White paper:

Employee Engagement Survey

July 2016

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1. About the Employee Engagement Survey

The Insync Employee Engagement Survey can help improve an organisation's effectiveness. A wealth of academic evidence shows that one of the most important drivers of performance is whether employees are engaged with the organisation. Insync's Employee Engagement Survey measures the extent to which employees are attached to the organisation and promote and act in its best interests. This survey helps leaders identify how engaged their employees are, and how to increase employee engagement levels in order to achieve sustainable high performance.

The Employee Engagement Survey has 20 core items: 10 items which measure the level of employee engagement (i.e., the *Engagement factor*), and 10 items which measure performance in areas that have been shown to drive engagement levels (engagement drivers).

2. The Insync model of engagement

Introduction

Successful organisations have employees who are engaged with the organisation. Engaged employees believe in and promote the very best in the organisation. They are satisfied and attached to their jobs, work hard to achieve good results and promote the company to their friends and family.

The Insync model of employee engagement is inspired by a combination of insights from both theoretical and empirical research in the organisational psychology and management literature. This research is incorporated into a framework that measures the emotional, cognitive and behavioural aspects of engagement.

There are three components in the engagement model:

- **Heart** – the extent to which an employee is emotionally engaged with the organisation, comprising job satisfaction, pride in and commitment to the organisation

- **Head** – the extent to which an employee carries a positive frame of mind at work, comprising enthusiasm for work, belief in the importance of contributing to the success of the organisation and resilience when facing challenges at work

- **Hand** – the extent to which the employee exerts discretionary effort towards the benefit of the organisation, comprising the intention to go above and beyond basic role requirements, altruism towards colleagues, and willingness to share knowledge and experience

These three components are positively correlated. This means that an engaged employee should possess an emotional commitment to the organisation (the **Heart**), enthusiasm for work (the **Head**) and engage in positive discretionary behaviour (the **Hand**) for the benefit of the organisation.

Conversely, a disengaged employee is not expected to display these emotional, cognitive or behavioural attributes. Without an emotional commitment to the organisation and enthusiasm for work, it is unlikely that the employee would go above and beyond their basic role requirements for the organisation's benefit.

Insync's Employee Engagement Survey determines how engaged a workforce is and establishes whether organisations are maintaining the key drivers for employee engagement.

Theoretical and empirical approaches to employee engagement

The concept of employee engagement is relatively new to the business and academic world. However, recent research has linked employee engagement to various organisational outcomes, including customer loyalty and performance errors (Gonring, 2008), profitability, customer-focused behaviour, safety and turnover (Harter et al, 2002). In a review of high performing organisations literature, De Waal (2007) identified that leaders of high performance organisations are "*committed to the organisation for the long haul by balancing common purpose with self-interest, and teaching organisational members to put the organisation first.*"

The most prevalent consultancy-based approach is the one developed by The Gallup organisation, who initially coined the term "employee engagement" (Little and Little, 2006). Employee engagement was a concept developed from their ongoing research into the characteristics of successful workplaces which focussed on identifying specific human resource issues that relate to performance (Harter et al, 2002). A strength of their approach is the ongoing collection of evidence for the relationship between employee engagement and business outcomes. They have found low-to-moderate correlations between employee engagement and a range of outcome measures, including customer satisfaction, profit, productivity, turnover and safety (Harter et al, 2002). However, the Gallup survey has been criticised for lack of construct definition, its lack of clarity around whether it is a group-level or individual-level construct (Little and Little, 2006). Also, the empirically-based approach highlights a lack of obvious theoretical underpinnings in their model.

Theoretical approaches to employee engagement suggest that the concept of engagement is multi-faceted. One of the earliest studies of employee engagement was conducted by Kahn (1990) who identified three dimensions of employee engagement:

- **Meaningfulness** – "*Sense of return on investments of self in role performance*"

- **Safety** – "*Sense of being able to show and employ self without fear of negative consequences to self-image, status or career*"

- **Availability** – "*Sense of possessing the physical, emotional, and psychological resources necessary for investing self in role performances*"

More recent research by Schaufeli and colleagues (2002; Gonzalez-Roma et al, 2005) suggests that engagement can be thought of as the conceptual opposite of "burnout" (Maslach and Jackson, 1981), comprising of the following three dimensions:

- **Vigour** – "*characterised by high levels of energy and mental resilience while working, the willingness to invest effort in one's work, and persistence even in the face of difficulties*"

- **Dedication** – "*characterised by a sense of significance, enthusiasm, inspiration, pride and challenge*"

- **Absorption** – "*characterised by fully concentrating on and being deeply engrossed in one's work, where time passes quickly and one has difficulty detaching oneself from work*"

The various definitions of employee engagement have often built on existing constructs identified in the organisational psychology and management literature:

Job satisfaction: Job satisfaction describes how happy and contented an employee is with their job. There are varying approaches to job satisfaction, which involve consideration of whether it is a global or faceted concept (e.g., Waneous et al, 1997), whether it is an emotional reaction to a job or an attitude based on cognitive appraisal (e.g., Judge and Locke, 1993), and whether satisfaction is intrinsic or extrinsic to the work (e.g., Warr, Cook and Wall, 1979).

