



Research insight

Employee Engagement in Context

Interim report to the CIPD

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Introduction

Employee engagement has been the focus of growing interest in recent years as research in positive organisational phenomena has expanded. Establishing an engaged workforce is now a high priority for many organisations in both the private and public sectors. Many employers feel that engaged employees outperform others by showing heightened interest in their work and being prepared to 'go the extra mile' for their organisation. Employees also benefit, as some studies have shown that engaged employees see their work as more meaningful and fulfilling. With the rewards for strong engagement being mutually shared between employer and employee, it is unsurprising that so many organisations are interested in raising the engagement level of their workforce.

So far, there has been little systematic research into the dimensions, antecedents and outcomes of engagement in organisations. However, there have been some large-scale surveys that have measured levels of engagement across international contexts, and these provide a general gauge of engagement in different national and industrial climates. For example, International Survey Research (ISR) conducted a large cross-industry survey across a range of countries (ISR 2004). They concluded that engagement varies across the surveyed countries, with developing countries, such as Brazil, scoring higher than many developed nations, like France. Surveys by Gallup have suggested that engagement levels are low in the UK and internationally (The Gallup Organization 2004). The 2004 sample, for instance, recorded that only 12% of Thailand's labour force is engaged. Most recently, some notable studies have focused explicitly on the UK. Truss et al (2006) conducted a survey of working life in the UK, of which engagement was a core consideration. Using a cross-section of UK workers from various industries, they concluded that only 35% of people are engaged overall. These studies suggest there is much scope for increasing engagement in UK companies and public bodies.

If we are to understand how engagement might be managed in organisations, it is essential that we look at how it operates at the level of individuals and groups. A number of commentators in the academic literature have equated engagement with well-established psychological concepts. For example, it has been linked to the notion of 'flow' where the worker becomes totally immersed in an activity (Csikszentmihalyi 1990). It has also been discussed in relation to how individuals come to perceive 'meaning' and the emotional drive or 'passion' towards a goal or action. At the group level, social exchange theory (SET) is an interesting perspective that has been used to describe how engagement may work in teams. SET works on the notion of obliged reciprocity; in other words, people are naturally good at social score-keeping and are inclined to return favours. Over time, reciprocal interaction can build into trusting and loyal commitments. This works as one explanation for how engagement can become embedded into work teams.

Critics have suggested that engagement is merely a relabelling of well-established management constructs such as commitment, organisational citizenship behaviour (OCB), job involvement and job satisfaction. Indeed, previous studies have often found correlations between engagement and measures such as commitment and other concepts. However, even at first glance, engagement suggests a dynamic workplace relationship that most of the other concepts ignore. If we think of the moving parts of a machine, engagement is the interlocking of several components and their synchronous motion. It is a concept that places flexibility, change and continuous improvement at the heart of what it means to be an employee and an employer in a twenty-first-century workplace. With this in mind, it is reasonable to expect that engaged employees are likely to be committed to, and satisfied with, their work. But conversely, it is not reasonable to expect that all satisfied and committed employees will be actively engaged in their work.

In this report, we will consider some of the organisational issues that contribute to, or inhibit, employee engagement in different organisational settings. This report is part of a project looking into the drivers, dimensions and consequences of employee engagement in a range of UK case study organisations. We define engagement as 'being positively present during the performance of work by willingly contributing intellectual effort, and experiencing both positive emotions and meaningful connections to others'. There are five questions addressed in this research project:

- 1 What does engagement mean?
- 2 How can engagement be managed?
- 3 What are the consequences of engagement for organisations?
- 4 How does engagement relate to other individual characteristics?
- 5 How is engagement related to employee voice and representation?

We are currently part way through this project. In this report, we present the findings from our first four case studies. The cases are based on the experiences of managing employee engagement in two public sector organisations (a government department and a hospital trust) and two private sector firms (a consultancy firm and a manufacturer).

We will consider whether engagement extent levels are low, moderate, high or very high and how this relates to employee attitudes and workplace practices. Diverging from other researchers in this area, we do not measure active 'disengagement' in work through notions such as 'burnout'. Instead, we treat low levels of engagement as only indicating a lack of positive connections.

Key themes arising from research so far

Fundamental to the concept of employee engagement is the idea that all employees can make a contribution to the successful functioning and continuous improvement of organisational processes. Engagement is about creating opportunities for employees to connect with their colleagues, managers and wider organisation. It is also about creating an environment where employees are motivated to want to connect with their work and really care about doing a good job.

Motivations for involvement in the project

First, we can consider the motivations for organisations becoming involved in employee engagement initiatives. We have seen that there is not one type of organisation or one kind of organisational situation that leads to this interest. Some of the motivations coming from the first four case studies include:

- a new strategic direction for the organisation resulting from change in senior management
- a strategy to improve organisational performance through positive contributions of employees
- as a new stream of ideas to feed into existing involvement policies and initiatives
- an approach to facilitate the successful evolution of HR practices in a rapidly growing organisation
- an approach to maintain maximum flexibility and openness to change in an uncertain market climate
- to contribute to employee development initiatives that 'value staff'
- development of employment practices that are fair and equitable
- to feed into HR initiatives to smooth the transition of organisation restructure.

Central to each of these motivations is the assumption that employees respond positively to opportunities for involvement and increased responsibility.

Employee attitudes and behaviour

A second consideration for phase one of the research is the organisational phenomena, including employee attitudes and behaviours, along with work practices and policies, which appear to contribute positively to high levels of employee engagement. These are dimensions that are present in the case studies where engagement is high. To consider this, we compare the survey results from each organisation with the interviews. Common themes arising at this stage include:

- senior management initiatives to directly listen to employee views
- strong opportunities for promotion within the organisation based on merit
- an entrepreneurial culture based around dynamic employee contributions to performance and improvement
- fair and consistent HR practices, such as rewards and appraisals
- core focus on traditional management practices such as clarity of objectives, clear performance measurement and trust
- high levels of employee advocacy for working for the organisation and using the organisation's services
- showing employees that they are valued through well-designed and consistent involvement initiatives, such as 'Lean programmes'
- gaining high employee satisfaction, either through the core work processes or through external benefits such as flexible working
- having clear targets that employees can work towards
- maintaining a focus of good work-life balance by giving employees choice in developing their own work pattern around home commitments
- having a friendly and supportive work environment can give employees the confidence to become engaged in their work.

