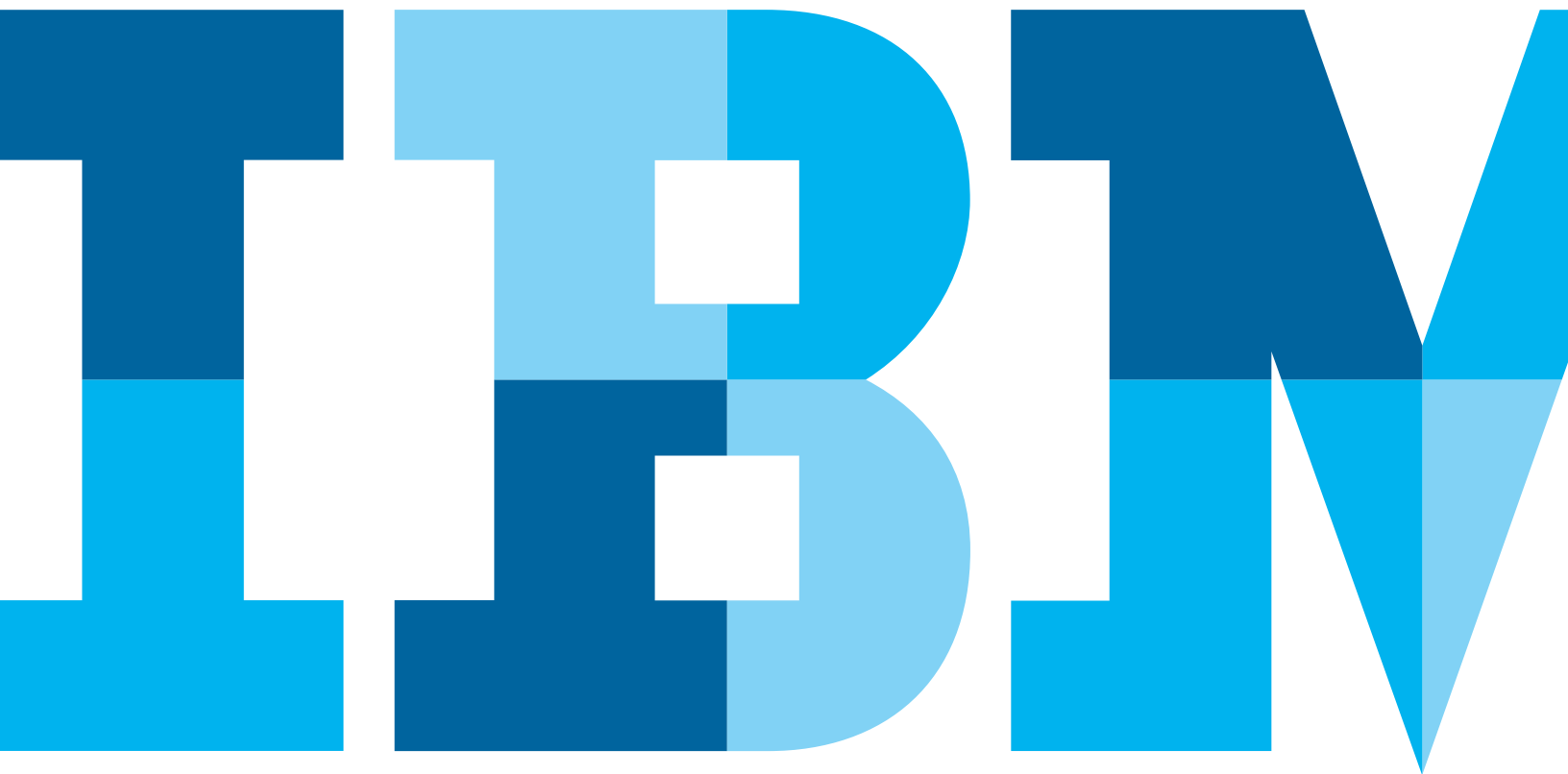# A candid look at employee engagement

Five global truths

IBM®

Despite the brief employment slump at the turn of the millennium, companies have finally woken up to the fact that their people issues are key to their prospects for prosperity in the near, middle and distant future. Employers are seeing that the talents, knowledge, availability, discretionary effort and even the social circles of their employees make up each company's competitiveness profile. This is a fundamental fact of life for at least the next 20 years, if not longer.

And so, suddenly the concepts around employee engagement have taken on a new vogue. The conversation had begun briefly toward the end of the 1990s under the general title of War For Talent, but dropped suddenly with the political and economic upheavals from 2000 to 2002, and in some sectors, even longer.[1] But now employee engagement is on almost everyone's mind and lips. And it has taken on a life of its own.

As with almost everything that captures popular imagination, employee engagement – as a topic of discussion – has become a fad. And just like any great process that becomes a fad, employee engagement – as a rigorous discipline – is at risk for losing its credibility and effectiveness.

