

Dissertation

Employee Engagement

Rationale, Impact and
Practice in Irish Companies

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Abstract

Employee Engagement has been a focus of much attention over the last 10 years by both Employers and Academics, largely due to the promise it has offered of higher performing employees.

However, recent research has cast doubts that the level of engagement organisations have been seeking is in evidence in organisations in Europe and the USA.

This Dissertation explores the literature on Employee Engagement with a particular focus on the drivers / enablers of engagement, and on how organisations can implement practices that can deliver the positive benefits said to be associated with it.

The Dissertation also presents some examples of practices in Irish companies designed to increase engagement. This research was carried out through interviews directly with HR function contacts in the companies, kindly facilitated by HR Consultancy People Partners.

The research provided evidence of practices by companies in Ireland well aligned with good practice from the literature.

Declaration

Jack O'Brien

I hereby certify that this material which I now submit for Assessment has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my own work.

Date: 20 July 2015

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Subject Area: Employee Engagement

Acknowledgements

I wish to acknowledge the help provided by the Directors of People Partners in enabling me to gain access to companies willing to share examples of their approaches and initiatives to enhance Employee Engagement in their organisations.

I also wish to express my appreciation to the HR contacts in those companies for the time and insights they generously provided me with.

Finally I wish to thank my dissertation supervisor Ron Elliot for his guidance and advice.

Table of Contents

Abstract.....	1
Declaration.....	2
Acknowledgements.....	3
Table of Contents.....	4
Chapter 1: The Meaning of Employee Engagement.....	5
Chapter 2: Consequences of Engagement.....	9
Chapter 3: Organisational Engagement Strategies.....	11
- Pay and Engagement.....	13
- Work-Life Balance and Engagement.....	17
- Employer Branding and Engagement.....	21
- Leadership and Engagement.....	28
- Demographics and Engagement.....	34
Chapter 4: Research Outcomes.....	41
Bibliography:	49
Appendices	52

Chapter 1: The Meaning of Employee Engagement

Saks and Gruman(2011) suggest that the definition and meaning of employee engagement has always been problematic and that there continues to be confusion. They cite evidence of the disagreement and lack of consensus regarding the meaning and distinctiveness of employee engagement among scholars and practitioners.

Kahn (1990) defined engagement as "the harnessing of organisation members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances"

He describes engagement as the "simultaneous employment and expression of a person's 'preferred self' in task behaviours that promote connections to work and to others, personal presence (physical, cognitive, and emotional), and active, full role performance". Personal disengagement refers to "the uncoupling of selves from work roles; in disengagement, people withdraw and defend themselves physically, cognitively, or emotionally during role performances". According to Kahn (1990), when individuals are engaged they bring all aspects of themselves—cognitive, emotional, and physical—to the performance of their work role. Thus, to be fully engaged means that individuals display their full selves within the roles they are performing.

In contrast to this, when individuals are not engaged, they disengage themselves from their work roles. Engagement also means that individuals are psychologically present when occupying and performing an organisational role. When people are psychologically present they are attentive, connected, integrated, and focused in their role performances (Kahn, 1992).

Thus, when people are engaged, they keep their selves within the role they are performing. Building on Kahn's (1990) definition of engagement, Rich et al. (2010) noted that when individuals are engaged they are "investing their hands, head, and heart in their performance". They argue that engagement is a more complete

representation of the self than other constructs such as job satisfaction and job involvement, which represent much narrower aspects of the self. They described engagement as a broad construct that involves a holistic investment of the entire self in terms of cognitive, emotional, and physical energies. Thus, Kahn's (1990) definition considers engagement to be a multidimensional motivational construct that involves the simultaneous investment of an individual's complete and full self into the performance of a role (Rich et al., 2010).

Christian et al. (2011) described how engagement is distinguishable from job satisfaction (an attitude about one's job or job situation), organisational commitment (an emotional attachment to one's organisation), and job involvement (the degree to which one's job is central to one's identity) and consider it to be a higher order motivational construct.

They identified three common characteristics of Engagement:

- (a) A psychological connection with the performance of work tasks,
- (b) The self-investment of personal resources in work, and
- (c) A "state" rather than a "trait."

They define engagement as a "relatively enduring state of mind referring to the simultaneous investment of personal energies in the experience of work". They further note that engagement differs from other constructs in that it is broader; involves a holistic investment of the entire self; focuses on work performed at a job; and involves a willingness to dedicate **physical, cognitive, and emotional** resources to one's job.

(Zigarmi et al., 2009) offer a view that can be seen to be aligned with Christian et al's point (c) above where they describe engagement as "the employees' passion for their work", describing engaged employees as "**in a state of flow**" - a description of a satisfying psychological state where work achievement is seen as a joy rather than a burden.

Saks and Gruman contend there are two main definitions of engagement in the academic literature,

Kahn's (1990) and Schaufeli et al.'s (2002).

They summarise that although they have some similarity and overlap, especially in terms of being a motivational state, they also differ in several respects. In particular, they see Kahn's (1990) definition as much more encompassing, as it includes the notion of "personal agency and the agentic self" (Cole et al., 2012).

Kahn's (1990) conceptualisation of engagement also suggests something more distinct and unique as it pertains to placing the complete self in a role. Furthermore, according to Kahn (1990), engagement involves a rational choice in which individuals make decisions about the extent to which they will bring their true selves into the performance of a role.

As contrasted to job satisfaction, employees' work engagement is considered a voluntary emotional commitment that can be influenced by organizational support, mutual trust among team members, and personal enthusiasm and willingness (Schaufeli, Bakker, & van Rhenen, 2009)

Engagement and Job Demands

Christian et al. (2011) found that job characteristics from the Job Characteristics Model (autonomy, task variety, task significance, and feedback), as well as problem solving, job complexity, and social-support were positively related to engagement. Physical demands (the amount of physical effort required by the job) and work conditions such as health hazards and noise were negatively related to engagement.

Crawford et al. (2010) found that the following nine different types of resources were positively related to engagement: autonomy, feedback, opportunities for development, positive workplace climate, recovery, rewards and recognition, support, job variety, and work role fit. Job demands, however, have not been found to predict engagement as consistently, although they are strong predictors of burnout (Crawford et al., 2010).

Some studies have found null relationships, while others have found both positive and negative relationships between job demands and engagement (Crawford et al., 2010). As a result of the ambiguity of the relationship between job demands and engagement, Crawford et al. (2010) made a distinction between job demands that are appraised as hindrances and those appraised as challenges. They found that both challenge demands and hindrance demands are positively related to burnout; however, they differ in their relationship with engagement. Challenge demands were positively related to engagement while hindrance demands were negatively related. Challenge demands that were positively related to engagement (although not as strongly as job resources) include job responsibility, time urgency, and workload. Hindrance demands that were negatively related to engagement were administrative hassles, emotional conflict, organizational politics, resource inadequacies, role conflict, and role overload.

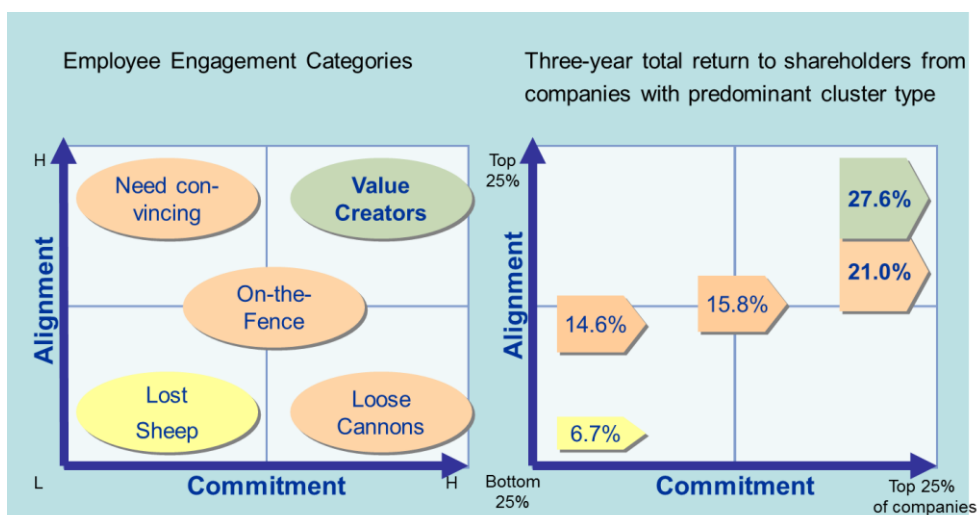
Chapter 2: Consequences of Engagement

One of the reasons that employee engagement has received so much attention is that it is believed to be associated with important employee and organisation outcomes, particularly **job performance** and **employee retention**. For example, engagement has been found to be positively related to **job performance** and health and wellness outcomes and **negatively related to turnover intentions** (Saks, 2006; Schaufeli & Bakker, 2004).

Halbesleben (2010) conducted research on engagement and also found that it was related to **higher commitment**, health, performance, and **lower turnover intentions**. In their research Christian et al. (2011) found that engagement was positively related to task performance and contextual performance.

