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INTRODUCTION - YOUR GUIDE TO ENGAGEMENT

TOM O'BYRNE, CEO, Great Place to Work®

I'm delighted to welcome you to the HRZone Employee Engagement Toolkit. It has been designed to help you cut through the maze of data and debate about what engagement is, how organisations can benefit and the best way of delivering it.

As a research consultancy Great Place to Work® has spent the last 25 years researching what organisations do to create the kind of workplace that attracts and retains quality employees, and how those employees feel about their workplace. Our research shows that trust is the key driver to engagement and so we particularly welcomed the latest research by the MacLeod Employee Engagement Task Force which shows that trust, or integrity, has been proven to be a key driver.

Does engagement really work? The MacLeod report Evidence nails once and for all that argument with a list of proven benefits:

- Increased individual and organisational performance and productivity
- Income growth
- Better customer satisfaction rates
- Reduced absenteeism
- Greater staff retention
- More innovation

So, if it's that good, why isn't everybody doing it? Why aren't UK businesses bursting with engaged employees, all working together to drive productivity, output and GDP?

The truth is that it's actually quite hard to do. Although there are a number of approaches to engagement there are no guarantees of success. For every organisation that creates a workplace of motivated, engaged people improving business performance, there are many others who struggle and fail. Many businesses today are too busy focusing on the short term – the order books, the bills – to have the time or resource to focus on engagement. The irony is of course that focusing on the people side of the business will ultimately help drive the business outcomes in the long term.

There are other challenges too. Many smaller businesses see engagement as being more appropriate for larger organisations with their bigger HR departments and resources. But again the irony is that, as most people in the UK work for SMEs, engagement is just as important to them and their employees.

When it comes to investment – and engagement is an investment, no doubt about it - many organisations again take a short term view, looking for returns in a year or so. But engagement isn't a quick fix, a one-off project or an annual ritual. It needs to be part of an organisation's DNA, owned by everybody, with the understanding that any financial returns (increased productivity, lower staff costs) may be some years down the line. That requires vision and commitment from the top and a willingness to literally engage with employees, giving them a voice and empowering them to deliver the organisation's business objectives.

INTRODUCTION - YOUR GUIDE TO ENGAGEMENT

THE FUTURE OF ENGAGEMENT?

Engagement is continuously evolving, driven by changes in demographics, economics and technology. Employees are increasingly recognised as people with personal lives that can impact on their ability to do their jobs such as the growing twin demands of caring for children and ageing parents. The economic need to work way beyond retirement age and the contrasting needs of a younger workforce also need to be taken on board by management and HR. Indeed, 'Generation X' has given way to 'Generation G' (raised on 'Games'; they are also more 'Giving', with a social conscience). Younger people seek out workplaces where they feel they will be valued, their career progression is supported and where

they can work with like-minded people. And knowing that an organisation is serious about engaging its employees and has specific policies and practices in place can help the recruitment drive and provide a serious point of competitive advantage.

This timely toolkit will help you sort the wheat from the chaff, clarify confusion and provide the facts and best practice tips you need. Wherever you are on your journey to creating a highly engaged workplace, you've come to the right place.

Enjoy!



ENGAGEMENT ACROSS THE GLOBE – THE IMPORTANCE OF LOCAL CONTEXT

PROFESSOR CLARE KELLIHER, Cranfield School of Management

DR ELAINE FARNDALE, Pennsylvania State University

PROFESSOR VERONICA HOPE-HAILEY, University of Bath

Recent years have seen spiralling interest in employee engagement across the globe. High levels of employee engagement are seen as a means to improve performance of firms and increase competitiveness. As such, many employers have developed mechanisms to monitor engagement levels amongst their workforce and have tried to develop policies and practices to foster high levels of employee engagement. However, for those employers who operate across different environments the question raised is whether employee engagement is a universal concept, or whether the presence or absence of it might be influenced by the local context. For example, multinational organisations (MNCs) need to understand whether employee engagement means the same thing and if it is triggered by the same factors in the different countries in which they operate, or whether it is influenced by the local culture and institutional context in different countries.

Research on national cultures would suggest that employees may have different attitudes to work and respond differently to organisational policies in different parts of the world¹. Similar questions arise about whether high levels of engagement are fostered by the same types of policies for all

groups in the workforce. Research on the multi-generational workforce points to employees from different generations holding different attitudes and orientations to work². Furthermore does economic context have an impact – are employees more likely to be engaged in times of growth than in times of austerity? In their quest to achieve high levels of employee engagement and the related beneficial outcomes employers need to address these questions. In essence they need to understand whether employee engagement can be measured and compared in a meaningful way across their operations and whether similar policies and practices are likely to influence levels of engagement similarly in different contexts. It is also important to understand the different types of engagement and which may be more important in driving performance. This might be ‘work engagement’ where a person is energised by their job and/or ‘organisation engagement’ where an employee feels great loyalty to the organisation they work for³.