Organizational myths have begun to spring up and engagement itself has taken on the awesome reflected glory of the cure-all that promises to simply make everything "all better" by creating happy, happy workplaces. From the employer's perspective, disappointment is inevitable, and a supremely valuable tool could be consigned to the trash heap, primarily because the company does not understand how to use it properly.

It is time to conduct a "reset" exercise and put employee engagement back in its proper place and perspective. This paper identifies five areas that our research has shown to be potentially troublesome for companies - especially in terms of helping them frame their expectations in the most reasonable, realistic and productive ways. We have discussed them here to help you understand the true power of aligning employee drives and needs with those of your company.

It is our hope and expectation that this piece will help you understand exactly what employee engagement initiatives can do for you and what they cannot, the importance of measuring the right elements of your corporate culture, the distinctions between universal human drives versus more distinct group preferences, and finally, the true value of employee engagement as an integral part of your overall corporate culture and people philosophy.

Truth 1: employee engagement is not the main thing that matters

Employee engagement, even with all its associations of providing meaningful, fulfilling work in a supportive and rewarding environment, is not the goal. It is a tool. Because engagement is such a compelling concept and conversation, it is very easy to lose sight of the fundamental objective: driving successful and profitable organizational effectiveness and performance. Engagement is not about good will, and it is not the end. It is a means to the end and is only one of the means that is essential to your success toolkit. If the other business tools are not in place, you could have a team of supercharged, engaged employees who think they are working for a great company. But one day, they will go to work and find the gates chained.

Engagement is not the remedy that will guarantee you a successful business. Other essentials that help align your people with your enterprise – combined with engaged employees – can take you closer to your objectives.

Aligned expectations part I

You can have very low-performing businesses with highly engaged employees. In fact, one clothing retail company discovered that the more engaged its employees were, the worse it performed. It had created a social environment that was extremely congenial, focusing its expectations on a place where happy people came to work, kept the store looking great and appealing, and cheerfully greeted customers. These were engaged employees doing what they did best, which was to create a positive, welcoming environment. However, the store's business was to sell clothes.

This company did not have a very good performance management program, so its employees were not being rewarded for behaviors that were specifically identified to generate profit, i.e., actually closing sales. They were rewarded for keeping the stores exciting and attractive. The company had done a great job hiring and rewarding nice and friendly people. But before long, it realized that what it needed to do was hire nice and friendly people who also knew how to sell sweaters.

Aligned expectations part II

Over-emphasis on historic engagement trends can lead you to unnecessarily lowering your expectations, damaging both your business's prospects and creating hostile environments for your employees in the process. Another retail company, demoralized by its abysmal turnover trends associated with its industry sector overall, did not bother to even try to create a pleasant place for its employees.

The company knew the industry lost people at a rapid clip, so it just accepted the fact that it would have an unengaged workforce. So the managers focused their creative efforts on developing coping strategies to deal with the churn, which was "justified" by the statistic. Managers treated people as replaceable parts to their business. And the low engagement trends continued to be self-perpetuating. Some stores in the chain were successful without high engagement scores, but one would argue that they were successful at the expense of people rather than with the support of people, which was ultimately at the expense of profit margins as the organization was forced to absorb churn costs. It is also possible that if the managers had not allowed their actions to be driven by low engagement scores industry wide, they may have ignored the trends and created a workplace that was an industry exception to the rule. And that begs the question, "How much more successful could they have been?"

You can have a struggling company that neatly falls within the norms of each of the other companies in your sector—complete with uninspired employees. Or you can have a thriving company in the same industry, staffed with energetic, creative and dedicated people and be blissfully clueless about what the engagement statistics say.

Business strategy

So, you have employees who are passionate about their work and aligned with the business strategy. But are they aligned with the right business strategy? Are you producing an excellent product or service for which there is a healthy and sustained demand? Are you physically located where you have easy access to the necessary materials, skills and transportation services?

"A great business strategy does not necessarily mean you have engaged employees. And engaged employees do not guarantee a successful business. To be successful and to have a high-performing company hitting each of its objectives you must have a great business strategy."

Conversely (and perversely), you can have a successful company with employees who are not engaged at all. As a case in point, sweatshops can be extremely financially successful and productive. But it is a safe bet that their employees would score low on any engagement surveys that might be administered. It is also a safe bet that there would be no engagement surveys.

A great business strategy does not necessarily mean you have engaged employees. And engaged employees do not guarantee a successful business. To be successful and to have a high-performing company hitting its various objectives, you must have a great business strategy. A great business strategy has everything to do with your goal. Engagement is only a part of the formula.

Confidence

Engaged people will generally follow where you lead them, but you have to be sure you are leading the right people in the right direction. Engaged people also have to agree that you are leading them in the right direction. A few years ago a large, multinational company had emerged from a series of rigorous transitions in which thousands of employees were laid off. Employees who kept their jobs, were glad to still be employed and they were still proud of the brand and believed in the products. They were, in fact, passionate about their jobs and the company. Still their engagement scores were low. The reason? The high rate of their laid-off colleagues could have had something to do with it. Their own concern about job security drained some of their passion for their work. Benefit reductions also certainly played a part of their depressed performance.

