future work centre

Evidence Matters

## Employee engagement: the emperor's new clothes?

Contents

Executive summary

This paper takes a critical look at the concept of employee engagement. Despite having grown in popularity over the last twenty years, there is little scientific evidence to support the impressive claims made about engagement.

Our review of the literature highlights four main problems with engagement as a concept:

> There is no single agreed definition for engagement and interpretations differ wildly across theorists and organisations.

> Engagement has a significant conceptual overlap with commitment, satisfaction and motivation. Some engagement measures correlate with commitment to such an extent that they are measuring exactly the same thing.

> Measures of engagement differ significantly in what they measure and how they measure it.

> There is a significant lack of good quality evidence for both engagement as a cohesive concept and for its impact on people and organisations. This is despite the claims made by practitioners and consultancies in this area.

We therefore recommend that claims about engagement and its benefits are treated with healthy scepticism and that organisations reflect before investing in engagement processes. Organisations could better invest in measuring, and attempting to manage, employee satisfaction, commitment and motivation, for which there is superior evidence.
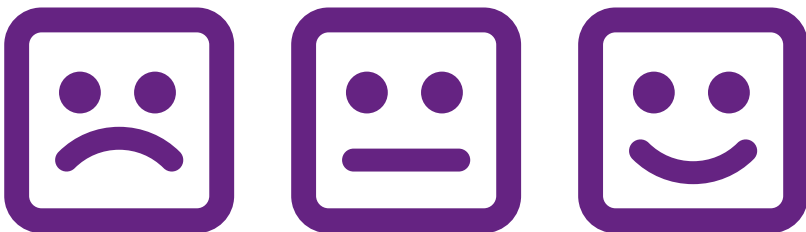
Introduction

The employment relationship and the interaction that people have with their jobs is fundamental to how people behave at work. Occupational psychologists have been studying how these relationships work since the discipline emerged at the turn of the 20th century. And yet in the last fifteen years or so, an apparently new concept has emerged – 'employee engagement'. We're frequently attracted to novelty and there has been a rush to embrace this new concept, citing engagement as the key to tackling all manner of organisational ills.

At the Future Work Centre, we ask questions, challenge thinking and look at what the scientific evidence tells us. Our experience tells us that motivated, satisfied people make for better employees, but we like to know why and how, rather than leap to conclusions.

This paper aims to untangle the strands of engagement systematically and in a way that practitioners can begin to make sense of. We'll define the underlying concepts in engagement and highlight what the evidence tells us about what might work and what probably won't. Finally, we'll provide some questions to guide your thinking if you're considering trying out, or buying, engagement interventions for your organisation.

Why focus on engagement?

Engagement seems to be a priority for many organisations. Many theorists and consultancies are making bold claims for what increased engagement can do for organisational success. Even a cursory examination of the engagement 'industry' reveals bold claims regarding the impact of engagement and firm advice on how to achieve this. Yet, there is very little good quality evidence to support such claims. At the Future Work Centre, we want to bring evidence to the fore of discussions about the world of work and help clarify complex topics such as engagement.

This paper shouldn't be read as a harsh criticism of the practitioners attempting to measure and improve engagement, but rather a pragmatic review of the concept, accompanied by some suggestions for what organisations can do instead.

What is engagement and where did it come from?

Employee engagement is a term that is well and truly embedded in our working world. It's used in the job titles of senior people, the names of important projects and to describe the offering of consultancies around the world. Engagement would appear to be an ongoing organisational process. We discuss engagement as if we have a common understanding of it, and as an aim that we should all share. And it seems that employee engagement is not just an organisational goal, it is a national political priority and, as a result, an industry.

The history of employee engagement as a concept and objective for organisations is relatively young, but explosive. William Kahn is cited as the first person to use the phrase in a formal definition in the mid 1990s. But its fashionable status has blossomed in the UK in the last 10 years, partly because of a growing interest in the concept from government and social policymakers. At the start of the financial crisis in 2008, the then Business Secretary, Peter Mandelson, commissioned a report into engagement in the UK. This led to the formation of the voluntary organisation, Engage for Success, which has continued to promote and support engagement practitioners.

So why was the Business Secretary so interested in engagement? Because some studies had collected national data that suggested a strong correlation between how engaged people felt at work and national productivity measures. Given the challenges the nation was facing in 2008, perhaps higher engagement was an answer to the UK's poor record in terms of productivity compared with other countries? Productivity was seen as the key to navigating the stormy waters of the financial crash and the years of austerity that would follow. The study that was commissioned – 'Engaging for Success: Enhancing performance through employee engagement' – supported this premise and argued for government and the private sector to focus and invest in increasing employee engagement to support national economic recovery.

Since then, a lot of money and effort has been ploughed into initiatives aiming to increase engagement in organisations. It's impossible to accurately quantify this but a quick look at the companies selling services in the area of engagement, and the number of professional people with engagement in their job title, gives a sense of the scale of the commercial activity in this area.

But what about the results? A recent study (Productivity in the UK, A House of Commons briefing paper, October 2015) has shown that, as a nation, our productivity is still in stagnation despite many organisations investing heavily in engagement interventions.

We could argue that national productivity is a poor measure of the results of engagement, but it did provide the initial justification for our national obsession with it.

So why isn't a focus on engagement working as intended?

> Is it that most of the activity taking place isn't actually increasing engagement?