Barriers to engagement

A third consideration for this stage of the research is the barriers to engagement that we found in the first four case studies. These present themselves as problems and challenges for the organisations, but can quickly be turned into opportunities with the right management approach:

- reactive decision-making that does not pick up problems before it is too late
- inconsistent management style based on the attitudes of individual managers leads to perceptions of unfairness
- low levels of advocacy carry the risk of creating a downward spiral of employee resentment and disengagement
- lack of fluidity in communications and knowledge sharing due to rigid communication channels or cultural norms
- poor work–life balance due to a long-hours culture
- low perceptions of senior management visibility and quality of downward communication
- having incoherent communication channels – increasing the amount of communication does not always contribute to the employee perceptions of communication. Most important is the clarity and timeliness of the message
- recruitment and retention practices need to meet the needs of teams – there are often certain lower-level positions in organisations that are difficult to fill or that have high turnover rates. Employees in these areas are likely to have low levels of engagement if there is no consideration as to how to retain them
- leadership style during organisational change and periods of low performance is vitally important to maintain engagement levels – new leaders need to clarify their leadership style quickly in order to maintain engagement levels
- attention should be paid to leadership development so that junior managers can progress in the organisation – this can have an impact on the quality of performance management
- employee take-up in involvement initiatives must be strongly encouraged, particularly at lower levels of the organisation.

These early findings suggest that there are pockets of well-designed employee practices and management behaviours that are creating strong levels of employee engagement in the organisations that we have studied. However, the findings also suggest that there are many opportunities that organisations need to grasp to increase engagement. It is promising that so many organisations are beginning to try initiatives to increase employee involvement and the extent to which employees connect with their work. Phase one of this research has identified key organisational phenomena that are important for engagement. Phase two of the project will fill in much more detail through further case studies and analysis of the research data. In phase two, we hope to present a vivid picture of what engagement means and how it can be managed.

Case studies

The following set of case studies present the phase one findings from four very different organisations. In each we consider the organisational background and context, the motivations for pursuing employee engagement, general engagement levels, some strengths in the approach to engaging staff and some barriers to engagement. Commentary will be interspersed with interview quotations from the research process.

PlasticCo

PlasticCo is a leading plastics manufacturer producing blow-moulded plastic bottles for the UK food and drink industry. The company grew in the 1990s from the merger between several medium-sized manufacturing businesses. The company operates from seven sites across the UK and has a turnover in excess of £100 million. It currently has a workforce of around 650 employees and is part of a multinational packaging group of companies.

The leadership style at PlasticCo has traditionally been described as 'top-down' with an autocratic approach to problem-solving. However, recent changes in senior management have led to a new strategic direction for the company. A new managing director was appointed in 2007, bringing a more participative vision. With full board support, a business case was made for a three-year transition towards an involvement-oriented culture. At the heart of this approach are people development, teamwork, communication and a more open leadership style. The new management team made clear that the company was profitable and performing well and that the change was part of a new strategy of continuous improvement towards greater performance. PlasticCo joined the Kingston Business School Employee Engagement Consortium at the start of this transition to help assess the levels of engagement in the company and identify potential avenues for improvement.

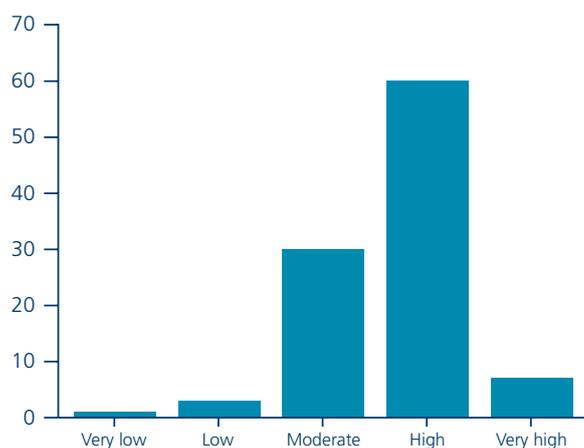
The majority of PlasticCo employees work within the bottle-producing factories operating the blow-moulding machinery. There are head office functions such as personnel, managerial and administrative roles outside of the factory, but these are relatively small in number. The factory work setting presents many challenges for managers trying to increase employee engagement. Many of the jobs require a relatively low level of skill and are repetitive, with tasks including transporting materials around the factory and operating particular parts of the machinery. Employees generally have few qualifications. A further challenge is the shift pattern on which the factory process is based. Around 80% of factory employees work a strict 12-hour shift pattern, with four days on followed by four days off. Shifts either run through the day (7am–7pm) or night (7pm–7am). The production process runs 24 hours a day, 365 days a year, including all bank holidays and Christmas Day. Employees have to adjust their home lives to the system and adapt to unsociable working hours. A further potential challenge is the factory working environment, which is noisy and hot.

PlasticCo (continued)

Considering the challenges in the manufacturing setting and traditional management approach at the company, it was a bold move from the senior managers to attempt to change towards a more participative approach. One of the first steps the managing director took was to create an 'Employee Engagement Steering Group' involving key managers from across the organisation. A 'Leadership and Development Manager' was also appointed with the specific role of increasing the engagement of the workforce. The incumbent to this role described the company as being at a crossroads: 'We either go on as before, or we take some risks, evolve and let go gradually.' She also stressed that the change is 'not about driving employees to work harder, but about providing the conditions under which they will work smarter and to offer their opinions, ideas and solutions to problems that they encounter'. Demonstrating the new participative approach, all PlasticoCo employees were included in the employee engagement questionnaire conducted for this project. A total of 650 questionnaires were distributed and 484 were returned, providing a high response rate of 75%. Thirty-four interviews were also conducted with managers from various departments and levels. Finally, two focus groups were held with 11 shop-floor workers across the sites. Employees were given paid time on their shift to complete the questionnaire, and help was offered to employees for whom English was not a first language.

The results of the survey suggest that at the start of the change process the company had a generally 'high' level of engagement in workforce, with 60% of employees in this category. However, only 7% of employees were 'very' engaged and 3% had a 'low' level of engagement. This outcome was not a huge surprise for the senior management team but gave a measure of the work that was needed to create a highly engaged workforce.

Figure 1: Engagement at PlasticCo



Analysis of the data from PlasticCo uncovered three main areas that need addressing to improve engagement – decision-making, people management and organisational advocacy.