Here we explore some of these questions by drawing on the findings of a study we carried out into employee engagement in multi-national organisations⁴. Our concern was to examine the extent to which the meaning and influences on

¹ House, R., Hanges, P., Javidan, M., Dorfman, P. and Gupta, V. (2004) *Culture, leadership and organisations: The GLOBE study of 62 societies*, Thousand Oaks, CA: Sage.

Budhwar, P. and Sparrow, P. (2002) ‘In integrative framework for understanding cross-national human resource management practices’, *Human Resource Management Review*, 12: 377-403.

² Twenge, J.M. and Campbell, S.M. (2012) ‘Who are the Millennials? Empirical evidence for generational differences in work values, attitudes and personality’, in eds. E.S. Ng, S.T. Lyons, and L. Schweitzer, *Managing the New Workforce: International Perspectives on the Millennial Generation*. Edward Elgar.

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engagement levels differed in different national contexts and gathered information by running an employee survey and a number of focus groups. Specifically, we examined employee engagement in companies who were based in Europe, but who also operated in India and China. This allowed us to compare our results in the same company across the different countries.

Overall, we did not find much difference in the way in which employee engagement was defined and understood in the different countries. In all countries both work engagement and organisational engagement were seen to be important. However, we did find differences in the factors which affected levels of engagement across countries. Although some of the differences observed could be explained by differences in national culture, we also found that some were due to the conditions in the local/regional labour market, the economic context, and the expectations of different groups of employees.

From a cultural perspective we found that the involvement of employers in community-based activities played a more important role in influencing engagement in India than in Europe. This seemed to reflect higher levels of in-group collectivism in India, particularly where the workplaces were located in more rural areas. As an HR director in one of the companies explained, ‘in my experience what people still have in India, and to some extent in China, is a very strong sense of family’. Consequently social welfare activities, such as supporting local schools, or organising outings such as picnics for the workforce were specifically seen as important for less-mobile employees, labelled as the ‘stayers’. For these employees a sense of purpose or meaning for work, an important antecedent of employee engagement, was derived from the involvement of

the employer in the local community.

In contrast, in the same workplaces it was recognised that there was another, albeit smaller group of more mobile, professional staff, who due to the transferable nature of their skills, were susceptible to being poached by other employers. For this more individualistically oriented group, access to resources that developed their employability was seen as a key driver of their engagement. As a result local managers tried to influence the engagement of this group through offering them training and development opportunities within the company. One company specifically tackled the engagement of these mobile, skilled staff by encouraging a creative workplace culture and at the same time emphasising the strength of their global brand in which employees could feel both security and pride. This group of employees were viewed as having a different set of values and aspirations, mainly concerned with seeking out the best earning opportunities and as such these initiatives were geared towards creating strong organisational engagement.

The specific economic context within the different countries also influenced how employees perceived their level of job security, another driver of employee engagement. On the whole employees in the European workplaces tended to feel rather more uncertain about the future, fuelled by an on-going decrease in workforce numbers for more than a decade and consequently the employees were less engaged. Their expectations of their career and employment prospects had been developed during more positive economic climates; however the reality of globalisation had meant that much of the growth in these organisations had occurred outside Europe, in emerging economies such as India and China. Managers reported that European employees felt that they were subject to

³Saks, A.M. (2006) ‘Antecedents and consequences of employee engagement’, *Journal of Managerial Psychology*, 21: 600-619.

⁴Farndale, E., Hope-Hailey, V. Kelliher, C. and van Veldhoven, M. (2011) A study of the link between Performance Management and Employee Engagement in Western multinational corporations operating across India and China. SHRM Foundation.

*This study was funded by The Society for Human Resource Management Foundation, USA.

<http://www.shrm.org/about/foundation/research/documents/farndale%20final%20report%2010-11.pdf>

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constant change and that change was associated in their minds with retrenchment and downsizing. As one director remarked, employee engagement is much easier in times of growth, when the aims of the company can be easily aligned with those of the employee, since both parties can benefit from growth. However, one of the MNCs in the study had had to reduce its workforce by 20% following the financial crisis, and in a period of such significant downsizing the drivers of employee engagement became very different. Managers felt that they needed to direct their energies towards maintaining and/or rebuilding trusting relationships with the workforce and the trade union representing them.

Paradoxically, although the European workforces felt they had less job security than in the past, and therefore recorded lower levels of engagement with the organisation, in reality due to employment protection legislation, they experienced greater job security than their counterparts in India. Employees in India were less concerned about job security, despite having lower levels of employment protection than those in Europe. The evidence of rapid economic growth they could see around them and the improvements in their standards of living contributed to their positive feelings.