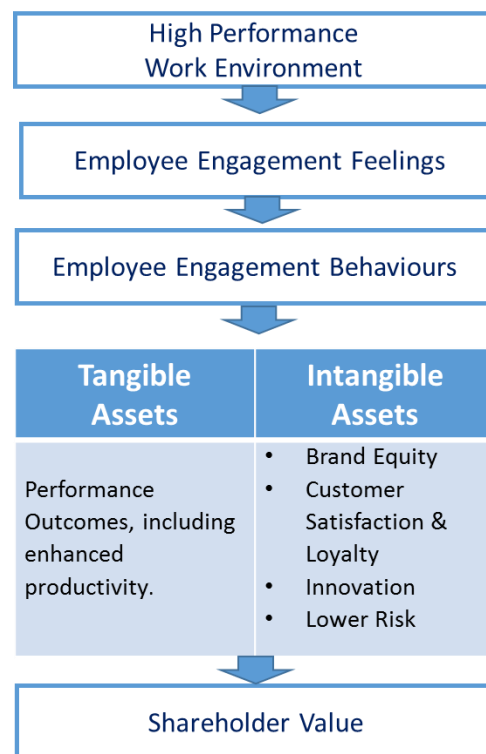
Employee engagement has also been linked to organisational-level outcomes. For example, Harter et al. (2002) found that employee engagement was related to business-unit outcomes (customer satisfaction, productivity, profitability, turnover, and safety) in a large sample of business units.

Barrow and Mosely (2006) report a correlation between engagement and shareholder return from research undertaken by global HR consultancy Towers Watson shown below along with some descriptive categorisations of Employees in various positions on the TW Alignment and Commitment engagement grid. This grid categorises an employee's engagement by their (self-reported) levels of line-of-sight between their roles and the organisations mission (Alignment), and their (self-reported) level of Commitment to their role and the organisation's mission.



In a separate study Macey et al. (2009) found that in a sample of 65 firms from different industries, the top 25% on an engagement index had greater return on assets (ROA), profitability, and more than double the shareholder value compared to the bottom 25%.

Macey moved beyond the Towers Watson correlation analysis to present a cause-and-effect theory behind those outcomes as follows:



Macey's logic appears to be that engaged employees offer greater **discretionary effort** and that as a result an engaged workforce is a more productive one.

Organisational Benefits – At a Cost to the Employee?

At the level of the individual employee, while engagement has been found to be positively related to self-report or subjective indicators of health and wellbeing (e.g., lower anxiety, depression, and stress), research has failed to find a significant relationship between engagement and more objective or physiological indicators of health and well-being (Bakker et al., 2011).

There have also been claims that employee engagement can have negative consequences such as work interference with family life based on the concept that the level of additional discretionary effort it invokes can lead to "workaholic" employees (Halbesleben, Harvey, & Bolino, 2009).

Organisational Engagement Challenge

Macey describes how the key to an engaged workforce is an *engagement culture*, and suggests important questions to consider are;

- What organisational culture is and how it comes to be?
- How specifically to foster, maintain and enhance a culture in which high levels of workforce engagement are likely?
- What must also be done to foster a culture that supports the kinds of strategic engagement that are critical to achieving competitive advantage?

Chapter 3: Organisational Engagement Strategies

According to Grady et al (2008) the tight labour market and the need to attract and retain high calibre employees is well understood and has led firms to strive to be seen as an 'employer of choice' and to adopt best practice HRM policies in order to attract and retain engaged employees. The 'war for talent' is far from over. Indeed, it is likely to increase in importance and intensity, as organisations fight for high performing star employees on a global scale.

However, recent research (Bersin 2015) suggests that organisations are struggling to meet the engagement challenges of today's workplace:

- Gallup's research showed that only 13% of all employees are "highly engaged" and 26% are "actively disengaged".
- Glassdoor, report that only 54% of employees recommend their company as a place to work.
- 80% of organisations believe their employees are overwhelmed with information and activity at work (21% cite the issue as urgent).
- More than 70% of Millennials expect their employers to focus on societal or mission-driven problems; 70% want to be creative at work; and more than two-thirds believe it is management's job to provide them with accelerated development opportunities in order for them to stay.

- In a recent survey among 80 of the most advanced users of engagement surveys, only half believe their executives know how to build culture of engagement. Among the broader population the percentage is far lower.
- Younger employees have increased the demand for rapid job rotation, accelerated leadership and continuous feedback. Finally, the work environment is highly complex- where we once worked with a team in an office we now work 24/7 with email, instant messages, conference calls etc.
- More and more companies are deploying analytics solutions to predict retention, correlating factors such as compensation, travel schedule, manager and demographics to understand why certain people are less engaged than others. However the answers are hard to find.
- High technology companies throw benefits at employees to see which ones stick- unlimited vacation, free food, health clubs, parties etc- do all result in high engagement, most companies can't really tell you.

Organisations can be seen to focus on several areas in an effort to create, maintain and enhance an organisational culture in which those high levels of employee engagement are likely. The following list includes a common subset of those factors:

- **Pay**
- **Leadership**
- **Work-Life balance**
- **Demographics**

The following sections address each of these areas.

Pay and Engagement

Macey suggests there are **Four Basic Principles** for creating an engaged workforce:

- 1 Employees have the capacity to engage
- 2 Employees have a reason or **the motivation** to engage
- 3 Employees have the freedom to engage
- 4 Employees know how to engage

The Four Basic Principles of engagement address the 'discretionary' question- "why give that extra time and effort?" Traditional corporate thinking about the topic of discretionary effort has relied heavily on assumptions about the relationship between extrinsic motivation (especially pay), which have been informed by a variety of theories of human motivation, particularly in a work context.

Motivation Theories

Money and Motivation

There have been a number of motivation theories developed in relation to both the degree to which money is a reliable motivator, and to the rationale behind its impact on individual motivation.

The "Economic Man" Approach

According to this view, which is based on reinforcement theory, people are primarily motivated by economic rewards. It assumes that they will be motivated to work if rewards and penalties are tied directly to the results they achieve. Pay awards are contingent upon effective performance. (Taylor 1911).

Herzberg's Two Factor Model

Herzberg's (1957) Two Factor model of motivation was developing following an analysis of descriptions of unusually satisfying or unusually dis-satisfying job events provided by 200 engineers and accountants. He claimed that money is a so-called "hygiene-factor", which serves as a potential dissatisfier if not present in appropriate amounts, but not as a potential satisfier or positive

motivator. A further reason given by Herzberg for regarding salary as a hygiene factor, that is a factor which "prevents disease rather than promotes health", was because its impact on favourable feeling was largely short term, while its impact on unfavourable feelings was long term extending over periods of several months.

Opsahl and Dunnette (1966) perceived Herzberg's argument that money acts as a potential dissatisfier as mystifying, arguing that an analysis of his data failed to support the view.

Equity Theory

Equity theory as developed by Adams (1965), argues that satisfaction with pay is related to perceptions about the ratio between what one receives from the job (outcomes in the form of pay) to what one puts into it (inputs in the form of effort and skill) compared with the ratio obtained by others. Equity theory, is related to discrepancy theory which, as stated by Lawler (1971), indicates that satisfaction with pay depends on the differences between the pay people receive and what they feel they ought to receive. Equity theory, however, emphasizes that these feelings are based on comparisons. The significance of equity was also emphasized by Jaques(1961). He stated that:

1. There exists an unrecognised system of norms of fair payment for any given level of work, with unconscious knowledge of these norms shared among the population engaged in employment.
2. An individual is unconsciously aware of his own potential capacity for work, as well as the equitable pay level for that work. Jaques (1961) called this the "felt-fair" principle, which states that, to be equitable, pay must be felt to match the level of work and the capacity of the individual to it.

Expectancy Theory

Expectancy theory states that motivation will be strong if individuals can reasonably expect that their efforts and contributions will produce worthwhile rewards.

This theory was developed by Porter (1996) and Lawler (1990) into an expectancy model which suggests that there are two factors determining the effort people put into their jobs:

1. The values of the rewards to individuals in so far as they actually satisfy their needs for security, social esteem, autonomy, and self-actualization.
2. The probability that rewards depend on effort, as perceived by the individual - in other words, his or her expectations about the relationships between effort and reward.

Thus, the greater the value of a set of awards and the higher the probability that receiving each of these rewards depends upon effort, the greater the effort that will be put forth in a given situation.

In reviewing the effectiveness of pay as driver of motivation, experienced reward consultants Armstrong and Murlis (1998) concluded that the literature on Motivation Theory brings out two main conclusions:

Firstly, there are no simplistic solutions to increasing motivation. **No single lever exists** which is guaranteed to act as an effective motivator - (although some people still see **performance-related pay as just such a "silver bullet of motivation"**). However, motivation is a highly complex process. It depends on:

- Individual needs and aspirations which are almost infinitely variable.
- Both intrinsic and extrinsic motivating factors, and it is impossible to generalise on what the best mix of these is lightly to be.
- Expectations about rewards, such expectations will vary greatly amongst individuals according to their previous experiences and perceptions of reward processes.
- Equity and fairness - the "felt-fair" principle applies to levels of pay in comparison to others in accordance with what people believe to be the relative size or importance of jobs

and their perceptions of relative levels of performance or contribution. Pay-for-performance schemes, for example, will only be accepted as fair and therefore only act as effective motivators if they are based on acceptable performance measures which are applied consistently:

- Attributions - the subjective and often distorted explanations people make of their successes or failures:
- Self-efficiency- the differences in the degree to which people believe in themselves.
- The social context where the influences of the organization culture, managers and co-workers can produce a wide variety of motivational forces which are difficult to predict and therefore to manage.

