

The Future of Engagement: Thought Piece Collection

Are we now mature enough to ask the harder questions,
the ‘engage with what?’ challenge

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In this thought piece, Paul argues that it is now time to grapple with some hard questions about engagement. The people-performance link is complicated and hard to unpick; organisations should not assume that devoting a certain amount of effort to engaging the workforce will automatically result in a similar amount of increased engagement and productivity. There needs to be a recognition that people need to feel they are being treated fairly and that their work has meaning – implying that engagement is not only beneficial to the bottom line, but is the right thing to do.

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The engagement movement, and the direction that it takes in the near future, is at a critical juncture. Over the last few years both academic and practitioner effort has helped us develop some useful insight into the importance of engagement and its link to performance. However, this picture is more nuanced than many might wish, and requires that we tone down some of our performance claims, but strengthen others.

In writing about employee engagement, because of the ideological attachment that some might have to it, or the debates about its exact meaning or measurement, it is necessary always to lay out your starting assumptions. Here are mine. If you disagree with the diagnosis, you might not agree with the prognosis!

I believe that engagement can have important performance benefits for organisations, but I also believe that organisations should pursue engagement whether it improves bottom line performance or not (for reasons I shall outline later, but broadly because there are ethical arguments that are as important as the utilitarian ones, and also because I think the public mood is changing).

I believe that you can show some linkage between engagement and bottom-line measures of performance, but I do not believe that showing linkage only is enough, nor do I believe that if you started with the desired end performance, you would automatically always point to engagement as your starting point. There are complex recipes needed to create organisational performance and engagement, though important, is but one part of the mix (not just in business terms but also in terms of HR focus and strategy).

I believe that you can measure engagement amongst individuals in some useful ways, and that through more directed measurement engagement can be more than just a process of substituting new words for old constructs. But then I do not believe that the state of engagement within an individual should be the sole focus of an HR strategy, nor that what you have to do to engage individuals has too much to do with what organisations actually do in practice under the umbrella label of an ‘engagement strategy’.

I believe that HR professionals can say a lot about the nature of engagement, but I also believe that other professions, such as operations, corporate communications and marketing, have some interesting insights into it as well. So, the existing decision that organisations have made about who runs their engagement strategy – HR, Comms, or a combination; and if it is the HR function, where those people are located within the HR structure – are having a strong impact on the future direction of engagement.

Finally, I believe that engagement can be managed at an individual level, but I am also convinced that in many performance contexts engagement only really works at a collective level, and that the skills and interventions it takes to turn on an individual are not the same as the ones that create a sense of collective belief. So we need to shift the level of measurement.

In short, part of my expectation and hope for the future of engagement is that the field will become a little less ideological – ‘you’re either with me or against me’ – and a bit more nuanced. And that

engagement analytics will be seen only in the context of other HR analytics if they are to form a basis of interventions.

Let us start with the performance problem. The reason why the movement feels obliged to make performance claims is essentially a political (with a small 'p') issue. The argument is made for political and tactical reasons. There is a group of non-believers that the believers feel would be better served by understanding how important engagement is. Most of the believers are already on board, so it is the 'sceptics' or the 'don't cares' who remain to be persuaded; this could be described as a 'Why don't they just get it?' strategy. One risk for the future of the engagement movement is that it becomes a bit like other movements – such as quality management or lean – and evolves into a battle between zealots and the indifferent.

A second risk is that we devalue the currency of our arguments. We live in a culture where one has to put some pound signs against any call that asks people to change practice, in order to get someone's attention. Every day we hear that we would save billions of pounds if only we did this, or that. If we add up all the billions of pounds we will save by doing the right things, then apparently we have an economy ten times as big as it is! But politically we are tempted to suggest big figures to get people's attention. Never mind if it is logical. Rather like some infamous Irish bankers, you need a figure, so I give you one.

Asking that we become a bit more circumspect in our performance claims is not just academics being picky, or impractical. It is actually very practical, and consequential, especially for the future of HR functions that seem to have increasingly little sympathy and legitimacy amongst line managers.

Here are some practicalities. Where measurement begins, insight must now follow. Whilst still supporting the proposition that engagement can contribute usefully to performance, HR Directors need to be much more realistic about the way they argue such a link can be engineered. Engagement is not a panacea, and the clearly supportable view that engagement can be correlated (politely called 'linkage studies') with useful performance outcomes (which it can be) needs to be supplemented with far more business-relevant explanations of why engagement is useful.

