Leveraging Employee Engagement for Competitive Advantage:

HR's Strategic Role

Nancy R. Lockwood, SPHR, GPHR, M.A.
Manager, HR Content Program

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Abstract

Employee engagement is a key business driver for organizational success. High levels of engagement in domestic and global firms promote retention of talent, foster customer loyalty and improve organizational performance and stakeholder value. A complex concept, engagement is influenced by many factors—from workplace culture, organizational communication and managerial styles to trust and respect, leadership and company reputation. For today's different generations, access to training and career opportunities, work/life balance and empowerment to make decisions are important. Thus, to foster a culture of engagement, HR leads the way to design, measure and evaluate proactive workplace policies and practices that help attract and retain talent with skills and competencies necessary for growth and sustainability.

Introduction

"The challenge today is not just retaining talented people, but fully engaging them, capturing their minds and hearts at each stage of their work lives."[1]

Employee engagement has emerged as a critical driver of business success in today's competitive marketplace. Further, employee engagement can be a deciding factor in organizational success. Not only does engagement have the potential to significantly affect employee retention, productivity and loyalty, it is also a key link to customer satisfaction, company reputation and overall stakeholder value. Thus, to gain a competitive edge, organizations are turning to HR to set the agenda for employee engagement and commitment.

Employee engagement is defined as "the extent to which employees commit to something or someone in their organization, how hard they work and how long they stay as a result of that commitment."[2] Research shows that the connection between an employee's job and organizational strategy, including understanding how important the job is to the firm's success, is the most important driver of employee engagement. In fact, employees with the highest levels of commitment perform 20% better and are 87% less likely to leave the organization, which indicates that engagement is linked to organizational performance.[3] In contrast, job satisfaction—a term sometimes used interchangeably with employee engagement—is defined as how an employee feels about his or her job, work environment, pay, benefits, etc.[4]

Employee engagement is a complex concept, with many issues influencing engagement levels. Consequently, there are many pathways to foster engagement, with no one 'kit' that fits all organizations. While each company may define employee engagement differently, ultimately, the key to effective engagement will be rooted in the flexibility of approach most appropriate for each individual firm. For example, the company may consider a 'best practice' and then determine the likely outcome of this practice in its workplace. This *Research Quarterly* is written to provide HR professionals and other business leaders with the knowledge and understanding of the many concepts and aspects of employee engagement as well as offer recommendations to foster engagement.

Trends in Employee Engagement

Today, society and business are witnessing unprecedented change in an increasingly global marketplace, with many companies competing for talent. As organizations move forward into a boundaryless environment, the ability to attract, engage, develop and retain talent will become increasingly important. In view of these changes, a number of trends, as identified in the *SHRM Special Expertise Panels 2006 Trends Report*, are likely to have a significant impact on employee engagement (see Figure 1). For example, the increased demand for work/life balance and the changing relationship between employers and employees are driving the need for HR professionals and their organizations to truly understand what employees need and want and then determine how to meet those needs while at the same time developing and leveraging workplace talents at all levels.[5]

Figure 1	Top Trends Lead to Focus on Employee Engagement

Employee-employer relationship evolving/changing to partnerships.
Increased demand for work/life balance.
HR's greater role in promoting the link between employee performance and its impact on business goals.
Increasing focus on selective retention for keeping mission-critical talent.
Work intensification as employers increase productivity with fewer employees and resources.
Acquiring and keeping key talent reemerging as top issues of concern.
Decline in traditional communication methods and increase in cyber communication.
Needs, wants and behaviors of the talent pool driving changes in attraction, selection and retention practices.

Source: Adapted from Society for Human Resource Management. (2006). SHRM Special Expertise Panels 2006 trends report. Alexandria, VA: Author.

In addition, trends in workforce readiness highlight the importance of organizational success. To ensure that new workforce entrants attain the essential skill levels needed in today's workplace, business leaders have the responsibility to partner with schools (e.g., high schools and two- and four-year colleges) and other organizations to provide learning opportunities, such as internships, summer jobs or job shadowing.[6] The continued acceleration of change, both domestically and globally, places greater emphasis on the role of HR to develop effective employee engagement strategies for the current and future workforce.

