

Hay Group Insight Selections

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Beyond Employee Engagement: Motivating and Enabling Individual and Team Performance

Introduction

Many organizations today are focused on enhancing levels of employee engagement—with good reason. In the rapidly changing environments most companies now face, where roles and responsibilities are continually evolving, organizations must count on employees to act on their own in ways consistent with organizational cultures, objectives, and values. And faced with a challenging global economic environment, many organizations are needing to do more with less, making the discretionary effort of employees willing to “go the extra mile” for the organization all the more important.

In working with clients across industries, however, we at Hay Group Insight have identified increasing numbers of organizations that enjoy high levels of employee engagement yet nonetheless struggle with performance issues. In these environments,

employees are energized by goals and objectives and eager to help their organizations succeed. But they themselves often indicate that they do not feel optimally productive. These cases have confirmed for us that engaging employees, while clearly important, is not sufficient to sustain maximum levels of individual and team effectiveness over time.

What’s the missing piece? To borrow a line from the movie *Jerry Maguire*, engaged employees seem often to be saying to organizational leaders, “help me help you.” In other words, put me in a role that leverages my skills and abilities and allows me to do what I do best. Give me the tools, technology, information, support, and other resources I need to be effective. And, finally,

Organizations need to ensure that work environments provide adequate support for success.

get out of my way. Don’t distract me with tasks that don’t add value. And don’t introduce procedural barriers that will interfere with my ability to get things done. In sum, organizations need to ensure that work environments provide adequate *support for success* to harness the reservoir of motivation offered by an engaged workforce.

That sounds simple enough. To get the most from engaged employees, organizations need to position them to channel their extra efforts productively. That is, motivation to contribute has to be matched with ability to contribute. But, as we'll see, this relatively straightforward idea has some important implications for people management practices and the strategic use of employee surveys.

Employee Engagement and Support for Success Defined

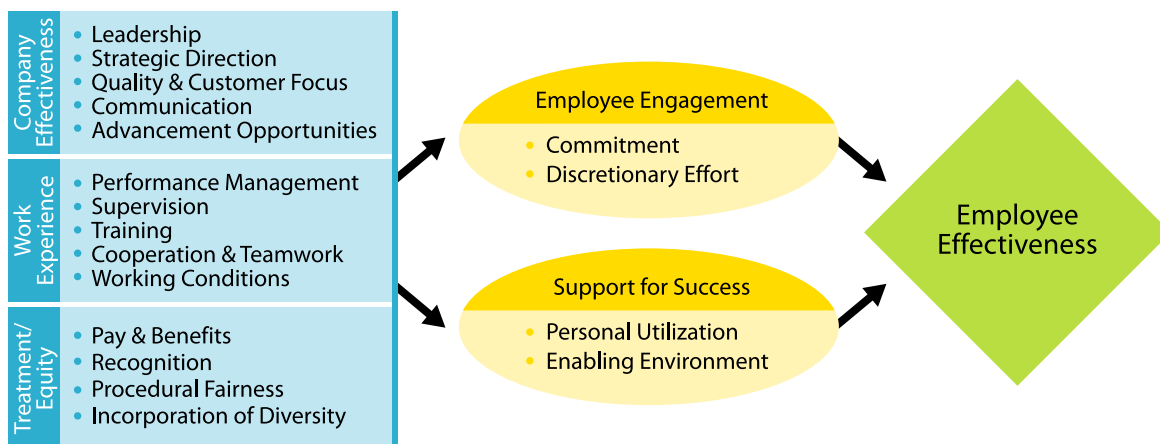
While conceptual frameworks for understanding engagement vary, the concept is commonly seen as capturing levels of *commitment* and *discretionary effort* exhibited by employees. Engaged employees can be expected to display high levels of attachment to an organization (affective commitment) and a strong desire to remain a part of it (continuance commitment). Engaged employees are also more likely to be willing to go above and beyond the formal requirements of the job and pour extra effort into their work to deliver superior performance.

requires that employees are effectively matched to their roles, such that their skills and abilities are effectively utilized. 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, *enabling environment*, involves structuring work arrangements such that they facilitate, rather than hinder, individual productivity. In an enabling 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.

