

Beyond Best Management Practices: Learning Employee Engagement from Canada's Top Employers

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EXECUTIVE SUMMARY

Employee engagement is an elusive and generally complex issue. To clarify what is meant by employee engagement, this paper considers it to be the psychological state where employees feel satisfied, involved, empowered and committed such that they act with passion, enthusiasm, focused effort, and energy (Macey & Schneider, 2008). Liberating the discretionary effort of employees evades many employers because it requires them to consider and understand the factors, issues, and actions that interact to affect employee satisfaction, motivation and, subsequently, commitment and behavior.

An engaged workforce is often what separates successful from mediocre organizations. Employee engagement levels at Canada's top rated employers are reported to be more than double the engagement levels found in the literature (*e.g.*, 63 ± 12% engaged employees versus 26 ± 3% engaged employees respectively). While having engaged employees offers substantial benefits, having disengaged employees comes at a significant cost. Estimated costs for a disengaged public service in Canada are in the order of approximately \$3.8 billion annually.

The practices that contribute to employee engagement, as identified by participants in this study were not simply the opposite of the practices that contribute to employee disengagement. For example, poor supervisor-employee relations, poor change management implementation, ambiguous job role, changing priorities, absence of direction, and excessive rules and bureaucracy were uniquely identified as discouraging or disengaging practices. Conversely, practices or factors that were uniquely identified as engaging included: having visible and approachable senior management, having good job fit, having wellness and childcare programs, having good compensation and benefits, having social events and team building activities, and having a casual relaxed work atmosphere.

The practices which appeared to have the ability to both engage and disengage, depending on whether the practice was present or absent in the organization, include:

- good two-way communications and feedback,
- involvement in decision-making,
- being treated as an individual,
- having autonomy,
- having training and development opportunities,
- having the opportunity for advancement, and
- being valued and recognized.

While supervisors play a decisive role in sustaining employee engagement because of their association with many of the noted practices and their proximity and persistent interaction with the employee, employees look to an organization's senior executive for

different reasons. Employees need to see a senior leadership that models and demonstrates the organization's values. They have to be able to trust in their leadership to make the right decisions, and to provide a clear direction and vision. They need to be able to communicate with them without fear of reprisal, and they need to know that their leadership is concerned about their well-being.

Fortunately, employee engagement is responsive to these many factors. Among the most commonly cited practices are: improving communications, providing autonomy and flexibility, demonstrating caring for employee well-being, recognizing and valuing employees. But to take full advantage of the suite of practices and philosophies available, it is important for employers to ascertain an organization's current state and develop an engagement strategy which addresses their specific employee needs.

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INTRODUCTION

Engaged employees can be described as having passion, enthusiasm, energy, persistence, resilience and pride in their organization. Employers are continually trying to engage employees and liberate their discretionary effort because it is this extra effort and enthusiasm that is largely responsible for the success of organizations. Private sector CEO's ranked 'engaging employees' as the fourth most important issue for their business success, immediately after increasing customer loyalty, managing mergers, and reducing costs. (Wah, 1999). In addition, the importance of engagement to business is not unique to North America. Over half (*i.e.*, 58%) of the employers in the Middle East have identified the impact of employee engagement on business success as being more important than ever (Eaton & Bhatia, 2009).

Increasing employee engagement has considerable advantages. A leadership focus on employee engagement has been associated with 14 to 39% increases in employee satisfaction, organizational commitment, discretionary effort and employee retention (Wallace & Trinka, 2009). Similarly, "organizations in the top quartile on engagement demonstrate revenue growth 2.5 times that of organizations in the bottom quartile. But companies in the top quartile on both engagement and enablement, achieve revenue growth 4.5 times greater" (Eaton & Bhatia, 2009, p. 26).

Despite the perceived importance of an engaged workforce, practices used to engage employees (*e.g.*, transferring knowledge and ideas, leveraging diversity, and helping employees achieve a work-life balance) are ranked as the lowest priority issues for many organizations (Wah, 1999). Numerous private sector organizations turn to job design and training as mechanisms to increase their competitive advantage but "the effectiveness of skilled employees will be limited, however, if they are not motivated to perform their jobs." (Delaney & Huselid, 1996, p. 951).

Employee engagement is also important in the public sector. Work stress has increased and job satisfaction has decreased among public sector employees in the last few decades and not only does the lower satisfaction lead to lower quality service but it makes the public sector less of a preferred employer (Steijn, 2002). In order to improve public service satisfaction ratings, public sector managers need to focus their improvement efforts on providing timely service, and increasing "the willingness of staff to go beyond courtesy to 'go the extra mile' to pro-actively offer help to their clients" (Heintzman & Marson, 2005, p. 562).