Decision-making

A common problem identified by managers across the organisation was that problem-solving tended to be 'reactive' rather than 'proactive'. In practice, this meant there was little effort to come up with ideas for improvement, but rather issues were resolved only when problems arose. A plant manager summarised this:

'I think it's probably more based around problems rather than them sitting around and asking how am I going to improve my job? It's very much if there's an issue, how can we improve it? So I think it's more reactive problem-solving.'

This problem linked into how decisions were made more generally in the factories. Control and responsibility tended to be concentrated with a few managers who made changes on an ad hoc basis. There was very little encouragement from managers for shift workers to become involved in decision-making. With

PlasticCo (continued)

little chance of influencing decisions, workers tended to ignore issues unless they were told directly by managers about them. This problem was picked up by one senior manager who reflected on the level of involvement in the factories:

'Very little at the moment, very little I would think. As far as people actively talking about [ways to improve their job] instead of talking about the weather or the traffic or the newspaper or TV, do they then say, "How can I do my job better?" I doubt it.'

Perhaps the biggest opportunity for the future at PlasticCo was the survey finding that employees really care about their work and want to do a good job. However, because in the past they were given little opportunity to contribute to the improvement of work processes their interest had gradually declined:

'I do realise working in places that you are just a number... if they didn't need you, you wouldn't be here. I do feel as well, when I'm in my job I give it 110% but I used to give it 130%.'

To respond to these considerable barriers to engagement, the recently established employee engagement steering group introduced a number of measures to increase employee involvement and a more participative decision-making process. First, an initiative was set up that would allow all employees to feed back their views and ideas directly to the managing director. In break periods, he invited the employees from each team and shift to meet with him and 'challenge' him. This was a strong signal of change to the workforce and produced some early enthusiasm from employees. A second initiative also showing new commitment to listening to employee views was being involved in the Kingston Business School Employee Engagement Consortium and survey. After receiving the results, the leadership and development manager visited all factory sites to report back the results directly to staff. A third initiative in the area of decision-making was to set up cross-functional problem-solving groups that would meet periodically to discuss ideas for improvement.

People management style

The management style at PlasticCo was traditionally left to the proclivities of individual managers. In most factories, the leadership style was described as performance-focused and, in some, the culture was seen as 'hard-nosed', to quote one manager. In essence, little attention had been paid to people management in the past. Before the strategic redirection, there were few strategic HR practices in place. Training was limited and there was little emphasis on teamwork.

When comparing the employee engagement levels against the performance of the factories, there was generally a positive correlation between engagement and performance. It was interesting to note that factories tended to perform well or badly across all employee attitudes. The most surprising result came from one factory that was performing very well by many measures including productivity, efficiency and unplanned downtime. However, workers in the factory were among the least engaged from the employee sample. This clearly contradicts the idea that engagement and high performance are always related. An important piece of information that may help to explain this is that the factory was recently reconfigured with new machinery, which increased automation of the production process. While management saw this as an excellent investment, shift workers were less satisfied with the change because they saw this as another snub for them and their interests. They felt that all management attention was put into improving the production process with no investment in the people. It only reduced the opportunities to contribute to the improvement of the production process. The plant manager admitted:

PlasticCo (continued)

'All the sites were very much driven on running better, running lean, running light, we're all very focused on that and I think maybe sometimes we forget the people side of things.'

To attempt to overcome the problems of people management, senior managers at PlasticCo introduced some new initiatives for managers to think about their style and start to develop new ways of working. Management groups were set up to identify areas of skills shortage and staff development needs. Formal HR practices, such as appraisals and training were discussed as important avenues for the future.

Many of the line managers who participated in the research said how they thrived on the challenge of their work:

'I enjoy the role. I think there's a challenge of something different every day. There are things that you get frustrated with but I enjoy it. I'm still motivated, I'm determined for the site to get better so, for me personally, I find it quite a challenging role and an enjoyable role.'

An important consideration for shaping people management in PlasticCo is to be realistic about the scope for new ways of working. The nature of manufacturing work often leads to highly automated, repetitive tasks and a clear performance focus on efficiency and productivity. For example, some of the lowest-skilled job roles were seen as too restrictive to be able to foster job satisfaction and engagement by managers. Conversely, we might argue that because there is a highly mechanised work environment, it is more important for managers to make a concerted effort to consider their team's needs because these do not flow naturally from work processes. A key challenge for the senior management team is to explore how people management and development can become a core focus for first-line managers at PlasticCo.

Organisational advocacy

A final area that needs careful attention at PlasticCo is the finding of very low levels of employee advocacy for the organisation. Most employees said they would not recommend the company as an employer to their friends and family. Improving decision-making and people management style will be two clear avenues for improving advocacy. Another suggestion is to put more effort into celebrating what the organisation already does well. One such area mentioned during interviews was the opportunity for career development and promotion within the business. There was recognition that, if employees wanted to stand out and work hard, their efforts would be recognised and they could be promoted:

'I started 15 years ago driving a forklift. So I can see that it's a very encouraging business for developing people and I'm a prime example. I've obviously got through various roles within our business to get to a senior management position.'

There have been some recent changes at PlasticCo with the aim of improving communication and advocacy. One group of employees had taken responsibility for a two-day recruitment event, which they ran alone without the involvement of HR or senior managers and which had been a huge success. This gave shift workers the chance to talk about what they liked about their jobs and promote this to the public. A company magazine had also been introduced to communicate news and celebrate success in the organisation – feeding into a more positive work climate.

ConstructionCo

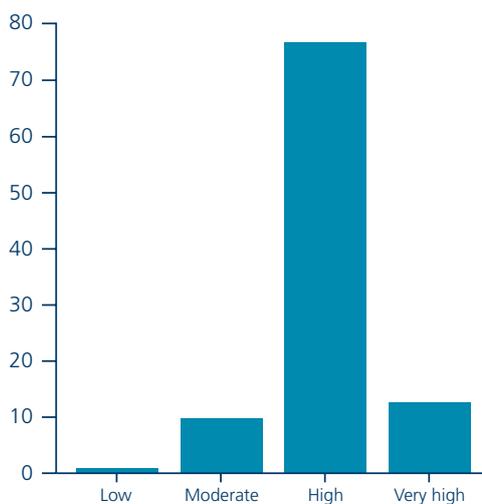
ConstructionCo is an international consultancy and construction firm. Founded in 1990, the organisation has experienced rapid growth to a turnover in excess of £500 million in 2007. The firm has been responsible for several high-profile construction projects in the UK, Asia and the Middle East. The company employs close to 2,900 people and operates in 28 countries around the world.