Figure 1 depicts a model of employee effectiveness that incorporates employee engagement as well as organizational supports for employees to be successful.

In this article, we will examine case-study examples confirming that both engagement and support for success are required

Figure 1: Hay Group Insight's Model of Employee Effectiveness



to promote optimal levels of individual and team effectiveness. We will then draw on Hay Group Insight's latest research to identify the key drivers of employee engagement, as well as the critical enablers of employee performance. Finally, we will explore the implications of this expanded understanding of the characteristics of high performing work

In our view, *support for success*, impacting the ability of engaged individuals and teams to make maximum contributions, has two key components. The first, *personal utilization*,

environments for the role of leaders in organizations and for the effective design and implementation of employee survey programs.

Engagement Is Not Enough: The Evidence

Our research with clients across industries and around the world confirms that employee engagement and support for success do not always go hand in hand. As Figure 2 suggests, we are commonly able to isolate four distinct groups of employees, characterized by differing levels of motivation and support.

Figure 2: Clustering of Employees by Engagement and Support for Success

		Employee Engagement	
		LOW	HIGH
Support for Success	HIGH	Detached	Effective
	LOW	Ineffective	Frustrated

In most organizations, we can identify a group of employees that are both highly engaged and well supported for success (the green cell labeled “Effective”). In these happy instances, where motivation to contribute is matched with strong ability to be successful, employees are likely to be high achievers. Unfortunately, however, we also regularly find a set of employees lacking on both dimensions. Where both engagement and organizational supports are missing, employees are understandably likely to struggle in their job roles (the red cell labeled “Ineffective”).

Equally interesting, however, are the off-diagonal cells highlighted in yellow. Indeed, the real power of our framework

comes in calling attention to the “Frustrated” employees in the bottom right corner of the table. All too many organizations employ a sizable number of employees who are aligned with the direction of the organization and enthused about making a difference but are nonetheless held back by roles that do not suit them or work environments that get in their way. These employees represent a real lost opportunity for organizations. From a motivational perspective, organizational leaders have these employees where they want them. But when it comes to getting the most from these employees in terms of productivity, organizations are not leveraging their potential.

Likewise, in most organizations we find a sizeable percentage of the population that falls into the “Detached” group. These employees are in roles that suit them reasonably well, and they find themselves in work environments that are broadly supportive. But for various reasons, their levels of engagement with organizational objectives and task requirements is insufficient to make them optimally effective.

A case-study example, drawn from a major health insurer, makes clear that both engagement and support for success are required to promote high levels of individual effectiveness. In this organization, we were able to relate employee opinion data to individual performance, as assessed through performance appraisals. Figure 3 highlights, for each of the cells in our two-by-two table reflecting differing levels of engagement and support for success, the percentages of employees rated as exceeding performance expectations.

As can be seen in this figure, where both engagement and support are lacking (the red cell in the bottom left corner), 22% of employees are rated as exceeding performance expectations. Notably, if we hold support constant and low and increase engagement only (the bottom right cell), the increase in superior performance ratings is minimal (from 22% to 24%). Likewise, if we hold engagement constant and low and increase support alone (the top left cell), we see only a modest increase in superior performance levels (from 22% to 27%).

Figure 3: Engagement, Support for Success, and Individual Performance

		Employee Engagement	
		LOW	HIGH
Support for Success	HIGH	27% Exceed	34% Exceed
	LOW	22% Exceed	24% Exceed

However, when both engagement and support improve (the top right cell), the percentage of employees exceeding performance expectations increases by 1.5 times (from 22% to 34%).

We see a similar pattern if, using the same case example, we shift our focus to another key outcome—retention of talent. Figure 4 illustrates the percentages of high performing employees (i.e., those exceeding performance expectations) intending to remain with the organization for the long term (i.e., five years or until retirement) in the different engagement/support conditions.

Figure 4: Engagement, Support for Success, and Employee Retention

		Employee Engagement	
		LOW	HIGH
Support for Success	HIGH	40% Have no plans to leave	78% Have no plans to leave
	LOW	24% Have no plans to leave	66% Have no plans to leave

Where engagement and support for success are both lacking, just 24% of high performing employees indicate that they have no plans to leave the organization in the next five years. Enhancing either engagement (the bottom right cell) or support for success (the top left cell) alone results in more favorable retention outcomes for high performing employees. However, the most dramatic retention gains are achieved when both motivation and ability to contribute among high performers are enhanced. In this case, the percentage of high performing employees willing to commit to the organization for the long term increases three-fold over the low engagement/low support condition (78% versus 24%).