You can have a cadre of over-the-top, passionate employees who are proud to be associated with your company. But at the end of the day, they are going home to balance their checkbooks and think about their prospects for the future. The result of that evening exercise might show up in their productivity the next morning – especially if they just spent the night coming face-to-face with the fact that their lack of confidence in your company, or even the industry they are in generally, is swamping their passion for the company's raison d'etre.

Growth and improvement

The pursuit of engagement, especially as it shows up in annual scores, does not necessarily mean the pursuit of performance improvement. Organizations often become fixated on the measures that they have had in place year-to-year. Their focus is on how their scores change from one survey to the next rather than on how they can improve overall from one year to the next. And what about pushing their improvement initiatives into new areas entirely?

"Quick and easy approaches to solutions – or at least attempts at a quick and easy fix – usually end up being time-squandering, bitter disappointments."

We routinely challenge CEOs who are proud of their engagement scores: "Okay, congratulations! You have engaged employees. You have reached your first goal. So what is your next goal?" For leaders who are focusing on celebrating and sustaining the high scores they are achieving and sustaining now, these questions mean that they could be facing low scores next year when new areas for improvement are included in next year's survey. This is when we come to terms with the fact that these leaders are not using engagement as an improvement tool; they are using it as a public relations tool.

In fact, the most useful results from an organizational survey are the items with fairly average scores, say in the 50s and 60s percent favorable range with a substantial amount of variance observed from different parts of the organization. Those are scores you can learn from, improve upon and set impactful goals about. Items that are either extraordinarily positive or negative inherently have less useful information associated with them.

It is certainly understandable that a company would be reluctant to move beyond scores that it is proud of and venture into performance territories where the numbers are not as positive. Say a company has clocked in three years of upward survey scores and finally, it has hit a cumulative score it is happy with. The prospect of introducing leading indicator questions into next year's survey means that next year's round of scores are going to reflect where things are not as rosy. This is a frightening prospect especially for leaders who are looking at engagement scores (and survey results) as a grade rather than a direction for improvement and as tools to create an effective organization.

If you focus on engagement only as a program with a scorecard, you will be tempted to stay with a high score that reassures you that you have got an engaged company. On the other hand, focus on building a high-performing, growth-oriented, profitable company, and you will want an assessment that tells you where your scores are lower. Of course, you still want to keep those foundation measures so you know that you are sustaining your strength. But you also have to be willing to stretch and grow if you want to remain viable as a business – and that means being willing to have low engagement scores.

As we said, engagement is a tool for growth and improvement. It is not the end. And you cannot forget that you are dealing with people – their dreams, aspirations and their needs to take care of themselves and their families. You do want to be respectful of people who work for you. And there will be times when as leaders, the choices you make will be for them rather than an urgent, expedient need of the business itself. But ultimately, what matters is that you are creating what will be successful and growing, not only as an employer, but primarily as a prosperous, profitable player in your market segment.

Engagement is not the thing that matters most to your business. But having a healthy, well thought-out enterprise peopled by passionate employees who know exactly what to do to help you realize your business strategy – and then do it – is. And engagement is an essential tool for helping you get there.

Truth 2: the solution you seek may not lead you to the result you need

There is an old European folk story about a farm boy who went into town to make his fortune. Once in the village, however, he discovered very quickly that he must learn to read if he wanted to take advantage of everything his future had to offer. So he set off to find a school. On his way to his first lesson, he happened to pass by an old-fashioned spectacle shop, and he overheard a customer saying to the proprietor, "Thank you for the new glasses! I can read now!" And so the boy thought to himself, "How wonderful! Instead of spending a year learning how to read, I will just get a pair of those glasses!"

Quick and easy approaches to solutions – or at least attempts at a quick and easy fix – usually end up being time-squandering, bitter disappointments. Just as a pair of glasses might have served as a false surrogate to this boy's ability to read, engagement scores can serve as a false surrogate to your ability to truly harness the passion, energy and innovation of your employees to the benefit of the business. And because these can be ineffective surrogates purporting to measure what is critical to organizational success, they can certainly delay your ability to implement a truly effective solution. In the meantime, as practically anyone with a badly prescribed pair of glasses can attest, adhering to the an ineffective surrogate itself can actually make matters worse.

As a surrogate for real engagement, the engagement score opens up the company to a variety of time-wasting misinterpretations and false starts. Many organizations today seek to boil down the quality of their employees' engagement down to a single number, or a score or index. But that index can be misleading. It can tell you that your employees are only engaged to a certain point, but it will not tell you why (using our young man as the metaphor: Is it because you do not have the skills to read? Or is it because you cannot see?). Without a refined approach to understanding exactly what lies behind your challenges, and your low score, you are at risk for chasing the wrong solutions, perhaps even losing your best opportunity to actually fix the problem right away.