> Or, that we are increasing engagement but this doesn't have an effect on productivity or the proxy measures used to assess productivity?

> Or could it be that some organisations are doing it well and getting good results, but at a national level this is lost in a more generalised tendency for organisations to make decisions without looking at the available evidence, take actions that have no positive effect and even cause harm?

The national picture is likely to have emerged because of a combination of all three of these factors. There are some well-cited, specific examples of where employee engagement within a single organisation has apparently increased and this increase has led to better organisational outcomes. And it certainly seems true that the most successful commercial organisations often produce data that demonstrate high levels of engagement. It might seem obvious to assume that these are the organisations that have got engagement right, and should be looked at as exemplars of 'how to do engagement'.

Another explanation is that these organisations have designed their organisational systems so well that engagement is the **result** of organisational performance, not the cause. After all, who doesn't enjoy working for a successful organisation that can afford to recruit effectively, pay properly and provide people with the tools and opportunities to do their job well?

What are organisations doing when they 'do engagement'?

The simple answer is anything and everything. Given the volume of discussion about what engagement is, we started with an internet search of key terms as a barometer of what is going on out there. We used search terms such as 'employee engagement', 'engagement ideas', and 'engagement solutions'.

And what did we find?

> Lots of survey providers – some claiming that their surveys not only measure engagement but actually improve it.

> Many links to articles in business journals and magazines with 'top tips', 'the keys to…', 'new rules of…', etc. in the title.

> Lots of consultancies suggesting that their approach to engagement is new and will get you the results you need.

In general, employee engagement activities focus on measuring engagement through the use of surveys and/or focus groups, aggregating this information for senior organisational stakeholders, and making recommendations on what should be changed within the organisation to increase engagement. The core rationale being, if engagement is increased so will productivity, organisational profitability and so on.

But the questions asked in these surveys and the way 'engagement' is calculated seems to vary quite widely, depending on the provider you speak with. And 'best practice' also seems to be a function of who is making the recommendations.

Frankly, it's all rather confusing. It seems that anything and everything can be included under the banner of engagement and that the term is used to lend credibility to a particular agenda, idea or service being promoted. The worrying thing is the almost wholesale lack of reference to evidence of any outcomes in any of the probably well-intentioned and enthusiastically promoted advice.

The core problems with engagement

Our review of the engagement literature, as well as the work of researchers and practitioners whose work we reviewed, points to four main issues with engagement as a concept:

1. The lack of a clear and consistent definition of what 'engagement' actually is.

2. A significant conceptual overlap between 'engagement' and other constructs such as motivation and employee satisfaction.

3. Challenges in the accurate measurement of engagement.

4. A lack of high quality evidence to support the claims made.

1. No clear agreed definition

We reviewed the literature for an agreed definition of engagement. It became apparent very quickly that not only are there many different definitions, there's also widespread acceptance amongst providers, policymakers and HR practitioners, that this lack of a common definition is acceptable. Some suggested that a search for a definition was irrelevant, given the obvious momentum and anecdotal evidence surrounding engagement.

Some examples:

> *"I don't want to get bogged down in academic discussions of definitions…you'll know it when you see it."*
> (Answer to a question on an engagement webinar)

> *"He [David Guest] went on to suggest that '… the concept of employee engagement needs to be more clearly defined […] or it needs to be abandoned'. We have decided, however, that there is too much momentum and indeed excellent work being done under the banner of employee engagement to abandon the term."*
> (Engaging for Success: Enhancing performance through employee engagement, 2008)

When you are seeking to adopt an evidence-based approach to an organisational issue you start with the question, 'What problem are you trying to solve?'. Clearly many people have seized on the idea that lack of engagement may be their problem, with others considering engagement to be a solution to a range of problems. But if we don't really know what we mean by engagement, or aren't able to communicate what we mean to others, then there are some important questions that become really difficult to answer.

> **How do we know that engagement is our problem?** If we don't define what it is then we can't accurately assess whether it is lacking in our employees. And if it is lacking, does it matter for us at this time?

> **How can we measure engagement levels over time or compare** one organisation's or individual's engagement to another? If we don't have consistent definitions, we can't make accurate comparisons.

> **How do we know engagement is the solution?** If we haven't defined the concept, we can't accurately or scientifically test it, so there's no way of really knowing whether it solves the organisational problems it's supposed to.

> **Do engagement solutions work?** If an intervention is focused on increasing engagement but we haven't defined what it is or specified how we will know whether it works, then we could be wasting our money. And if we do see improvements, can we be sure that engagement has really been the important factor?

2. Significant overlap with similar concepts

In our view, one of the problems with the term 'engagement', is its attempt to be all encompassing. Scientifically speaking, it's not a construct that stands up to rigorous scrutiny. We can tell ourselves we all know what it means and that it's definitely something good, but are we just feeding off a zeitgeist and fad that has built its own momentum? This is where we think it's important to break things down into their component parts. Of course, we know that human behaviour can't be predicted by single phenomena, but understanding it at a more granular level helps us make complex decisions more comfortably, without giving into the temptation of a panacea or a single explanation.

It is clear that engagement is used to describe three very different things:

> An **attitude** that employees have (and can express) towards their work and their workplace (e.g. "I enjoy working hard", "I feel connected to my colleagues").

> A set of **behaviours** that one can observe employees exhibiting, that tells us that they are engaged (e.g. working hard to get things done, recommending their organisation as a place to work to friends).