Factors Affecting Employee Engagement and Support for Success

Our employee effectiveness framework suggests that employee engagement and support for success 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 support, or both. Action implications will differ depending on the answer.

Drivers of Employee Engagement

Hay Group Insight has conducted extensive research into the characteristics of work environments that promote high levels of engagement among employees. While we see considerable variability from industry to industry and organization to organization, some common themes emerge.

1. **Clear and Promising Direction.** In their work, most employees are looking for an opportunity to contribute to something larger than themselves, a chance to make a difference. As Winston Churchill observed, we make a living by what we get—but we make a life by what we give. Appealing to this sense of purpose by connecting employees to the big picture is the essence of transformational leadership and is critical to promoting high levels of employee engagement.

2. **Confidence in Leaders.** If faith in the direction of the organization is critical for fostering high levels of employee engagement, so too is ensuring that employees have confidence that there are strong hands on the wheel at senior levels that are capable of executing on strategic objectives. Today's employees recognize that their prospects for continued employment, career development, and advancement are dependent on their companies' health and stability. They cannot be expected to bind their futures to those of their employers unless they are confident that their companies are well managed and well positioned for success.

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 support, or both.

3. **Collaboration and Collegiality.** To the extent that the new social contract surrounding the employment relationship has made the ties between individuals and organizations more tenuous, connections to co-workers and project teams are increasingly the ties that bind and the ties that motivate. Leaving a job or failing to deliver a full effort is likely to spark concerns about letting colleagues down in environments where employees feel personal as well as professional obligations to each other.
4. **Development Opportunities.** Employees are increasingly aware that they are responsible for managing their own careers and that their futures depend on continuous elevation of their skills. If employees are not expanding their capabilities, they risk compromising their employability—within their current organizations or elsewhere. Accordingly, opportunities for growth and development are among the most consistent predictors of employee engagement.

Drivers of Support for Success

As we have indicated, support for success involves getting people in job roles that draw on their distinctive abilities to contribute, as well as ensuring that they have essential resources and are able to carry out their job responsibilities as efficiently and effectively as possible. Below we highlight factors that promote both high levels of personal utilization and an enabling work environment.

1. **Performance Management.** Clarity regarding personal goals and priorities enables performance by allowing employees to focus their efforts on essential, value-added tasks. Likewise, by continually “raising the bar,” ongoing monitoring and feedback regarding performance helps ensure that employee capabilities are optimally developed and utilized.
2. **Authority and Empowerment.** Where employees have appropriate autonomy and discretion, they are better able to structure their work arrangements to promote personal effectiveness. And by managing how they work, employees are more likely to find opportunities to leverage their skills and abilities fully in their job roles.
3. **Availability of Resources.** An enabling environment requires that employees have the information and resources (e.g., tools, equipment, supplies) required to do their jobs effectively. And in terms of personal utilization, where employees are being asked to work hard, they understandably want to feel that they are working smart as well.
4. **Training.** In an enabling environment, employees are provided with job-related training to ensure they have the knowledge and skills necessary to carry out key tasks and deal effectively with internal and external customers. Appropriate training, which can turn potential into productivity, is also essential to ensure that organizations get the most from the abilities of their employees.

Moving Beyond Engagement to Employee Effectiveness: Implications for Leaders

By exclusively focusing on employee engagement, organizations are likely to neglect key factors that impact the effectiveness of individuals and teams. As a result, engagement surveys may fail to identify for those charged with acting on survey data the most critical improvement opportunities. What's most likely to be overlooked? While the predictors of engagement tend to reflect issues traditionally associated with leadership, the drivers of support for success relate directly to the quality of management in the organization.

