Cerus Consulting

Employee Engagement in the 3ʳᵈ Sector – a Time Bomb Waiting to Explode?

Summary

A recent study undertaken by Cerus Consulting has indicated that leaders of charities and NGOs need to start taking employee engagement seriously and that failure to do so is likely to have serious consequences in terms of future organizational performance and employee well being. The specific findings from the study were that:

- Many charities approach to measuring employee engagement is flawed and where employees are delivering 'above average' levels of performance it is often despite, as opposed to because of, the organization
- Employee engagement scores frequently mask underlying psychological concerns of employees that can result in 'self protection' behaviors and reduced short term performance
- Ultimately higher levels of burn out, stress, sickness and absenteeism are likely with the attendant implications for employee wellbeing and sustainable organizational service and performance.

Introduction

The current economic environment is particularly challenging for organizations operating in the charitable and not for profit sectors. Pressures on funding coupled with increasing demand for, and dependence on, their services (particularly in areas where government and local authority service provision is being reduced), has meant that employees at all levels are being required to 'do more with less' and are under increasing pressure to deliver. If there was ever a time when high levels of employee engagement were required, the time is now, and on the face of it, there is considerable evidence (eg the high engagement scores that many charities report from their employee engagement surveys) to indicate that employees are rising to the challenge and that charities are being successful in creating high performance work environments which stimulate engagement and performance.

However we believe that, for many charities, this may not in fact be the case and that these high scores may well be providing a distorted picture and masking a number of potentially serious issues. This belief was borne out in conversations with several HR Directors who expressed a degree of unease about the apparent disconnect between observed employee behaviors and survey results. Accordingly, we undertook a study involving eight UK based charities in order to test three hypotheses:

1. That employees within 3ʳᵈ Sector organizations are more engaged with the cause that the charity is involved in, as opposed to being engaged with the organization per se
2. That as a consequence, engagement survey scores frequently present an artificially positive picture of the level of engagement that actually exists within the organization

3. That this 'over-positive' picture masks deeper psychological concerns that employees have which have implications for both employee well being and sustained organizational performance.
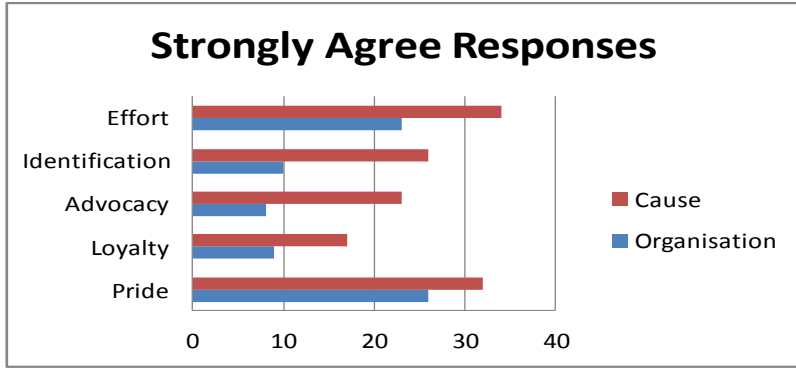
Research Methodology

In total eight UK and International charities took part in the study and responses were received from a total of 56 respondents drawn from a cross section of organizational roles and levels. Respondents were asked to complete a short questionnaire to assess (using a five point measurement scale) the levels of pride, emotional identification, loyalty and advocacy they felt for both their organization and the cause that the organization was working for as well as the extent to which they were prepared to put in additional discretionary effort on behalf of the organization or the cause. They were also asked to rate their level of commitment and to select 5 words from a predefined list that most accurately reflected their feelings about working for their organization.
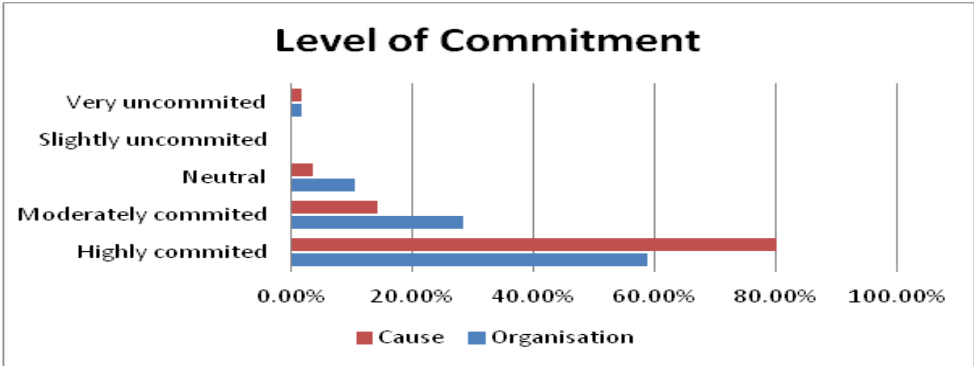
Results