The drivers of engagement that were common across the different national contexts and across employee groups were the importance of communication and the critical role of line managers. Recognising the importance of these factors these MNCs had invested time and resources into various communication initiatives and in supporting line managers in order to build engagement with the organisation.

Overall, what do these findings mean for organisations considering how to build employee engagement in their operations? First, the findings show that the meaning of employee engagement seems to be broadly similar, regardless of context.

This implies that, at least to a certain degree, employee engagement is a universal concept and that there is some value in exploring employee engagement across and between organisations and that meaningful comparisons can be made. However, our results also show differences both between and within countries in relation to the factors which influence and contribute to levels of engagement. It seems that local context in relation to culture, institutions and economic circumstances are important determinants of the factors influencing engagement.

In the light of the significance of employee engagement in influencing organisational performance, this research suggests that it is important for managers to recognise that the implementation of practices designed to enhance engagement levels must take account of context and be locally integrated. Our research showed that engagement was influenced by a range of contextual factors beyond national culture, such as the expectations of different employee groups, the levels of economic prosperity and corresponding welfare provisions, as well as local labour markets and mobility. In short, the implication for managers is that both context and culture matter. In particular managers need to think clearly about what they are trying to achieve and where they are trying to achieve it. Where there are shortages of highly skilled professionals in some areas of the labour market (as was the case in China), employers might choose to focus on building organisational engagement, through ensuring access to training and development opportunities. Whereas where there is less employee turnover (as was the case with the 'stayers' group in India), organisations may find that other approaches such as the continued provision of community-based welfare activities will be the most effective driver of productivity.

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WHAT CAN LINE MANAGERS DO TO RAISE ENGAGEMENT LEVELS?

KATIE TRUSS, Professor of Human Resource Management, Kent Business School

The UK-based *Engage for Success* movement, led by David MacLeod and Nita Clarke, has been a powerful force in raising awareness of the importance of engagement for both corporate success and individual well-being¹. For instance, their recent report, *Nailing the Evidence*, showed that the annual net income of the top 25% of 'engaged' organisations was twice that of the lowest 25%². However, the same report showed that the UK was ranked just 9th of the world's 12 largest economies in terms of levels of employee engagement, leaving significant scope to improve and enhance the engagement of workers in the UK.

Amongst a host of factors that can foster high levels of engagement, the role of the line manager is often cited as being one of the most critical. In fact, a manufacturing firm that won several prestigious awards for engagement placed the line manager right at the heart of their strategy, and invested substantial time and effort in re-educating their managers in new ways of working with their staff, moving from a command-and-control approach to a more inclusive and participative style. This approach makes sense, as the way we are managed plays a crucial role in influencing how we feel about our work.

But what are the most important factors for success in being a highly engaging manager?

Research suggests that these cluster around five core interconnected domains: the design of work, trust, meaningfulness, interpersonal respect and voice.

THE DESIGN OF WORK

Job design is a topic that has tended to fall down the agenda in recent years. Yet, the tasks that we do on a daily basis are profoundly important for our attitudes towards our work. We can all think of jobs we have held over the years that have felt right for us, have put our skills and competencies to good use, and have given us room to grow and develop. Equally, we can all think of other jobs we have done that offer none of these. Psychologists have shown that the work we do, the way it is designed, and the 'fit' between us and our work, are all highly significant for engagement³. In particular, line managers have a critical role to play in ensuring that the demands placed upon us in doing our work that consume our psychological and physical energy do not exceed the social, psychological and physical resources at our disposal. Engaging jobs should be interesting, challenging and varied, but not excessively stressful and demanding. Line managers can work with HRM professionals and employees to consider carefully how individual jobs are constituted and ensure that workers are given the right tools and resources to achieve their targets.

¹ Macleod, D. and Clarke, N. 2009. *Engaging for success: Enhancing performance through employee engagement*. London, UK: Department of Business, Innovation and Skills.

² Rayton, B., Dodge, T. and d'Analeze, G. 2012. *The Evidence*. Employee Engagement Task Force "Nailing the Evidence" Work Group. Engage for Success.

³ Tims, M. and Bakker, A.B. 2013 – in press. 'Job Design and Employee Engagement'. In C. Truss, K. Alfes, R. Delbridge, A. Shantz and E. Soane (Eds) *Employee Engagement in Theory and Practice*. London: Routledge.

WHAT CAN LINE MANAGERS DO TO RAISE ENGAGEMENT LEVELS?

TRUST

Recent research led by Professor Veronica Hope-Hailey for the Chartered Institute of Personnel and Development (CIPD)⁴ pointed to declining levels of trust in the workplace, particularly towards senior managers, but also showed the central role that trust plays in raising and maintaining levels of engagement. They argued that trust involves a balance of risk and uncertainty, and a willingness to make oneself vulnerable to others. They suggested that leaders who want to be trusted should demonstrate four key characteristics: ability to do their job, benevolent concern for others beyond their own personal needs, integrity and adherence to a set of principles acceptable to others and finally predictability and consistency over time. The ability and propensity of workers to trust their line managers is fundamental to engagement, since it is closely bound up with the notion of 'psychological safety' – in order to express our engagement, we need to perceive that it is safe to do so⁵. Where trust in managers is high, it is far more likely that we will demonstrate high levels of engagement.

