship between human capital and the bottom line. Yet, if not managed carefully, surveys may fail to realize their potential as strategic organizational tools. Why is that the case? Well, many organizations are successful in designing reasonable questionnaires, generating high participation rates, and gathering a lot of good information. But where survey processes most commonly break down is in the “hand off” between a survey team, perhaps working with the assistance of an outside consultant, and line managers throughout the organization.

Typically, in the early stages of a survey process—including survey design, survey administration, and the processing and analysis of survey data—line managers, while involved, play a secondary role to internal survey coordinators or external consultants. But once information is collected and the attention of the organization turns to communicating the results throughout the organization and using the results to drive organizational improvements, external consultants and even internal survey coordinators need to step back and rely on line managers to carry the survey forward into the organization. And that’s where we find, in many organizations, problems occur and survey processes break down.

Our experience suggests three common barriers to generating line manager support for a survey effort.

- *Not invented here.* It is unfortunately the case that many surveys are conceived, designed, and administered more or less in a vacuum by a core team. The survey may then be dropped on managers once data are collected, with managers poorly prepared to receive the information and not well informed about what they are expected to do with it. It is critical to involve managers in the design of the process, both through communication and opportunities for input, to ensure that the survey is aligned with their objectives and that there aren’t disconnects between the survey process as it plays out in the early stages and line management involvement as it is required at the back end.
- *Fear of consequences.* If line managers have been shut out of the process, or not sufficiently involved, there may be a concern that the survey will take on an unduly evaluative tone, rather than a developmental one. That is, managers may fear that the survey will be used as a yardstick to measure them—or potentially even as a club to hammer those whose units generate low scores. As a result, managers may come to fear the consequences of the survey effort, instead of seeing the opportunities the survey presents to enhance their personal effectiveness and the effectiveness of their teams.

- *“I can’t take on one more thing right now.”* If the connection between a survey and the concerns of line managers has not been made clear at the outset, managers may see themselves as too busy with their day-to-day responsibilities to play a role in a survey effort. That’s a deadly perspective for managers to take in any organization, because it suggests that managers are viewing the survey not as a tool that is being provided for them, but instead as an add-on activity that is being done to them. Ideally, if a survey is well aligned with organizational objectives, managers should see the survey as providing them with answers to key questions they have related to activities or goals they are already engaged in or pointing toward.

### Seven Recommendations for Using Employee Surveys Strategically

As the above discussion suggests, critical to the success of surveys designed to promote higher levels of engagement among employees is engaging managers to ensure that there are willing hands ready to use information collected through a survey effort. Below we provide seven recommendations for increasing the commitment of line managers throughout an organization to an employee survey process.

(1) *Broaden your focus.* Traditional engagement surveys, focused on motivational outcomes, generally will not measure aspects of the work environment critical to enabling contributions from motivated employees. The old saying is that what gets measured gets managed. But the corollary is equally true: what is *not* measured will not be acted upon. It is critical that organizations identify and respond to the drivers of enablement together with the drivers of engagement.

Employee enablement involves getting people in job roles that draw on their distinctive abilities to contribute, as well as ensuring that they are able to carry out their job responsibilities as efficiently and effectively as possible. As a starting point, consider whether your survey can help you answer these questions:

- *Have “must-win battles” been adequately defined for employees? Where employees have too much to do and too little time to do it, clarity regarding key priorities is critical to allow them to focus on essential, value-added tasks.*
- *Are you avoiding the trap of routines? Since efficient execution is only helpful if directed at the right targets, work processes need to be evaluated regularly to ensure that they’re aligned with changing work demands.*
- *Are managers treating training as a process rather than an event? Training should be revisited frequently in dynamic environments. Otherwise, skills and abilities that once made employees strong contributors can quickly become obsolete.*

- *Do employees have “specific freedom to act?” The scope of employees’ authority should be clear, so that fear of overstepping boundaries doesn’t become a disincentive to taking risks or making even simple decisions.*

(2) *In designing a survey, put last things first.* At the time you are designing a survey process, it’s important to think ahead to the strategic objectives on the table in your organization and the types of questions a survey could most usefully answer. As noted earlier, organizations are becoming much more strategic in their use of survey data. Many of our clients, for instance, are using surveys to monitor the success of change initiatives, to communicate and track progress toward new organizational cultures, to assist with integration following a merger or acquisition, to inform a new organizational leader, to identify the key drivers of business outcomes (e.g., customer satisfaction, employee retention), or to incorporate employee opinion into individual or organizational performance measures. It is essential to think at the beginning of the process about organizational objectives so you can ensure that useful and actionable data will be available at the end.

You may want to solicit input directly from line managers at the outset of the process to clarify strategic objectives, perhaps by conducting interviews or focus groups, by leveraging existing task forces, or by organizing steering committees comprised of key stakeholders. The goal of your outreach should be to share key information (to avoid a not-invented-here mentality on the part of managers), to get feedback on organizational issues and priorities (such that the survey isn’t seen as an add-on activity), and to build buy-in to the process (such that managers don’t see the survey as something being done to them, but rather something they own and have influence over).