Secondly, the significance of **expectations, goal setting, feedback and reinforcement** as motivating factors is enormous, and is highly influenced by an employee's interactions and relationship with their manager, who effectively creates the climate within which the employee experiences these factors.

Implications for Pay as a Driver of Engagement.

The factors outlined by Armstrong and Murlis suggest that relying on pay as the platform for an effective engagement strategy has flaws at multiple levels, and suggest that Herzberg's view of pay as a hygiene factor is a sensible starting point - In other words organisations should try to ensure their pay structures do not themselves become a source of demotivation by focusing on fairness and transparency so that the frustrations associated with pay do not undermine engagement.

The more intrinsic elements of motivation can then be the focus of organisational engagement strategy.

Work-Life Balance and Engagement

While Work-Life Balance is often cited as a key enabler of engagement, Grady et al in the *Work-Life Balance* talk about how there is however some organisational reluctance to introduce work-life balance initiatives, citing a variety of reasons and factors, including;

- 1 Incompatible with current business model.
- 2 Financially too costly
- 3 Loss of control - 'one has it, they all want it'
- 4 Potential employee backlash
- 5 Middle/ Line manager resistance.

In addition there are differences between the public and private sector employees engaging in work-life balance initiatives.

In the **Private Sector** the biggest reasons for engaging in work-life balance initiatives include:

- 1 Commuting/Traffic
- 2 Childcare
- 3 Need/ want more personal time
- 4 Eldercare

In the **Public Sector** the biggest reasons include:

- 1 Childcare
- 2 Need/want more personal time
- 3 Commuting/Traffic
- 4 Eldercare

(Source 2007, *Work-Life Balance in Ireland* study)

There are also reasons why employees do not avail of work-life balance initiatives, again these differ between the public and private sector.

Private Sector:

- 1 Not available to me
- 2 Job does not lend itself to flexible practices

- 3 Financial considerations
- 4 Negative career consequences
- 5 Already satisfied with work-life balance

Public Sector:

- 1 Financial considerations
- 2 Already satisfied with work-life balance
- 3 Negative career consequences
- 4 Not available to me
- 5 Job does not lend itself to flexible practices

(Source 2007, Work-Life Balance in Ireland study)

However there are also numerous statutory instruments promoting a better work-life balance, some which include:

- Protection of Employees (Part-time work) Act 2001
- Organisation of Working Time Act 1997
- Maternity Protection Act 1994 + Maternity Protection (Amendment) Act 2004
- Parental Leave Act 1998 + Parental Leave (Amendment) Act 2006
- Adoptive Parents Leave Act 1995 + Adoptive Leave Act 2005
- Carers Leave Act 2001

Employers therefore attempt to design a work-life balance with a holistic approach, when designing these policies and programmes there are some important factors to consider:

- 1 Consider Organisational culture and context.
- 2 Determine your organisations current work-life balance strategy.
- 3 Determine employee's needs and requirements.
- 4 Consult with various stakeholders.
- 5 Choosing which policies and programmes to implement.
- 6 Planned and systemic approach for implementation.
- 7 Training for implementation

Aligning Work-Life Balance Attitudes:

In order to properly gauge the attitudes of the various stakeholders towards a better work-life balance, the following are some of the issues that should be explored:

- Attitudes towards working patterns and how they impact on the business.
- Perceptions regarding the duties and responsibilities of the employer/organisation.
- Expectations regarding the right to balance work and personal life domains.
- Attitudes towards impact of work-life balance for employees.
- Perceived fairness of work-life balance programme availability.

Most commonly used Work-Life Balance Arrangements

- Job Sharing
- Part-time working
- Flexi-time
- Term-time
- Life-balance time

The 2007 *Work-Life balance in Ireland* study explored the extent to which HR managers/directors and middle/line managers were involved in WLB policy design and choice.

All HR managers and 82% of middle/line manager's report that the middle/line managers in the organisations have little or no involvement in the formation of Work-Life Balance Policies, but they play a central role in the implementation of these policies.

Research shows that middle/line managers are the channel through which work-life balance policies and programmes are implemented. Consequently, if middle/line managers have little to no involvement in the formation of Work-Life Balance policies, they are less likely to endorse and successfully implement these policies and programmes.

In addition to differences across age categories, the most commonly used Work-Life Balance Arrangements also differ between the Public and Private Sectors:

Most Common Work-Life Balance Arrangements

Public Sector:

- Time off in lieu (49%)
- Informal flexibility (43%)

Private Sector:

- Flexi-Time (81%)
- Time off in lieu (38%)
- Work-Standing (23%)
- Term-time working (14%)
- Part-Time working (14%)

(Source 2007, *Work-Life Balance in Ireland study*)

Employer Branding and Engagement

The concept of Employer Branding came from the world of marketing and specifically consumer marketing.

Taylor (2013) argues that branding is universally recognised to be of central importance in consumer marketing strategies. He describes a strong brand as one consumers recognise and trust, and which therefore has a fundamental impact on consumers purchasing decisions. This makes a well-established brand hugely valuable. Martin (2009) estimates that the brand value of successful company's brands can be twice the book value of their tangible assets - justifying substantial investment in building the brand.

Barrow and Mosely (2005) clarify how simple the effect of these powerful brands actually is by describing a consumer brand as "no more than a badge of identity and a promise of performance, an implied guarantee that what has been promised on behalf of the brand will be delivered"

That promise can be tangible or intangible.

Toyota promises the "best built cars in the world" - a tangible benefit to the purchaser, while Revlon famously describes its business thus: "in the factory we make cosmetics - in the store we sell hope" - surely the most valuable of all intangible benefits!

In both of these examples, the brand owners (Toyota and Revlon) have particular market segments in mind. There are many car buyers who would consider Toyota a rather boring brand, and would not be influenced by the promise of a well-built car (perhaps preferring a more stylish design, or higher power and performance). Toyota is absolutely aware of this, but has chosen a market segment they want their brand to appeal to, and invest in differentiating their brand such that it will appeal to their chosen market segment - happy to forsake other buyer segments.

Employer Branding

The term was first coined in the early 1990's by London-based consultant and author Simon Barrow, bringing together his background in consumer marketing and his experience as a business leader dealing with the challenges of attracting, retaining and motivating high calibre employees.

The concept is described by Ambler and Barrow (1996) as "*a package of functional, economic and psychological benefits provided by employment and identified with the employing company*"

It is described by Berthon et al (2005) as "*building and sustaining employment propositions that are compelling and different*"

And by Walker (2008) as "*a set of attributes and qualities, often intangible, that makes an organisation distinctive, promises a particular kind of employment experience, and **appeals to those people who will thrive and perform best in its culture.***"

This definition fully resonates with Kotler's preoccupation with the need to segment the consumer market so that a brand can more effectively speak to its target audience.

In the marketing world Kotler (1967) strongly advocates the benefits of attracting more customers by effective segmentation and differentiated marketing, and in her article "The Customer Pyramid" Zeithaml (2001) promotes the idea that segmentation is not only beneficial to attracting more customers, but should also be configured to differentiate between customers on the basis of their long-term attractiveness to the (brand-owning) company - in other words to **thrive**.

However Kotler cautions that for market offerings to be successful in a buyer's market they need to be developed and differentiated **against competitive offerings** if a company wants to achieve Sustainable Competitive Advantages (SCA), and as the originator of the concept of SCA, Porter (1996) highlights the need for points of differentiation to be truly "customer-valued" differences if they are to provide a basis for sustainable differentiation. He

identifies the need for a seller to select one or more attributes that the buyers in an industry perceive as important, and to uniquely position itself to meet those needs. He predicts success will be rewarded with premium prices.

Kotler further elaborates on the issue of customer-valued differentiation through the idea of Points of Difference (POD's) and Points of Parity (POP's).

Points of Difference

POD's can be seen to equate to Porter's "customer-valued" differences. For a POD to be a source of competitive advantage it must be perceived by the market as clearly superior to competitor's offerings. However, Kotler warns that the buyer needs to be fully convinced that the promised superiority is real, placing an onus on the seller either prove their case or provide powerful credibility-building associations that convince the buyer.

Points of Parity

POP's are areas where the company does not offer an advantage over competitors, but where the company can achieve (more or less) parity. The combination that underpins SCA is: parity in areas competitors rely on as their POD's, and customer perceived superiority in areas the company offers as POD's (as long as they are truly customer valued, as Ryanair proved when selecting low-cost fares as their primary POD, back in the 1980's when it was considered neither popular or profitable).

