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The Human Resource Craze: Human Performance Improvement and Employee Engagement

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Numerous terms mean different things to different people engaged in organization development. This article helps O.D. practitioners recognize the differences regarding two such “faddish” terms, human productivity improvement (HPI) and employee engagement, and encourages researchers to more completely define such terms. By implication, it encourages practitioners to define their terms within their scope of work so that results might be more readily measured, hence more meaningful.



Introduction

Two buzz words, human productivity improvement and employee engagement have become hot topics in the world of human resources. What organization would not want to increase its productivity and thus its competitive advantage? According to Fisher, Schoenfeldt, and Shaw (2006), a number of things are required by organizations to be competitive including physical resources, financial resources, marketing capability, and human resources. The factor most likely to provide potential competitive advantage is human resources and how these resources are managed. Production, technology, financing, and customer connections (marketing) can all be copied. The basics of managing people can also be copied, but the most effective organizations find unique ways to attract, retain, and motivate employees—a strategy that is more difficult to imitate (Fisher et al., 2006).

The American Society for Training and Development (ASTD) (2007) suggests using their human productivity improvement (HPI) model to improve productivity. This model uses a business analysis, performance analysis, and cause analysis. The cause, or need for improving human performance, could be due to a lack of knowledge, motives, physical resources, the struc-



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ture or process, a lack of information, or the wellness of the organization. Once the cause is determined, the model focuses on selecting a solution, implementing the solution, and then evaluating the results.

Not only has human performance improvement become a hot topic, but also as mentioned by Saks (2007) employee engagement has become a hot topic among consulting firms and in the popular business press. It is connected with what ASTD's model cites as the wellness of an organization and can improve human productivity. However, employee engagement is a complex subject with many related issues—from employee satisfaction to leadership trust to employee development, to name a few. A further look at the term is warranted.

Employee engagement was coined by the Gallup Research group and has been shown to have a statistical relationship with productivity, profitability, employee retention, safety, and customer satisfaction (Buckingham & Coffman, 1999; Coffman & Gonzalez-Molina, 2001). Similar relationships have not been shown for most traditional organizational constructs such as job satisfaction (Fisher & Locke, 1992).

What are engaged employees?

Engaged employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward (Gallup, 2004). In contrast to this are the not-engaged employees who are essentially “checked out.” They are sleepwalking through their workday, putting time—but not energy or passion—into their work. Actively disengaged employees aren't just unhappy at work, they are busy acting out their unhappiness. Every day, these workers undermine what their engaged coworkers accomplish.

Results of a Gallup (2004) survey estimate that the lower productivity of actively disengaged workers costs the U.S. economy about \$300 billion a year. This

survey was based on a nationally representative sample of 1,000 employed adults aged 18 and older.

Interviews were conducted by telephone October 2000-April 2004 by the Gallup Organization. An example of how employee engagement can increase productivity is DHL, the Deutsche Post (Business Wire, 2007).

Employee turnover at DHL decreased 27 percent by their use of rewards and recognition to enhance employee engagement, attract and retain employees, boost overall productivity, and drive successful business results. DHL received the Carrot Culture Award for this achievement.

Definitions of Employee Engagement

However, a problem exists with the term employee engagement. In the books reporting Gallup's research, considerable time is used explaining the meta-analytic techniques used to find the relationships between the items in Gallup's Workplace Audit (GWA) questionnaire and the business unit level outcomes as productivity, profitability, employee retention, and customer service (Buckingham & Coffman, 1999). Less time is spent defining and validating the construct of employee engagement. Because of this lack of construct definition, subsequent users interpret the construct in different ways.

For example, Harter, Schmidt, and Hayes (2002) define employee engagement as "the individual's involvement and satisfaction with as well as enthusiasm for work" (p. 269). Lucey, Bateman and Hines (2005) interpret the Gallup Engagement Index as measuring "how each individual employee connects with his or her company and how each individual employee connects with their customers" (p. 12). Development Dimensions International (DDI, 2005) uses the definition "The extent to which people value, enjoy, and believe in what they do" (p.1). DDI also states that its measure is similar to employee satisfaction and loyalty. A leader, according to DDI, must do five things to create a highly engaged workforce. They are:

1. Align efforts with strategy.
2. Empower.
3. Promote and encourage teamwork and collaboration.
4. Help people grow and develop.
5. Provide support and recognition where appropriate.