> **Outcomes** that the organisation benefits from, that can be inferred to indicate high employee engagement (e.g. high retention, low turnover, verbal loyalty).

Obviously these three factors intertwine, and organisations usually attempt to assess and improve engagement through a heady, and somewhat arbitrary, mix of all three.

Others have concentrated their efforts on the perceived antecedents of engagement; that is, the factors that lead to engaged employees. These are variously described, but seem to be focused on trying to make people motivated to work hard towards the organisations' goals, committed to the organisation, and feel a sense of well-being or satisfaction at work.

So, in order to tackle the evidence-base, we made a pragmatic decision to study the concepts **underlying** engagement, not engagement itself. None of the concepts that are caught up in the engagement definitions are new; they have been researched heavily and have been used to underpin the services that occupational psychologists have delivered for years. We looked at the literature, so that we could summarise what the evidence tells us about the conditions that lead to high employee commitment, satisfaction and motivation, and what links these phenomena might have to individual and/or organisational performance.

We think this is helpful to practitioners, because it gives you evidence that can be used to scrutinise organisational intentions in relation to engagement, and provide you with a basis for questioning providers, who may claim to be able to increase organisational productivity and even profitability through engagement.

A note about outcomes of engagement:

When looking at the available evidence and our summary of it, it is important to be clear about what we mean by outcomes. In thinking about what is useful to the practitioner, we have been clear to focus on, and distinguish between, behavioural outcomes and organisational outcomes. We still need to be cautious about assuming too much from reported behavioural outcomes. In the engagement literature, there has been a tendency to consider evidence of behavioural outcomes as demonstrating the success of an engagement intervention. But behaviour change is only useful if it results in something that is useful for the organisation. We might tell people how great our organisation is, but does this mean we get better people applying for important positions? We may do more than our job requires, but does that equate to higher overall performance, or a negative outcome in the form of burnout? It's important not to assume that improved 'positive' behaviours alone are sufficient to prove a return on investment.

3. Challenges in measuring engagement
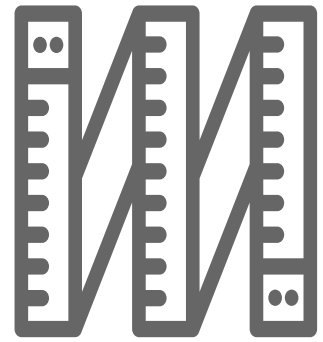
Much of the literature we reviewed referred to measurements of engagement, but did not specify precisely what these consisted of. It seems that, in the main, engagement is measured using employee surveys. One might even say that a survey seems to be the starting point for most engagement solutions. A client recently told us that their organisation viewed the survey as 'doing engagement', and we see this to be the case for other businesses.

We know that successful human resource management relies upon an understanding of what is working (or not) within the group of people you are concerned with. Surveys represent a convenient and systematic way of identifying issues and tracking improvements in your employees' relationships with their work and workplace. The data you collect can be used to evaluate the success of past initiatives and to provide a business case for proposed initiatives, as well as to identify problem areas or people within your business.

But if that data isn't valid, reliable or complete, then making decisions based on it becomes a big risk. 'Rubbish in, rubbish out' as they say.

Key terms

Valid – do they measure what they say they measure?
Reliable – do they measure it consistently?

So when selecting a good survey instrument what do we need to look for? Dolnicar (2013) provided some useful insights into what to look for in this area:

> **Have you and the survey provider properly defined the construct being investigated?** Too often when it comes to engagement, the answer is 'no'. One good way to know whether you've got a survey that accurately assesses what you want it to, is to look at other measures and see if you are asking similar questions. As a basic rule of thumb, the more your measures are similar to other good measures of the same thing, the more confident you can be.

> **Are you using a measure that was supposed to be used in the way you use it?** Sometimes people develop measures that are designed for a particular group in a specific context. The use of the same measure in your circumstances may be stretching its validity too far. For example, one could use a measure of stress as a proxy for measuring the notion of well-being. This is both risky (as exploring stress in the workplace requires careful management) and probably a conceptual misapplication of the original intention of the measure.

> **Has the wording and form of questions been validated?** Using an off-the-shelf measure can lead to inappropriate use of language and subsequent misunderstanding and adverse reactions to the survey itself, which undermines its accuracy. For example, the statement 'I have a best friend at work' (taken from Gallup's Q12) may provoke an adverse reaction in traditional and hierarchical organisations. Our psychologists have first hand experience of UK organisations deriding this question as irrelevant, as their conceptualisation of work does not include the need for strong affiliation. The concept it's measuring might be meaningful (the question is about trust essentially) but its form is alienating to some.

> **How are you designing your instrument?** Another problem with surveys identified by Rob Briner in his article on engagement in HR Magazine in 2014, is that measures of employee engagement are often a mixture of questions taken from existing surveys. This is problematic as most surveys' validity is measured for the whole instrument rather than single items. Once you start cherry-picking questions across measures, you can no longer be sure that you have the validity that the original instruments demonstrated.

Employee self-perception and opinion isn't the only way to measure engagement of course. There are other more direct measures (e.g. hours worked, turnover, social networks, etc.), and a growing interest in an 'always on' approach to measuring engagement. Of course the amount of data collected can be vast, creating data management and analysis tasks that need time and skilled resource to get right.