Indexes also put organizations at risk of lumping the essentials with the discretionary. For instance, there are some workplace aspects that should be zero-tolerance issues. Sexual harassment, ethics, drug abuse and safety considerations, for instance, should not be lumped together with productivity, quality or engagement scores. Zero-tolerance issues should not be averaged together with organizational concerns that are not zero-tolerance values. If that were to happen, an organizational effectiveness expert, seeing a score of, say, 80, would think that the company is doing very well hitting all the elements that are important to it, completely missing the fact that an ethics score of 80 would indicate that 20 percent of the population was actually reporting that ethics is not a high priority inside the company. And that is 20 percent too many in an organization that values an ethical workplace above everything else.

The pursuit of easy solutions also opens companies up to the "snake oil" of proprietary products and stagecraft that can be both ineffectual and expensive. The spectacle proprietor in our story was paid to evaluate eyesight and fit and sell glasses (remember, this is a folk story from the turn of the century. This conversation is not intended to be reflection of modern optometry, so no letters please). It might not occur to the shop keeper that someone would enter the store with the intention of utilizing spectacles to fix an inability to read; if we are more cynical, we could surmise that the shop keeper would not make money by simply asking the boy the more direct question: "Do you know how to read, son?"

Likewise, consultants with elaborate, exclusive processes do not make much of a living asking one simple question that provides their client with one simple answer that takes care of the entire problem. If you want a simple answer and the corresponding correct solution to a problem, do not go for triangulation and complex logarithms and elaborate stagecraft provided by someone who sustains his competitive advantage by the whizbang.

Ask direct questions and you will find that people will honestly tell you exactly what is on their minds. They understand the question and will answer it accordingly. And so your interpretation of the answers – even if you have to eventually lump them into a surrogate score – will be straightforward.

"Feel-good" measurements not only stall healthy growth, but they may also perpetuate false assumptions about where you truly are successful and where you are failing utterly.

When you do ask your direct questions, make sure the questions you ask are the ones most important to you. This way, you can be sure that the solutions that you do develop respond directly to the most pressing concerns. If you want solutions that provide you the results you need, make sure that you are asking the right questions to reveal the specific need for the appropriate solutions.

Direct questions are not, however, necessarily the easiest or the most pleasant to answer. And their answers are not necessarily the easiest or most pleasant to hear. In the world of engagement surveys, it is tempting to keep returning to the types of questions whose answers are more likely to make you feel good – top-scoring questions from years past, for instance. But, as we have said before, growth comes from exploring those areas where growth is needed. And that means that you have to ask direct questions about areas that make you uncomfortable and that push you out of your comfort zone. You probably know which ones those are.

"Feel-good" measurements not only stall healthy growth, but they may also perpetuate false assumptions about where you truly are successful and where you are utterly failing. One manufacturing company for instance could no longer ignore the fact that its customer satisfaction scores were in the basement. But they could not understand why. The company's product was excellent and reliable. And it kept its delivery obligations 99 percent of the time – a track record the organization was especially proud of. What could possibly be the problem?

That on-time delivery track record that the company was so proud of reflected its own internal projections of when it could, would and did deliver. The organization missed its target only one out of every 100 times. But it had nothing to do with when the customer actually needed the product. So while it was reliably sending product through its various production and quality control phases, customers were becoming increasingly impatient for their purchase.

Finally, you have to believe the answers you get. If you are asking the right questions, soliciting the data that most directly points to a successful outcome, you must believe it – no matter how difficult, disappointing or painful it may be. Would our young friend believe the honest shopkeeper who passes up an easy sale of glasses by advising the boy to invest in 12 months of reading lessons? We can only hope so. But it is not so easy for a business leader who would rather look at data that praises rather than results that criticize. Nor is it easy for the leader who favors a proposed solution that offers a quick fix rather than a time-consuming – but real and effective – method of solving the problem for good.

One executive we worked with was proud of his company's engagement performance on almost every metric he could name. But there was clearly a problem with the not insignificant matter of employee compensation. On this one metric, his company fell squarely in the "mediocre" category. But he resisted this finding.

We asked him, "What is your strategy on pay?" His answer: "To pay about average." There is your correlation right there.

Consciously or unconsciously, he had been relying on the halo effect. Since his company was so great and effective in a variety of other areas, the executive was assuming that the reflected glory would magically spread to areas like compensation that he thought he could afford to short-change. He had two pressing challenges ahead of him. The first was to understand that just because an executive could be exceptional in a variety of aspects of running an organization, this did not mean that those "extra credits" would somehow carry over into areas he would choose to let slide.

The second lesson was this: If the numbers are good, the answers they represent do not lie. For growth and improvement to happen, the truth must be believed. And the truth is where you will find the solution that you really need.

Truth 3: people are the same the world over

People are people. And we want the same things no matter who we are or where we live. And this fundamental fact is problematic to companies that, for one reason or another, try to exempt themselves from the engagement objective. They may believe that based on their nationalities or generation or gender, their people are somehow different.