Organisational commitment: Organisational commitment is the strength of an individual's identification with and involvement in a particular organisation (Porter et al, 1974). It represents a strong affective attachment to the goals and values of an organisation based on an unconscious or conscious self-assessment of personal roles, goals and values. This sort of commitment indicates a strong sense of membership within the organisation, as well as feelings of obligation to remain in the organisation (Allen and Meyer, 1985; 1990).

Organisational citizenship behaviours: Organisational citizenship behaviours (OCB) (also known as pro-role/extra-role behaviours) are work behaviours that are considered discretionary and additional to the day-to-day job description. Employees perform these behaviours when they want to go above and beyond their normal duties, for example, helping others, working harder when needed (i.e., going the extra mile) and recommending the organisation to others (both as a supplier of goods and as an employer that generates new ideas or ways of working). While these behaviours are voluntary, they are critical for high performance (Bernstein, et al, 2002).

Coyle-Shapiro factor-analysed 25 OCB items based on Katz (1964) and identified five key factors:

- Advocacy participation – includes the sharing of ideas and encouragement of creativity in others

- Helping behaviour – includes "goes out of the way to help colleagues with job-related problems"

- Functional participation – includes "goes the extra mile for the organisation"

- Obedience – includes items around quality of work and dedication to work

- Loyalty – includes "tells outsiders that the organisation is a good place to work"

Indeed, the act of recommending the organisation to others as a workplace, also known as the **employee value proposition**, has been found to be a particularly potent indicator of organisational performance in a number of key areas.

The engagement factor

The Employee Engagement Survey provides organisations with a powerful tool to measure the degree to which employees are engaged. The *engagement factor* measures the emotional (the **Heart**), cognitive (the **Head**) and behavioural (the **Hand**) elements of employee engagement in the workplace.

The *engagement factor* is measured using 10 items in our Employee Engagement Survey.

3. Drivers of employee engagement

Introduction

Whilst it is important to assess the level of employee engagement within an organisation, it is equally important to identify the areas within the organisation that *drive* engagement. There has been an increasing volume of research that has examined the drivers of employee engagement, however this recent explosion of interest in employee engagement has led to a number of different conceptualisations of engagement. As a result, individual analyses of the main drivers of engagement vary across research papers (Kahn, 1990; Weiss and Molinaro, 2005; Harter et al, 2002; Parkes and Langford, 2008).

Our research has identified a number of common employee engagement driver themes:

- Having good quality line manager–employee relationships that are based on trusting relationships. Employees should be able to voice their opinions and managers should value what they say

- Role and clarity fit – whereby employees have a clear understanding of their role and how it fits with the bigger organisational picture

- Clear linkages between organisational values and day-to-day work life

- Opportunities for employees to develop, including job enrichment, creating learning environments and developing existing talent and skills

- A feeling that the organisation values and supports employees

- Good recognition and reward systems that reward superior performance

Accenture (anonymous, 2005) identified five activities that impact on employee engagement based on a survey of 2,400 employees and 240 HR executives in 26 organisations:

- *"Recognise and reward superior performance. Organisations can foster a culture of belonging by rewarding and recognising employees based on both individual and business performance."*

- *"Establish a learning environment. Organisations with the most engaged workforces provide a significant amount of learning opportunities for employees to excel."*

- *"Create knowledge-sharing communities. Engaged employees feel supported by a culture in which knowledge, information and resources are easily shared."*

- *"Manage the culture of change. Workforces committed to an organisation's goals must understand both what the goals are and how they are being affected or executed through changes such as mergers, acquisitions, or the outsourcing of key business processes."*

- *"Provide opportunities to grow and develop. Few employees feel committed if they are not given opportunities for career development."*

Employee engagement drivers

Our employee engagement research and analysis found the most important of engagement are the 10 items measured in our Employee Engagement Survey.

An improvement in scores on these 10 items will result in a corresponding improvement in engagement scores, other things being equal.

4. Conclusion

High performing organisations have employees that are engaged in the workplace. The Insync model of employee engagement is based on current and classic research that suggests employee engagement occurs on an emotional, cognitive and behavioural level. The Employee Engagement Survey provides organisations with a powerful tool that measures how engaged their employees are, and how to increase engagement levels in order to achieve sustainable high performance.

5. About Insync

Insync helps your organisation achieve sustainable high performance by improving your employee and customer engagement.

With over 25 years' experience, we're experts in customer research, employee engagement survey, exit interviews, 360 feedback and leadership team and board evaluations. We also assist clients with focus groups, action planning, change management and developing and reviewing EVPs and CVPs.

We've conducted over 1,000 employee, customer and board research projects in the last five years. We have helped ACCC, AFL, ASX, Cathay Pacific, Country Road, Chevron, CSIRO, Fairfax, GranCorp, John Holland, Johnson & Johnson, KPMG, Metro, Mitsui, Nufarm, QBE, Salvation Army, Swire, Sydney Water, Toll, Visy, YMCA, federal and state government departments and agencies, many local councils and most universities.

We have delivered surveys, research and consulting projects in around 100 countries and 40 languages. We have made significant investments in our people, processes, culture and technology to ensure that we provide cost-effective and actionable insights to clients that make a real difference to their organisation.

References provided on request.

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