

Talent Management's impact on Employee Engagement

In this article we draw on research conducted by the Institute of Employment Studies (IES) in both 2003 & 2007 (Drivers of Engagement) and 2008 (Human Capital Measurement), Henley Management College's own study in 2005 and our own work in this field.

What is employee engagement?

Employee engagement has risen in popularity over the past few years. Some enthusiastic pundits have made categorical statements that a more engaged employee leads to better business results and anecdotally there is evidence that this is so - intuitively this would of course make sense. However, there is also evidence that there is little or no correlation whatsoever with business performance - a recent study by Henley Management College concluded that in their research in the corporate world, no such relationship exists.

We have also seen commentary relating to engagement that focuses on the notion of how to get that 'extra discretionary effort', i.e. to create employees that are willing to put in more work for altruistic reasons. We think that this focus on singularly attempting to get more out of people is both cynical and short-termist. Having said all this, a more productive, motivated, happy and 'easier to get on with colleague' is better than one who isn't and engagement studies have sought to attempt to analyse and decode what makes this 'better' employee. Consequently, employee engagement has developed into a complex and multi-dimensional concept that has gone much further than the simple notions of motivation, the psychological contract and employee satisfaction, yet it draws on elements of each of these ideas. It also has much in common with the extensively researched concepts of commitment and organisational citizenship behaviour (OCB). With these last two, there are some important differences - engagement is a two-way process: organisations engage people (intentionally or otherwise) through their systems and processes and they in turn choose the level of reciprocal engagement. Do read our article in our last newsletter 'Are your Talent Management Processes Fair?'

http://www.head-light.co.uk/Articles/Fair_Talent_Management.pdf

So what does an engaged employee 'look like'? From an HR perspective, the typical behaviours demonstrated by the engaged employee are:

- A belief in the organisation and its purpose
- A desire to work to make things better
- An understanding of business context and the 'bigger picture'
- Being respectful of, and helpful to, colleagues
- A willingness to 'go the extra mile', and
- Keeping up to date with developments in their field.

Marketing and Internal Communications functions have pioneered the 'employer brand' idea, but this is just a part of the picture. As the concept of reciprocal and multi-dimensional engagement has developed, it has moved on from simple Employee Satisfaction or Employer Brand questionnaires and into the realms of personal alignment with organisational values and mission statements.

This exploration of employee feelings, emotions and psychological associations requires a subtlety and deftness when asking for feedback in these areas - asking straight questions on the above list of areas

directly would clearly not generate any useful results as they are too blunt and unsophisticated an instrument.

Engagement Diagnostics

Engagement is typically measured via the use of a very specific employee survey, now predominantly delivered and scored electronically. To call it a questionnaire or survey would be technically correct, though greatly undervaluing what it could provide in terms of output and insight. An Engagement Diagnostic should gather structured feedback, both qualitative and quantitative in the areas that matter most (more on this later), in language and terms that are unambiguous and universally understood.

This is where Occupational Psychologists can add real value and develop (and validate) engagement-oriented behavioural indicators, not dissimilar from those used in 360 reviews. Subtlety and deftness can be achieved with careful wording that ask the important questions in the right way and a combination of positive and negative statements together with some discretion as to who to ask for feedback, makes for an insightful diagnostic.

Many organisations report success using the many well respected generic tools, though to our way of thinking, and supported by the findings from the Institute of Employment Studies, a tailored questionnaire reflects the behaviours in your own business context, profession and industry providing the essential organisational fit required to take purposeful action across the business as a result. There is a straight trade-off - is it more important to have an imperfect diagnostic, whose results that can be compared against similar and dissimilar organisations for benchmarking purposes? Or is it more important to have a sharp, insightful instrument whose results can be used to improve engagement levels and business performance in your own company? We'll let you decide.

Some things are more equal than others

There were two real headline items for us in all of the research - the top two drivers of engagement and the impact of belonging to a profession as it relates to engagement to an employer.

According to the IES and their 2007 studies, the two most important and highly correlated drivers of engagement are 'feeling valued and involved' and 'job satisfaction'. However, in different organisations they vied for first and second place and vice versa and are underpinned by different 'sub-drivers' - do see this report for the details. Not all drivers of engagement were shown to have the same impact - this is clearly true for individuals which is why surveys include large populations but also across organisations and industries.


There is a material difference in the nature of engagement as it relates to those belonging to or strongly affiliating with a vocation or profession. To the researchers' surprise, professionals tend to attach their engagement to their profession or vocational calling, rather than to the organisation for which they work. This has interesting implications for engagement surveys that tend to focus on the employee-employer engagement. Our response to this is to advise organisations to identify any significant populations of professionals and to create the Engagement Diagnostic that more closely reflects where their engagement drivers really lie. In practical terms, this means a different sub-set of questions for certain professions within your organisation. In the public sector this is likely to be highly relevant for the 'blue-light' services, the military and the health profession. In the corporate world, law firms, organisations with large IT departments, bio-tech companies and media firms will benefit from this segmented approach to engagement measurement and analysis.

Engagement and its impact on Talent Management processes

Employee engagement has an impact on the efficacy of the four key talent management processes of Development, Performance Management, Recruitment/Selection and Succession/Progression.