The Institute for Employment Studies (IES, 2004) defines engagement as a positive attitude held by the employee towards the organization and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. Towers Perrin's Global Workforce Study (2005) defines engagement as employees' willingness and ability to help their company succeed, largely by providing discretionary effort on a sustained basis. Their study shows that there isn't a single recipe for increasing engagement and building a high-performance culture. The right approach depends on many factors, including the demographics of the workforce, people's stage in the employment life cycle, the company's business model and cost structure, its skill needs, and geographic location, and relevant cultural norms. Fleming, Coffman and Harter (2005), Gallup Organization researchers, use the term *committed employees* as a synonym for engaged employees. Gallup's Human Sigma website (2005) likens employee engagement to the concept of customer engagement, which has the dimensions of confidence, integrity, pride, and passion. Wellins and Concelman (2004) call employee engagement "the illusive force that motivates employees to higher levels of performance." This coveted energy is similar to commitment to the organization, job ownership and pride, more discretionary effort (time and energy), passion and excitement, commitment to execution and the bottom line. Wellins and Concelman (2004) also refer to it as feelings or attitudes employees have toward their jobs and organizations. Robinson, Perryman and Hayday (2004) define engagement as a positive attitude held by the employee

towards the organization and its values. An engaged employee is aware of the business context and works with colleagues to improve performance within the job for the benefit of the organization.

The Business Communicator (2005) reports definitions of engagement from three people they label experienced employee engagement practitioners. These definitions are:

1. Two sides of a coin, the knowledge needed to do one's job effectively and the motivation to apply that knowledge.
2. Workforce dedication to achieve a business outcome.
3. A social process by which people become personally implicated in strategy and change in their daily work.

According to Ibis Communication, an employee engagement specialist, engagement has two fundamental dimensions: clarity, which focuses on what the individual knows about the company and his or her role within it, and connection, which looks at how he or she reacts to this role and the company for which they work.

In a Society for Human Resource Management (SHRM) article, Lockwood (2005) defines engagement as the state by which individuals are emotionally and intellectually committed to the organization or group, as measured by three primary behaviors:

- Speaking positively about the organization to co-workers and referring it to potential employees and customers.
- Having an intense desire to be a member of the organization, despite opportunities to work elsewhere.
- Exerting extra effort and exhibiting behaviors that contribute to business success.

For Seijts and Crim (2006) employee engagement means a person who is fully involved in, and enthusiastic about, his or her work. Engaged employees care about the future of the company and are willing to invest the discretionary effort to see that the organization succeeds.

Konrad (2006) states that employee engagement has three related components: a cognitive, an emotional, and a behavioral aspect. The cognitive aspect of employee engagement encompasses employees' beliefs about the organization, its leaders, and working conditions. The emotional aspect concerns how employees feel about each of those three factors and whether they have positive or negative attitudes toward the organization and its leaders. The behavioral aspect of employee engagement is the value-added component for the organization and consists of the discretionary effort engaged employees bring to their work in the form of extra time, brainpower and energy devoted to the task and the firm.

Problems with the Construct of Employee Engagement

Little & Little (2006) describe the following four problems with the construct of employee engagement:

1. The definitions are not clear as to whether engagement is an attitude or a behavior.
2. The definitions are not clear as to whether engagement is an individual or a group level phenomenon.
3. The definitions do not make clear the relationship between engagement and other well-known and accepted constructs.
4. There are measurement issues that obscure the true meaning of the construct.

Most of the authors mentioned above do not distinguish between attitudes and behaviors and mix both in their definitions. For example, Robinson et al. (2005) mixes the concept by defining employee engagement

as: “the individual’s involvement and satisfaction with as well as enthusiasm for work,” which is an attitude; “desire to work to make things better” which is a behavioral intention; and “working longer hours, trying harder, accomplishing more and speaking positively about the organization” which are behaviors. The Business Communicator (2005) mixes in concepts such as knowledge needed to do one’s job and social processes which are not attitudes, behavioral intentions or behaviors. Wellins and Concelman (2004) mix commitment, loyalty, productivity, and ownership, three attitudes and an outcome into their definition. Saks (2006) finds that there is a meaningful difference between job and organization engagement and that job characteristics predicts job engagement and procedural justice predicts organization engagement.