Perhaps the biggest problem with surveys is what is done with the results. As we have already hinted, we know that the results of survey data can be misinterpreted (willfully or accidentally), ignored or over-interpreted. What you do as a result of what you find is as, if not more, important that collecting the data in the first place. And this is what this paper is about.

4. A lack of good quality evidence

The final challenge with engagement is, from a scientific perspective, the lack of good quality evidence for it. Our review of the literature, explored in the next section, illustrated an over-reliance on cross-sectional studies (which can only illustrate correlation, not causation), organisational case studies and commercially-driven thought leadership.

As we stated at the outset of this paper, engagement is almost accepted as a 'fact', and the literature frequently makes bold claims, relying on assumptions, personal experience and observations – rather than scientifically gathered and analysed data. This means that much of the engagement argument is built on the equivalent of hearsay – not a great basis for organisational decisions!

What our review of the evidence told us

Briner (2014) provides an excellent breakdown of the evidence for employee engagement, and throws a spotlight on the poor quality of evidence available. He cites the plethora of case studies, anecdotes and consultancy reports that make up the majority of the data, and the virtual absence of longitudinal studies that would definitively illustrate the causal impact of increased employee engagement.

Rather than recommend organisations abandon the concept of surveying employees' opinions altogether, we examined the evidence-base for the three concepts that add up to what most people mean when they use the term engagement:

1. Organisational commitment

2. Job satisfaction

3. Work motivation

As previously stated, none of these concepts are new but have been researched vigorously and extensively over past decades. We have chosen to review the best of that evidence rather than all of it, and give examples of key studies that have generated useful outcomes for practitioners.

1. Organisational commitment

What is it?

Organisational commitment can be defined as:

> *"...a psychological state of attachment and identification, [...] it is a binding force between individual and organisation."*

(Shaufeli and Bakker in Work Engagement: A Handbook of Essential Theory and Research, 2010)

In 1997, Meyer and Allen, in their book *Commitment in the Workplace*, argued that commitment is closely related to engagement because committed employees are also engaged in the job. Some researchers have effectively described engagement as the same thing as commitment (e.g. Macey & Schenider (2008) and Wellins & Concelman (2005)), and their definitions include willingness to go beyond the minimum requirements of their duties, as well as identifying commitment as active rather than passive. These are characteristics mentioned often in the many definitions of engagement.

Meyer and Allen identified and studied three components of commitment – affective, continuance and normative. These rather academic terms are explained below:

> **Affective** commitment describes an employee's emotional commitment. Coffman and Gonzalez-Molina (2002) argue that the greater an employee's level of affective commitment, the stronger their engagement with the job itself.

> **Continuance** commitment refers to the extent to which people will feel they need to stay with an organisation. The reasons for this continuance commitment are complex but may include loss of benefits, lack of alternative employment opportunities and the perceived risks of changing organisations.

> **Normative** commitment reflects a feeling of obligation to remain with the organisation, due to the expectation that they should be loyal which is taught through socialisation.

Results of confirmatory factor analyses (Dunham, Grube & Castenada, 1994) have generally supported the existence of these components though others have criticised the measures used to confirm them and have argued for more developed models. It is useful to understand that these are different types of commitment with different causes and different results. This means that we can look carefully at what outcomes we want before we decide on the focus of any intervention.

Key terms

Confirmatory factor analysis – a method of statistical analysis designed specifically to test an existing model or construct and its component parts or factors.

What causes commitment?

Luchak and Gellatly (2007) showed that affective commitment comes from employees feeling that they are valued and treated fairly. Reid et al (2008) found this to be particularly the case for public sector employees.

Meyer et al (2002) conducted a meta-analysis that looked at the correlations between variables in the Meyer and Allen three component model of commitment, and employee-relevant outcomes. They found the strongest correlation was between affective commitment and overall job satisfaction. In other words, if people feel emotionally connected to their organisation they also feel satisfied in their job. Of course we don't know which comes first – do people feel committed because they like their job, or are people who feel an emotional connection to their organisation more likely to say they like their job? This is always a challenge when looking at purely correlational data. Either way, this evidence suggests that emotions are an important part of the picture.

Key terms

Meta-analysis – a statistical technique for combining independent studies that are testing similar constructs and hypotheses. The data from each study is weighted depending upon how rigorous the study was, and then combined to test the findings for significant results. The main risk of meta-analysis is the fact that the quality of the original studies is often hidden in the data and difficult for the lay person to understand. In this way the error in the original studies can just be multiplied rather than reduced and findings can be spurious.

Researchers at Bath University were commissioned by the CIPD to carry out an analysis of the factors that most strongly associate with commitment. The Purcell study (2003) was undertaken over a 30-month period in 10 organisations drawn from different sectors and comprising a wide range of employment contexts; the sample included household names such as Tesco, PwC, Selfridges, Jaguar, Siemens and the Royal United Hospital at Bath. Interviews were conducted with HR and line managers, as well as non-managerial staff, generally on two separate occasions during the research period. The research also involved close liaison with these organisations.

The researchers used the AMO model, which argues that in order for people to perform better, they must:

> have the *ability* and necessary knowledge and skills, including how to work with other people (A)

> be *motivated* to work and want to do it well (M)

> be given the *opportunity* to deploy their skills both in the job and more broadly contribute to work group and organisational success (O).