MEANINGFULNESS

Professor William Kahn, widely acknowledged as the 'founding father' of the concept of personal engagement with work, has shown that in order for individuals to feel engaged, they need to find their work meaningful. This occurs when people feel their work is worthwhile, useful and valuable⁶, and that it has some meaning and benefit beyond merely the here-and-now⁷. Interestingly, studies have shown that just about any kind of work can be meaningful to people, given the right circumstances. Line managers can do much to enhance employees' sense of the meaningfulness of their work through creating a sense of community endeavour towards a valued overarching goal. In a current research project

on work-related meaningfulness, for instance, we have found that refuse collectors find their work highly meaningful, and are able to see a connection between the work they do and the wider benefits to society and the environment. Philosopher Victor Frankl argued that individuals have an innate drive to find meaning in what we do, and research has shown that so strong is this impulse that workers often unconsciously engage in 'job crafting', or broadening the scope of their role, in order to enhance their sense of meaningfulness. Where line managers can help employees appreciate and understand the connection between their daily tasks and the overall direction of the organisation, then this will create an enhanced sense of meaningfulness.

INTERPERSONAL RESPECT

Working climate and the prevailing ethos of interpersonal interactions have been shown to be highly relevant to levels of engagement. A study by Dutton found that energising work relationships arise when people validate one another, treat one another with respect, and create affirming connections. This 'relational context'⁹ creates a psychologically safe environment where people are able to express their engagement without fear of negative repercussions. This extends to include a working context where people are rewarded for their contribution and performance, and where they perceive that the organisation values their contribution. Conversely, where people fear reprisals, or find their working environment threatening or demeaning in some way, then engagement levels will be lower. Numerous studies have demonstrated a link between such 'social support' and engagement¹⁰. Again, there is much that line managers can do to enhance interpersonal respect by ensuring they treat employees fairly, ethically and humanely.

⁴Hope-Hailey, V., Searle, R. and Dietz, G. 2012. Where has all the trust gone? Wimbledon: CIPD.

⁵Kahn, W. 1990. 'Psychological Conditions of Personal Engagement and Disengagement at Work', *Academy of Management Journal*, 33, 4: 692-724.

⁶Kahn, W.A., and Heaphy, E.D. 2013. 'Relational Contexts of Personal Engagement at Work', in *Employee Engagement in Theory and Practice*, eds. C. Truss, K. Alfes, R. Delbridge, A. Shantz and E.C. Soane, London: Routledge.

⁷Truss, C., Alfes, K., Shantz, A., Soane, E. and Madden, A. (2013) 'The Managed Soul: A Theoretical Model of Meaningful Work and Existential Labour'. British Academy of Management Conference, Leicester, September.

⁸Dutton, J.E. 2003. *Energizing your workplace: Building and sustaining high quality relationships at work*. San Francisco: Jossey Bass.

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VOICE

There is a rich history of research on the importance of employee voice in organisations and, lately, attention has turned to the link between voice and engagement. Studies have shown that where employees feel they are able to express their views on work-related matters and know that these views will be listened to, then levels of engagement will be high.¹¹ Some organisations are particularly good at encouraging employees to share ideas. One award-winning financial services firm has a scheme they call 'Why on earth?'; if employees find themselves asking, 'why on earth are we doing this?' and bring this to the attention of managers, along with some proposals for improvement, then they are eligible to win a prize. Employee of the Month schemes, e-cards for colleagues suggesting process improvements and features in the e-newsletter, are all used to recognise and reward employees who propose great ideas.

CONCLUSIONS

Line managers are vital in our daily experience of work, and play a crucial role in determining the engagement of their direct reports. However, line managers are themselves managed, and so the onus is very much on the senior management team to lead a culture of engagement throughout the organisation. There is unfortunately no engagement 'quick fix', but rather turning around an organisation with low engagement levels requires a holistic and all-encompassing strategy. Engagement interventions interact with one another, and it is by considering these in the round that 'deadly combinations' can be avoided, and a virtuous and mutually reinforcing cycle of high-engagement activities can be developed.



KATIE TRUSS, Professor of Human Resource Management, Kent Business School

Katie is lead editor of 'Employee Engagement in Theory and Practice,' due to be published by Routledge in October 2013, and was co-chair of the steering committee of the 'guru group' constituted to support the Engage for Success movement.