Analysis of the results showed overwhelming evidence that employees are more engaged with the cause than with their organization. The distribution of responses to statements regarding pride, loyalty, identification, advocacy and discretionary effort are shown below and indicate that employees responded much more positively to statements about the cause than the organization.
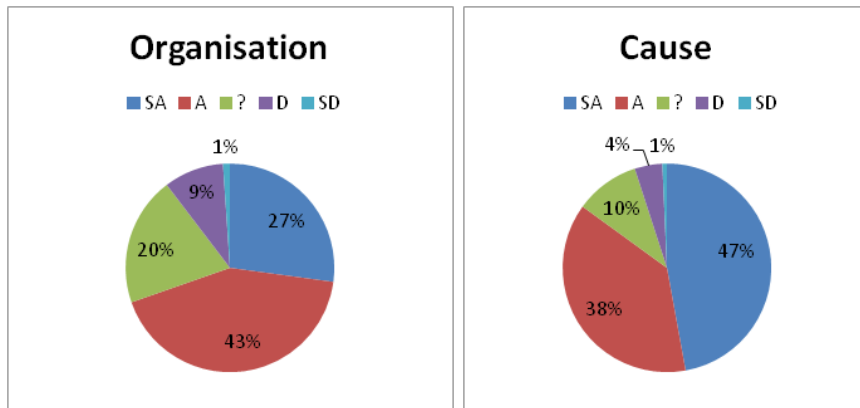
Detailed comparisons showed that employees were much more likely to express strong agreement about their level of pride, their willingness to advocate, their levels of emotional identification and loyalty and their willingness to put in additional effort, when asked about the cause as opposed to the organization, as shown below:

Strongly Agree Responses

A horizontal bar chart comparing Cause and Organisation responses across categories: Effort, Identification, Advocacy, Loyalty, Pride. X-axis from 0 to 40.
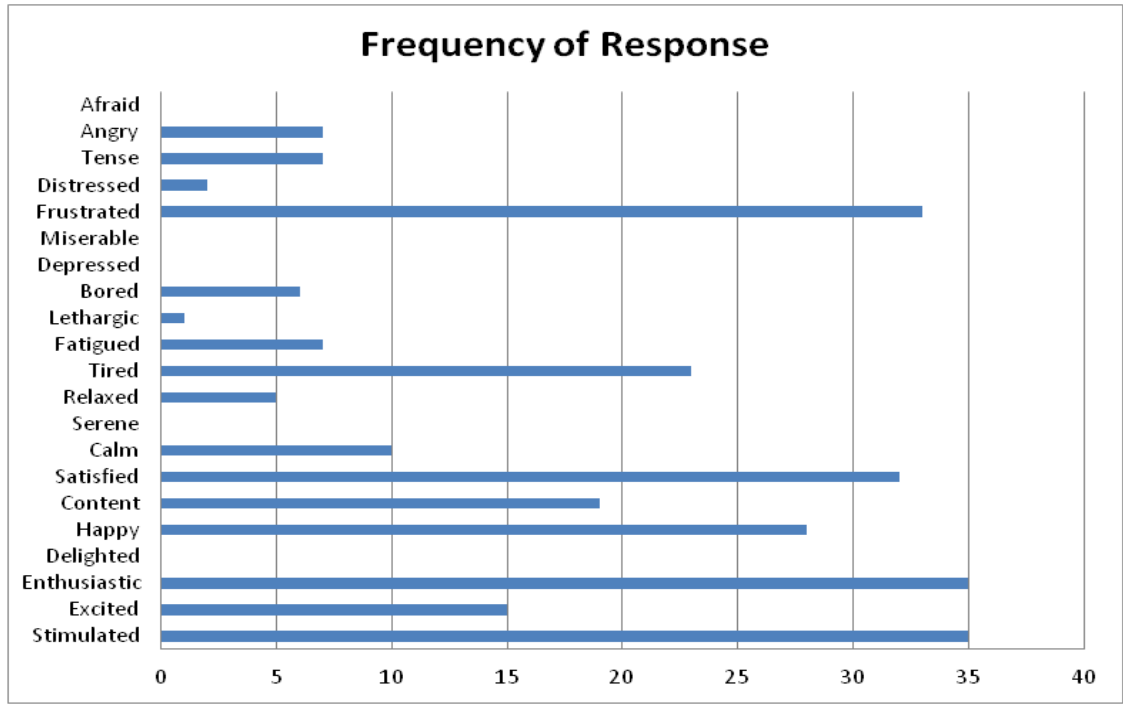
The relatively low scores / high gaps associated with identification, advocacy and loyalty are of particular concern indicating that employees are putting in additional effort despite, as opposed to because of, organizational behaviors and practices. This conclusion is borne out by the extent to which respondents indicated where their greatest level of commitment lay with the analysis showing that employees considered themselves to be more committed to the cause than to their organization.