Engagement as a Driver for Organizational Success

Engaged employees work harder, are more loyal and are more likely to go the 'extra mile' for the corporation. There are different levels of engagement (see Figure 2), and understanding the types of engagement provides perspective into employee behaviors that can either positively or negatively affect organizational success. Employee engagement can be considered as cognitive, emotional and behavioral. Cognitive engagement refers to employees' beliefs about the company, its leaders and the workplace culture. The emotional aspect is how employees feel about the company, the leaders and their colleagues. The behavioral factor is the value-added component reflected in the amount of effort employees put into their work (e.g., brainpower, extra time and energy).[7]

Employees who are highly involved in their work processes—such as conceiving, designing and implementing workplace and process changes— are more engaged. As highlighted in the literature, the link between high-involvement work practices and positive beliefs and attitudes—as associated with employee engagement and generating behaviors leading to enhanced performance—is an important driver for business success. For example, a recent study analyzed 132 U.S. manufacturing firms and found that companies utilizing high-performance work systems had significantly higher labor productivity than their competitors. When employees have the power to make decisions related to their performance, can access information about company costs and revenues, and have the necessary knowledge, training and development to do their jobs—*and* are rewarded for their efforts—they are more productive.[8]

As highlighted in a recent report by the SHRM Foundation, employee engagement can be measured in dollars and can yield significant savings. For example, at the beverage company of MolsonCoors, it was found that engaged employees were five times less likely than nonengaged employees to have a safety incident and seven times less likely to have a lost-time safety incident. In fact, the average cost of a safety incident for an engaged employee was $63, compared with an average of $392 for a nonengaged employee. Consequently, through strengthening employee engagement, the company saved $1,721,760 in safety costs in 2002. In addition, savings were found in sales performance teams through engagement. In 2005, for example, low-engagement teams were seen falling behind engaged teams, with a difference in performance-related costs of low- versus high-engagement teams totaling $2,104,823.[9]

Related to productivity, employee health is a critical factor in employee engagement. Conditions that support health and psychological well-being are open communication, respect, trust, teamwork and positive work relationships. The Gallup Organization, a leader in employee engagement research, found that employee physical health and psychological well-being affect the quality and quantity of work. For example, 62% of engaged employees feel their work positively affects their physical health. Yet that number drops to 39% among nonengaged employees and to 22% among employees who are actively disengaged. In addition, 54% of disengaged employees say their work has a negative effect on their health and 51% see a negative effect on their well-being. The implication for HR and managers is that engaged employees are more likely to view the organization and job as a healthy environment and therefore more likely to support the organization.[10]

Research also shows that customer loyalty is closely related to employee engagement. In a recent empirical study, the relationship between

Figure 2	Levels of Employee Engagement

Engaged employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.

Not engaged employees are essentially "checked out." They're sleepwalking through their work day, putting time—not energy or passion—into their work.

Actively disengaged employees aren't just unhappy at work: they're busy acting out their unhappiness. Every day, these workers undermine what their engaged co-workers accomplish.

Source: Adapted from "Engaged employees inspire company innovation." (2006, October 12). Gallup Management Journal, *http://gmj.gallup.com*

the availability of organizational resources (i.e., training, technology, autonomy) and employee engagement in work units was found to have a positive effect on employee performance and customer loyalty. When employees feel more engaged in their work, the climate is better for service and the customer receives better-quality service, thus promoting customer loyalty. The practical implication is that the organization (e.g., service organizations, such as banks, hotels, restaurants, membership associations) must focus more on keeping employees engaged. HR leaders, as well as managers, have the mission to build and sustain a workplace environment that fosters engagement and is also attractive to potential employees.[11]

Levers for Employee Engagement

Employee engagement, as a work-related state of mind, can be characterized by vigor, dedication and absorption. Vigor means high levels of energy and mental resilience on the job, persistence in the face of difficulties and a willingness to invest effort in one's work. Dedication refers to a sense of inspiration, pride, significance, enthusiasm and challenge at work. Absorption is being happy, fully concentrated and deeply engrossed in one's work so that time passes quickly, with difficulty detaching from work.[12] Certain levers drive employee engagement (see Figure 3) and reflect factors that promote vigor, dedication and absorption. Engagement is also strongly influenced by organizational characteristics, such as a reputation for integrity, good internal communication and a culture of innovation.[13] As HR works to establish meaningful programs and workplace practices to attract and retain talent, employee engagement levers are important to consider.