The company offers services that span the entire property life cycle, including planning and building, maintenance and facilities management, waste management and ICT consultancy. Senior management have set ambitious growth targets to have a £1 billion turnover by 2012. Around 63% of current turnover comes from consultancy and 37% from construction. On the people side, there are also considerable growth projections, with the workforce expected to grow by 300 to 400 people per year for the next five years. This is going to have huge implications for the leadership, communication and HR management within the organisation. The workforce is currently 70% male and has a relatively young age composition.

The company is particularly proud of its relationships with clients and suppliers; over 70% of contracts come from returning clients. The company has also established a good reputation for employee experience. It has been listed in the *'Sunday Times Best Companies to Work For'*, been named in the Top 50 in *Building* magazine's *'Good Employers Guide'* and holds Investors in People recognition across the UK business.

ConstructionCo has a simple vision: 'to be the best at what we do'. Feeding into the vision are a number of core values, which include: respecting people, listening to views of all staff, delivering with trust, honesty and integrity, and promoting positive collaboration. The company already has in place a progressive set of HR practices and a team with responsibility for facilitating employee engagement. Participation in the Kingston Business School Employee Engagement Consortium was therefore to feed into existing initiatives rather than to kick-start a redirection. Further sources of information include an annual staff survey, Investors in People feedback and *Sunday Times* 'Best Companies' feedback. The employee engagement survey was distributed to employees working in the UK. An online questionnaire was distributed to 346 employees and was returned by 180, providing a response rate of 52%. Twenty interviews were also conducted with a range of managerial staff.

Figure 2: Engagement at ConstructionCo



The results from the survey were very positive, with 77% of employees being 'highly' engaged and 12% 'very highly' engaged. Fewer than 1% fell into low engagement categories. The general results clearly suggest that ConstructionCo is a very engaging company to work for. What does this mean for engagement initiatives within the organisation? During one research meeting the employee engagement manager reflected, 'Maybe this means I am out of a job! There is nothing for me to do.' We will consider whether this is the case by looking at three things the organisation is currently doing well – creating an entrepreneurial culture, fair and consistent management

practices, and high levels of organisational advocacy – and three areas where the organisation is not doing so well – sharing ideas for improvement, work-life balance, and staff perceptions of senior managers.

ConstructionCo (continued)

Entrepreneurial culture

ConstructionCo is a relatively young company and is growing rapidly. The organisation has an entrepreneurial culture based on a record of successful performance. This context feeds into positive employee experiences and at the workplace level this creates a dynamic and intellectually challenging work climate:

'[ConstructionCo] has a very entrepreneurial feel about it so there is always that intellectual challenge.'
(middle manager)

The organisational culture also creates a buzz of excitement and opportunity for staff. With recent growth, many new starters have been employed through staff recommendations from their network of personal contacts. This has meant that staff can make a real contribution to the growth of the organisation and shape the type of workforce they are growing into. Survey results suggest that employee–job fit and staff quality are high as a result. The entrepreneurial culture is based on the drive and ambition of staff and the willingness to succeed. This is supported by letting people take responsibility and ownership of their own performance, development and career. At the same time, it should be recognised that not all employees will, or should, be highly driven as this can create an overly individualistic and competitive culture. Instead, there needs to be a balance of drive and enterprise on the one hand, and stability and cohesion on the other.

'We have this thing about managing your own career, so the way you manage your own career is that you actually have to communicate with your line manager what it is you want to do.'
(senior manager)

In general, the entrepreneurial culture in the company is a great strength and asset towards engaging staff.

Fair and consistent management

The words 'fairness' and 'consistency' feature repeatedly in the HR strategy for ConstructionCo. The HR team does not have a secret formula or elaborate programme of initiatives for managing people. Instead, they feel it is important to focus on the traditional core aspects of management, which can form the bedrock on which to build more entrepreneurial, client-focused activities.

'I think the sort of fundamentals upon which we should rely with engaging people are basic things like – are people very clear about what their job is, what's expected of them, how they are to be measured, trusting their line manager, all of those issues, I think, whilst they might be fairly boring, and we have been talking about them for years, actually they are the true drivers of engagement.'
(senior HR manager)

Despite the core focus on traditional management concerns, ConstructionCo does have a set of what might be called 'progressive' HR practices. These include the employee referral scheme mentioned earlier, a graduate training programme and a mentoring process. However, in each of these initiatives fairness and equity in their implementation are stressed throughout. This in turn flows into the kind of trusting relationship with clients that are so important in the consultancy sector:

'You save money, you save grief, you save people's emotion, you save risk, you save all of these things if you treat your employees fairly.'
(senior manager)

There is one main caveat with the management approach at ConstructionCo. The relative informality of management processes, coupled with a flat management structure, has the potential to create some uncertainty of job role and responsibility:

'We don't have formulated, formal, typed job descriptions... [and these] sort of issues actually cause us, now we are a large company, quite a headache in terms of making sure that we know what people are doing and that they're working in accordance and being measured accordingly.'
(senior HR manager)

ConstructionCo (continued)

Over the coming year, ConstructionCo will need to pay careful attention to job design and the creation of management responsibilities that are unambiguous and, more fundamentally, still adhere to the underlying tenets of fairness and consistency.

Organisational advocacy

Following the positive commentary above, it is not surprising that organisational advocacy is high at ConstructionCo. This feeds from the consistent approach to people management and the flexibility and opportunity inherent in the entrepreneurial culture. Questionnaire responses suggested that employees are very proud to work for the firm. Employees have an emotional connection to their work and find their tasks intellectually stimulating:

'I think the majority of people passionately care about what they do in our business. They wouldn't go the extra mile quite as often as they do if they didn't passionately care about what they do... that's what I would call emotional attachment.' (senior manager)

'You've got to remember what a great company it is, what great people there are within the organisation, what it has achieved, it's been excellent.' (middle manager)

The high-profile nature of some of the company's projects reinforces the pride and willingness of employees to broadcast the benefits of their company. Everyone wants to work for a successful and reputable organisation; it is clear that ConstructionCo employees feel their company is both of these things and they are proud to call it their own.