Little and Little (2006) mention that the construct of employee engagement lacks clarity as to the level of analysis it represents. The major strength of the argument made by the Gallup researchers in all their publications is the relationship of engagement to productivity, profitability, employee retention, and customer service at the business unit level (hospital, hotel, factory, etc). Does this mean that employee engagement is a group-level phenomenon? If engagement is being used as a group level phenomenon, good research methods require that it be subjected to tests of within-group and between-group variance (Dansereau, Alutto & Yammarino, 1998).

Coffman and Gonzalez-Molina (2002) state that there are three mutually exclusive groups identified by the Gallup Engagement Index, the engaged group, the non-engaged group, and the actively disengaged group. Two problems exist with the descriptions of these groups. First, their profiles are a disturbing combination of attitudes and behavior (e.g., the engaged employee uses talents every day, has consistent levels of high performance and is emotionally committed to what they do). Second, the engaged group and the actively disengaged group have collective effects on

profitability and performance. However, the non-engaged group is not considered to have a group effect; they are highly individual.

In another study, Crabtree (2005) reports that the employees in the three categories of engagement (engaged, non-engaged, and actively disengaged) report different levels of positive and negative influences on their psychological well-being, regardless of the type of work performed. This treats members of all three groups as individuals. Similarly, Gallup’s Human Sigma website (2005) reports that work groups whose members are positively engaged have higher productivity, profitability, safety records, attendance, and retention. So, the question is, is employee engagement a group level phenomenon, an individual phenomenon, or both?

The third problem is that employee engagement relates to existing constructs, such as job satisfaction, organizational commitment, organizational citizenship behaviors and job involvement, but how employee engagement relates is not explained. Fernandez (2007) states that employee satisfaction is not the same as employee engagement and since managers cannot rely on employee satisfaction to help retain the best and the brightest, employee engagement becomes a critical concept. The most important factor for employee engagement according to Fernandez (2007) is senior management’s interest in the employee’s well being. Stephen Young, the executive director of Towers Perrin-ISR, believes that only engagement (not satisfaction) is the strongest predictor of company performance (Human Resources, 2007). This is in contrast to Blessing White (Human Resources, 2007) which believes that because engagement is a sliding scale, with the less engaged at one end and the more engaged at the other, satisfaction has to play a part.

Measurement is the final problem with the construct of employee engagement. One issue in measurement is how many items are in the Gallup survey and what is

the Gallup survey called? Buckingham and Coffman (1998) simply refer to the survey items as the twelve questions (even though in their appendix they refer to 13 items). In the appendix they refer to four theoretical constructs that the items measure, What do I get? What do I give? Do I belong? and How can we grow? The Gallup webpage calls the survey the Q12. Coffman and Gonzalez-Molina (2002) call the survey the Q12 and consider each of the items a “condition”. Harter, et al. (2002) report using a 13 item scale, the 12 Gallup questions which they refer to as the Gallup Workplace Audit (GWA), and a one-item overall job satisfaction item. They state that the GWA reflects two sets of items: attitudinal outcomes (whatever that means) and antecedents to those attitudes that are within a manager’s control. Lucey, et al. (2005) refer to the Gallup Engagement Index, which consists of the same 12 questions as the GWA. In the Gallup Management Journal, Crabtree (2005) calls the survey the Employee Engagement Index.

To add to the confusion, Gallup has now combined two of their consulting concepts: employee and customer engagement and call it the Human Sigma Equation.

Why the Popularity of Employee Engagement?