The study team identified seven strong factors that contribute to commitment:

> Employee trust in management

> Satisfaction with work and the job

> Climate of relationships between management and employees

> Satisfaction with pay

> Job challenge

> Sense of achievement from work

It should be noted that employee trust in management was by far the strongest factor across the different types of employees. This tells us that it's likely that relationships with, and the behaviour of, line managers is key in raising commitment and probably, therefore, engagement.

The outcomes of commitment

Performance and attendance

Meyer and Allen (1997) conducted research that indicated that employees with a strong sense of normative commitment (feeling social pressure to commit) had correspondingly higher job performance, work attendance and citizenship. Even though they may not show strong affective commitment, they still exhibit behaviours that the organisation might value and that could be viewed as having a direct impact on organisational productivity, through reducing absenteeism and increasing productivity when at work.

Turnover

Another focus for the research around commitment is its impact on people's intention to stay or leave an organisation. Two of the studies we looked at (Meyer and Allen, 1997 and Hartmann and Bambacas, 2000) showed that, perhaps not surprisingly, as an employee's emotional commitment increases, their intention to leave reduces. Other studies have found this correlation with all three types of commitment.

As described by many academics, if commitment is demonstrated by 'an intention to stay', then one might argue that one can achieve reduced turnover as a result of interventions focused on increasing commitment. The model, and studies, of the different types of commitment could lead us to approaches that aren't traditionally recognised as engagement interventions (i.e. that are focused on individual attitudes or behaviours). We may be able to generate commitment through pay, conditions and progression opportunities.

Commitment may also be generated by factors outside our control such as the market, job opportunities and statutory pay and conditions.

So what?

The evidence suggests the following:

> There is some evidence that strong social norms around commitment (e.g. "people around here talk positively about the organisation", "we work really hard when we need to here") are linked to intention to stay. Being able to leverage social pressure in an organisation might, therefore, be a way of securing commitment. Precisely how to do this is unclear, and there is mixed evidence about the efficacy of attempts to create and manage social norms, but campaigns around organisational values may contribute to the development of positive social norms that in turn increase commitment.

> If you want people to stay in your organisation, then creating conditions where they feel fairly treated and trust, and are trusted by, their managers may be a sensible starting point. Remember, however, that high retention doesn't always lead to high performance, so be clear about your aim.

> Certain types of commitment could be very temporal and contextual, that is they have a positive effect because of the time and context in which the organisation and employee exists. For instance, you may find that continuance commitment is particularly strong when unemployment in your sector or skill base is high, and you pay fairly and provide job security relative to other employers. You may find continuance commitment is less strong when jobs are plentiful or in a sector where there is a skills shortage.

2. Job satisfaction

What is it?

Job satisfaction is one of the most studied work attitudes in organisational behaviour and psychology (Ghazzawi, 2008). In 1976, Locke described it as

"a pleasurable or positive emotional state resulting from the appraisal of one's job".

Spector and Fox (2003) describe it as

"what employees feel about their work, which may be negative or positive".

Essentially, research into job satisfaction looks at what determines this emotional state and what happens when it's achieved. Robbins and Judge (2013) claim that when people talk about employee attitude, what they are really talking about is job satisfaction. The engagement movement is alive with references to 'attitude' and 'mind-set' as being key to successful engagement, and some argue that when people talk about engagement they are actually talking about satisfaction. Indeed many of the measures of engagement, predominantly through survey, include questions that look remarkably like measures of job satisfaction (e.g. resource availability, opportunities for development, clarity of expectations).

What causes satisfaction?

Individual disposition

Saari and Judge (2004) showed that an individual's disposition has a strong influence on job satisfaction. This is supported by longitudinal studies that demonstrate that a person's reported job satisfaction is fairly stable over time even when that job or workplace changes.

Some of the research points to a personality construct called 'core self-evaluation' (CSE). Essentially this describes people's levels of self-confidence and tendency to consider themselves in control of their own behaviour and abilities. Judge, Locke, and Durham (1997) described CSE as involving four personality dimensions: locus of control, neuroticism, generalised self-efficacy, and self-esteem.

> **Evidence-based warning:** ⚠
>
> As with many studies included in this paper these models were not generated through an original longitudinal study but instead through the review of several other studies, some of which may have had methodological flaws themselves. Whilst the findings shouldn't be dismissed, a certain amount of caution should be exercised when applying them.

Key terms

Locus of control – our beliefs about the degree to which we can control the events in our lives that affect us.

Neuroticism – the tendency to frequently experience negative emotions such as anger, worry, and sadness, as well as being interpersonally sensitive.

Generalised self-efficacy – our own evaluation of how well we believe we can perform across a variety of situations.

Self-esteem – the overall value that we place on ourself as a person.

It's not clear how individual disposition and temperament affect satisfaction, and as a result we have to make tentative conclusions about how to use these findings. Saari and Judge (2004) argue that these findings can help practitioners recognise the importance of the use of sound selection methods and ensuring a good match between employees and their jobs. This makes sense, of course, but it is important to consider the costs and risks associated with taking an assessment approach to increasing job satisfaction. Whilst there is a well-established market in rigorously developed and validated personality measures, and a specific measure for CSE, these measures can, if not deployed appropriately, carry risks in terms of perceived (and actual) fairness. And, if we look specifically at CSE, which only predicts satisfaction to some extent, and take into account that the measures we use may only predict it weakly, one might need to consider the potential return on investment of a selection approach. In other words we should ask ourselves: Does the value of the benefit from predicting who might be more satisfied generally, merit the investment of time and money in the assessment?