Sharing ideas

One surprising area that needs attention in ConstructionCo is the extent of collaborative idea-sharing. The company is forward-looking but sometimes this means that teams and departments do not share knowledge and ideas about how things are working and how they might be improved. As one manager noted:

'We probably don't talk about improvements enough, is the honest answer. Part of our culture is about inwardly challenging but inevitably sometimes it's easier to do the job the way you did it last time.' (senior manager)

There are various involvement initiatives in the organisation for staff to interact with managers but they are not strategically coherent or widely understood. For example, some employees said there was a suggestion scheme in place, but others said that it has been discontinued. Confusion like this could benefit from some attention. Although employees felt they worked in a supportive environment, there was some mismatch in expectation over social activities outside work:

'Some departments have a great team spirit but in others, if someone wants to organise a ten-pin bowling night, a quiz night, all the ideas have been floated but people don't seem willing to do it and it's a great shame because it really does bond the team, creates friendships, new relationships, if people are willing to do it but they just don't seem willing.' (senior manager)

To overcome this issue, the HR department was leading by example by starting a reorganisation of the HR function to explore how idea-sharing could be improved.

ConstructionCo (continued)

Work-life balance

Employee work-life balance is a challenging HR consideration at ConstructionCo. In the engagement survey this was generally perceived to be good, but many employees had a more moderate view. Many staff said they felt compelled to work long hours due to the sheer volume of work. The highly interactive nature of relationships with clients was a source of increased pressure. Furthermore, with such ambitious growth targets for the company, this problem is likely to increase in the future.

'What came out last year's staff survey was that people wanted more work-life balance and that they perceived that there was a long-hours culture.' (HR manager)

The HR team were aware of this problem and were trying to tackle it through the staff appraisal process. Managers were being encouraged to consult with their staff about what would make their work-life balance better. However, this is likely to be one of the downsides of a fast-moving organisation during business growth.

Perceptions of senior management

A final issue that could be improved in ConstructionCo is the impression employees have of senior managers, particularly in terms of their visibility and quality of communication. This issue was somewhat frustrating for the senior management team because they felt they had put a huge amount of effort into improving this over recent years:

'We have a bi-annual manager conference. We have a newsletter called *HR Matters*, which is something that goes out with the payslips. We put different posters up on a weekly basis. We have the most amazing intranet. We have *ConstructionCo Matters*, which is a quarterly glossy magazine that goes out to all employees.' (senior HR manager)

Surveys often find that employees' views of senior managers are less favourable than their perceptions of immediate line managers. However, in ConstructionCo, senior managers are vitally important for setting the strategic direction. The management structure is relatively flat and, therefore, in theory there should be less distance between non-managers and senior managers. The senior management team will be responding to this following a management conference in the coming year. They are also planning to increase the emphasis on activities such as directors' surgeries – where staff are given the opportunity to meet senior managers; and by offering staff training and e-learning so that non-managers can appreciate the role of managers while also learning important leadership skills.

Going back to the reflection of the employee engagement manager at ConstructionCo, the company is already doing many things well and currently has an elevated level of engagement. However, there are areas of weakness that need attention. Careful attention is needed to shape engagement initiatives around the future growth of the company.

NorthTrust

NorthTrust is an NHS foundation trust based in the north of England. It is a large public organisation providing acute healthcare to a population of over 300,000 people. It has foundation trust status, which means it has increased independence from government regulation and can reinvest any surpluses back into improving service delivery. Annual income is in the region of £225 million.

The trust is a tertiary centre providing specialist services to a wider population. The local population has high rates of heart disease and cancer, creating considerable demand for hospital-based care. The trust is one of the largest employers in the area with 4,500 staff. It has been accredited with Investors in People recognition for all workplace policies and practices. Services in the trust are organised into clinical business units.

The vision of the trust is 'to provide high quality, patient-centred healthcare and proactively enhance the trust's local, national and international reputation'. The central aim of the HR strategy is for the trust to be an employer of choice for the area. Recent trends have included an increased workload of around 9% during 2007–08, perhaps reflecting an increase in patients choosing to be treated at the hospital under new NHS arrangements. The organisation has recently invested in increasing ward-based nursing and the reconfiguration of its radiology facilities. In terms of service performance, the trust has delivered the 18-week waiting list targets and cancer targets set by the Department of Health.

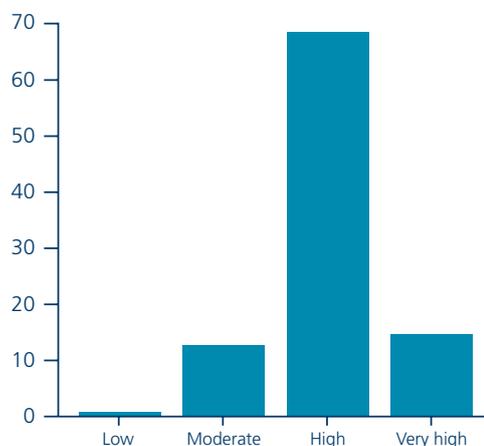
NorthTrust joined the Kingston Business School Employee Engagement Consortium as an opportunity to learn from other organisations and feed the results into other HR initiatives, such as the annual staff survey and employee involvement policy. The HR department in the trust has developed a wide range of practices and policies to support the diverse needs of the workforce. These are described by the HR team as initiatives that 'value staff'. In addition to policy documents relating to partnership and involvement, they include schemes such as 'Employee of the Month', 'Team of the Year', long service awards, staff suggestion scheme/zone, health walks, cycle scheme, pamper days, flexible working, nursery and childcare vouchers, and gym discounts.

The engagement research was conducted in two stages. First, a stratified sample of 2,000 employees was invited to complete an online questionnaire. A further 100 without Internet access were sent a paper version of the questionnaire. From this sample, 381 online questionnaires and 39 paper copies were returned, providing a total response rate of 20%. The second part of the research involved conducting 20 face-to-face interviews with a range of clinical and managerial staff – including clinical business managers, general support, matrons and consultants. Further insights were gained through site visits and secondary documentation.

Three occupational groups made up the bulk of survey respondents – administrative and clerical, registered allied health professionals, and registered nurses. There are a wide range of administrative jobs in the NHS, including medical records staff, call-handlers, clerks, patient liaison administrators and receptionists. They serve important roles in organising appointments and maintaining patient records. Allied health professionals include people working within a variety of health treatment areas such as physiotherapy, dietetics, orthopaedics, and radiography. Practitioners within these roles are registered with a professional body that regulates professional conduct and development. Registered nurses are responsible for various roles around patient care. They may specialise in a specific medical area or serve a more general role.