Development and Engagement

There is much in common with many indicators of sound leadership and people management used in 360 reviews, and those found Engagement Diagnostics. For example, 360 reviews solicit input from direct reports (typically on competences such as maximising potential and communication) providing a score for that manager against these competences. The IES concurs that the role of the immediate line manager exerts an influence over many aspects of their direct reports' working lives that impact their engagement levels. Therefore a manager's score against these competences, rolled up for their entire team, will provide very useful and personally actionable data for those factors affecting their team's engagement levels. Similarly, 360 reviews also include indicators of behaviour that relate to alignment with organisational values.


 With this relationship between levels of engagement and the behaviours of immediate management and leadership style, it would be eminently sensible to build on and use common indicators, language and style. Conducting a 360 review of managers and leaders prior to running an engagement diagnostic will provide useful feedback for those individuals from a developmental perspective, and also shed some light on the current state of management behaviours as perceived by those at the receiving end of them.

Our own 360 review product, Talent360 is well suited to delivering a diagnostic that has the required subtlety and deftness of questionnaire. Work done here can be built upon for subsequent engagement programmes.

Performance Management and Engagement

According to the IES, there is a clear positive correlation between those who have participated in an (effective) appraisal and those that exhibit higher levels of engagement. This (effective) appraisal process signals to the employee that their training needs and their development are being taken seriously by the organisation.

The underpinnings of an effective performance appraisal are a clear set of role-specific characteristic measurements. This, in conjunction with a comparison with benchmarks, will show without ambiguity, where an individual needs to develop, the behaviours they need to adopt (or not) and how they compare against their peers.

 Talent180 is well-suited to those organisations that wish to transform their performance appraisal system to bring it in line with competency-based assessments. An output of a Talent180-based review is a personal report that draws attention to areas of strength and development as they relate to the role, enabling a more purposeful dialogue between employee and manager.

Talent180's diagnostics benefit from the same level of sophistication and power as those used by Talent360, again enabling work in this area to lay foundations for a subsequent engagement programme.

Recruitment & Selection and Engagement

The IES study demonstrated that where a realistic job preview is provided to candidates, those who subsequently joined the organisation had higher engagement levels. In terms of your own recruitment processes, to what degree do you use assessment centres or other job preview mechanisms to set clear expectations as to the nature and requirements of the role - surely not just a job description?



Talent Spotter delivers and scores on-line bespoke role-based assessments for candidates entering the recruitment process. It uses the concept of Situational Judgement (as opposed to personality) which uniquely provides the recruit with a realistic job preview. Used early in the recruitment process, candidates can 'screen themselves out' if the role does not appear to be as they thought. Similarly, those that score higher on these tests can be fast-tracked through the recruitment process to bring them on board more quickly.

Progression & Succession and Engagement

How many times have we seen personal development plans that are simply a list of courses to attend, dreamt up by the employee after browsing through a training catalogue? We have all seen the output of performance appraisal meetings that give almost no indication of where the employee sees themselves in the future or how they might get there.

Again, the IES note that those who have a personal development plan exhibit higher levels of engagement than those that don't. All very well, but how might they be helped to take control of their own career in your organisation? Very often a perceived lack of opportunities or career paths lead to dissatisfaction with the employer and it is just a perception. Practical career planning support, put into the hands of the employee, with easy to use tools that they can experiment with and develop their own thinking, enables an informed and purposeful career planning activity.



Talent Navigator provides such support, using your own organisational frameworks, or those from the Chartered Management Institute (if you have yet to create or customise your own) enabling employees to chart their own paths to the next role including their learning and development needs at each step. Once an employee has decided on a path, a report is available to inform the personal development planning meeting.

Next steps

1. Get hold of a copy of the IES Reports, downloadable from: www.employment-studies.co.uk especially the 2007 report 'Engagement: The Continuing Story.' It contains absolutely fascinating insights into the subject and surpasses any industry commentators' observations.
2. Conduct a Stakeholder analysis including Leaders, the Line and HR as all have a role to play in engagement:
 - a. Senior Managers from leading by example, employee involvement in decision-making, communication to making major decisions on organisational aspects of working life
 - b. The Line's role to translating policies to those on the ground and supporting and developing them

- c. HR's responsibility to implement people services, professionally, promptly and fairly (see our article in our last newsletter 'Are your Talent Management Processes Fair?') http://www.head-light.co.uk/Articles/Fair_Talent_Management.pdf
3. Engage senior management and the Line painting a picture of what 'good looks like'. Use their terms, avoiding all the HR language in this article, and show them how their team and the business could benefit.

In addition to our Talent products above, Head Light Communications is able to assist you with your Employee Engagement programme in the following ways:

- Analysis, design and validation of a tailored engagement diagnostic
- Internal launch services
- Support to identify development priorities

We are due to announce our own employee engagement measurement tool, Talent En-Gauge™ at the end of this year - do ask us about joining our free pilot programme.

Finally to quote the IES:

'There is no real substitute for understanding the workforce in depth, which implies good quality line management, a professional HR function, and senior management that is prepared to invest in firstly a thorough analysis of employee attitude survey data and secondly acting upon the results.'