Job characteristics

Another consistent finding in the literature is that the nature of the work is generally the most important factor in determining job satisfaction (Judge & Church, 2000), and in particular, how interesting or challenging that work is (Saari & Judge, 2004). This has obvious implications for how we should design work, but it is still difficult to be prescriptive about how this is done. Given that people will respond differently to challenging work and find different things interesting, a key take home from the evidence would be to involve employees in work design and give them some autonomy over what they do and how they do it.

The role of pay

Managers play an important role in defining the nature of work and often have a say over pay. There may be an inherent issue here that has an impact on job satisfaction in many organisations. A very interesting study (Kovach, 1995) showed a discrepancy in perceptions between managers and employees about the importance of the nature of the work, compared with other factors such as pay. Whilst employees consistently ranked the nature of the work as the most important contributor to satisfaction, with good wages ranked fifth, managers ranked good wages first, while interesting work was ranked fifth.

> **Evidence-based warning:** ⚠
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> Note the date of this study, 1995, was a time of economic boom. And the study was carried out in the US. It may be that perceptions around the relative importance of pay change according to the broader socio-economic climate.

The outcomes of satisfaction

The research tells us several useful things about possible links and the sorts of behavioural outcomes you might be looking for when you are investing in engagement interventions.

Some of the outcomes are very similar to those identified in the commitment literature and include:

> Some studies have found satisfied workers perform their jobs better (e.g. Judge, Thorensen, Bono & Patton, 2001) but the results are modest and there are other mediating factors involved in these findings. These mediating factors are possible additional things that could have an influence on how satisfaction links to performance and could include job complexity, motivation etc. Across a range of studies different measures are used, and the strength of the effect is very variable, so making a grand assumption about the impact of job satisfaction on performance would be disingenuous.

> Spector (1994) found a link between satisfied employees and being more time-effective at work, less likely to take sick leave and having lower turnover intentions.

> Many studies have made the link between high job satisfaction and low intention to leave an organisation (e.g. Davis, 2006; Parry, 2008; Chen and Spector, 1992).

> Chen and Spector (1992) found that engaged people were less likely to engage in 'counterproductive behaviours', i.e. they behave in ways that are socially and occupationally useful.

So what?

The evidence for the what to do about job satisfaction is less clear than for commitment, so we are a little more tentative here:

> Satisfaction seems to lead to some positive outcomes, but there is little evidence that satisfaction on its own leads to increased performance.

> To some extent, satisfaction appears to lead to better behaviours and less troublesome employees.

> The conceptual overlap between job satisfaction and many measures of engagement means that it might be simpler – and more transparent – to measure satisfaction within organisations, examining the specific antecedents and consequences of levels of job satisfaction.

> The work on individual difference and the link to job satisfaction is fairly robust. We could therefore use available measures of core self-evaluation (CSE), such as the Core Self Evaluation Scale from Judge et al, 2003, which is a 12-item questionnaire that has been well validated. Before using any instrument though, it is important to ask whether the likely effect of CSE and its impact on overall performance is strong enough to justify the use of a selection and assessment approach.

Organisational commitment and job satisfaction – one and the same thing?

In the meta-analysis we looked at to better understand commitment, there was a very strong correlation between affective commitment and job satisfaction. On closer inspection, it was clear that the correlation was at the global level, with specific aspects of job satisfaction having much weaker correlations with commitment. One possible interpretation of this is that commitment and satisfaction are very similar things. Another is that both are very important in understanding human behaviour at work.

3. Job motivation

What is it?

Some definitions of engagement have motivation at their core. For instance, Colbert et al (2004) define engagement as a

"high internal motivational state".

Motivation is often cited as the reason for, and an outcome from, engagement interventions.

Motivation has been studied since psychologists first became interested in why and how people work. As Maehr and Meyer (1997) put it,

"Motivation is a word that is part of the popular culture as few other psychological concepts are."

And much of what is done under the banner of engagement seems to be focused on motivation.

Definitions and models of motivation have changed over the years. Early academic research by Porter and Lawler (1968) talked about different types of motivation:

> **Intrinsic** – motivation to undertake an activity because it is interesting and inherently satisfying.

> **Extrinsic** - work motivation which is related to the tangible outcomes and rewards (e.g. pay) that people get from completing the task.

Some later researchers dispute this distinction, for example Pinder (1984), who defines work motivation as

"a set of energetic forces...to initiate work related behaviour, and to determine its form, direction, intensity and duration"

(Pinder, 1984). However much of the available motivation research tends to make the intrinsic/extrinsic distinction.
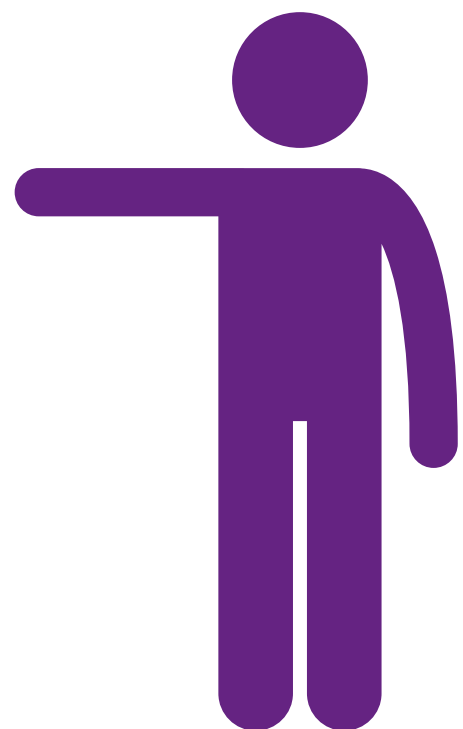
What causes people to be motivated?