Employers must invest the same consideration in the shaping of an Employer Brand, to ensure they are effective in attracting employees who are in Walker's terms "people who will thrive and perform best in its culture".

In the world of Employee Engagement POD's and POP's can be seen in the manner in which employers shape their advertising to appeal to their target candidate segments. Google are a classic example of an employer that is extremely clear about the type of employee that will thrive in a Google environment. Candidates must be "Googly" - a term that describes technology savvy creative types, with a slightly

quirky approach to life that Google has learned is associated with their key organisational competency - innovation.

Their recruitment advertising positions them as a haven for such candidates, highlighting such benefits as 20% of their working week assigned as time to dream (create new Google products & services) and an environment where like-minded colleagues abound.

Such a feature of the Google Employer Brand is a Point of Difference competitors seeking to attract this same candidate segment find hard to match, but unless Google could demonstrate Parity on other aspects of the employment offer it might not be enough to offer them a sustainable competitive advantage. Their pay and conditions are not market-leading, but are at least on a par with most competitors, as are benefits such as free canteen services.

An employer brand encompasses employee-valued elements in both the Extrinsic category, and Intrinsic.

Taking my own organisation (HSE) as a basis for defining example Brand elements, the diagram below outlines possible Tangible (Extrinsic) and Intangible (Intrinsic) elements of an Employer Brand designed to appeal to Millennial Healthcare Professionals (specifically Nurses).

The Brand personality is captured in the healthcare equivalent of Toyota's "Best Built Cars" tag line - "Making Lives Better". The tag line is a play on both the lives of patients (providing real meaning in the work) and perhaps more importantly, the lives of current and potential employees of the HSE.

Employer Brand Model:

Tangible Elements (Extrinsic)

Current:

- Attractive Pay
- Defined Benefit Pension
- Allowances
- Job Security
- Career Advancement

Proposed:

Subsidised Childcare Costs
(Currently costs €16,500 for 2 children per Nov. 2013 Report)

Many HSE locations can accommodate Creche facilities, reducing costs dramatically.

Intangible Elements (Intrinsic)

- Employer who cares for Nurses and their family.
- Nurses have an opportunity to engage and contribute to the transformation of the Health Service to deliver:
 - World-Class patient care and clinical outcomes
 - Value for taxpayer's money
- Respected and valued for contribution to their patients quality of life.



"Making Lives Better"

Brand Reality

In defining and presenting an Employer brand, organisations need to be aware of the tendency towards defining a vision of the brand as they would like people to see it - not the brand reality.

Barrow and Mosely emphasise that the real brand is lives not in the promise implicit in the brand, but in people's everyday experience of the brand, and the rather untidy cluster of perceptions and associations of it the carry around in their heads. The importance of this is that if the brand communication strays too far from the brand reality the brand can feel phoney, or worse, set up expectations that fail to be delivered.

Where a consumer is fooled by a false brand promise they may never buy the product again. Where a potential new employee is fooled by a false employer brand promise they may feel resentful enough to leave after a short time (with a negative perception of the employer that they communicate to others) or they may stay but with that resentment undermining their engagement, and that of others.

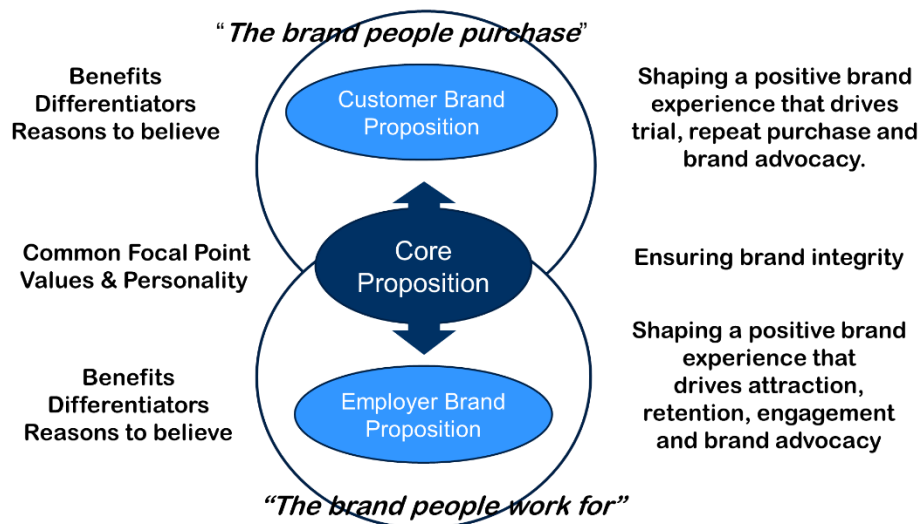
Barrow and Mosely warn that corporate policy and value statements appear particularly prone to over-statement, with significant gaps between the rosy picture they paint and employee's everyday

experiences. This can have the consequence that many employees become cynical about the degree to which their employers respect their intelligence, or have earned the trust that is a fundamental part of a high engagement culture.

Brand Integrity

Many brand positioning models within service companies are dominated by customer perspective despite the fact that employees experience the brand in a different way to the customer and are motivated by different types of benefit. The model shown below presents a more integrated approach to ensure brand integrity. It recognises that some brand qualities need to shine through every stakeholders experience of the brand, while others need to be specifically designed to meet the different needs and aspirations of customers and employees.

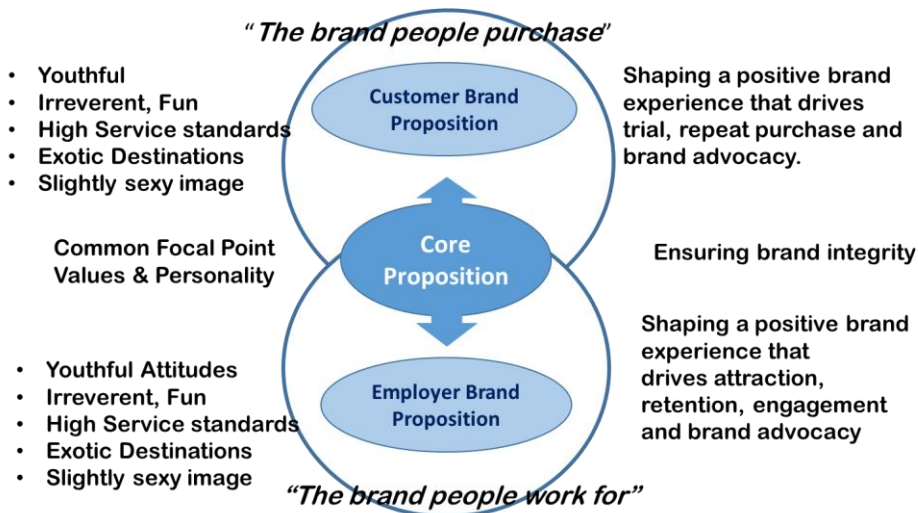
While customer brand and employer brand compete in two different markets -one for products and services; the other for talent and commitment- they are closely interrelated. The employer brand, in attracting the right employees and maintaining their commitment to high performance, plays a critical role in building and supporting the customer brand. Likewise, the strength of the customer brand plays an important role in attracting the right people to come and work for the company. Once employed, the pride they share in the company's external reputation helps in maintaining their loyalty and commitment to delivering on the company's brand promises to its customers. The model helps to clarify these interrelationships and manage them more effectively by providing a more integrated platform for strategic planning and delivery.



Source: Barrow and Mosley (2005)

The diagram shown below reflects Barrow and Mosley's citing of Virgin Airways as an example of a company which has achieved strong integrity between its consumer brand and its employer brand.

Virgin Atlantic Integrated Brand Positioning



They cite Virgin advertising depicting Cabin Crew as "Gods and Goddesses of Service" as having a strong appeal both to customers and to employees, who consider it a reflection of their pride in high standards of service delivery.

They also cite the irreverence and "sexy" image depicted in Virgin advertising and PR, as also embodied in the (behind the scenes) Crew Briefing process which goes under the unlikely name of V.I.A.G.R.A!

Leadership and Engagement

Over the decades, numerous studies have been conducted on the behaviours and roles of leaders, which include charismatic leadership and transactional leadership (Bass, 1985; Bass & Riggio, 2010; Yukl, 1989). More recently, the focus of leadership research has shifted to transformational leadership, which has an impact not only on organizational performance and task-related role performance but also on employees' positive attitude change and emotional encouragement (Bass & Riggio, 2010; Northhouse, 2010; Podsakoff et al., 1990).

In addition to job resources and job demands, leadership has also been identified as an important antecedent of employee engagement. Christian et al. (2011) found that transformational leadership was positively related to engagement.

Since the 1980s, Transformational Leadership has been one of the most popular approaches to leadership (Northhouse, 2010). Historically, the concept of transformational leadership, first coined in 1973 by Downton, emphasises the importance of the relationship between leaders and followers in leading effective teamwork-based performance, whereas transactional leadership focuses more on an instrumental approach that uses rewards or punishments to motivate subordinate efforts (Bass, 1985).