NorthTrust (continued)

Figure 3: Engagement at NorthTrust



The overall results of the survey are positive, with 69% being 'highly' engaged. Thirteen per cent are moderately engaged and only 1% have a low level of engagement. We will consider three areas that are contributing to high levels of engagement in NorthTrust – involvement initiatives, satisfied workforce and clarity of objectives – and three areas that are less successful in this context – recruitment and retention in some roles, leadership style and communication.

Involvement initiatives

Certain involvement initiatives the trust had initiated or joined had been positively received by employee groups.

The main example given here was the 'Lean programme', which was set up to make improvements in outpatients, non-elective admissions and emergency care. This is an initiative organised by an external consultant that seeks to remove redundant work processes and increase the 'flow' in organisational systems. Many respondents reported how this was a rewarding experience. 'We have facilitators... and then we invite a selection of people – clinicians, junior doctors, senior nurses, junior nurses, porters – a cross-section... they would map out the current processes step by step... so by the end of that week we will have a plan of improvement to implement. I think it's been beneficial.' (matron)

Other interviewees reported that the major benefit of this programme was not necessarily the economic or process efficiency gains but, instead, the investment in people by giving them the opportunity to think about their work more carefully and produce ideas for improvement:

'Lean has given people a lot; there are a lot of positives that have come out of Lean. I think people who have gone working on Lean projects have loved it and they've come back really enthused.' (clinical business manager)

Despite the warm reviews by most staff, a few pointed to the danger of this kind of initiative. There is the possibility that changes to work processes can be made too hastily without proper consideration for the implication of making the changes. The process mapping exercise and planning stage do not always pick up important scenarios that occur in the day-to-day operation of work.

The engagement survey results showed that there are pockets of employees, such as those participating in Lean, who feel very involved in organisational decision-making and improvement. However, there are also other areas where people are less positive. The trust has put a lot of work into organisational involvement through initiatives such as the staff involvement policy, staff involvement group and partnership forum, and they plan to respond to this finding by making efforts to ensure involvement initiatives are spread more widely throughout the trust.

NorthTrust (continued)

Satisfied workforce

A consistently positive finding across NorthTrust was that employees were satisfied working for the NHS. Employees were slightly more satisfied with aspects supporting their job, such as pay and benefits, rather than core work tasks, but both are positive. Employees were also very positive and satisfied with NorthTrust as a hospital and place of healthcare. Many said they would be happy to let their close family and friends be treated in the trust's services.

Employees also scored very highly on the extent to which they care about their jobs, even groups that are less engaged in other aspects are engaged on an emotional level. This 'public sector ethos' is often found in public sector organisations:

'It's a satisfying career because the one thing is that you're doing something for the public, aren't you? You're doing something that makes a difference and that's probably why I like my job.' (clinical business managers)

Clarity of objectives

An important component of employee engagement is clarity in what individuals and teams are trying to achieve at work. This is particularly important for the intellectual aspects of engagement. In NorthTrust employees are confident that they know what they are trying to achieve and how this contributes to organisational performance. Sixty-seven per cent of respondents felt that they knew what they have to do to complete their work tasks and how this contributes to performance. NHS trusts have strict performance targets set by the Department of Health. These relate to issues such as waiting times and infection control. Meeting targets is one of highest priorities for NHS staff – from senior executives, to consultants, to nurses. Discussion of targets featured heavily during the engagement research:

'The problem is of course that you can't go back, and no one would want to go back [to pre-target days]. To be fair to the government they'll say, "Well surely you don't want to go back to the days when people in accident and emergency spent, you know, in extreme cases 24 hours waiting to be seen," and we clearly don't want that.' (matron)

'Targets are a good idea – aspiration, you work towards it and achieve an end. But some of the targets aren't realistic. ...If you can't actually achieve them with the resources you've got all you're doing is putting pressure on people for no reason.' (consultant)

Recruitment and retention

Recruitment and retention of staff was an issue in some areas of the trust. Generally, across the organisation there was a feeling that employee skills matched their roles well. However, there were a few areas characterised by high employee turnover and low attendance. More specifically, there were some administrative roles within the trust that appeared to have a challenging work situation due to lack of training, demanding work and little social support. The recruitment process in the NHS was seen as time-consuming by managers wanting to fill roles quickly. Yet this is difficult to overcome in the health sector due to prudent regulations and legal checks such as the Criminal Records Bureau (CRB) and 'Right to Work':

'The recruitment process takes a very long time because of the standard procedures and things like CRB checks, which add a further bureaucratic burden.' (middle manager)

NorthTrust (continued)

Linked to the problem of retaining people in some roles, another challenge in NorthTrust was developing teamwork in some areas. This was identified as a particular problem for larger departments, where team relationships are less personal:

'Some roles don't get an opportunity for social engagement because they are working independently away from colleagues and managers. They are then not given opportunities to interact at meetings either.' (general manager)

It was also an issue in other areas; for example, some receptionists were required to be fixed to a particular desk with no other employees in the same work area. This can be a very isolating experience.

Leadership style

There is a huge amount of change going on in the NHS and this is affecting NorthTrust in important ways. For example, there are implications for leadership style within the organisation due to frequent changes in the management structure:

'...the management have actually changed a lot over the last year and we've got a new general manager... and his style will determine a lot of our workload and the priorities that we've got.' (clinical business manager)

The style of management will affect how important priorities such as meeting targets are approached and controlled. With the NHS focus on targets and high-profile issues of ward infection control, some managers pointed out that poor performance had to be dealt with strongly, as there were severe health consequences for patients. Disciplinary action would undoubtedly affect the perception of support in the work environment, but this was an unavoidable consequence of the priorities of the hospital:

'Sometimes people are wrong and, if you're wrong, you're wrong, so you can't say that's a blame culture... you didn't deliver what you should have delivered so therefore your role isn't suitable for you, so that's acceptable.' (clinical business manager)

The trust has to take action in relation to complaints, serious untoward incidents and infection control issues.

Communication

Style of communication was also perceived to be very important for senior managers. The allied health professionals (for example physiotherapists, occupational therapists, radiographers) were traditionally seen to be very good at communicating with their staff as part of their professional culture.

However, more generally across the organisation, there was concern with the kind of messages that senior managers were sending to staff that can sometimes be perceived as being negative on occasions. Other senior managers were noted for being autocratic and distrusting of middle-manager capabilities and this again affected the way they communicated to staff.