As Little and Little (2006) mention, engagement is not an “academic” concept, but one that has been marketed as practical. They raise the question as to whether employee engagement is a meaningful idea that adds to management knowledge or if it is a concept that is redundant within existing research. Little and Little (2006) feel that the term engagement is most likely popular due to the wish of most practicing managers for the “answer” to the sticky problems of motivation and performance. Their suggestion is that recognized methods should be applied to the existing research to determine if and how employee engagement is related to and augments existing knowledge. If engagement behaves like well-established constructs such as job satisfaction, organizational commitment or job involve-

ment and results in the same outcomes, another construct as engagement is not needed. If, on the other hand, employee engagement does capture some aspect of employee motivation that has eluded previous researchers, practitioners and academics should welcome it alike. Only by understanding the nature of the construct and its relationship to attitudes, behavioral intentions and behaviors can it be applied to the benefit of organizations and employees.

Employee Engagement/Focus at the United States Postal Service

In a 2003 Gallup study, 37 percent of employees were engaged at the Postal Service, 50 percent were not engaged, and 16 percent were actively disengaged. These statistics do exceed what is reported by Crabtree (2004) for the United States. According to this report only 29 percent of employees in the United States are actively engaged in their jobs, 54 percent of employees are not engaged, and 17 percent of employees are actively disengaged. The United States Postal Service (USPS) emphasizes improving human productivity through employee engagement. Executives are informed in an Executive Foundations course that employee engagement is how they as leaders focus on motivating employees in addition to increasing productivity results. Executives are advised to challenge, inspire, and appreciate their employees; make work meaningful for their employees; encourage open communication; and let their employees know that their work counts and matters. It appears that these efforts are working for the Total Factor Productivity score has maintained a positive trend even during Postal Service transformation and transition to a new law and is due to a positive trend in employee engagement as demonstrated by improvement in Voice of the Employee survey scores over the past five years.

Also beginning in 2008, executives are evaluated on employee focus, one of the executive competencies. Although similar, a dichotomy exists in the definitions.

A comparison of employee engagement and employee focus is shown in Table 1. According to the Postal Service's Executive Competency Model (2007) to focus on employees an executive "provides employees with a safe, healthy, respectful, and inclusive work environment; identifies desires and needs of USPS employees; influences and directs the activities of individuals; provides a relationship and a job setting that encourages individual development and growth." If employee engagement does have a statistical relationship with productivity, profitability, employee retention, safety, and customer satisfaction as indicated by Buckingham & Coffman (1999) and Coffman & Gonzalez-Molina (2002), a clear definition of the differences between employee engagement and employee focus is needed.

As with many new initiatives fine tuning will take place. Is it employee engagement or employee focus or a combination of both? Lockwood (2007) states that there are many pathways to foster engagement, with no one kit that fits all organizations. Ultimately, the key to effective engagement will be rooted in the flexibility of approach most appropriate for each individual firm (Lockwood, 2007). To measure and manage predictors of employee engagement, Lockwood, (2005) suggests using a combination of tools including internal surveys, focus groups, and detailed gap analyses by location and department. Once the predictors of employee engagement at the Postal Service are known, executives will have a clear understanding of the behavior leading to increased human productivity.

Table 1

Employee Engagement and Employee Focus at the United States Postal Service

Employee Engagement	Employee Focus
<p>Motivate employees in addition to increasing productivity. Challenge, inspire, and appreciate employees. Make work meaningful for employees.</p>	<p>Influences and directs activities of individuals. Provide a relationship and a job setting that encourages individual development and growth.</p>
<p>Encourage open communication Let employees know that their work counts and matters.</p>	<p>Provide employees with a safe, healthy, respectful, and inclusive work environment. Identifies desires and needs of employees.</p>

Conclusion

State Farm mentioned at the 2005 ASTD International Conference that one process, an integrated set of tools, and common terms were needed for Human Performance Improvement in HR/O.D., Six Sigma, Training, Financial Analysis, Marketing, etc. This is also true for the term employee engagement. Let's research and measure how to engage employees and have a clear definition of the term as suggested by Little and Little (2006). Further research could also include generational differences and differences in employee engagement with years of service. This would add to the body of research by Robinson, Perryman, & Hayday (2004) which found that engagement declines as people get older and as length of service increases, before rising again when someone reaches 60. Also, Kenexa's research as reported by an anonymous author in Employee Benefits (2007) revealed that there is often a fall-off in levels of employee engagement when staff have spent two years with one employer.

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