Bass and Riggio (2006) asserted that the popularity of transformational leadership might be due to its emphasis on aspects of intrinsic member motivation, follower development, and emotional caring in the workplace. Specifically, transformational leaders' behaviours include articulating vision, providing an appropriate business model, encouraging the acceptance of teams' goals, holding high performance expectation, and providing individualised support and intellectual stimulation (Bass & Riggio, 2010).

More important, and also differing from general transactional leadership, the key element of the transformational leader could be defined as collaboration with followers that is accomplished by raising the level of motivation in the workplace Northhouse, (2010).

According to research conducted by Bass (1985) and Howell and Frost (1989), transformational leaders' behaviours showed a positive impact on several organisational performance improvement factors, including job satisfaction, in-role performance improvement, self-reported effort, constructive process innovation, and employees' work engagement.

Sarah (2009) examined the relationship between transformational leadership and work-engagement related concepts such as employees' job-related engagement and work-related flow in the workplace. Results indicated that transformational leadership has strong links between followers' engagement, vigor, absorption, intrinsic motivation, and personality.

These four factors are considered the fundamental characteristics of transformational leaders:

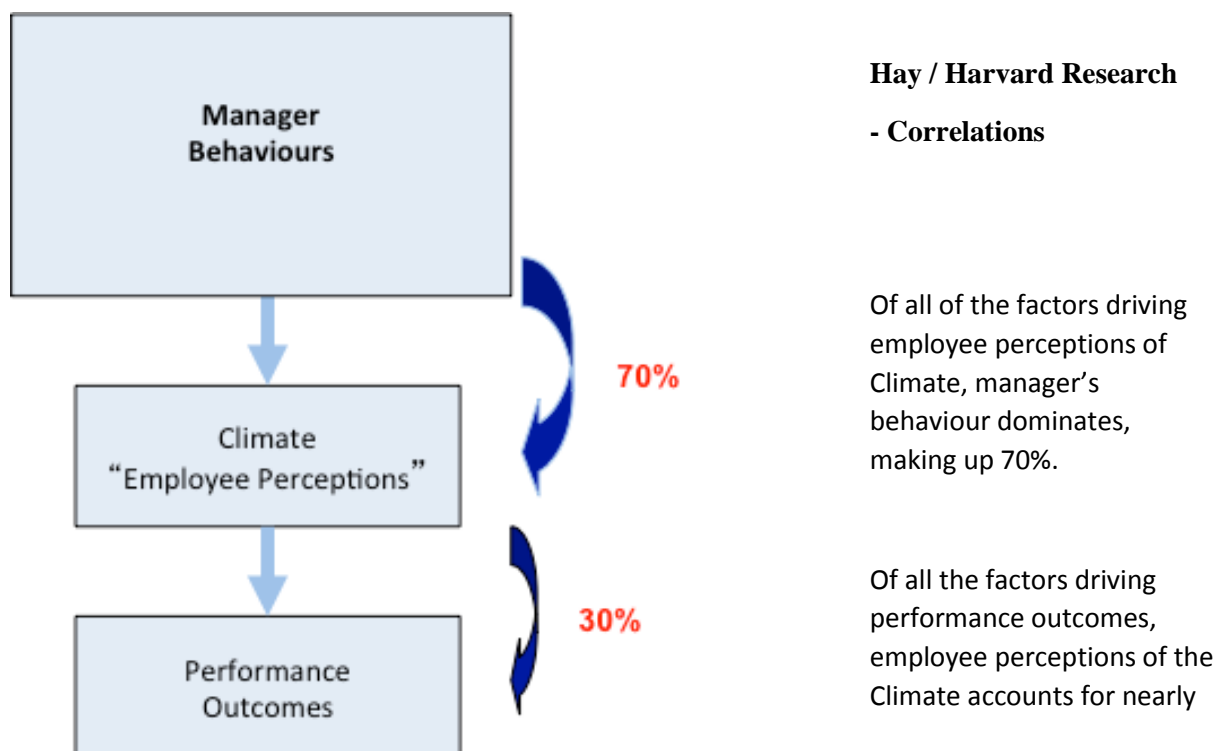
- Idealised influence,
- Inspirational motivation,
- Intellectual stimulation
- Individualised consideration.

Briefly, idealised influence refers to the role modelling of the leaders in the workplace, exhibiting desirable behaviours to be emulated by team members. Inspirational motivation describes inspiring followers to become more engaged and to lead task-oriented commitment through sharing the vision, encouraging higher performance expectation, and appealing to followers on an emotional level (Hickman, 2010; Kelly, 2010).

Intellectual stimulation describes the characteristics of leaders for stimulating team creativity and innovative efforts of followers. Last, the concept of individualised consideration is related to creating a supportive atmosphere in which leaders can support two-way communication with followers and serve as coach and mentor, providing well-rounded support for followers to complete given tasks effectively and also to overcome the personal challenges (Kelly, 2010).

Transformational leadership has a positive influence on organizational innovation as measured by empowerment and task oriented commitment of team members (Bass & Riggio, 2010). In addition, transformational leadership plays a key role in creating a collaborative team environment based on mutual respect among team members, self-determined sense of identity, and self-efficacy based on employee confidence (House, 2004).

Armstrong and Murlis (1998) quote joint research undertaken by Hay Group and Richard Hackman at Harvard in identifying Management Style (Management Behaviour) and Climate as key dimensions influencing the performance of individual employees in any organisation.



The Hay /Harvard research (which Armstrong points out was based on data from hundreds of organisations around the world) has demonstrated the relationship between **manager behaviours** and **performance outcomes**, but specifically highlights that the cause-and-effect path is via the intermediary dimension of **Organisational Climate**.

They argue that the impact of a positive Climate is a highly engaged workforce that is willing to invest extra **Discretionary Effort** that underpins delivery of higher performance.

While this positive impact of engagement is often quoted by exponents of the virtues of Employee Engagement, there have also been claims that employee engagement can have negative consequences such as work interference with family life based on the concept that the level of additional discretionary effort it invokes can lead to “workaholic” employees (Halbesleben, Harvey, & Bolino, 2009).

In his March-April 2000 HBR Article “Leadership That Gets Results” Daniel Goleman reported on the same Harvard study, going into greater detail on the impact of particular Leadership Styles on Climate.

Leadership Style Definitions

Dimension	Description
Coercive	The “do it the way I tell you” manager who closely controls people and motivates by threats and discipline
Authoritative	The “firm but Fair” manager who gives people clear direction and motivates by persuasion and feedback on both achievements and underperformance.
Affiliative	The people first, task second manager who emphasises good relationships among people and motivates by trying to keep everyone happy by providing feelings of security and belonging.
Democratic	The participative manager who encourages people to provide inputs into decision-making and motivates by rewarding team effort.
Pacesetting	The “do it myself” manager who performs many tasks personally, expects people to follow his / her example and motivates by setting and demanding high standards of work..
Coaching	The developmental manager who helps and encourages people to improve their performance and motivates by providing opportunities for personal and professional development.

These Leadership Style definitions effectively capture many of the behaviors characterised by Hickman, (2010), Kelly (2010), Bass & Riggio (2010) and House (2004) in describing Transformational Leadership.

While these authors refer to the impact of transformational leadership on culture, Goleman is able to offer specific definitions of what that culture is from the Hay / Harvard study, as the data from the hundreds of companies which formed the basis for the research was all based on the same Hay instrument used to measure employee perceptions of the culture created by the leader in question. (Hay used the term Climate to describe employee perceptions of the culture created by leaders).

Macey's focus on the need for a particular Culture for engagement to flourish is aligned with Goleman (2000) where he cites Organisational Climate (aka Culture) as having up 30% impact on performance, through an engagement-inspired higher level of "discretionary effort".

Climate Definitions

Dimension	Description
Flexibility	Employee perceptions about constraints in the workplace: The degree to which they feel there are no unnecessary rules procedures, policies or practices that interfere with task accomplishment and that new ideas are easy to get accepted.
Standards	Employee Perceptions of the emphasis that management puts on improving performance and doing one's best' including the degree to which people feel that challenging but attainable goals are set for both the organisation and its employees.
Clarity	The feeling that everyone knows what is expected of them and that they understand how those expectations relate to the large goals and expectations of the organisation.
Responsibility	Employees perceptions about the authority delegated to them; the degree to which they can run their jobs/roles without having to check everything with their boss, and feel accountable for the outcome.
Team Commitment	The feeling that people are proud to be part of the organisation and will provide extra effort when needed and trust that everyone is working towards the same objective.

Source: Goleman (2000)

Evidence of Correlation between Behaviour (Style) and Climate

Goleman concluded that all six Leadership Styles have a measurable impact on each aspect of Climate. While noting that the impact of Coercive and Pacesetting styles was in fact negative on 5 out of six Climate dimensions, he still argues they have their place in specific circumstances. (For example, he cites Coercive as a highly appropriate style in a turnaround situation, where old habits and complacency need to be challenged).