⁹ Kahn, W.A., and Heaphy, E.D. 2013. 'Relational Contexts of Personal Engagement at Work', in Employee Engagement in Theory and Practice, eds. C. Truss, K. Alfes, R. Delbridge, A. Shantz and E.C. Soane, London: Routledge.

¹⁰ Crawford, E., Rich, B.L., Buckman, B., and Bergeron, J. 2013, 'The Antecedents and Drivers of Employee Engagement', in Employee Engagement in Theory and Practice, eds. C. Truss, K. Alfes, R. Delbridge, A. Shantz and E.C. Soane, London: Routledge.

¹¹ Rees, C., Alfes, K. and Gatenby, M. (2013 - in press) 'Employee Voice and Engagement: Connections and Consequences', International Journal of Human Resource Management.



OVERCOMING THE BARRIERS TO SENIOR LEADER ENGAGEMENT

AMY ARMSTRONG, Research Fellow, Ashridge Business School

Engaging leaders create work environments where employees are more committed, stay longer and give more to their organisations¹, which means that leaders are the ‘climate engineers’² by setting a culture and tone for engagement across the entire organisation. That said, UK engagement levels remain stubbornly low³, therefore it is important to understand what prevents some leaders from taking responsibility for engagement. This was one of the objectives of a fascinating piece of research⁴ launched earlier this month by Ashridge Business School in partnership with Engage for Success, a Government-sponsored movement that is seeking to improve levels of engagement and well-being across the UK, and in which, it is suggested that it is the skills and capabilities of top management that is a key barrier to engagement.

The research, a year-long study which explored engagement through the eyes of 16 UK CEOs, suggests that for senior leadership, engagement is one of the most difficult parts of the leadership task, requiring them to possess specialist skills and attributes and often having to manage seemingly contradictory demands. The research also suggests that a new leadership model should be found given that the ‘command and control’ style of leading, with its emphasis on organisational hierarchy, has declining relevance in many organisations. When the research asked leaders what stops them from engaging with engagement, three barriers

emerged. These were: shortcomings in leadership capability, such as poor self-awareness on the part of leaders, facets of leaders’ personality and values that prevent them from being engaging leaders and the culture and system in which we operate, seen in some ways as antithetical to engagement (see figure 1).

By getting under the skin of senior leadership, as this research sought to achieve, our attention is drawn to four areas, which, if attended to, may ensure we develop the effective and engaged leadership required to drive UK business forward.

1. DEVELOP LEADERSHIP CAPABILITY

To be an engaging leader is extremely difficult. Engaging leaders possess a particular set of leadership competencies, such as the ability to forge deep trusting relationships at work, leading with emotion and authenticity and operating with genuine openness and honesty. However, some leaders may be wary of engaging in this way, believing that by asking for openness and honesty, it may unlock Pandora’s Box, leading to dissenting voices within the organisation where they themselves could be criticised. Poor self-awareness on the part of leaders may also hinder engagement. Engaging leaders need to be deeply self-aware, however they may not reach ‘true’ self-awareness if conversations and feedback in their organisations do not stem from a place of honesty

¹Wallace, L., & Trinko, J. (2009) Leadership and employee engagement, *Public Management* (June), pp 10-13

²Naumann, S.E., & Bennett, N. (2000) A Case for Procedural Justice Climate: Development And Test of a Multilevel Model, *Academy of Management Journal*, 43(5), pp 881-889

³Rayton, B., Dodge, T., & D’Analeze, G (2012) The Evidence, Engage for Success Research Report, (November) www.engageforsuccess.org/ideas-tools/employee-engagement-the-evidence/

⁴Armstrong, A (2013) Engagement through CEO Eyes, Ashridge Research Report, (May) www.ashridge.org.uk/engagement

OVERCOMING THE BARRIERS TO SENIOR LEADER ENGAGEMENT

and deep mutual trust. Indeed, many corporate conversations appear to continue to be driven by hierarchy, which creates division and prevents honest upward feedback from taking place. Leading engagement can also be characterised as walking a fine line. There may be a dichotomy in leading engagement whereby leaders feel an expectation to project confidence, while admitting that they do not have all the answers. Equally, they need to be decisive while giving voice to people across the organisation and they have to be resilient yet emotionally attuned.

Figure 1: What stops CEOs from engaging with engagement?



It is therefore important that we focus on developing leaders who are encouraged to experiment with new ways of leading to discover a personal style that is emotionally-attuned, contextually-relevant and is borne from self-insight.

2. GET TO THE 'HEART' OF LEADERSHIP

Engaging leaders also lead with authenticity and purpose and in a way that is aligned to their personal values. Leaders are not simply

mouthpieces for their board of directors; rather they find ways of leading that are congruent with who they are and what they believe. However, leading in this way requires a level of personal self-disclosure, which some leaders find deeply uncomfortable. Some leaders may be inherently shy, or be more comfortable with 'managing the numbers' than with entering into conversations in which they reveal their own fallibilities. However, by doing so, this builds the deep trusting relationships that are at the heart of engagement. Leaders need to be encouraged to enter into conversations at work where they are open about who they are and how they feel, since it takes a confident leader to disclose, empower and engage.