The employee's emotional commitment to the job and company is a key lever for engagement. Literally, the degree and quality of performance depend on heart over mind. The level of emotional commitment—the extent to which the employee derives enjoyment, meaning, pride or inspiration from something or someone in the organization— is a significant variable in engagement and thus in performance. Emotional commitment to the job, organization, team and manager has been found to determine stronger performance than rational commitment (the extent to which an employee feels that someone or something within the company provides developmental, financial or professional rewards in employee's best interests).[14]

In addition, work/life balance is increasingly important for engagement and affects retention. As emphasized in a recent study on generations and gender by the Families and Work Institute,

Generations X and Y have different workplace expectations than do the baby boomers and mature workers.[15] By being aware of the unique needs of diverse groups, as well as by recognizing individual differences within these groups, HR can better understand the challenges of increased diversity in the organization's workforce (e.g., different generations, more females, more Hispanic employees in the United States) and work toward designing and implementing workplace policies and practices to engage diverse employee groups.

Finally, a holistic view of employee engagement can be helpful to determine what is working and what is not. Looking at predictors or 'hot buttons' offers HR a way to better understand what practices and policies in their organization effectively promote employee motivation, attendance, retention and productivity. By using a matrix of engagement predictors (organizational process, values, management, role challenge, work/life balance, information, reward/recognition, work environment and products/services), HR can help the organization better manage engagement and ultimately foster motivation, productivity and retention.[16]

The Influence of Workplace Culture

Workplace culture sets the tone for employee engagement. Is the culture considered family-friendly, for example, or is the organization so focused on getting ahead that taking care of its employees is left out of the strategy? Or perhaps the nature of the workplace culture falls some-

Figure 3	Leveraging Employee Engagement

Business risks: Channel engagement efforts to those places in the organization where high engagement is critical to achieving business targets.

Key contributors: Expand the organization's understanding of 'contribution' to include employees—beyond the high-potential population—who create significant value.

Engagement barriers (what gets in the way of high engagement): Be aware of the challenges in identifying 'what's really going on' in the organization.

Culture: Though often considered a 'soft' concept, culture can yield compelling, hard business results. Organizations must provide employees with 'three C's:' connection, contribution and credibility.

Source: Adapted from Corporate Leadership Council. (2004). Driving performance and retention through employee engagement. Washington, DC: Corporate Executive Board.

where between those two possibilities. Research shows that organizations that provide a workplace culture with the psychological conditions of meaningfulness (job enrichment, work-role fit), safety (supportive manager and co-workers) and availability (resources available) are more likely to have engaged employees.[17] Consequently, organizations considered as an 'employer of choice' are more likely to attract and retain the best talent and have higher levels of engagement. Beyond compensation and benefits, key retention factors include the mission and values of the company, treatment of people, learning and development opportunities, work/life balance policies and practices, and rewards to employees for their efforts.

In addition, employee loyalty must be earned through a culture of respect and integrity and learning and development.[18] A study on organizational respect and burnout in the human services profession, for example, emphasizes that respect plays a pivotal role in employee engagement levels. The study highlights that an organization that treats its employees with dignity and respect creates a workplace culture that fosters loyalty and engagement.[19] Such organizations often demonstrate proactive practices and best outcomes by weaving retention and engagement deeply into the fabric of the workplace culture.