(3) *Make sure time is on your side.* Just as you need to think about what information you will want to deliver to managers, it is also important to think about when they are going to need that information. Typically, in designing surveys a lot of thought is given to the timing of survey administration, with the aim of generating a high participation rate. But organizations generally devote less attention to the optimal time to receive survey feedback. From a strategic standpoint, if you can time the delivery of the survey results such that they feed naturally into business planning cycles or strategic planning activities, the survey is much more likely to generate impact. Given the amount of change going on in most organizations, there is seldom a perfect time to conduct a survey. But, at the same time, you don’t want to be conducting a survey at a time when managers are going to be too busy to take full account of the information.

(4) *In delivering results, don’t leave managers scratching their heads.* Surveys are more often criticised for returning too much information than for returning too little. If you ask a reasonable number of questions and analyse the data in

various ways, you can end up with a mountain of information. That's good news in that there are a lot of data that can be used to diagnose and understand organizational issues. But the bad news is that sometimes the volume of information a survey generates can be a barrier to taking effective action. And in terms of engaging line managers, especially time-pressured managers, it is important to make it as easy as possible for them to get through the information and on to a set of focused action priorities.

When sharing results with managers, it is important that you focus on the goals and objectives that drove the survey process at the outset. If, for instance, your survey was designed to provide an understanding of how well your organization is doing in living its core values, then feed results back to managers through the lens of your values framework, so that the connections between the responses of employees and the objectives of the survey are crystal clear.

In a first-time survey particularly, it is also important to make sure that managers are effectively resourced in interpreting the survey data. Such support might be provided through in-person training sessions with managers, written guidelines or toolkits, or train-the-trainer sessions with HR staff or others who will be tasked with playing the role of internal consultants to assist managers throughout the survey process.

Finally, in delivering information, be sure that it is as accessible and action-oriented as possible. In the past, many surveys would result in thick data books with tables of numbers that managers had to wade through to identify significant findings. Few managers in today's organizations would have the time or patience for reports of that sort. More and more, surveys are making use of interactive results tools to make survey feedback easier for managers to digest. Part of the results rollout process involves knowing your audience and the level of detail they expect. Are you dealing with a highly analytical group of managers who will expect and appreciate a lot of detail on the survey results? Or are you faced with a group that is much more likely to respond well to summaries of high-level messages coming out of the survey?

*(5) Analysis tools can prevent analysis paralysis.* Analytical tools can also be used to help managers avoid information overload and more readily isolate the key findings coming out of a survey. One of the most critical analytical tools is normative benchmarks. Normative benchmarks can help an organization understand how it stacks up against key competitors or other organizations operating in similar locations.

But there is an equally important function of norms that is less often recognized, and that's putting survey results in an appropriate context. We know from doing surveys for organizations across industries and around the world that what you ask in a survey determines to a large extent what you can expect to get back. If you ask employees in most organizations how they feel about their compensation, they are not likely to tell you they are paid too well. If, on the

other hand, you are asking about relationships with co-workers or immediate supervisors, you are likely to get much more favorable responses.

The implication? It is hard for managers to determine whether they should be pleased with or concerned about survey results without some context for interpretation. Not only do typical survey scores vary by topic, but also by industry, with organizational performance levels, over time, and cross-nationally. So normative benchmarks are essential.

Statistical analyses are another key analytical tool. Whereas normative benchmark comparisons function to isolate priorities through a logic of difference, statistical analyses function through a relational logic. Priorities are identified by assessing which factors in the work environment relate most strongly to various outcomes addressed by a survey. With this information, action plans can be more effectively designed in an attempt to improve performance in key outcome areas. And the findings can help strengthen the business case for regularly monitoring engagement and enablement levels.

(6) *Don't let your action planning get in the way of action.* Don't let a process focus at the action stage of a survey become a barrier to effectively using survey information. Once again, you don't want the survey to be seen as an add-on activity. You are not seeking to improve survey scores for their own sake. You are trying to understand factors in the work environment that impact important organizational goals and objectives. Accordingly, from an action planning standpoint, you want as much as possible to integrate the survey feedback with ongoing organizational activities.

In addition to working through the survey data and taking note of issues that "bubble up," it is equally important to focus on the strategic objectives associated with the survey and work back to the survey to understand what the data tells you about how well you are positioned in relation to those objectives. If, for example, you are looking to increase customer focus or innovativeness, you can work back to the survey (which was hopefully designed with those goals in mind) and call out for managers findings that relate to critical success factors in those areas.

(7) *Don't give your organization too little of a good thing.* Organizations are often advised not to conduct follow-up surveys until they have succeeded in acting on all survey issues. It is certainly possible to survey too frequently. But a "survey-act-survey-act" mindset ignores the fact that there is an ongoing stream of activity and improvement efforts going on in the organization. Well-timed surveys can help gauge the progress of these efforts and provide guidance on future directions—even if there is some "unfinished business" from one survey to the next. Once more, a survey is not an end in itself. When used strategically, surveys are seen as providing periodic metrics that can be used to shape ongoing organizational activities.



## Conclusion

Surveys have tremendous potential as strategic organizational tools. But realizing that potential requires that organizations engage managers throughout the survey process to gain their active support and participation. You can maximize the likelihood of success in your next employee survey by focusing on engaging as well as enabling employees, by making your strategic objectives the foundation of your survey process, by optimizing the timing not only of survey administration but also of the delivery of survey results, by giving results to managers in flexible and easy-to-use formats, by using norms and statistical analyses to focus managers on the most significant findings, by integrating survey findings with ongoing business planning and organizational improvement activities, and by conducting surveys at regular intervals to ensure effective management of human capital on an ongoing basis.

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