Our main message to this notion is a simple one: No excuses.

Companies of virtually all national origins are expanding their reach around the world and setting up operations staffed by local nationals (or a combination of locals and expats). And they are challenged to find effective ways to bring the engagement conversation into their workplaces. Leaders in these distant locations may tell headquarters, "Do not try to measure us with the home office stick because we are different." Or headquarters may shrug off the engagement objective entirely because they are already assuming that the office half way around the world is too exotic – or too natively unengageable for their meager abilities.

According to research of 40 countries (and 1,977,385 employees in 105 businesses) by IBM, both parties would be wrong.[2] By and large it is safe to say that virtually everyone is engageable in pretty much the same fashion, from the United States to the Philippines to the United Arab Emirates, New Zealand, China, Argentina, Mexico, Poland and France. The way they are engaged just might look different. The specific methods may change from one culture to the next. And the way engaged employees express their enthusiasm for their work may change from one culture to the next. But fundamental human needs and psychological motivations are constant and undeniable. Therefore, again: No excuses.

We ranked the countries from the study according to their engagement scores (Colombia was at the top and Japan was the bottom; the United States does not appear among the top 10 most or least favorably engaged countries). But what we found to be the most compelling, from the perspective of the individual engagement experience, was that these 20 countries shared eight out the 10 top engagement drivers. There is more consistency in what creates engagement than levels of engagement. This is a critical distinction. Looking at levels of engagement, the world does look quite variable. Looking at the drivers of engagement, we see our commonalities. Across the 40 countries in the study, the following appear as the top 10 drivers of engagement globally:

- The leadership of my company has communicated a vision of the future that motivates me
- I feel that I am part of a team
- My company values my contribution
- I believe my company has an outstanding future
- I trust the leadership of my company
- My ideas and suggestions count
- My manager is an outstanding leader
- My job makes good use of my talents/skills and abilities
- My manager provides me with timely and helpful feedback
- I receive the information and communication I need to do my job effectively

Whether we compare country to country, company to company, company locations around the globe or even company departments within the same building, these drivers repeatedly appear as the top reasons why employees feel attached to the job they do and the company they do that job for.

If you take those 10 drivers and boil them down to their basic psychological essence, they reduce to the same particles: trust, a sense of belonging, inclusiveness, being valued, being respected and being accepted. This is what we each crave. These are the emotions that lead us to feeling engaged in our work. And they must come from having leaders who are open, sharing and trustworthy – leaders who provide good feedback and open communication and who make us feel as though we are a part of the team.

Now there may be different ways that people in different cultures express these feelings, or need to have these experiences delivered to them. How an employee is made to feel that she is a part of a team in Japan may be very different from how she would be made to feel welcome as a team member in Germany. But there is still that high desire to be a member of the team. No one, no matter where in the world, wants to feel that he or she is on the outside looking in.

There are slight distinctions from country to county to be sure. But in our research,[3] we have discovered that no matter what country pairings we might try for comparison sake, it usually ends up showing seven or eight of the 10 drivers overlapping. For example, the way workers in India may express their engagement for their work is different than the workers in Poland. But it would be very difficult to find any country where the people there say, "I do not care about the future," or "I do not care if my company values my contribution or not." Or "I do not want to be in a company that provides open communication to its employees." Primarily, the only difference is that the employees of one country may define "open communication" differently than another.

The point is, as we will explore in the next Truth, engagement is a very personal experience. And as we look at how we are each different in our experience of engagement, what we discover is that we are not really that different at all. The challenges of specificity posed by different cultures inside one organization are not necessarily challenges of only national cultural distinctions. The cultural distinctions (or cohering similarities) can show up region to region, department to department, business unit to business unit. And to the contrary, the groupings that we might have expected to be the major differentiators (religion, language, traditions and even political) turn out not to be relevant to a thriving, productive workplace at all. It can be quite common in places like Silicon Valley, for example, for foreign nationals of countries that are historically mortal enemies to work in very tight and collegially driven teams at work, with that bonhomie spilling over into their private hours socially.

Perhaps it will ultimately be the universal workplace that will enable people of various factions and frictions to see how much we truly do have in common – how much we are more the same than we are different. And how those commonalities and universal drivers are the shared motivations for each of us to move forward toward a better, more specifically articulated shared future.

Truth 4: there are real differences

Once we accept the fundamental fact that there are universal drives that virtually all humans share, no matter where they are in the world, we can then start exploring the many differences that do show up culture to culture, country to country, region to region and company to company. And this is where it begins to get so complicated that the image of those traditional nesting dolls from Russia quickly come to mind. As individuals and as members of multiple, layered cultures, we are complex creatures with a variety of motivators and behaviors with many layers of personal emotional baggage, desires and experiences that inform the way we see the world and our workplace each day. And then, when you consider that workplaces are staffed by a multitude of these complex individuals, you will see how complicated employee engagement might become on a daily basis.