The Power of Communication

Clear, consistent and honest communication is an important management tool for employee engagement. HR promotes thoughtful communication strategies that encourage employee engagement by keeping the workforce energized, focused and productive. Such strategies are critical to long-term organizational success. In addition, strategic and continuous communication lends credibility to the organization's leadership. (On the other hand, lack of communication or poorly communicated information can lead to distrust, dissatisfaction, skepticism, cynicism and unwanted turnover.) Branding, for example, is a type of communication strategy that can promote employee engagement by sending 'the right message' about the company, its mission, values and products/services to the workforce and marketplace at large.

To recharge employee morale and support of the organization's objectives, HR can foster an environment for engagement by developing a targeted, proactive strategic communication plan. The communication strategy can provide focus on organizational goals and determine methods of communication and information points for different audiences (e.g., employees versus media). Key points for HR to consider are: 1) communicate from the top down to build employee confidence

and buy-in; 2) involve employees whenever possible, such as through focus groups; 3) communicate and explain all aspects of change, negative and positive; 4) personalize communications to address the question "what's in it for me?"; and 5) track results and set milestones to evaluate the objectives of the communication plan.[20]

Commitment to the Organization

The number one factor that influences employee commitment is the manager-employee relationship. The manager creates the connection between the employee and the organization, and as a result, the manager-employee relationship is often the "deal breaker" in relation to retention. A recent study shows that employees who trust their managers appear to have more pride in the organization and are more likely to feel they are applying their individual talents for their own success and that of the organization. However, the findings show only 56% of employees feel their manager has good knowledge of what they do and promotes the use of their unique talents.[21]

Managers who demonstrate the following characteristics promote employee engagement: 1) show strong commitment to diversity; 2) take responsibility for successes and failures; 3) demonstrate honesty and integrity; 4) help find solutions to problems; 5) respect and care for employees as individuals; 6) set realistic performance expectations; 7) demonstrate passion for success; and 8) defend direct reports.[22] The organization will want to rethink keeping managers who foster disengaged employees and therefore lose valuable talent to other organizations.

In addition, HR practices can make the difference between effective engagement and valuable human capital joining the competition. For example, a study about the impact of HR practices and organizational commitment on the profitability of business units found a close relationship between HR practices, operating expenses and firm performance. In addition, employees were found to be more committed to the organization when managed with progressive HR practices. At a large food-service corporation with operations in the United States and Canada, the study results were put to practical use when the senior HR executive used the data in presentations to demonstrate the kind of performance the company might see as a result of developing and implementing proven HR practices. Going one step further, to assist business-unit leaders whose groups were not meeting performance goals, the company developed a portal to help identify key performance deficiencies and now offers information on HR practices to help increase performance.[23] As this study

demonstrates, HR's role in promoting employee commitment—including coaching managers to be effective people managers—is a significant factor in employee engagement.

Barriers to Employee Engagement

Often in the form of rules, workplace culture and behaviors, barriers to engagement can be damaging to employees, customers and stakeholders—and ultimately, to the organization's financial success. In fact, by operating in a "black-and-white" world, even HR can act as a barrier—depending on how workplace policies and practices are implemented—rather than helping to motivate employees through innovative and proactive practices. Also, barriers can prevent efficiency, do not promote a positive and engaging work environment and may damage the ability of an organization to act quickly. Importantly, barriers can prevent customers from getting what they need.[24]

To be better positioned to address barriers to engagement, organizations must determine what is working and what is not. The Gallup Organization, for example, identified 12 indicators that link employee satisfaction with positive business outcomes and profitability. The initial study considered four key areas: customer satisfaction/loyalty, profitability, productivity and employee turnover. These indicators, known as the Q[12], are based on employee involvement topics, such as attitude, feedback, recognition and measurement. Today, many employers base their employee attitude surveys on the Q[12] (see Figure 4).[25]

In addition, stress levels in the workplace have increased substantially due to the pressures of competition, technology that promotes the fast-paced 24/7 global economy and the blurring of boundaries between work and home life. For example, a 2004 study found that 27% of U.S. employees were overwhelmed by how much work they had to do and 29% often or very often did not have time to process or reflect on the work they did. Overworked employees make more mistakes and tend to have higher levels of stress and physical health problems, experience clinical depression and neglect caring for themselves.[26] The message for HR is that stressed employees are likely to be less engaged and less productive in the workplace.