3. CHANGE THE SYSTEM

In the UK, we have a task-oriented culture, valuing hard work and output above almost all else. In this kind of environment it is the tangible business outcomes that are valued, so the push on senior leaders is to get things done in a systematic way in order to drive business results. Consequently, it is easier for senior leaders to be judged on measurable outcomes, such as increasing turnover, as opposed to being judged on their 'softer' skills of engagement such as inquiry, conversation and interaction. These issues are

further compounded within the current economic climate where some leaders have become pre-occupied with addressing questions of short-term viability and survival, as opposed to focusing on the long-term processes of engagement. However, leaders should be encouraged to move the dial to the longer term to encourage a system in which the invisible processes of engagement are valued just as highly as the tangible outcomes of it.

OVERCOMING THE BARRIERS TO SENIOR LEADER ENGAGEMENT

4. CALLING FOR NEW WAYS OF LEADING

We have for a long time talked about the role of leader as though it were static, yet this is far from being true – generational shifts, social and demographic change and the impact of declining trust have all contributed to new and different demands being placed on those who lead. Tomorrow's leaders may look very different, which is likely to have significant implications for how we identify and select leaders for the future. In the past, individuals may have been promoted into senior leadership positions for possessing skills such as rationality, order, control and toughness, but these are skills that have declining relevance in many organisations. Future leadership models need to have engagement at their core, particularly given the differing expectations of a multi-generational workforce. The absence of a single 'right way' to lead opens the path to more individual ways of leading. It is also time to try genuinely different approaches to leadership

development and to encourage a new generation of leadership experimenters who have the courage and the attributes to play their part in defining leadership for the future.

CONCLUSIONS

By exploring what characterises engaging leaders and engaging leadership, leaders should be encouraged to experiment with new ways of leading to discover their own personal styles that are emotionally-attuned, contextually-relevant and borne from self-insight. Ultimately, through leading with engagement at its heart, there becomes a better way to work that releases the full capabilities and potential of people at work, while at the same time enabling organisational growth and ultimately economic growth for the UK.



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DEVELOPING LEADERSHIP STYLES THAT FACILITATE EMPLOYEE ENGAGEMENT

PROFESSOR CLIFF OSWICK, Cass Business School

You know what effective leadership looks like in an organisation. Strong, decisive leadership. Charismatic leaders with a clear vision, setting direction and influencing followers. Empowering employees by delegating responsibility. Right? Maybe you should think again.

A profound transformation is underway in the modern workforce. Generational shifts, new socially-oriented technology, different attitudes toward the role of corporations in society, and other factors are changing people's expectations about their working life.

Organisations are increasingly embracing employee engagement as a way of mobilising employees, and in doing so they are prompting a revolution in the way that we think about leadership.

THE THREE ES

Engagement is a hot topic at the moment. But it's only the latest of three loosely related concepts that have focused on how organisations can get more from their workforce by managing employees and increasing commitment, motivation and productivity.

The first was enrichment. From the 1970s through to the mid-1980s a lot was written about creating challenging jobs and giving workers autonomy. The way to get the most from employees was to

redesign their work and make it more interesting. From the mid-1980s through the 1990s we moved from enrichment to empowerment. Rather than merely making jobs more interesting and more challenging, empowerment sought to give workers greater responsibility. That involved, for example, cutting back on frontline supervision. Supervisors were replaced by working team leaders. Tiers of middle management displaced to create flatter hierarchies, and organisations empowered employees by pushing responsibility down, by delegating.

With each of the management approaches described, the leadership role is critical for a successful outcome. With enrichment, leaders needed to help create work that was more meaningful. Empowerment meant leaders delegating work and responsibility within agreed boundaries. In practice, however, many leaders struggled with the handing over of power, often leading to employers being burdened with additional responsibility, but no additional remuneration or any real authority to get things done.

Which leads us to today and engagement, a process where employees feel a sense of commitment and an affinity to their organisation. Employees feel that they have stake in the organisation, feel part of it and care about it.

DEVELOPING LEADERSHIP STYLES THAT FACILITATE EMPLOYEE ENGAGEMENT

NURTURING ENGAGEMENT IN THE WORKPLACE

When you have high levels of employee engagement people self-instigate; they do things because they think it is right to do so, because they feel they have a responsibility. Not out of a sense of compliance. There is a more collegiate atmosphere and a greater sense of community. This feeds into a more innovative culture, and better performance.

Once again, with engagement, a change in management approach requires a change in leadership approach. Engagement is more about political engagement, people having a stake in their organisation, and in its decision-making, democratising the workplace. It requires a different style of leadership.