But, as we said in the previous section: No excuses. It is just a matter of unpacking these nesting dolls and understanding how each of the pieces fit and work together to support your enterprise. It is also a matter of coming to terms with the fact that you are not likely to get it right if you try to manage your people solely by assumptions that you draw from their cultural heritage. Truly, the most important key here in understanding how engagement is activated throughout the world is simply embracing the bottom-line fact that ultimately, engagement happens one person at a time, one interaction at a time. The success in managing engagement is, on one hand, recognizing universal truths and then on the other hand, accepting unique differences. Organizations that are most successful in terms of driving engagement balance both. The trick is learning how to take these global distinctions and make them very personal to the individual.

In our research, when we compare engagement drivers country to country, some trends emerge and form themselves into what we can call second-tier drivers.[4] This is the level where you see more variability country to country. Our research has shown, broadly speaking, for instance, in France, pay tends to be more important to employees partly because of culture, but also partly because of the high taxes there. In the United Kingdom, Belgium and Ireland, it is relatively more important to employees to have their ideas and opinions used. In the United States, employees place a higher value on career opportunities than in some other parts of the world (but, interestingly, employees in the United States and China share that drive for developmental opportunities).

As employers work to understand how to ignite the passion and productivity of employees throughout the world, it is helpful to at least be aware of how national cultures can support or hobble their efforts. The work done by Geert Hofstede over the last 30 years reflects how local cultural standards can affect the changes that global companies want to create. He surveyed employee values in IBM locations across 40 countries in the early 1970s and developed four dimensions that he ultimately used to differentiate geographical cultures.[5]

Power distance

This expresses the degree to which less powerful individuals accept influence or power from others in the organization. It also reflects the extent to which individuals in the organization expect power to be distributed equally or unequally. Can they challenge authority? Can they express their own interests and views?

Individualism

Here the focus is on how much a culture values independent behavior – looking out for one's own needs versus placing the good of the group above all else. In an individualistic society, a manager's message may be more effective if it is framed according to how the specific goal or change will benefit the employees themselves. On the other end of this continuum, what others refer to as a collectivist society, individual employees are best inspired by initiatives that will benefit the entire group.

Masculinity

This dimension reflects the extent to which a culture values assertiveness versus modesty and caring (Femininity). It is important to note here that Hofstede chooses Masculinity and Femininity as the words to describe these attributes; it has nothing to do with other gender-related aspects of society.[6] Nevertheless, it would not be prudent to use these terms to describe the culture when posting announcements for job opportunities! In some cultures, it may be more appropriate to be more aggressive in implementing leadership. In other cultures, employees may be best managed through more subtle, but just much more effective, influence.

Uncertainty avoidance

This dimension refers to the extent to which a group or organization relies on rules, formalized processes and norms to manage or address the unpredictability of events. Cultures that are high in uncertainty avoidance tend to impose strict rules and regulations. Employees themselves may be more anxiety-prone.

In 2004, Robert House led a team to examine the leadership behaviors of 62 countries. The resulting GLOBE study[7] provided similar cultural defining constructs, some of which directly overlap Hofstede's dimensions. He expanded on a few of the dimensions, for instance, splitting Masculinity into two categories: Assertiveness and Gender Egalitarianism. He also introduced additional dimensions, such as Humane Orientation and Performance Orientation.

The next questions naturally are: what countries fall into which categories, and where do they appear on the Hofstede or GLOBE continuums? As a strictly academic exercise these would be interesting questions to explore. And certainly, these dimensions are prominent in various countries. But depending on what lens you might be looking through to achieve understanding of a company, you may see a slightly different picture. Brazil, for instance, is identified by Hofstede as being high on the Power Distance continuum, at a moderate level for Masculinity (suggesting a balance between assertiveness and nurturing), and defined by a high degree of uncertainty

avoidance and a lower degree of individualism.[8] But the GLOBE study also suggests that there is a high value on performance orientation, which means that even though Brazilian employees may be largely driven by the desire to serve the group, they also value recognition and reward for their performance.[9]

These national distinctions are relevant, to be sure. However, they do not take into account cultural influences by the increasing globalization of humanity. Communications, transportation, the globalization of popular culture, the Internet and even the international cultural influences exerted by the multicultural leadership in multinational companies all serve to turn any workplace into a bouillabaisse of many flavors, perspectives, reactions, needs and engagement drivers.

And so, we must go straight to the inner-most nesting doll – the core and the heart of the engagement conversation – the individual employees themselves.

As we have said before, engagement is a one-person-at-a-time proposition. And beyond the broad generalizations of what specific countries lean toward in terms of elements that tighten their bond to work, it is also important to recognize that cultural norms drive the ways employees express their excitement for their work.