The trust was already in the process of creating a new post of director of communications. Their main role will be to redesign communication channels in the trust, encompassing top-down communications, news, electronic communication, idea-sharing, continuous improvement and emergency planning. The establishment of this role will enhance the work already being undertaken within the trust to improve communications.

GovDep

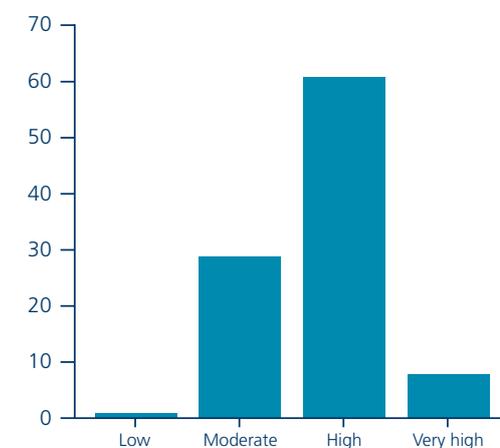
GovDep is a large government department that covers several customer-facing business areas. This case study is based on one of the larger agencies within the department. The agency has offices in various locations across Britain, including south-east England, the Midlands and the north of England, as well as Wales and Scotland. Core values of the agency include ensuring an accurate, rapid and joined-up service based around customer need; improving value for money for the taxpayer; and reducing levels of service error. The agency currently employs over 16,000 people and their services are used by around 15 million customers in the UK.

The agency has recently undergone considerable change as a result of a merger between two previously separate agencies. This has led to a new management structure and 'head office' rationalisation and provided an opportunity for headcount efficiencies. Like many areas of the civil service, there is an efficiency drive with overall reduction in financial allocation for the next three years.

The department and agencies have been involved in working towards increased employee engagement for some time, although this has only been branded as 'employee engagement' latterly. This interest stems from a drive to renew employment practices and processes as part of a wider agenda of government modernisation. The department and agencies have conducted an annual staff survey for several years, which feeds into improvement activities and has increased the focus on employee involvement initiatives during the last three years. The majority of the agency's employees work in an office/contact centre environment. There is an emphasis on employee development, coaching and teamwork. There is also careful attention to diversity and equal opportunities. Sickness absence rates have been relatively high in the agency over recent years, compared with private sector organisations (although low for the department), and a new performance standard for sickness has been put in place with the aim to reduce sickness absence to below 8.3 average working days per year. This work is beginning to provide the reduction required.

GovDep joined the Kingston Business School Employee Engagement Consortium to assist development of new initiatives around employee engagement as part of recent changes in the agency. The department already has a policy on engagement and this research process is intended to feed into that work. The engagement research was conducted in two stages. First, a sample of 1,400 employees

Figure 4: Engagement at GovDep



was invited to complete an online questionnaire. From this sample, 571 online questionnaires were returned, providing a response rate of 41%. Second, 20 face-to-face interviews were conducted with a range of managerial staff.

There are standardised management grades across the agency, including: executive officer (EO) – which is the first management level responsible for teams of operational staff; higher executive officer (HEO) – which is the next level up from EO and has responsibility for groups of operations or decision-making teams; senior executive officer

GovDep (continued)

(SEO) has responsibility for wider units of operation; and Grade 7 and Grade 6, both senior leadership roles, which are feeder grades into the senior civil service (SCS). SCS roles start at deputy director and progress up to chief executive officer, roles responsible for the strategic direction of the agency and the wider department.

The results of the survey suggest that GovDep has a generally engaged workforce. Sixty-one per cent were 'highly' engaged overall. Twenty-nine per cent were moderate or unsure, while very few people had low levels of engagement. These results may in part reflect the uncertainty at this time of change within the organisation. Early analysis of the data from GovDep uncovered two main areas of strength that contribute to engagement – work–life balance and supportive social environment – and two areas that could benefit from some attention to improve engagement – leadership development and employee involvement uptake.

Work–life balance

Work–life balance is a considerable strength in the organisation. This was praised by many managers and scored highly in the employee survey. The flexi-time system is the jewel in the crown of employee practices at GovDep. Staff can accrue up to four days of flexi per month within the core hours of 7am–7pm. Interviewees felt that this was a main attraction for staying at the organisation, particularly for people with family responsibilities, such as childcare:

'I think that work–life balance is one of the pluses for working in the civil service. Flexible working is valued amongst colleagues and most people would find it hard to manage their work and home responsibilities without it.' (EO)

Research participants reported that the attention to work–life balance meant that individual workers could create a work pattern that was most appropriate to them. For example, one manager said that some staff prefer a late start, so they work an 11am–7pm pattern, whereas others like getting in at 7am every day. However, maintenance of the required standard of customer service is paramount and employees are asked to be flexible and recognise that cover for customers must be provided.

Supportive social environment

Another main strength at GovDep is the level of social support in the working environment. If employees are struggling with their workload, then their team members and immediate line manager will pick this up and try to provide them with the help needed to improve their confidence:

'Most managers who I've worked for have been supportive with regards to meeting targets and things. I've worked a lot in outside industry and I think as an employer, I can only think of one employer that was better than [GovDep].' (HEO – operations)

Most interviewees felt that there is a strong sense of teamwork in the organisation. However, there were some signs of change in this respect due to the proposed headcount efficiencies across the agency. With the threat that some people within teams will lose their job or be relocated, individual team members were behaving more competitively towards their colleagues and not helping them out as much as they would normally.

GovDep (continued)

Leadership and performance management

An issue of concern at GovDep is the way leadership capability is developed. There was a feeling that often individuals are promoted into EO or HEO positions without having the core set of management skills, particularly interpersonal and mentoring skills:

'Give them the managers' skills to manage people and make them people focused, they need to be able to see that they can get more done by involving the staff... We do need technical experts but not in management. Look at what management training we're actually giving to them, not this e-learning as it goes on.' (HEO)

A common concern was the type of training people were given. GovDep makes use of 'e-learning' techniques for training, where individuals can take a course on topics such as coaching or appraisals from the comfort of their work desks. However, this was seen as an ineffective way to learn new skills because it lacked people interaction and what people called a 'learning environment'. One manager commented that you can put a sticker on your chair to show people that you are training but this does not take you out of the busy and distracting office environment. They reflected that it was very difficult to learn management skills from the computer screen. The agency does provide other types of training, including face-to-face classroom training, as part of an overall 'blended learning' approach.