Level of Commitment

A horizontal bar chart comparing Cause and Organisation across commitment levels: Very uncommited, Slightly uncommited, Neutral, Moderately commited, Highly commited. X-axis from 0.00% to 100.00%.

An analysis of the words selected by respondents to reflect their feelings about working for their organization indicated that the most common words selected, in order, were:

1. Stimulated
2. Enthusiastic
3. Frustrated
4. Satisfied
5. Happy

Frequency of Response

Response	Frequency (approx.)
Afraid	0
Angry	7
Tense	7
Distressed	2
Frustrated	33
Miserable	0
Depressed	0
Bored	6
Lethargic	1
Fatigued	7
Tired	23
Relaxed	5
Serene	0
Calm	10
Satisfied	32
Content	19
Happy	28
Delighted	0
Enthusiastic	35
Excited	15
Stimulated	35

It is interesting to note that whilst the first two statements are associated with high levels of engagement, they were frequently accompanied by the third statement, 'frustrated', which is not. Further exploration into the causes of frustration was carried out in order to ascertain if this was in response to the broader economic and political environment in which they operated or reflected issues which were internal to the organization (eg about culture, leadership, job design etc). Without exception respondents indicated that their frustration was as a result of internal organizational factors (ie aspects which were within the organizations ability to control or influence). This suggests that much of the positive energy and effort being exerted by employees is being dissipated in an attempt to overcome internal barriers.

Further analysis of these responses indicated that:

- Approximately 30% of responses reflected feelings that were positive in terms of potential impact on organizational outcomes and employee wellbeing. They exhibited high levels of activation and a positive emotional state and hence could be seen as being highly engaged with the organization
- Approximately 40% exhibited a state that indicated positive wellbeing but which was not likely to lead to above average levels of performance; maintaining a 'comfortable' and stable working environment would be the priority concern for this group - a reality which might be difficult to realize in the current economic environment
- In total 14% exhibited signs of fatigue and burnout and 7% highlighted feelings that are indicative of stress.

In other words 70% of employees were not channeling or aligning their energies in a manner that best served the needs of their organization. Of these, approximately 20% of respondents reported feelings

that are often precursors of health and stress related issues and which can manifest in high levels of sick absence; they certainly do not lead to positive organizational outcomes as these individuals are most likely to adopt 'survival' behaviors to protect themselves, irrespective of the organizational consequences.

Conclusions

The study involved a relatively small number of organizations and respondents but nevertheless produced consistent results. There is a clear preference for 'cause' over 'organization' and whilst we cannot conclude categorically that employee engagement survey responses are being distorted, we believe that there is sufficient evidence to suggest that many organizations are not obtaining an accurate picture of their employee engagement levels.

Further, we conclude that this may well mean that critical aspects of organizational behavior and practice are being overlooked in the belief that they are not fundamentally affecting engagement when the reality is that people are 'going the extra mile' despite the organization and not because of it. This may be manifesting itself in enhanced levels of performance and service in the short term but at a price; eventually frustration with organizational practices, burnout and stress will come to the fore with the inevitable consequences of physical and / or emotional withdrawal of effort. Consequently organizational performance will invariably suffer as will employee wellbeing – a doubly disastrous outcome not only for employees but for the beneficiaries whom the charities aim to serve.

How to Prevent the Bomb Exploding!

This analysis highlights the critical importance of employee engagement within the 3rd sector and the potential risks and consequences of not taking it seriously. However some organizations have already 'seen the light' and are starting to re-think their approach to employee engagement. Here are a few actions that organizations can take to mitigate these risks:

1. Make employee engagement a priority for the Executive Team and educate them about why it matters and their role in establishing a culture that fosters engagement (and the potential risks and consequences of failing to do so)
2. Recognize that it's not just about conducting an annual survey – employee engagement is about embedding the culture, behaviors and practices which are essential for long term, sustainable organizational success
3. Invest in building leadership and management capability that puts employee engagement at the heart of what it means to be an effective leader and manager – help them to understand what they need to do differently
4. Treat surveys carefully and ensure that they are measuring the right things. Engagement surveys have an important role to play but they are only a measurement tool – as the saying goes you don't make a pig heavier by simply weighing it!
5. Recognize that employee engagement is about relationships which by definition are complex and fickle – don't be tempted to adopt oversimplified solutions but seek to understand how employees emotionally connect with the organization, their work, their colleagues and their clients.

About the Author

Doug Crawford is the Managing Director of Cerus Consulting and a specialist in employee engagement and performance management. He has over 20 years consulting experience across a wide range organizations, both in the UK and internationally. For further information contact doug@cerusconsulting.co.uk or visit our web site www.cerusconsulting.co.uk