And then, of course, we must address the fact that individual employees of virtually all nations and cultures have their own individual ways of expressing personal levels of interest and passion on the job. Whether an individual employee appears to be engaged is more about the eye of the beholder – the manager's capacity for perceiving engaged behaviors in its many forms—than the employee himself. Not every engaged employee is extroverted enough to behave joyfully on the job. But that does not mean they are not engaged. Some employees can be frequent complainers and be the most engaged people in the company – they complain because they care. Or they may be too busy focusing on a meaty, challenging business problem

to remember to smile and get excited during a department celebration. In fact, you can have a deeply unhappy employee who is thoroughly engaged and aligned with your business strategy. Likewise, you can have joyful employees who are not aligned at all with the company's performance objectives. They are not productive. They are just happy.

As interesting and legitimate as it may be to study engagement patterns throughout the cultures of the world, it really does come down to understanding what it takes to keep each individual aligned with the purpose and objectives of their job, department and company. Senior leadership can spend its time focusing on the global components of engagement, but if your interest is in inspiring a higher level of performance quality or driving behavior changes among your employees, your job is to know your people as individuals and understand what they need as individuals to trust their leadership and believe in the mission of what they are doing.

Ultimately, this is not just about engagement. It is about effective business management. Teach your managers (all of your employees, for that matter) to unpack the nesting dolls within their departments – to appreciate the similarities and differences represented in their teams. This way you will be providing them with the tools they need to reach the goals you have set for them.

Truth 5: employee engagement matters a great deal

We have seen in this paper that employee engagement is not the ultimate goal of a successful organization. It is a tool for creating success, of unifying diverse populations all over the world (or even within a single community) toward a shared, compelling objective. It is, in fact, an essential tool because when the entire employee population is voluntarily aligned in the service of your business objectives, almost every category of people costs (even health care costs) go down, while marketplace performance increases, according to reliable statistics.

The way you engage your employees is your distinct competitive advantage. Companies can compete on a variety of fields. There are price wars. Companies can reverse-engineer proprietary designs, formulas and plans to steal the innovative advantage of a pioneer. Processes can be duplicated. Ad campaigns, even, can be copied. But the competitive advantage offered by an authentic people culture – the special way your people bring their dedication and passion to work and the way they interact with your customers – cannot be easily replicated. But it can be measured and tapped internally to provide the organization and leadership insights into what it is that makes their company great. So how does employee engagement matter greatly? When it is used to tap into a very significant source of variation of a very fundamental aspect of organizational performance – its culture and its people. As organizations can squeeze variation out of their performance, they become more successful, more uniform organizations, providing a more consistent product or service.

But employee engagement is typically effective only when it is used properly. It is not the answer to each problem. Just as with any tool, it can be used effectively or misused utterly. Unfortunately, we have seen many companies use engagement principles and practices as a panacea. And when that happens, disappointment is inevitable. And the true power of engagement to affect desired change is lost. Engagement is not a cure-all, but it is supremely effective when it is applied properly to virtually any organization – even organizations that might appear to be engagement resistant.

When people generally speak of the business case for engagement, they usually speak of the advantages that companies enjoy when their employees experience that engagement. In addition to the advantages brought by the employee experience, there is another way of looking at the advantages that engagement brings to the corporate table, specifically the advantages that companies enjoy simply by virtue that they are rigorously focusing on engagement within their ranks. The serious, dedicated and scientific study of

engagement, and how it is reflected within the organization, provides the company a series of developmental benefits not commonly ascribed to the engagement conversation, but they are most certainly present:

Intentionality

Aristotle has been quoted as saying, "We are what we repeatedly do." When a company is sincerely and deeply dedicated to exploring its culture through various engagement indexes, the organization discovers that it embodies a specific culture because of how it has repeatedly behaved vis-à-vis its employees. After this unblinking self-assessment, the company has the chance to decide whether it wants more of same (thereby continuing its already established people practices), or whether it wants to revolutionize its entire culture (turning virtually all its people practices upside down as a first step), or perhaps whether (more likely) it wants to change some practices and retain others.

Independent of the organization's decision, the knowledge and insights into its culture that come from a rigorous engagement inquiry equip the company to make the best-informed decision and intentionally choose the culture it wants to be by installing (or retaining) the practices, policies or behaviors that best support the desired state. Your company virtually cannot be all things to all people. But with the intentionality that an engaged organizational culture brings, you will be able to decide precisely what you want your company to mean to precisely which people. And then you can focus on that.

Improvement

An engagement inquiry can provide your company the specific directions it needs for the types of improvements it wants. You can know in general terms that your people are unhappy or that there is a trust issue. But you cannot really know exactly what is causing that unhappiness or trust disconnect unless you have a properly designed and supported investigation in place. You may discover that what you thought was a trust issue turns out not to be a trust issue at all, but rather a safety issue.

Sustainability

With the intentionality and improvement fundamentals that an engagement process can put into place, you will be able to identify those cultural attributes and behaviors that can carry your organization through virtually any contingencies. You will be able to make plans and choices that preserve the core elements of what your company's employee value proposition is, while jettisoning (or adding on) components that are optional. But throughout the changes, the self-knowledge that your engagement inquiry provides your company will keep its core identity intact.