A related problem was the lack of performance management skills at some management levels and ability of managers to deal with underperformance. Although, as discussed above, there are good levels of support within the office environment, there was a reluctance or lack of ability to make difficult decisions and motivate consistent underperformers:

'So I don't know whether or not even the team leaders have succumbed to the personality of the team members within the team and I suspect there's a little bit of that because there seems to be a lot of... rather than leading the team, being part of the team, too many soft decisions are made to keep the peace.' (HEO)

Some felt that this was symptomatic of wider culture within the agency of not dealing with poor performance:

'I think a small percentage of staff were moved and moved and moved, moved on, moved on, moved on where they should have addressed the problems. So they were moved on because they weren't doing very well in their previous role but then it still carried on? Yes, just being moved on.' (HEO)

As the words from the HEO above suggest, there was a tendency at times to just move bad performers into other roles, thereby making it another manager's problem without tackling the underlying problems of the underperformance. This was also seen to occur in performance appraisals in the past but was improving with the introduction of a new appraisal system:

'What happened was that in previous years managers gave people a higher box marking because it shut them up really and therefore when this new system came in a few years ago people who were getting box ones and twos [the highest performance markings under the old system] suddenly were down and in the majority rating [under the old system, a box 3].' (EO)

GovDep (continued)

It is important to note that the issue of leadership development is not simply a problem with management practice but is also an issue of how willing staff are to engage with development opportunities. In some areas, managers suggested there was an apathetic reaction, or even resistance, from staff towards taking on more responsibility and developing leadership skills:

'Yet as a manager, trying to get my staff to take on development opportunities is like pulling teeth, they just don't want to do it, they just want to come in, do the job and go home. So I actually find [GovDep] quite frustrating... I think they do too many staff surveys and I think we molycoddle the staff a little bit.' (HEO)

'When you work in an organisation and you ask [almost one hundred] people, "Does anybody want to team lead?" and none of them says "yes", that says a lot, doesn't it?' (HEO)

Employee involvement

A further challenge for GovDep is encouraging the take-up of involvement and improvement initiatives. The majority of managers felt that there were many opportunities for staff to feed ideas to managers and share ideas among teams, most commonly through team meetings. However, the take-up from staff, particularly at the lower levels, was not very strong. Some managers felt that the type of work many operational staff were undertaking meant that they did not have time away from their usual routines to take part in improvement:

'I think to a certain degree people are just busy churning out the work and there isn't always the time to [come up with ideas]. I think you try to do that and certainly in our team we try to share ideas and have a regular team meeting with our manager, usually once every fortnight, where we all get together and we put any items we want on the agenda and often we have quite long discussions because we all have different ideas and we try to come to a consensus.' (EO)

'I would say my people have got opportunities; it doesn't stop, it's continuous.' (HEO)

'If you are asking me – do people naturally come up with suggestions and ideas to improve things – it's a simple "no". Team leaders do but the people on the teams don't.' (HEO)

One HEO talked about helping their staff with filling out a suggestion form with ideas for improvement. However, there was some cynicism as to the extent to which these improvement mechanisms really fed into the management decision-making chain.

'[The suggestion form] was a practical thing that she could do – [I said] "Look, we can do it now, come on let's get on with it and get it done" – and so that was great because it made her feel involved in things. She probably hasn't got a hope in hell of changing it really but you never know, but she's feeling that she's contributing.' (HEO)

A final opportunity for improvement was around cross-functional working. Several senior managers felt that there was scope for more learning across business units, both within the agency, and more widely across the government department. For example, one manager had the idea that groups could meet every quarter based on geographical area to discuss changes and ideas for improvement. This work has begun; for example, a network of continuous improvement advocates is now in place across the agency and they, along with the central engagement team, will be providing awareness to employees on how they can feed their ideas for improvement in through this group.

Methodology

The data collection for this research is being carried out over two years. The research findings are being reported in two phases, of which this is phase one.

Phase one

The first phase ran from October 2007 to October 2008. Early stages of the project included reviewing the academic and practitioner literature and developing research questions. A research strategy was devised for conducting a series of in-depth case studies, each involving a questionnaire survey and a number of face-to-face interviews. A rigorous process of questionnaire development was undertaken using the academic literature, previous research by Kingston University and a pilot study. Focus groups were also used in some organisations.

Organisations were invited to participate in the research as a collaborative partnership. Ten organisations signed up to the partnership, which was formally established as the ‘Kingston Business School Employee Engagement Consortium’. The identity of participating organisations is being kept anonymous, but they are generally well-known names from the following sectors:

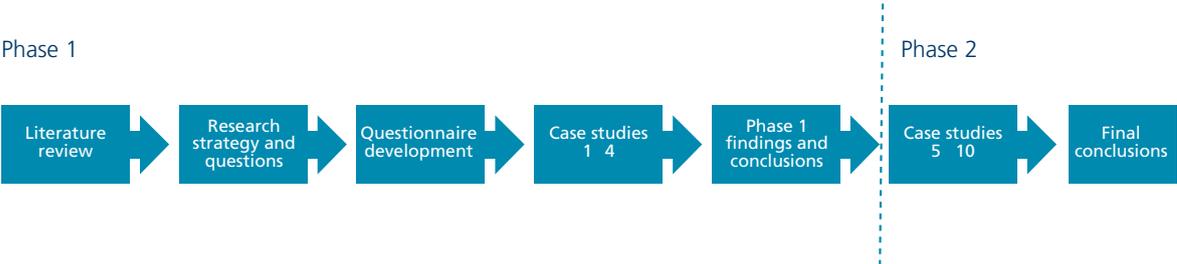
- government departments
- the NHS
- local government
- pharmaceuticals
- manufacturing
- environmental services
- construction
- banking.

The fieldwork for phase one involved carrying out the first four case studies. These were all conducted during 2008; the first taking place in March, the second in April, the third in June and the fourth in October. The questionnaire was standardised across the case studies to allow reliable comparative analysis. Depending on the type of workforce being surveyed, the questionnaire was completed online or in paper format by post. An interview schedule of work-related questions was also developed to guide the interview process in each organisation. This report signals the end of phase one.

Phase two

Phase two will see the completion of the remaining case studies during 2009. The end of this phase will involve a more detailed analysis of all the case studies and lead to final conclusions and recommendations for the organisations. A final CIPD report will present findings for all participating organisations and provide a thorough consideration of the research aims and questions and draw final conclusions.

Figure 5: Research process



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