The different models of motivation all have their own views about where motivation comes from and divide broadly into 'Need' theories and 'Content' theories:

> **Need** theories are concerned with motivation to satisfy unsatisfied practical and psychological needs, and are primarily focused on the emotions that drive motivation.

> **Content** theories are concerned with the cognitive processes, not just the emotions, associated with motivation.

Many models of motivation are, therefore, grounded in particular schools of thought and even philosophies about human beings, and are not necessarily based on rigorous scientific study. This summary points towards some of the more useful, and most well researched, models that may provide a useful starting point if you are looking to increase motivation in your workforce.

Goals

Locke and Latham's (1990) goal-setting theory has had a huge impact in the field of work motivation, and outlined a theory of motivation that is well established in accepted management approaches. The theory suggests that performance will be maximised when people are set specific, Challenging goals that have high valence (or attractiveness), and they understand what behaviours will lead to the goals (Locke & Latham, 1990). Although this theory has received a substantial amount of empirical support (e.g. Gagne and Deci, 2005), it does not differentiate between different types of motivation. This means that although we can make a generalisation that goals increase motivation and improved work outcomes, different goals will work for different people and in different ways.

Rewards: Compliance versus self-management

Work by Thomas (2000) suggests that when organisations only want compliance from employees, they can essentially buy it with extrinsic tangible benefits such as money, to ensure the work is done properly and rules followed. Extrinsic motivation was seen to be the 'easy' option in the compliance era: organisations did not need to buy commitment, initiative or passion (Thomas, 2000), they just rewarded turning up and doing the job. In today's work environment, job motivation is more complex and roles demand more than just compliance. As close supervision and detailed rules are no longer always possible, some workers now need to be more self-managing, so engagement interventions have often focused on how we can reward people for taking initiative and responsibility for innovating, changing and doing better than expected.

The nature of the work and the job

Gagne and Deci (2005) conducted a literature review and suggested that certain aspects of an individual's job – such as complexity, variety, challenge importance, choice and participation – can also effect employees' intrinsic motivation for their jobs. They found that jobs and working conditions that include these factors tend to result in employees doing their jobs well, and also contribute to them experiencing a high level of job satisfaction. Job design is therefore seen as a key factor in how motivated people are.

Expectations and perceptions of fairness

When looking at motivation, there are some classic models and theories that should be revisited. Two influential theories come from the cognitive school of psychology that look at how we think about work – Adam's Equity Theory (1965) and Vroom's Expectancy Theory (1964) have been widely tested and generate some findings that can be practically applied in the workplace. Their models explain motivation as being a function of how well and fairly rewarded people feel they are compared to others, and whether they (and others) are being rewarded (or punished) in a way that feels fair given their actions or effort. This might seem fairly obvious but remains an important condition to consider. Workplaces are social entities and what we see happening to others appears to have an effect on how much time and energy we invest. The models say that if we feel unfairly treated we will adjust what, and how much, we put in to our work.

> **Evidence-based warning:**
>
> These two models have a lot of traction and make sense, but most of the research into them has been in the laboratory and as such we can argue that the model may be more complex and difficult to apply in the real world (Huseman, Hatfield and Miles, 1987). Other critics believe that these cognitive models are too simplistic and do not take into account the complexities of rewards and our attitudes towards them.

Individual differences

Many traditional motivational theories have ignored the possibility that individual differences (e.g. personality) could explain some of the variance that is observed in motivation. But some researchers (e.g. Broadbent 1958) have looked at this in detail and have found that, in a similar way to job satisfaction, some people are generally more motivated that others. They look particularly at the effects of extraversion and neuroticism, familiar concepts in the established five-factor model of personality, as determinants of individual reactions to motivational cues. However, studies in this area are complex and have mixed results so applying the findings is tricky and risky.

The outcomes of higher motivation

In our review of the literature on motivation, we struggled to find studies that explicitly linked motivation with specific organisational outcomes, and many of the reported outcomes are similar to those reported for satisfaction and commitment. It appears that high motivation is largely assumed to lead to better individual performance and therefore organisational performance. To some extent motivation suffers from the same problem as engagement – it is difficult to define and model, and therefore hard to pin down in terms of its results.

Below we have outlined those things that research tells us we can safely assume come from higher levels of motivation, but that might also be mediated by the related concepts of satisfaction and commitment.

Job performance and productivity

Many studies have looked at the effect of higher motivation on the bottom line. Studies by people such as Bing and Burroughs (2001) and Brewer and Selden (1998) have indicated a link between motivation and advanced levels of productivity and 'extra role behaviours', i.e. behaviours that people exhibit that go beyond what would normally be expected of them for satisfactory performance in their role e.g. working additional hours, taking on additional responsibilities, filling in for colleagues etc. It appears that results are particularly noticeable when motivation is high in work that is interesting, complex and important. Motivation appears to matter less where the work is routine or mundane, and extrinsic motivation to work can be secured in the short-term through simple pay and control approaches in these instances.