Measuring Employee Engagement

Measuring employee engagement is a smart business strategy to improve productivity and attain business objectives. It allows the organization to track progress, or slippage, and determine what gaps exist in terms of organizational engagement, attendance and retention, motivation and aspirations. A recent article from the SHRM Foundation

Figure 4	Questions to Determine Employee Engagement (Q[12])

1. Do you know what is expected of you at work?

2. Do you have the materials and equipment you need to do your work right?

3. At work, do you have the opportunity to do what you do best every day?

4. In the last seven days, have you received recognition or praise for doing good work?

5. Does your supervisor, or someone at work, seem to care about you as a person?

6. Is there someone at work who encourages your development?

7. At work, do your opinions seem to count?

8. Does the mission/purpose of your company make you feel your job is important?

9. Are your associates (fellow employees) committed to doing quality work?

10. Do you have a best friend at work?

11. In the last six months, has someone at work talked to you about your progress?

12. In the past year, have you had opportunities at work to learn and grow?

highlights common themes of how companies measure engagement (see Figure 5).

The financial and competitive advantage of employee engagement efforts can be demonstrated by measuring engagement and commitment initiatives. The construction-equipment maker Caterpillar documented significant savings as a result of increasing employee engagement. For example, the company reaped an $8.8 million annual savings from decreased attrition, absenteeism and overtime at a European plant, had a 70% increase in output in less than four months at an Asian Pacific plant, and experienced a $2 million increase in profit and 34% increase in highly satisfied customers at a start-up plant.[27]

To effectively measure and manage predictors of employee engagement, it is best to use a combination of tools. Depending on the purpose, there are many measures from which to select. Examples of measures include predictive internal surveys and/or focus groups, detailed gap analyses by division, location, department, workplace, etc., and communication of prediction gaps and progress to the organization. Many companies use engage-

Figure 5	Ten Common Themes: How Companies Measure Engagement

1. Pride in employer.
2. Satisfaction with employer.
3. Job satisfaction.
4. Opportunity to perform well at challenging work.
5. Recognition and positive feedback for one's contributions.
6. Personal support from one's supervisor.
7. Effort above and beyond the minimum.
8. Understanding the link between one's job and the organization's mission.
9. Prospects for future growth with one's employer.
10. Intention to stay with one's employer.

Source: Vance, R. J. (2006). Effective practice guidelines: Employee engagement and commitment. *Alexandria, VA: SHRM Foundation. [Reprinted with permission.]*

ment surveys as a primary measurement tool to determine how well talent is being managed. Such surveys are often considered much more than a measure of employee satisfaction. Rather, engagement surveys also encompass other dimensions, such as intent to stay, employee trust and organizational commitment. Once engagement data are gathered, the next logical step would be to examine the relationship between the engagement measures and business results. By asking relevant questions about employee engagement, HR can learn information to better determine levels of motivation, trust/distrust and overall company spirit, help minimize the risk of potential key skill losses around concerns about rewards, recognition and career development, gain a measure of the effectiveness of management, and evaluate the effectiveness of HR strategies and systems, such as performance management.[28]

To get a sense of employee engagement levels or possible issues, research also suggests using pulse surveys or ad-hoc surveys with a structured questionnaire. For example, a recent empirical study in the banking sector indicated a relationship between job satisfaction, quality and productivity and customer service. The study found that three linked factors influenced employee empowerment and customer treatment: HR management practices (service training and service rewards), service systems practices and service leadership practices. This study provides HR and employers with food for thought regarding the relationship between job satisfaction, employee engagement, retention and financial results.[29]

In addition, organizations concerned with retention among new hires may use engagement

surveys to track turnover during the first 30, 90 or 180 days or even the first year of employment. Specific measures for new-hire engagement might include 1) percentage of employees completing a comprehensive orientation process; 2) percentage completing an "entrance interview;" 3) percentage coached by a buddy or mentor; 4) percentage of new hires considered "outstanding performers;" and 5) first-year voluntary turnover rates. On the other hand, measures of sustained employee engagement may include 1) absenteeism rates; 2) performance/quality rates; 3) training hours per employee; 4) ratio of internal to external hires; 5) top-performer voluntary turnover rates; 6) overall voluntary turnover rate; and 7) percentage of employees completing individual development plans.[30] Ultimately, employee engagement measures provide employees with regular opportunities to give open and honest feedback. HR can use the data for strategic advantage to understand and work toward improving engagement, talent retention, positive company reputation and company growth.