Harvard professor John Kotter, in his 1990 *Harvard Business Review* article, "What Leaders Really Do," suggested that key functions of the leader include *setting a direction* for the organization by creating a vision of the future, *ensuring alignment* at all levels by communicating the direction and fostering buy-in from managers and employees, and *motivating and inspiring* by ensuring that managers and employees have faith in organizational objectives and confidence in the organization's ability to achieve them. These functions align closely with the drivers of engagement identified in our research, particularly establishing a clear and promising direction and instilling confidence in the senior team.

"The real challenge is to combine strong leadership and strong management and use each to balance the other."

In contrast, the drivers of support for success relate more directly to behaviors that have traditionally been associated with management. According to Kotter, these include *planning*

(i.e., setting targets, formulating detailed plans, and allocating resources), relating in the context of our framework to performance management and the availability of resources to get the job done; *organizing and staffing* (i.e., creating appropriate authority structures, selecting and training people, and delegating responsibility), relating to authority and empowerment and training; and *controlling and problem solving* (i.e., identifying and correcting deviations from plans), relating again to performance management.

Our employee effectiveness approach captures the distinction between leadership and management and, most importantly, highlights the importance of both for individual and team performance. Interestingly, when Kotter and other theorists were writing in the late 1980s and early 1990s, they argued for an increased focus on leadership to counterbalance the heavy emphasis at the time on managerial behaviors. Notably, however, Kotter and others stressed that both were necessary for optimal organizational performance. As Kotter wrote, "while improving their ability to lead, companies should remember that strong leadership with weak management is no better, and is sometimes actually worse, than the reverse. The real challenge is to combine strong leadership and strong management and use each to balance the other."

Unfortunately, from an undue focus on management early on, the pendulum has swung in more recent years to an equally excessive focus on leadership in executive assessment and development programs. Many have overlooked the importance of solid management, as a complement to effective leadership, for the success of an organization. We would argue that a better balance between management and leadership (i.e., between the strategic and operational aspects of the organization) must be achieved. That is, we need to celebrate both strong leadership and strong management, because both drive organizational performance over time. Our employee effectiveness framework, by focusing on not only employee engagement but also support for success, gives equal emphasis to both competencies and offers the prospect of more complete and more balanced feedback on important dynamics in the work environment.

Moving Beyond Engagement to Employee Effectiveness: Implications for Employee Surveys

As we have argued, employee surveys that focus exclusively on engagement may overlook the challenges faced by large segments of the employee population in any organization (especially “frustrated” and “detached” employees) and bypass crucial opportunities for improvement that relate to employees’ ability to contribute, as opposed to their motivational levels.

Moving beyond engagement to a more balanced view of the factors affecting employee effectiveness has broad implications for the critical success factors of any survey process. In terms of survey positioning, our framework allows for better alignment between employee surveys and organizational goals. By emphasizing the role of management as well as the role of leadership in promoting organizational effectiveness, our approach allows survey processes to relate more directly to operational goals, such as consistency and efficiency, along with broader strategic imperatives. Our framework also calls for modifying the content of survey instruments. Engagement surveys, focused on motivational outcomes, generally will not measure aspects of

the work environment critical to enabling contributions from motivated employees. The old saw 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 support for success together with the drivers of engagement.

One of the greatest challenges associated with employee surveys is helping managers sort through a large volume of information and prioritize key strengths and key opportunities for improvement. As leaders at different levels in the organization may have differing abilities to impact the drivers of engagement and support for success, our framework can help users of survey data more readily isolate the aspects of the work environment they are best positioned to improve. Strategic issues of the sort that affect engagement may be most appropriately addressed by senior executives, while operational factors impacting support for success may be more directly under the control of local management and first-line supervisors. By better focusing managers on the issues that they can and should be addressing—and demonstrating the connection between these issues and individual, work group, and organizational effectiveness—our model facilitates action planning that will more likely lead to sustainable organizational improvement. ■

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About Hay Group Insight

Hay Group Insight, Hay Group’s survey research division, is a global leader in employee and customer opinion research. Through customized survey programs focused on organizational objectives, we help organizations attract and retain talent, improve operating efficiency, manage change more effectively, and enhance customer loyalty and business performance.

Over the last 30 years, Hay Group Insight has assisted more than 3,000 organizations. The breadth of our experience enables us to identify best practices for our clients, both within their own industries and across industries.