Does engagement *cause* performance? This is the 'bet your mortgage' question (Sparrow, 2013). Even if you want to believe engagement is central, would you really bet your own mortgage on a simple yes or no answer to the question? Not just 'non-believers', but also more 'business-savvy' line managers (or Operations Directors, or Capability Directors, or CEOs) use their pragmatic insight into organisational effectiveness to argue why the answer to questions of causation must be that 'it depends'.

These insights tell us that the 'recipe' linking engagement to organisational performance cannot be blandly copied across sectors. It requires unique solutions across different service (industry) models, and indeed across sectors such as manufacturing, engineering, or public sector. For example, the things you have to do to get managers and employees to engage with if there is a strategic focus on innovation, look quite different to the activities they must engage with if lean management is a central strategic drive.

Even within a single sector, organisations in practice build complex service models that attempt to bring together a range performance factors. These include, for example, internal service quality, customer expectations, organisational image or brand, perceived product or service quality, external service value, customer satisfaction, customer loyalty, and customer advocacy.

From a strategic perspective, engagement is a rather sterile concept unless we know what it is that employees are expected to engage *with*. The role that engagement plays in fostering, for example, innovation at the organisational level, is different to the role it plays, and the things that have to be done, if the requirement is lean and efficient management, or to globalise delivery, or to create a more customer-centric experience.

The HR profession has now to de-layer the concept of engagement (Sparrow and Balain, 2010) and then 'reverse engineer' the sort of performance that is required by their organisation's particular business model, and understand the logic that suggests why a particular range of employee attributes (along with engagement) serves a central purpose in delivering that type of performance. HR functions need to articulate whatever it is that they want their employees to engage with, and then ask the harder questions – do employees believe in the strategy and the assumptions that the organisation is making about the necessary performance? Given these beliefs, what do employees think are the probabilities of success?

Given the variety and uniqueness of business models, the performance model itself, and the organisational capabilities on which performance is based, are different, then making generic claims about engagement as a cause of performance across different organisational settings is neither realistic, nor a strategy that will win HR many friends.

In future we need engagement studies to help answer four unanswered questions.

First, does engagement cause performance, is it the other way round, or does it work in both directions? There are competing views about whether job attitudes cause performance, the extent of reverse causation, or the presence of bi-directional influences (Schneider, Hanges, Smith and Salvaggio, 2003; Riketta, 2008; Harter, Schmidt, Asplund, Killham and Agrawal, 2010; Winkler, König and Kleinmann, 2012), but the balance of evidence suggests bi-directional pathways. Hence the problem that linkage studies – however well-intentioned – over-inflate the performance effects of high levels of engagement.

Second, why do we assume that engagement has a linear impact on performance *ie* if you make employees a bit more engaged, you get some more performance, and a bit more engaged beyond that gets some more performance? The idea that employees are either engaged or not, and that once engaged, the impact on performance is linear, seems overly simple. Sometimes – in certain jobs, certain segments of employee, certain business scenarios – performance effects may only really begin at very extreme levels of high engagement. Other times just a little engagement might do the trick! In the same way that the fairness literature has shown that there are different levels of 'equity sensitivity' (some people respond to fairness as predicted, others do not) it will not be long before we hear people talking about 'engagement sensitivity'. The sensitivity of performance to changes in engagement may vary over people and over time and context within people. As an asset, engagement might sometimes be a rather blunt instrument. But in other contexts and at other levels of intensity, it may have a very powerful leveraging effect and value.

Third, building on the argument that engagement does not always follow the same 'recipe' from one organisation to another, we need to accept there are three different and increasingly more complex performance outcomes that might be created (bearing in mind that the chain gets more complex as you make each connection, and the chance that the chain gets broken at each link is also high) so it is not the engagement causing the performance, but the ability to connect each link! Think about it. Engagement might be shown to be important in creating what are called *proximal* performance outcomes, eg task performance, contextual performance, commitment, satisfaction, turnover intentions. Then, we assume that these things, alongside engagement, flow into *intermediate* performance outcomes that capture the delivery of a strategy, eg customer service or value proposition, innovative behaviour, understanding of a broader business model and performance context. Then, we assume that, unbroken, engagement continues to flow into more *distal*, or organisational performance, outcomes, eg measures of quality or financial performance. The reality is that it only takes one or two events outside the control or influence of HR, or the employee, to break the whole chain. Organisational effectiveness is only achieved if a whole collection of performance promises coincide – the engagement promise needs to be supported by the brand promise and by the organisational capability promise. So, good work by HR can soon get dissipated.