Global Perspectives of Employee Engagement
Across the globe, critical factors for HR leaders are performance and retention. Due to the new employment contract in today's globally competitive and rapidly changing environment, retaining talent has become very challenging. As highlighted in the 2006 report on SHRM Special Expertise Panel trends, demographic changes are leading to increased diversity in the global labor market. The shift from mainstream and emerging markets

to a multicultural majority is, in turn, leading to changes in HR business practices, such as the design of recruitment, benefits, training, motivation and rewards systems.[31] Trust and loyalty are also coming to the forefront in global firms as important issues that HR must address. In addition, among the global drivers for engagement are leadership, work/life balance, branding and opportunities to use employee talent. A study by Mercer, for example, found that companies with a high profile or good employer brand in China appeared to have more success attracting candidates.[32]

A recent global workforce study by Towers Perrin considered key success factors of employee engagement, job satisfaction and high performance. It surveyed 86,000 employees at all levels of the organization in mid-size and large companies in 16 countries across four continents about attitudes, needs, work ethic and personal commitment of people to their jobs and companies. The findings reveal that people tend to stay with organizations considered as "talent-friendly" and progressive—that is, organizations that have leading-edge work environments and people practices.[33]

However, while certain factors of engagement are considered to be universal, to effectively promote engagement, HR leaders will need to be aware of country, regional and cultural differences when designing employee engagement and commitment initiatives. To illustrate the myriad of different drivers in different countries, for example, consider these top attraction drivers: in Canada—competitive base pay, work/life balance and career advancement opportunities; in India—focus on the reputation of the organization as a good employer; in the United States—competitive health benefits; in Germany—the level of autonomy; in Japan—the caliber of co-workers; and in the Netherlands—the collaborative environment. These differences suggest that each country and/or culture has certain factors seen as important in the workplace.[34]

To retain top talent, research also shows that while compensation and promotions are important, employers need to pay more attention to 'soft issues,' such as job quality, flexibility and individual differences. A landmark study of global men and women executives—and the relationship between gender and career advancement—examined factors that enhanced and inhibited the success of these executives on the job and at home. The results found that while most executives (61%) were work-centric, a significant minority (32%) were dual-centric, giving equal weight to personal and work life. This latter group of executives was less stressed, felt more successful at work and

| **Figure 6** | **Actions Recommended by Global Executives for the Next Generation of Leaders** |

Improve career development and performance management systems for both genders:
- Create objective and inclusive performance management systems.
- Provide key developmental experiences.
- Offer mentoring and networking opportunities.

Create an inclusive work environment:
- Provide equal opportunities.
- Educate the workforce about diversity and inclusion.
- Broaden the acceptable leadership styles for both women and men.
- Guard against reverse discrimination.

Address work/life needs:
- Reduce expectations of very long work hours.
- Provide role models.
- Rethink career paths.
- Support involvement in activities outside of work.

Source: Adapted from Galinksy, E., Salmond, K., Bond, J. T., Brumit Kropf, M., Moore, M., & Harrington, B. (2003). Leaders in a global economy: A study of executive women and men. *New York: Families and Work Institute, Catalyst and The Center for Work & Family.*

more easily managed work and personal/family life demands. To promote engagement, advancement and retention of the upcoming generation of global leaders, global executives recommended these changes: improve career development and performance management systems for both genders, create an inclusive work environment and address work/life needs. In view of this study, global HR professionals will want to thoughtfully consider how to structure the work environment to foster the growth of employee commitment and increase levels of engagement for future global leaders (see Figure 6).[35]

Studies on Employee Engagement
In recent years, a number of studies have focused on employee engagement and its link to company performance and sustainability. The following studies highlight the role of employee engagement in today's business environment. HR professionals who seek proactive practices that positively affect employee productivity will find this research pertinent to their work.