Reputation

Just as companies are becoming more fluent in the essential elements of a corporate culture that promotes engagement, the general public is as well. Current and potential employees, the business media and community, and industry leaders are watching you and what you are doing. Once you identify and establish the essentials of your engaged organizational culture, it can go public – whether you intentionally put it out there or not. Your behaviors, choices and announcements can cumulatively build your reputation. With your intentional approach to engagement, you will be able to intentionally build that reputation to reflect the characteristics that you have determined to be essential to your high-performing organization. In this way you will be able to cultivate an authentic reputation of consistent values, behaviors, culture and people attitudes – no matter whether you are strictly a local business or a large multinational corporate with locations on virtually all continents.

Summary, conclusions and recommendations

In recent years, the topic of employee engagement has assumed such a compelling level of fashionability that we have seen that the actual practice of engaging employees loose both its professional rigor and sharp focus. Employee engagement is now seen as the thing to do rather than one of many tools essential to the cultivation of a prospering company. While we are, of course, champions of employee engagement and virtually all that it truly stands for, we feel that it was important to return the engagement conversation to the result that really matters – the profitable enterprise.

In this paper, our purpose was to invite you to look at the entire topic of employee engagement from a fresh perspective and see it not as a panacea, but as essential to organizational success. And we would like to close with a few summary conclusions and recommendations:

Put engagement in its proper place and perspective

Employee engagement primarily only works when it is aligned with a thoroughly considered business strategy. Remember that a successful business strategy can create a profitable company without employee engagement (although we most emphatically would not recommend it). But employee engagement cannot on its, own create and sustain a thriving company without a solid business strategy to drive it.

Measure the right things

Make sure you have identified those behaviors and cultural characteristics that are most relevant to your success. And measure those by asking direct questions. You do not have to get fancy with your approach to drawing candor from your people. When you ask with sincere interest, they will answer you in kind: openly and honestly.

Do not fall in love with your favorite engagement scores

Employee surveys are not vanity tools. They are tools for helping you improve, not preen. Be proud of those cultural elements that are important to you and that you perform well in. Just remember that there will almost always be areas ripe for improvement. Even though you will net low scores in those areas this year, they pose new opportunities for improvement, which you might be able to feel proud of next year.

People are the same virtually everywhere

No matter who we are, where we live, what part of the world we come from, we are the same in that we want to take care of ourselves and our families in workplaces where we are safe and treated with respect and dignity.

People are different virtually everywhere

Country to country, region to region, company to company and even department to department, we belong to groups that inform our desires, behaviors and expectations.

Assume nothing

The world is changing at such a rapid clip that broad generalities from country to country that may have been relevant 10 years ago might be meaningless today. If you want to capture the hearts, imaginations and discretionary efforts of your employees, roll up your sleeves and get ready for some serious effort. It is going to be a one-person-at-a-time proposition.

Get your fundamentals right before moving on to more elaborate goals

Pick the cultural areas and employee value propositions in which you want to excel. And start with those. No organization has the resources, wherewithal, time, energy and money to be world class-level exceptional in virtually everything.

You do not have to be perfect. You just have to be sincere. Employee engagement is an endurance endeavor. If you start it, be prepared to be in it for the duration of your career or your company's lifespan. But if faced with the choice between perfection and sincerity, choose sincerity. Striving for perfection can wear you out. Your sincerity will sustain you.

For more information

To learn how to build a smarter workforce, visit:
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1 Handfield-Jones, Helen, Axelrod, Beth, and Michaels, Ed, "The War for Talent", Harvard Business Press, 2001 ISBN 1-57851-459-2, ISBN 978-1-57851-459-5. The war for talent refers to an increasingly competitive landscape for recruiting and retaining talented employees. In the book, Michaels, et al., describe not a set of superior Human Resources processes, but a mindset that emphasizes the importance of talent to the success of organizations.

2 Kenexa WorkTrends Survey, 2012. In its current form, WorkTrends is a multi-topic survey completed online by a sample of employees representative of a country's working population in terms of industry mix, job type, gender, age and other key organizational and demographic variables. In most countries, survey takers must be adults who work full-time for an organization of 100 employees or more; this threshold drops to 25 employees or more in countries with smaller economies or hard-to-reach populations. The survey has over 200 items that cover a wide range of workplace issues, including senior leader and direct manager effectiveness, recognition, growth and development, employee engagement, customer orientation, quality emphasis, innovation, corporate social responsibility, workplace safety, work stress and performance confidence. In 2012, over 33,000 employees were surveyed, representing 28 countries.

3 Ibid, 2012

4 Ibid, 2012

5 Hofstede, Geert, Management behavior: IBM and Geert Hofstede's study, October, 2006, http://www.helium.com/items/82969-management-behavior-ibm-and-geert-hofstedes-study

6 Ibid, 2006

7 House, Robert J., Culture and Leader Effectiveness: The GLOBE Study, 2004, http://www.inspireimagineinnovate.com/PDF/GLOBEsummary-by-Michael-H-Hoppe.pdf

8 Ibid, 2004

9 Ibid, 2004

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