	Coercive	Authoritative	Affiliative	Democratic	Pacesetting	Coaching
Flexibility	-.28	.32	.27	.28	-.07	.17
Responsibility	-.37	.21	.16	.23	.04	.08
Standards	.02	.38	.31	.22	-.27	.39
Rewards	-.18	.54	.48	.42	-.29	.43
Clarity	-.11	.44	.37	.35	-.28	.38
Commitment	-.13	.35	.34	.26	-.20	.27
Overall Impact on climate	-.26	.54	.46	.43	-.25	.42

(Source: Goleman 2000)

Goleman noted that leaders who have mastered four or more Leadership Styles created the very best climates, especially when those 4 Styles were: Authoritative, Democratic, Affiliative and Coaching.

Goleman found that of the six Styles, Coaching was the least used by managers in the study, quoting manager's reasons such as "*I don't have time in this tough economy for the slow and tedious work of teaching people and helping them to grow.*"

Despite their protestations, Goleman argued passionately on the merits of Coaching, arguing it increases employee engagement because it requires **constant dialogue**, and that dialogue has positive impact on **multiple Climate dimensions**:

Flexibility: "*When an employee knows his boss is watching him and cares about what he does: he feels free to experiment. (He is sure to get quick and constructive feedback).*"

Responsibility: "*The ongoing dialogue ensures people know what is expected of them and how their work fits into the bigger picture.*"

Commitment: "*The Coaching style's implicit message is "I believe in you, I'm investing in you, and I expect your best efforts".*

Goleman argues that the infrequent demonstration of Coaching as a Leadership Style is less to do with its lack of efficacy, and more to do with the fact that... "*many managers are unfamiliar with it or are simply inept at it, particularly when it comes to giving ongoing performance feedback that motivates rather than creates fear or apathy*"

In a recent report *Leadership in the Irish Civil Service*, McCarthy et al (2011) identify the weakest managerial behaviour among Senior Irish Civil Servants as "Human Capital Developer".

Perhaps there is a link between this important role that Managers in the Irish Civil Service chose not to play, and the perceptions of low Employee Engagement across Civil Service Departments.

Impact of Fellow Employees

Studies (Neumann & Strack, 2000; Totterdell, Wall, Holman, Diamond, & Epitropaki, 2004) have also found that employees influence each other's mood, with a consequential impact on engagement.

The significance of this is not lost on Gallup who include in their 12 question Employee Engagement Survey instrument the question "Do you have a best friend at work?"

Demographics and Engagement

McClelland (1973) highlights that a person's behaviour at any given time is a function of two things:

1. Some characteristic of the person in interaction
2. Some characteristic of the situation

Boyatzis (1982) develops this concept through his Theory of Action and Job Performance.

He argues that: "maximum performance and commitment = area of maximum overlap and integration".



Much of the literature on engagement focusses on what McClelland described as "The Situation", or what Boyatzis positions as Job Demands and/or Organisation Environment. These are the things organisations usually focus on when addressing engagement.

However, the Individual is important too, and an important aspect of the characteristics of any employee may be generational. Recent writers on the subject of Employee Engagement suggest that differences between generations can form a basis for predicting

needs and preferences across generational subgroups that should be taken into account by employers when formulating engagement strategies.

Four generations are usually identified: Workers born before 1945, often termed Traditionalists; Baby Boomers, born 1946-1964; Generation Xers, born 1965-1980; and the newest members of the workforce, the Millennials, born 1981-1995. The generations are presumed to have different characteristics. While the descriptions vary among authors, here is a pretty common set:

- **Traditionalists** - Hardworking; loyal (to their country and employer); submissive (respect authority, don't ruffle feathers); resistant to change; tech challenged.
- **Baby Boomers** - Work-centric (extremely hardworking, define themselves by their professional accomplishments); independent (confident, self-reliant); achievement-oriented; competitive (want to win).
- **Generation X** - Individualistic (independent, resourceful, value freedom and responsibility, casual disdain for authority and structured work hours); technologically adept; flexible (adapt well to change, more willing to change employers, tolerant of alternative lifestyles); value work/life balance ("work to live rather than live to work").
- **Millennials** - Tech-savvy; family-centric (willing to trade high pay for fewer hours, flexible schedules, and a better work/life balance); achievement-oriented (ambitious, confident, high expectations of their employers, seek out new challenges); question authority; team-oriented (value teamwork, want to be involved, seek the input and affirmation of others, crave attention).

Exponents of a Generational approach to engagement analysis / planning emphasise that while it is important to be wary of generalisation and important to accept that no one set of beliefs or perspectives is shared by an entire generation, nonetheless it would seem that Millennials as they are called (people born after 1980) tend to share some views in common which are relevant to the

workplace and differ from those of other generations. Some of the most frequently made points are as followed:

- Ease with and acceptance of ongoing technological change.
- Strong intolerance of intolerance in respect of minority groups.
- A wish to achieve a greater work-life balance than their parents managed
- A commitment to ethical practices (eg environmental concerns) and an attraction to ethical organisations
- A global perspective (ie not European)
- A resistance to tight systems of control and bureaucratically imposed rules
- Greater ease with insecurities than previous generations
- A consumer-like perspective on work which expects satisfaction and 'shops around' for a new job when dissatisfied.

If these findings are correct, and the attitudes do not change as this generation ages and takes on domestic responsibilities, there are important messages for organisations seeking to recruit and retain members. First we can predict that employees in the future will be less accepting of management prerogative than has been the case in recent decades. There is a possibility that this will herald renewed interest in trade unionism, but the strong individualistic streak picked up by researchers working in this field suggests that a more common form of protest will be to resign and look for work elsewhere. Employers will thus have to get used to a world in which employees are less predisposed to be loyal and less easily bought with pay and perks. Bad management will lead to recruitment and retention problems and it will be progressively harder to shed an unethical reputation once gained. Hand in hand with less loyalty, goes less respect for management and a greater tendency to question. This suggests that the organisation that are most successful in resourcing terms in the future will be those with flat hierarchies, decentralised power structures and democratic cultures. Tolerance of alternative lifestyles and needs arising outside the workplace are also likely to be essential features of successful future organisations.

While employers will probably have to take greater care than they have to date in promoting an acceptable workplace culture, they are likely to have fewer problems in the future securing acceptance of structural and technological change. Millennials appear to be a great deal more relaxed about this than their parents were and still are. It will be easier for organisations to reinvent themselves, to merge with others and to restructure as and when required by their business environments. Ongoing change is seen as part of life by the younger generation and is thus less likely to be greeted with suspicion. On the other hand of course, there are disadvantages for employers as the same 'relaxed attitudes' to change will mean that employees in the future are more likely to switch jobs or even careers than their predecessors. The price to pay for greater acceptance of organisational change is thus higher staff turnover and in an inability to rely on traditional mechanisms of staff control. In short, people in years to come are likely to be less attached to their jobs and workplaces, as well as less concerned about their likely future prospects in any one organisation.

Research from Towers Watson on the factors employee value when considering a new employer certainly supports the idea that differences in generations lead to differing preferences.

ATTRACTION

Top attraction drivers by age – Ireland

Rank	< 30	30-39	40-49	50+
1	Learning and development opportunities	Base pay/salary	Job security	Base pay/salary
2	Base pay/salary	Job security	Base pay/salary	Job security
3	Career advancement opportunities	Learning and development opportunities	Career advancement opportunities	Challenging work
4	Job security	Career advancement opportunities	Learning and development opportunities	Length of commute
5	Organisation's reputation as good employer	Organisation's reputation as good employer	Length of commute	Organisation's reputation as good employer
6	Challenging work	Length of commute	Challenging work	Learning and development opportunities
7	Length of commute	Challenging work	Flexible work arrangements	Flexible work arrangements

Source: Towers Watson 2014 Global Workforce Study – Ireland

towerswatson.com

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However, there is not full consensus in the literature on the basis for the assumptions that different generations carry their preferences through life.

Sirota and Klein (2014) argue the perceived differences are based entirely on anecdotes and have their source, in part, in a fundamental error: the confusion of the effects of age and, especially, tenure with "generation." They suggest the so-called Traditionalists were not only born and reared in an assumedly different era culturally—they also have had longer tenure in their companies and are older. Their resistance to change—if it even exists—may have nothing to do with their generation and everything to do with their tenure or age and their reluctance to trade what has worked for them for years for something untried. In other words, the Millennials, when they age and work longer for their companies, might be no different than the Traditionalists are today.

They claim there have been just two genuinely systematic studies specifically testing the theory of generational differences, one by the Conference Board of Canada, and the other by Jennifer Deal of the Center for Creative Leadership. Both studies were based on surveys, in the Conference Board case, of 900 Canadian employees, limited to three generations: Baby Boomers: born 1945–1965; X: born 1965–1979; and, Y: born 1980–2000.

Deal, on the other hand, surveyed 3,200 U.S. workers and divides her population into five generations: Silents (born 1925–1945); Early Boomers (born 1946–1954); Late Boomers (born 1955–1963); Early Xers (born 1962–1976); and, Late Xers (born 1977–1986).