· Feeling Good Matters in the Workplace[36]
According to this *Gallup Management Journal* study, supervisors play a critical role in worker well-being and engagement. The survey considers how employee perceptions of happiness and

well-being affect job performance. Happy and engaged employees are better equipped to handle stress and change, are much more likely to have a positive relationship with their manager, feel more valued by their employer and are more satisfied with their lives. People with higher levels of engagement appear to substantially enjoy more positive interactions with co-workers than do their less-engaged counterparts. The study suggests that organizations can boost firm productivity if they recognize these issues and help employees improve their well-being.

- **Driving Performance and Retention Through Employee Engagement**[37]
In a global survey of the engagement levels of 50,000 employees in 27 countries, research by the Corporate Leadership Council emphasizes the link of engagement to business success and its direct impact on employee performance and retention. Organizations that have a highly engaged workforce were found to have almost 10 times as many committed, high-effort workers as those with a low-engaged workforce. The findings point to the manager as the most important enabler of employee commitment to the organization, job and work teams.

- **Employee Engagement Report 2006**[38]
Building on research from 2004 and 2005, this study examines how employees in North America, Europe and Asia-Pacific feel about their organizations and jobs. The top reason people stay is for fulfilling work (44%). The findings also reveal that 35% of employees are likely at risk of leaving their organizations. Top reasons include career, the work itself and the manager. Interestingly, only 38% of employees had seen visible actions to increase employee engagement. More than 30% are considering leaving, and only 12% of employees intend to stay.

Recommendations
Determined by company mission and culture, proactive and best outcome practices around employee engagement vary for each organization. Below are recommended strategic actions for HR to strengthen engagement.

- Clearly and consistently communicate organizational goals and objectives.

- Establish policies and practices that promote a workplace culture that stimulates employee engagement.

- Align organizational goals to day-to-day work.

- Maintain an open dialogue among senior management, managers and employees.

- Reward managers whose behavior fosters employee engagement.

- Listen carefully to what employees want and need.

- Provide opportunities and challenges to leverage the respective talents of employees.

- Do a pulse check—are employees engaged? Find out what is working and what is not.

- Hold managers accountable for demonstrating organizational values, development of team members and results.

- Be sure that employees know how they can contribute.

- Genuinely thank employees for their contributions.

In Closing
The level of engagement determines whether people are productive and stay with the organization—or move to the competition. Research highlights that the employee connection to the organizational strategy and goals, acknowledgment for work well done, and a culture of learning and development foster high levels of engagement. Without a workplace environment for employee engagement, turnover will increase and efficiency will decline, leading to low customer loyalty and decreased stakeholder value. Ultimately, because the cost of poor employee engagement will be detrimental to organizational success, it is vital for HR to foster positive, effective people managers along with workplace policies and practices that focus on employee well-being, health and work/life balance.

Acknowledgments

Online Resources

Center for Creative Leadership
www.ccl.org

Corporate Leadership Council
www.corporateleadershipcouncil.com

Human Capital Institute
www.humancapitalinstitute.org

Human Performance Institute
www.corporateathlete.com

SHRM White Paper: Employee Engagement and Organizational Performance: How Do You Know Your Employees are Engaged?
www.shrm.org

The Conference Board
www.conference-board.org

The Gallup Organization
www.gallup.com

Towers Perrin
www.towersperrin.com

The Institute of Executive Development
www.execsight.org

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ABOUT THE AUTHOR

Nancy R. Lockwood, SPHR, GPHR, M.A., is manager, HR Content Program, for the Society for Human Resource Management. Her responsibilities include identifying topics and focus areas in need of additional human resource management research and creating HR products of strategic and practical value for target audiences. She is certified as a Senior Professional in Human Resource Management and a Global Professional in Human Resources by the Human Resource Certification Institute. Ms. Lockwood can be reached by e-mail at nlockwood@shrm.org.

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