Best Practices in Employee Engagement
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Engagement is a multi-dimensional concept that includes employee satisfaction and commitment to the organization. Engaged employees are satisfied with their job and intend to stay with the company. Further, engaged employees are those who feel that they are a part of the organization and are willing to put in extra effort, above and beyond that required by their jobs (Macey & Schneider, 2008; Saks, 2008).

In recent years, researchers and organizations have become increasingly interested in the concept of employee engagement. According to one study, employee engagement was the top business priority in HR departments in 2009 (Martin, 2009). Employee engagement is an especially high priority for high performing companies. A recent best practices study found that 75% of high performing companies hold employees accountable for engaging their employees, compared to only 35% of companies overall (BestPracticesLLC, 2007).

Research has tied engagement to a number of important employee, customer, and company outcomes. Specifically, companies that offer employee engagement programs report the following benefits (Insala, 2007):

- 33% report higher productivity
- 28% report improvements in employee advocacy
- 27% improved status as a "great place to work"
- 27% report increased profitability
- 25% report improved absenteeism.

The Elements of High Engagement
Engagement is the result respectful and honest interactions between individuals that are shaped, encouraged and rewarded by company processes and systems (such as performance management and development). We examine engagement beginning with the individual level and then review how organizations can shape those interactions through processes and systems. Specifically, we start with the personal side of engagement--the behaviors that influence commitment and engagement in the workplace. Then we consider how encouraging organizational communities increases engagement. Finally, we conclude with two organizational processes commonly used to drive high engagement: communication and performance management.

The Personal Side of Engagement
Engagement largely results from individual relationships. The way employees feel treated by peers and managers has tremendous impact on their feeling of commitment. Mary Rowe of MIT has conducted a program of research into behaviors in conflict situations she calls "micro-inequities; " small behaviors that convey disrespect or question another's capabilities or dedication. Micro-inequities include off-the-cuff comments such as "not being nimble" or "not working like the old days" and behaviors such as a manager looking at his/her watch as someone works. Rowe's research demonstrates that it doesn't take many of these small slights to quickly produce dis-engagement. Just as important, these comments/behaviors produce resentment and anger as well and are often used evidence of disparate treatment in discrimination lawsuits.

Watson Wyatt's 2008/2009 report, *Driving Business Results Through Continuous Engagement,* used the term "engageable moment" to describe those times when

supervisors and managers can markedly increase employee engagement. These include the obvious times, such as during onboarding, performance appraisal, and organizational change/restructuring. Less obvious times are just as important but require interpersonal savvy on the part of peers and supervisors: those times when an employee is experiencing a personal or work crisis, periods of de-motivation or listlessness, and those times when an employee needs help networking or finding resources.

In essence, engagement is the result of personal. Immediate supervisors are primarily responsible for creating an environment in which people feel valued and trusted. Clearly, selecting strong supervisors and training them to be aware of the effect they have on their employees are critical first steps in creating an engaged workforce.

Organizational Community

One of the primary components of employee engagement is employees' sense that they belong and are a part of the company. There are many things that organizations can do to encourage this sense of community. Common strategies by high-performing companies include building communities of practice, cross-functional teams, and creating common work areas (Insala, 2007). These practices encourage employees to interact with other groups across the company and enable them to see the bigger picture of their work and to understand how their work affects other areas and results in the company's final products and services.

Communication

Companies with high employee engagement commonly engage in open, honest, and frequent organizational communication. In fact, communication is often cited as one of the strongest predictors of employee satisfaction (Insala,

2007). This includes receiving formal information about the company's mission, vision, and goals and engaging in regular, on-going, constructive communication with managers. Communication from the company and managers allows employees to understand how they fit into the strategy, to build alignment with company priorities, and to feel a part of the company.

Communication is not a one-way street, however. Employees need the opportunity to voice their opinions. This increases employee satisfaction and engagement and also improves organizational outcomes. A recent review by the Society for Human Resource Management indicated several best practices for using communication to improve engagement (SHRM, 2010). Specifically, they recommended the following communication venues:

- regularly scheduled small team meetings
- one-on-one meetings
- web-enabled communication
- suggestion box
- newsletters

Performance Management

Finally, performance management has been described as the cornerstone of employee engagement. When employees are asked what makes a performance management (PM) process "fair" they list elements that drive consistency and transparency on two levels. The first is the "system" level; that is, how they perceive the process works across the organization. The second is the "personal" level, or how they individually experience the PM process.

At the system level it is important for companies to ensure that their PM process is structured and managed appropriately. For instance, standards should be consistent across job levels and business units and system rules (such as rating distribution rules) should be applied consistently. For instance, employees are

quick to know when there are no consequences for managers/executives who skirt the rules. When employees believe that a PM process in the organization is simple in design, transparent, and consistent, their satisfaction with PM is high, even for those employees who receive low evaluation ratings.

At the personal level, it is important that employees feel like they are treated fairly by their specific manager. For example, employees assess whether the PM discussion was productive and respectful or focused negatively and punitively. They ask, "Does my manager know me and my job?" Many efforts to improve PM evaluations focus at this level—typically by training managers in how to conduct performance review and feedback sessions.

Actions that promote consistent, transparent, and enforceable processes at the system level include:

- Developing a streamlined process that covers important job behaviors and goals;
- Training raters (managers/peers, etc.) to ensure they apply a consistent frame of reference when evaluating performance;
- Holding managers accountable for the quality of their ratings (through second-level review or consensus meetings);
- Implementing a formal process for resolving disagreements with performance evaluations and feedback; and
- Linking appraisals to salary actions in a meaningful and consistent way.

Actions that promote consistent, transparent, and enforceable processes at the personal level include:

- Ensuring that managers who rate employees demonstrate knowledge of

their employees' jobs and use that knowledge to frame their evaluations;
- Ensuring that employees participate in the performance evaluation and action-planning process;
- Using written narratives as well as numerical ratings in the performance evaluation summary;
- Using in-person feedback reviews; and
- Training managers to ensure employees gain from the PM process regardless of the evaluation they receive.

Key Actions to Drive Engagement
- Select employees and managers, in part, on their ability to engage others in honest and authentic ways. Selecting solely on technical or functional skill will not create engaged and productive teams.
- Develop a communication plan to regularly alert employees to key messages and engage employees in conversations.
- Incorporate the goal of building engagement in all organizational processes and infrastructure (e.g., performance management, employee service centers, learning & development).
- Train supervisors/managers in the importance of administering performance conversations and coaching with respect, authenticity, and a focus on behaviors and results. This does not mean shying away from giving tough feedback, but communicating tough feedback in a respectful and honest manner.
- Create opportunities for employees to build relationships within and across organizational boundaries. Obvious opportunities involve providing ping pong tables and lounge areas, but more meaningful opportunities involve creating cross-functional teams to tackle issues or encouraging cross-organizational use of talent.

Companies that successfully gain the engagement of their workforce do so by taking a multi-faceted approach. They recognize that how peers and supervisors treat others is highly related to the level of engagement and therefore have a clear and visible set of values focused on respect for individuals.

They supplement, and reinforce, that basic respect through organizational interventions and processes that allow employees to feel a sense of community and connectedness, to feel part of a larger organization that communicates with them, and to clearly understand their goals, contributions, and career trajectory.

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