Sirota and Klein quote the following conclusions from these studies:

The authors of the Conference Board report conclude that, "There are some sharp differences in how the generations see one another, many of which mirror popular (and often negative) generational stereotypes. Yet, workers from across all three generations want many of the same things from their work, their colleagues, and their employers. In short, many of the supposed differences between the Boomer, Gen X, and Gen Y workers are based on perception, not reality." Companies therefore need to "...provide what all workers

want: respect, flexibility, and fairness.” Only two differences in preferences of any significance were found: Boomers somewhat more than the other two generations prefer face-to-face communications rather than technological means, such as emails (are any readers surprised?) and they are less interested in after-hours socializing with co-workers (considering the Boomers’ ages, there’s no surprise in that).

The Conference Board study explodes a number of specific myths about generational differences. Among them is the belief that “Gen Xers do not like to work in teams, whereas Boomers and Gen Yers are more collaborative and team-oriented.” Their data: “In fact, 62 percent of Gen Xers said that they prefer to work alone, compared with 59 percent of Boomers and 64 percent of Gen Yers. As well, 57 percent of Gen Xers said that they like to work in teams, compared with 55 percent of Boomers and 61 percent of Gen Yers.”

Another prevalent belief: “Boomers value work over life, Gen Xers value life over work, and Gen Yers only value life outside of work.” But the data show that “all three generations seek work-life balance. They all work for the enjoyment of working and to have the means to enjoy a personal life.” The report’s authors caution that “...employers need to be wary of programs and practices that warn of vast gulfs between the generations, and promise to elevate organizational performance through what might be termed ‘management by stereotype.’ It does not work that way. The keys to success in managing a multigenerational workforce are not to be found in designing workplace policies to fit particular generations of workers; they come from developing a human resource management system that makes all workers feel equally valued and is based on respect, shared values, flexibility, and fairness.”

Jennifer Deal presents similar data and comes to strikingly similar conclusions: “...the generation gap at work is one more of appearance than substance.... People want about the same things at work, no matter what generation they are from.” 14 Deal’s advice to management: “Remember, you don’t have to tie yourself into knots (or worse!) trying to accommodate each generation’s individual whims, and you don’t have to worry about learning a new set of whims when

the next generation comes along. People from different generations are largely alike in what they think, believe, and want from their work life. Once people accept this fact, and make their actions consistent with the principles that apply to working with people of Still, in the work setting, employees and managers resist these conclusions about the lack of differences between generations because the conclusions belie what they claim they actually see and experience every day.

They see Boomers acting more conservatively, and more loyal to, and satisfied with, the company. They see Traditionalists being more positive than nearly everyone at work regarding the company as a whole. As The Conference Board emphasised, there are differences in the way the generations see each other. It is also true, however, that Boomers are older and more likely to have been at the company significantly longer than, say, Gen Xers and thus may be more invested than them in it.

And Traditionalists, the oldest cohort, are more likely to be in management, a population we know to be generally more positive. So, both tenure in the company and level confound what people are seeing with their own eyes—you can't "see" tenure, but you can "see" age, which they equate with "generation." A related data analysis that we performed shows the impact of the demographics on overall satisfaction. We found that when we statistically take out the effect of both tenure and level, the differences by age (that is, "generation") disappear—with the exception of a very small positive effect for Traditionalists. Our analysis thus teaches us that with regard to overall satisfaction, it is tenure—not age/generation—that has the real impact. People tend to join companies enthusiastically, hopeful that they have found an organization where their work-related goals, interests, and aspirations will be met. In most companies, however, initial expectations are not met and attitudes then decline, reaching their lowest points during their third to sixth years of employment, and begin to recover later on.

Chapter 4: Research Outcomes

Irish Employer Engagement Practices

Methodology:

This research was undertaken through direct interviewing of Irish companies who are clients of Dublin-based people and performance consultancy People Partners.

Through the generous assistance of People Partners consultants I was introduced to HR Function contacts in over a dozen Irish companies, mostly in Dublin but in some cases around the country. In all cases the companies were selected as examples of specific Employee Engagement practices discussed in advance with people Partners.

Practices:

Measuring Engagement

The first example relates to the high incidence of companies in Ireland that are engaged in the practice of measuring Employee Engagement among their workforce. People Partners consultants listed over 40 Multi-national clients with whom they work, all of which they report engage in Employee Engagement surveys. The vast majority of those surveys are international or global surveys, allowing these organisations to compare engagement trends across countries.

While usually carrying internal branding of the company concerned, the survey services are typically provided by global players in the Employee Engagement consultancy sector.

People Partners report an increasing use of Engagement surveys in Irish Semi-State companies, and across Irish-owned larger enterprises, even in more traditional sectors such as the Dairy/Agri sector.

Example: Engagement Survey

A large Irish-owned bank described how before the crash in the Financial Sector, it conducted an Annual Employee Engagement Survey across all employees, based on its belief that Employee Engagement was strongly correlated with profitability and shareholder value. They also believed Leadership was a key enabler of Employee Engagement.

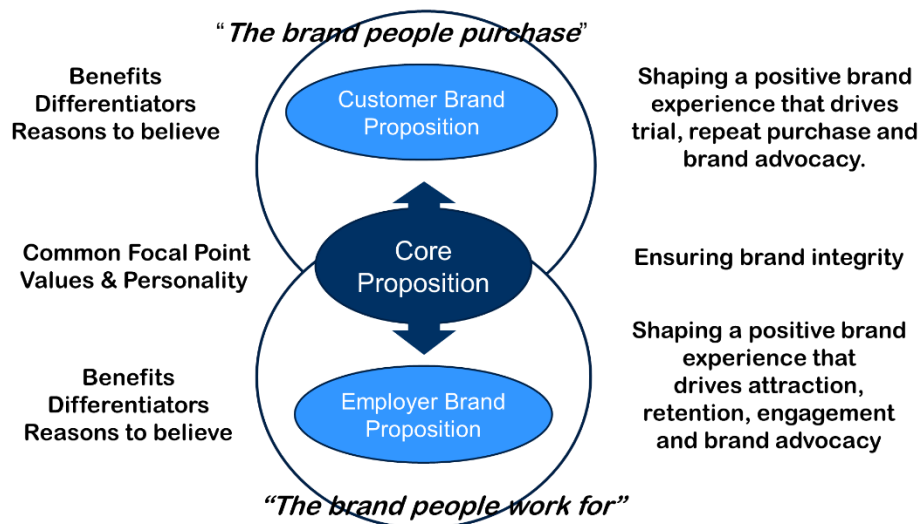
The combination of these two beliefs led them to include a subset of questions about employee perceptions of their Department / Branch Manager's leadership effectiveness. The results of this subset of questions formed 30% of manager's annual bonus payments (along with more traditional financial outcomes).

On falling under State control after the crash, all bonus payment mechanisms became redundant.

Example: Use of (Integrated) Surveys to Ensure Integrated Customer and Employer Brands

While Barrow and Mosley predominantly referred to *consumer brands* in their book about Employer Branding, the following example shows the concept has relevance in Business to Business markets also, even where the example company is a Semi-State.

Enterprise Ireland conducts two surveys simultaneously every year, as a result of its belief in the relationships between customer perceptions about the organisation (in their case client Irish SME's) and employee perceptions. Both surveys are conducted by Towers Watson, who also provide correlation analysis between both sets of results.



Barrow and Mosley emphasise the need for consistency between the brand positioning communicated to customers and the day-to-day employee experience of employees, if the Employer Brand is going to provide a positive impact on Engagement.

Enterprise Ireland report strong consistency between client company perceptions of the organisation's brand as a well-respected source of a wide range of supports to Irish-owned companies, including start-ups with high potential to drive national economic growth, and employee perceptions of high levels of pride in the meaning of their work, and its impact.

Practice: Pay and Engagement

Many companies in Ireland have had a freeze on pay during the downturn post 2008, in many cases right up to 2014. However, during this period a number of companies have undertaken significant reward projects with the intention of enhancing employee engagement, not by increasing pay, but by making pay structures (and employee perceptions of those pay structures) fairer and more transparent.

These projects can be seen to reflect the Herzberg theory of motivation where pay itself is seen as a hygiene factor, but where employee perceptions that pay is unfair undermines motivation and engagement.

Traditionally, employee perceptions about pay are assessed in Engagement Surveys through two specific statements that employees are invited to agree / disagree with on a Likert scale:

1. My pay is fair in comparison to employees in similar jobs at other companies (External Equity)
2. My pay is fair in comparison to employees in similar jobs in this company (Internal Equity)

Poor results in the second question are often associated with structures where employees perceive that there are significant differences between pay levels for similar jobs, and where they have doubts that the basis for those differences is fair.

A common reason for such perceptions is that there are actually significant differences, and the reasons for those differences are not transparent. The absence of transparency can lead to false perceptions of unfairness. In some instances the differences genuinely are unfair.

A common source of difference is where a Pay Range applies to specific grades or job categories. Typically employees start at the bottom of the pay range and "progress" through the pay range on the

back of annual "merit-based" pay increases. The biggest differences in pay are likely when the pay range is wide, and there are significant differences in tenure across employees in the same pay range.