Learning

Osterloh and Frey (2000) showed that intrinsic motivation was linked to people's inclination towards learning and participation in voluntary knowledge sharing.

Well-being

Gagne and Deci (2005) indicated that where reward and control approaches to motivation are used, there tends to be a negative effect on well-being, but the reverse is true where the working conditions are designed around motivating people through interesting, meaningful work that allows autonomy.

Key terms

The five-factor model of personality – derived from meta-analysis of many studies that look at personality and its constituent parts. McCrae and Costa are particularly well known proponents of the model. These five factors can be remembered using the mnemonic **OCEAN**

Openness to experience – the tendency to appreciate new art, ideas, values, feelings and behaviours

Conscientiousness – the tendency to be careful, on-time for appointments, to follow rules, and to be hardworking

Extraversion – the tendency to be talkative, sociable, and to enjoy others; the tendency to have a dominant style

Agreeableness – The tendency to agree and go along with others rather than to assert one's own opinions and choices

Neuroticism – the tendency to frequently experience negative emotions such as anger, worry, and sadness, as well as being interpersonally sensitive

So what?

Well, as ever with an evidence-based approach, it depends. Motivation is a difficult concept to pin down and as such there is definitely no one-size-fits-all solution, no matter what you might be told.

> Find out what people value before thinking about a reward approach to motivation, and consider what constitutes fairness for your people. The research suggests that adopting the wrong approach can have a negative outcome on motivation.

> Set people meaningful, attractive goals that stretch them without being over challenging. The nature of those goals will depend on the nature of the work and the type of motivation you want, as well as the rewards you are prepared to give for achievement of those goals.

> Higher motivation can be achieved with very different approaches depending upon the nature of the work. If you want compliance, pay for it. If you want flexibility, innovation and self-management, design jobs accordingly rather than just say you want it and reward for it.

> Job design may be more important than you think. A lot of the research points to the fact that interesting, meaningful work that allows people to have some autonomy over how they do things has a positive effect on levels of intrinsic motivation (as it does for job satisfaction).

> Higher motivation to perform well can be achieved through a reward and control approach but may have implications for well-being and job satisfaction.

Conclusions

Our review of employee engagement has focused on some of the contradictions in popular definitions of the concept, the dearth of good quality evidence and the fact that it seems to really represent some other, better established psychological and behavioural concepts.

In a sense, employee engagement could be viewed as a fad or a highly successful case of 'the emperor's new clothes'! We would therefore encourage everyone to adopt a stance of healthy scepticism when reviewing the engagement literature and the claims of engagement 'experts'. As with many workplace phenomena, it's all too easy to believe a theory or recommendation when it just fits with our ideas of how things 'should be'. Unfortunately, the literature doesn't support these claims or simple explanations.

However, all is not lost. We have also set out the well-established evidence for some other factors that predict important workplace outcomes, and we suggest that rather than accepting one-size-fits-all measures of engagement, organisations and practitioners instead focus on measurement of commitment, satisfaction and motivation.

Of course, measurement is only part of the story. Practitioners and their organisations need to be mindful of these important questions before gathering employee opinions at work:

> Do we really have agreed clarity of the problem we're trying to fix?

> What organisational evidence do we have that there is a problem that needs fixing in the first place?

> To what extent do employee commitment, satisfaction and motivation relate to the problem at hand?

> Will measurement (e.g. employee surveys) of these factors illuminate the issue at hand and give us any indication of what action can be taken?

> Are we committed to taking action on the result of an employee survey? Surveying without subsequent communication and action can have a more negative impact than not surveying in the first place.

In addition, if you work in an organisation that is wedded to the concept of employee engagement, it may be useful to examine it more closely with the following questions:

- What exactly do we mean by 'engagement' in this organisation?

- When we talk about it are we really talking about a desired set of behaviours? A preferred attitude? Or even the right sort of person?

- How are we measuring engagement? Is there any evidence that this is a good measure in the first place?

- What do we do with engagement data? Is it presented to us in an actionable way?

- Do we have any evidence that our efforts to increase engagement are having any impact on our organisation's success?

- Is this evidence longitudinal, rather than cross-sectional and correlational?

- Do we have an accurate calculation of the costs involved in measuring engagement?

- Do we have a calculation of return on this investment and does it justify the expense?

- Fundamentally, are we getting any benefit as an organisation by measuring engagement?

To be clear, we are not suggesting that organisations stop surveying their employees to find out how things can be improved. We are suggesting that engagement as a concept lacks validity and there are plenty of alternative, better-validated concepts that could be used instead.

How can we help?

Do you know if your existing employee engagement process has any value or impact?

We can assist you in understanding what is working and what, if any, impact your existing process is having on the organisational metrics that matter to you.

Do you want to understand how motivation, satisfaction and commitment are impacting your organisation?

We can design, deploy and interpret an employee survey that is grounded in both high quality evidence and your specific organisational context.

Do you want to turn your data into action?

We can examine your existing employee engagement or satisfaction data, turning into actionable and relevant initiatives, as well as evaluate the impact these initiatives actually have on your key metrics.

Get in touch

To discuss how we can help with your employee engagement,

call us on

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or write to

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