There are other factors at play here as well. We need to take into account these factors when we're thinking about what leadership should look like if we are trying to create higher levels of engagement, and make engagement work to an organisation's advantage.

One factor is a change in social attitudes in organisations tied to generational shifts. Baby boomers, occupying many of the senior management positions, are starting to leave the workforce. Generation X and Y are moving upwards. In a recent report *After the Baby Boomers: The Next Generation of Leadership* by Cass Business School and executive search firm Odgers Berndtson, 58 percent of 100 senior executives believed that a different leadership style will be needed to motivate future employees, as Generations X and Y replace the retiring baby boomers. Less than half (41 percent) of respondents think their organisations are ready to meet this challenge.

Another factor is a shift in attitudes to corporate social responsibility, and being a socially responsible firm. Organisations need to be seen as acting in a responsible way, so it shapes the way in

which they are led inasmuch as responsible forms of corporate activity call for a concomitant shift to responsible forms of leadership and meaningful forms of employee engagement.

A third factor, playing out in society and organisations, is the rise of social media. The workforce is increasingly networked in their lives. We're at a point where making decisions in isolation is counter to the employees' wish to be included. Being an autocratic leader is increasingly less sustainable.

All these factors feed into constructing an appropriate leadership style to nurture engagement in the workforce.

BAD LEADERSHIP, BETTER LEADERSHIP

Certainly there are some popular and prevalent leadership styles which are a bad fit with engagement. One is the highly controlling and autocratic directive style, often dressed up in more acceptable language as strong leadership. Strong leadership is the polar opposite of what is required to create the conditions for employee engagement.

Equally bad, but different, is the highly charismatic leader. Charismatic leadership is often described in terms of vision and highly developed interpersonal skills. The leader has a vision, knows the direction everyone should head in, and persuades others to follow. Although different to the directive style, it is similar in the sense that employees are still following the direction set by the leader.

Perhaps surprisingly these two leadership styles are still common in organisations. The higher up you go in organisations the more you see these styles exhibited. Senior executives, for example, are often described as "strong leaders" with this being considered a positive attribute.

And although the importance of power sharing and empowerment has been emphasised for years

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now, it's not happened to the extent that might be expected.

That's partly because people find it hard to let go.

Equally, people want to be engaged and involved in positive decision making, but not so much in negative situations. If there is a big budget to be spent, everyone wants a say. If services need cutting by 15 percent, there's silence.

Also, in times of austerity, and under pressure in terms of resources, with the need to cut costs, heavy workloads, and a lack of time to contemplate their leadership approach, directive and charismatic styles often come to the fore.

However, if they want to engage their workforce leaders should avoid these leadership styles for much of the time. There are more effective ways to lead people to get high levels of engagement. They represent, to varying degrees, what I refer to as the art of non-leadership.

BETTER FORMS OF LEADERSHIP

Take distributed leadership, for example. Rather than one person being in charge all the time, leadership is shared and rotated within a group situation. Within a team, one person is best suited to leading on one type of activity, while another person is the most appropriate leader for a different activity. It is not about a leader, it's about leadership as a process, and people taking it in turns depending on their expertise and the circumstances.

There's also servant leadership. This emphasises the idea that it's not about a leader, it's about the leader serving the followers, and focusing on the followers' needs.

But while these approaches are an improvement on directive and charismatic leadership, they are still problematic. They don't go far enough. With distributed leadership, people just take

it in turns to be in control. Better than having one person always in control, but not as good as having a group that is self-regulating. Similarly, servant leadership may consider the needs of the followers, but the servant leader still makes the decisions for others.

If we really want employee engagement to flourish, to get the very best from the workforce, we need leaders to be braver. A more radical approach is required.

THE ART OF NON-LEADERSHIP

Non-leadership is a form of leadership. It's a form of leadership which involves deliberately not intervening. Non-leadership is the active non-engagement leadership approach - it's not intervening and not imposing a direction or view. You don't construct a problem and you don't constrain the solution. As things arise you don't step up and take responsibility.

How does it work in practice? The first thing is to decide on the nature of the leadership situation or leadership issue or decision to be made. What kind of problem or challenge is being tackled? Is it something which is discrete and contained, or is it something that's open and ambiguous? If it's discrete and tightly constrained, routine, repetitive, predictable, then a non-leadership approach will not work because the narrowly prescribed nature of the task is unlikely to engender a sense of engagement among followers.

It is not the routine matters where people become disenchanted about being excluded. No-one feels that they are not being engaged if they are not involved in managing health and safety audits or monitoring absenteeism. So the everyday, routine, mundane aspects of work, still have to be done in the traditional way, with more traditional leadership styles.