Fourth, another shift that will need to happen is to move our study of engagement away from looking at and measuring individual engagement, and thinking instead much more about collective engagement. Sometimes engagement may only work when it creates a collective capability – employees as a team display certain behaviours and emotions and understand how to correct their unit's performance. One unhappy person amongst a group of happy people can destroy unit performance, so average engagement benchmarks are problematic. An engagement strategy, in trying to create multi-level outcomes that range from individual engagement through to much more collective conditions, in reality may have to cope with the fact that there may be different antecedents to the creation of individual engagement as compared with collective engagement. Much work in organisations is delivered through teams and units – situations where the whole team needs to be switched on if effective performance is to be delivered. This is not to say that individual engagement is the wrong level of measurement – of course we need insight into how individuals are feeling and thinking and knowing this can provide an early warning system that there are some in the team who have issues at work. But engagement needs more than a group of individual 'switched ons' – it needs all in the team to understand what it is they are engaging with, and it needs all in the team to have a collective sense of belief in their ability to deliver on their mission. Indeed, a group of people who are individually 'switched on' might not be engaging with what the team has to do, or may feel all is fine personally for them, but have little belief that their colleagues are truly engaged with what is important. Is the type of leadership needed to 'make sense' and 'give sense' to a team – an important pre-cursor of the team knowing what to engage with – different to the sort of positive emotional contagion that might switch an individual on? It might be. So, we should expect in the future that researchers and practitioners will start to measure the 'we' more than the 'I' when it comes to engagement.

So whilst I totally understand the motive, and have in my own research made efforts to show there are organisational benefits to engagement, this to me is the wrong starting point for the engagement movement to base its future advances on. First, the arguments, though sustainable to a degree, will be outgunned by other performance factors. Second, it is a bit of a one-sided argument, which misses the zeitgeist of the times we live in.

It is to this last challenge – is engagement aligned with the zeitgeist of the times? – that I now turn. Here, we have to get a bit more contentious, and also speculative. We do not really know how employees honestly think about these issues.

But if you take an employee down to the pub, rather than ask them official survey questions, the one over-arching, future direction for engagement they will expect HR to address is the 'engage me because you should, and not because you must' argument. We are, within the timescale of one more generation, fundamentally re-designing the relationship – and the risks that get transferred – between individuals, work, organisations, markets and society. An employee, or a manager exhorted to engage others, might ask 'so you base your argument that I should be engaged because *my* engagement makes *you* more money'? I wonder if that message has any potency any more. Being engaged is not people's world problem right now. The problem vexing most people – especially in an age of austerity and decades-long re-balancing of an economy – is distribution of what is already on the table across generations, or geographies, or gender; and I do not mean just money, but all sorts of other useful resources such as social mobility, access to quality work and careers, and so forth. Will the drivers of engagement be the same?

People are seeking something more meaningful and sustainable than engaging with a corporate strategy. Many employees want to engage with social missions beyond the organisation – so in the future we should start to gather the evidence that links the creation of organisational engagement to the delivery also of more inspiring futures than those currently on offer.

Employees will also need to be persuaded that engagement has something in it for them – so we need to show more clearly that engagement also improves individual health, stress and well-being. Individuals

want their employers to do good things and make work more meaningful because they think that is only fair, not just because it is profitable. Will it start to disengage employees if they think HR are only 'doing' engagement to impress other line functions, marketed as part of a performance-driven 'strategy'? In psychological terms, will engagement become a 'relative perception' – *ie* relative to the times we live in? This is why more and more research evidence is showing – and will show even more so in the future – that the drivers of engagement are already returning to the fundamentals: immediate supervisors and leaders who can do the basic interpersonal tasks with a degree of civility – and beyond that my sense of *your* trustworthiness, *my* voice, and *our* vision?

Perhaps this is another reason not to get too fancy or wedded to today's predictive modelling.

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This paper forms one in a collection of thought pieces by the Engage for Success special interest group on 'The future of employee engagement'. A white paper on the same theme is being published separately. The full collection is available (as will be the white paper) at: www.engageforsuccess.org/futures