Companies therefore undertake a number of actions to ensure fairness exists, and is seen by employees to exist. The following examples show some of those actions.

Example: Large soft drinks manufacturer.

This company had broad pay ranges, with salaries at the bottom of the range approximately 50% lower than those at the top. Employees were not given visibility of the starting salary, or the maximum salary within the range.

Employees did not have visibility of the factors driving decisions about what merit increases would be paid, or how a more recent joiner doing a good job could ever achieve parity with a long-serving employee delivering the same performance (or even lower performance).

The absence of this visibility left many employees frustrated at the perceived inequity in pay.

This was despite employee perceptions that the company was a "good payer" compared to other employers. They were good payers with poor employee engagement.

Actions to Improve Engagement

The company engaged a reward consultant to help them ensure their pay structure was built on a platform of good practice and fairness.

It then set about providing employees with full transparency on the pay ranges, the mechanisms for progression, the principles underpinning the mechanisms for pay progression, and how those principles ensured fairness in the annual pay review process. A key principle was the concept of performance-related pay progression.

All employees were invited to one of a series of 1-hour presentations where they were provided with a comprehensive communication on the company's pay structures and decision-making processes (including how performance-related pay decisions were grounded in an objective Performance Management Process) and afforded an opportunity to ask any questions they wished.

Each employee was provided with a written statement of their current pay, along with detailed information on how annual pay decisions might impact on them, based on a number of potential scenario's.

The company was open and honest about the fact that some anomalies existed in relation to a number of employees, mostly for historical reasons (movement from sister companies /locations rather than through any abuse of process or favouritism). Assurances were provided that those anomalies were being worked through over time in a manner fair to the individuals concerned and fair to their (lesser paid) colleagues.

Employees reported strong satisfaction with the company's actions in providing transparency around pay structures and pay decisions, even though they knew differences in pay levels would continue to be a feature.

Practices: Leadership

Kelly (2010) described Transformational Leadership as having a powerful impact on Engagement as it creates a supportive atmosphere in which leaders can support two-way communication with followers and serve as coach and mentor, providing well-rounded support for followers to complete given tasks effectively and also to overcome the personal challenges.

Goleman (2000) identified the Coaching Leadership Style as the most important of the six styles defined in Hay/Harvard research on Leadership's impact on creating a climate that optimises discretionary effort, and in turn, higher performance.

Examples of organisations implementing action to enhance leadership capabilities associated with building engagement include:

Example: Semi-State Tourism Organisation

This Semi-State company conducted Coaching Capability training for all managers in 2014, including the use of psychometric profiling to help managers develop this key aspect of Transformational leadership. Managers completed a 4-Day workshop in Coaching Skills to enhance engagement across the organisation.

This work was also seen as an enabler of effective manager implementation of a new Performance Management process with a strong emphasis on growth and career development.

Example: Large Telecoms Company

Following new ownership this company introduced a major Leadership Development initiative in 2015, providing over 300 Managers with the opportunity to enhance their Leadership Skills, with a particular focus on the role of those managers in supporting culture change and engagement.

Example: Large Dairy/ Agri Sector Organisation

Following the ending of CAP milk quota restrictions this organisation has moved into a major growth mode, to respond to the anticipated increases in milk production. They have initiated a major Leadership Development Programme across a population of 350 managers, as well as launching a set of Organisational Values and associated Behaviours.

The training is intended to support the coaching role required of managers in supporting employees through the introduction of a behavioural-oriented performance expectation.

Example: HSE

My own organisation the HSE offers an example of a style of Leadership intended to enhance engagement.

The example is a Pilot programme known as The Productive Ward, designed as an experiment in empowered teams in an organisation with an otherwise rather oppressive top-down control culture.

The Productive Ward programme is based on a number of foundation modules and a toolkit is available through the HSE. Training, based on 'Lean', was provided for the frontline staff on the ward including the clinical manager, midwives, catering and household staff, and ward clerk. The aim of the training programme was to empower the team to identify areas on the ward for improvement by giving staff the information and skills they needed to make the necessary changes for success.

Team meetings were organised and a plan of action developed on how change could be initiated. The team leader submitted a proposal and ward vision to the hospital executive management team, who were very receptive and supportive; this provided the encouragement needed to commence the journey. Communication was a key factor for success and to ensure the relevant information was made available for all staff. An information stand was set up specifically for the project so that all staff were involved. Each step was outlined to ensure the information was understood and could be acted on. A full Case Study document is included as an Appendix to this dissertatin.

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Appendices

A pilot for change

The productive ward ethos is based on the 'lean' principles used in manufacturing industries. Lean is described as a reference-sustainable method to improve the quality, cost-effectiveness and delivery of goods and services. The programme draws on the 'Lean Thinking' principle of reducing activities that do not add value. Many organisations are adopting these principles as a vehicle for continuous improvement. This methodology is also associated with 'High Quality Care for All'¹, which sets out a new foundation for a health service that empowers staff and gives patients more choice.

Commencement of Pilot

The productive ward programme is based on a number of foundation modules and a toolkit is available through the HSE. Training, based on 'Lean', was provided for the frontline staff on the ward including the clinical manager, midwives, catering and household staff, and ward clerk. The aim of the training programme was to empower the team to identify areas on the ward for improvement by giving staff the information and skills they needed to make the necessary changes for success. Team meetings were organised and a plan of action developed on how change could be initiated. The team leader submitted a proposal and ward vision to the hospital executive management team, who were very receptive and supportive; this provided the encouragement needed to commence the journey. Communication was a key factor for success and to ensure the relevant information was made available for all staff. An information stand was set up specifically for the project so that all staff were involved. Each step was outlined to ensure the information was understood and could be acted on. During the initial training, the staff were advised that their first project should be simple, realistic, of short duration and achievable, with ease for a quick win. This worked to motivate the team to take on other modules.

WOW module

The Well-Organised Ward (WOW) module involves a series of actions that help create an ideal workplace by organising, cleaning and reducing waste, known as the five 'S's:

- ☑ Sort: remove what is not needed
- ☑ Set: right thing in the right place
- ☑ Shine: keep things clean and ready to go
- ☑ Standardise: an agreed, consistent process
- ☑ Sustain: continually audit and improve.

The five 'S's are not about just having a good tidy up, but having a ward where equipment and stores are immediately made ready for the next person. The process for doing this is agreed and understood by everyone on the ward and changes are maintained once they have been implemented until they become second nature to the staff.

There is also the option to go back and make further changes when things still are not quite right. In this way, staff begin to understand why things are done the way they are done. By completing the five 'S's it was possible to see changes to the workplace environment, which gave ownership to the staff. In addition, staff were made aware of the cost of all stock items in the ward, excess stock was recycled and an agreed stock level set.

This resulted in a clutter-free store room, less waste and more time spent with patients. An additional bonus was cost savings to the ward. Information on the module 'Knowing how we are doing' was obtained by undertaking patient and staff satisfaction surveys.

The findings of these surveys gave direction for ongoing improvements. In order to be able to measure improvements, a number of tools were devised to collect relevant data to sustain ongoing change. By using the tools, it became apparent if, and what, corrective action was required. In addition, it gave staff a reason to celebrate as goals were achieved. Nonetheless, the introducing the pilot does not come without its challenges: the main barriers are staffing levels, high patient activity, staff buy-in and time.

The team leader needs to be able to generate enthusiasm on an on-going basis. To overcome the challenges, regular updates on the productive ward's progress should be communicated to the team, which in turn helps to attract more buy-in and team commitment.

The results of the pilot phase were:

- ☑ Direct patient care increased by 15%
- ☑ Staff job satisfaction increased by 7%
- ☑ Cost savings in general stores and pharmacy achieved
- ☑ Catering service revamped for patients, leading to improved quality of food and healthier menu options
- ☑ Better organised ward and equipment easily located, making a more user friendly environment for staff
- ☑ Time taken for handover reports reduced by 10 minutes daily
- ☑ Up to 60% reduction in interruptions after introduction of patient information board and improved signage.

Embracing change and sustainability

Like any change, the productive ward is a constant process that needs to be embraced as part of daily activity. As health service care providers the struggle is ongoing to bring about innovative changes and improvements in the current healthcare setting. Productive ward is often challenging as we try to embed new habits and working practices within minimum resources and it is an uphill battle for sustainability.

However, it is important not to get frustrated and lose sight of the goals set. We have found that when a deadline is not met, it is possible to move the time limit, provided there is still some flow of activity. It is a matter of adjusting expectations; there are times when a pause is required before introducing a new module. The productive ward programme is a useful driver for improvement, which can be adapted for use in multiple healthcare settings. To work well a champion is required; this can be the ward manager or an interested staff member who can continuously motivate other staff. To make it work, it is important to set realistic goals and time scales and to know that activities can be linked to everyday work.

Support from senior management is essential for a successful outcome. The initial findings of our pilot, has shown that Productive Ward is a programme you cannot afford to overlook if you are serious about embedding improvement capability into everyday work in the clinical areas. It is also key to the provision of quality care in recessionary times.

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