Increasingly, though, work in organisations is

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open and ambiguous, with many alternatives, rather than closed and predictable. So processes of organisational change, of innovation and creativity, matters relating to social responsibility, these are ambiguous and hazy. In the early stages of a project you may find yourself asking questions such as 'how do we improve our processes of customer service?' or 'what new products and services should we be developing?' These are divergent type thinking situations, where there are a number of possible answers. These cry out for a non-leadership approach.

Next, frame the problem or the situation in the broadest possible terms to create the best conditions for engagement. "How can we become more sustainable?" is a more broadly framed topic than "how can we reduce the amount of non-recyclable packaging on a particular product?" This allows people to be very creative and generative in their thinking around problem solving. It allows more people to get involved and to interact, so you get a 'wisdom of the crowd' effect within the workplace.

With a non-leadership model, not only do you not constrain employees over identifying the problem and the solution, you don't constrain them on the implementation, either. Once a leader has posed a question – "how can we improve our record on sustainability as an organisation?" - the employees must be allowed to come up with ideas, and have the opportunity and space to enact and refine those ideas. This is about implementation as a collaborative process, where employees are involved in both problem identification, and seeing through a solution.

When the team is busy devising problems and implementing solutions, what is the leader doing? Apart from the mundane resource-type decisions,

leaders should be facilitating and accommodating employees in their problem-solving activities. It is more of a non-directive counselling role, available to provide resources and advice if required, and actively encouraging and supporting the creativity that people exhibit.

It takes courage to adopt a non-leadership approach, and to resist the temptation to step in and direct, to retain and exercise a degree of control. That is one reason why this style of leadership has taken so long to start to develop. Managers like to be in control. Psychologically, it feels far more secure.

HOW THE HR FUNCTION CAN HELP

Look at establishing the benefits of having forms of internal crowdsourcing, for example. What happens when you create circumstances where people are switched on and engaged? What do the outcomes look like? Demonstrating benefit makes buy-in more likely. HR can also help with the interpersonal skill development. Leaders will need excellent facilitation skills, around avoiding taking control or using language which takes control.

And there will be times when managers feel that employees are going too far, beyond acceptable boundaries, while employees may feel they are being constrained. Here HR managers can act as an intermediary role, arbitrating and conciliating between the parties involved.

Non-leadership may seem a radical approach, but the workforce is changing in radical ways. Employees want to be included in the decision-making process. They want the workplace to be more democratic in orientation and more inclusive. Traditional 'leader knows best' models do not work with the new generation of employees.

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CONCLUSIONS

Better decisions are made by groups than individuals. All the research tells us that. So why not allow the ecosystem of employees to be decision makers? Leaders of a truly engaged workforce create the conditions where people feel they have a voice and a stake, where organisations have forms of internal crowdsourcing, and

where the leader facilitates employee-instigated behaviour rather than delegates responsibility.

In truly engaged organisations, employees take decisions and implement solutions for themselves. It's the route to a more successful organisation.

And it's still leadership. But not as we know it.



PROFESSOR CLIFF OSWICK, Cass Business School

Cliff joined Cass in 2011. Before coming to Cass he spent four years at Queen Mary, University of London as a Professor of Organisation Theory in the School of Business and Management and also served as Dean of the Faculty of Law & Social Sciences. He has also previously held posts at University of Leicester, King's College, University of London and Westminster University. Before becoming a full-time academic in 1988, Cliff worked as a HR manager in local government.



10 THOUGHTS TO TAKE AWAY WITH YOU

JAMIE LAWRENCE, Editor, HRZone.co.uk

- 1** Engaged companies enjoy greater staff retention, higher levels of innovation and improved organisational performance and productivity
- 2** For engagement to succeed, it must form part of an organisation's DNA, owned by everybody, with the understanding that the benefits will be felt in the future.
- 3** Organisations looking to engage employees must consider what they are trying to achieve and where they are trying to achieve it – successful engagement depends on taking into account contextual economic, social, political and local factors
- 4** Across different national contexts and employment groups, effective communication and the critical role of line managers emerge as universal drivers of engagement
- 5** To become engaged, employees need to appreciate the connection between their own work and the overall aims of the organisation and, ultimately, society
- 6** For employees to express engagement, they must perceive that it 'psychologically safe' to do so – effective leadership behaviours are crucial to establishing this safety
- 7** Corporate conversations need to be driven by mutual trust and honesty, rather than hierarchy, for leaders to feel comfortable enough to move towards modern leadership behaviours that facilitate engagement
- 8** Engaged organisations need self-aware leaders who embrace transferring decision-making power to employees – they empower staff to both make decisions and decide how these decisions will be implemented
- 9** Senior leaders will not become engaging leaders until they find ways of leading that are congruent with who they are and what they believe in
- 10** Ultimately, change is required at all levels of an organisation in order to foster the trust and behaviours necessary to build a long-term culture of engagement

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