The contradiction between the recognized need for engaged employees and implementing practices to engage them illustrates the complexity around employee engagement. To attempt to simplify some of the complexity around employee engagement, this paper will explore the practices, approaches and philosophies used by organizations identified as Canada's top rated 100 employers. Specifically, this paper will

provide a literature review on engagement and will provide a qualitative analysis based on 23 interviews conducted with the human resource departments in Canada's top employers. Furthermore, given that many private and public sector employers are currently developing or revising their employee engagement strategies, this paper will also propose a process map or framework that outlines a sequence of steps that employers could use to build their own engagement strategy. Within the framework is a series of recommended practices and approaches used to engage employees at Canada's top-rated employers.

LITERATURE REVIEW

Defining and Measuring Engagement

Employee engagement can be recognized by the presence of vigour, dedication, and absorption. Vigour is represented by high levels of energy as well as mental resilience and persistence when met by challenges. Dedication is represented by feelings of pride, inspiration, significance, and attachment to one's work. Finally, absorption is typified by complete concentration, focus, and being engrossed in one's work (Schafeli, Salanova, Gonzalez-Roma, & Bakker, 2002; Schaufeli & Bakker, 2004; Bakker, van Emmerik, & Euwema, 2006; Schaufeli, Bakker, & Salanova, 2006).

Engaged employees display traits such as being generally optimistic, taking personal initiative, taking pride in their work, creating their own rewards and support, and are more inclined to help colleagues (Bakker, van Emmerik, & Euwema, 2006). Engagement behaviours also include high productivity, organizational citizenship, expenditure of discretionary effort, and long-term commitment to their organization (Zigarmi, Nimon, Houson, Witt, & Diehl, 2009). Organizationally committed employees feel pride in belonging to the organization, will voluntarily invest their personal effort to support the organization, and will feel a sense of duty and responsibility for the organization (Markovits, Davis, & van Dick, 2007). Furthermore, engaged employees also exhibit hope, optimism, and resilience. Hope is defined as goal-directed energy and the recognition of the pathways to meet those goals. Optimism is the expectation of good things to happen. Resilience is the positive capacity to rebound from adversity, uncertainty, conflict, failure, and positive adaptation to change (Avey, Wernsing, & Luthans, 2008).

In order for employees to become engaged, three underlying psychological conditions must be met: meaningfulness, safety, and availability. Meaningfulness is met when employees feel worthwhile, valued, useful, that they are making a difference, and are not being taken for granted. Elements such as autonomy, clarity of goals and procedures, and variety help make a job more meaningful (Kahn, 1990).

Safety is met when employees feel a sense of self on the job and are able to express their vulnerabilities without fear of negative consequence. Trust, openness, support, and flexibility contribute to safety. Management or supervisory styles that contribute to safety are supportive and resilient and readily relinquish control to the employee (Kahn, 1990). Engagement is possible when the relationships between employees and their coworkers or supervisors are amicable because their sense of psychological safety allows them to feel free to reveal their true selves at work. In contrast, strained relationships usually result in defensiveness, distraction, and detachment from work (Avery, McKay, & Wilson, 2007). Safety is also compromised when policies and behaviours are inconsistent and employees feel disconnected from others (Kahn, 1990). Withdrawal or avoidance of

conflict from those in higher positions reflects the absence of safety in a workplace (Kahn, 1990).

Finally, availability is the sense of possessing the required capabilities to complete the job. Availability is developed through the provision of feedback and open dialogue. Situations that reduce employees' availability include stresses in other areas of their lives that cause them to lose focus. (Kahn, 1990)

In addition to meeting these psychological conditions, engaged employees are the cumulative effect of leadership, workforce, and workplace. Leadership provides the required direction and goals, instils confidence in employees, and 'walks the talk' or demonstrates adherence to values and builds trust. Workforce can be described as the attracting, recruiting, and staffing positions with the right people in a fair process and providing employee development opportunities. Workplace is about providing meaningful work, employee autonomy, and the required resources in a supportive environment (Treasury Board Secretariat, 2009).

Another distinguishing element of engagement is that it is generally persistent and pervasive (Schaufeli, Bakker, & Salanova, 2006). However, it is acknowledged that employee contributions, job involvement, and engagement rise and abate at various times throughout the course of one's work day and career. Similarly, individual differences in employees and their situations also affect the willingness they have to exert effort for their organization (Kahn, 1990).

When employees are engaged, they express themselves physically and psychologically (*i.e.*, emotionally and cognitively) in their job performance. In short, they are present in the moment. When employees are disengaged, they tend to withdraw and are physically and psychologically defensive (Kahn, 1990). Disengaged employees conceal their preferred self, they lack connections with others, are passive, and emotionally and sometimes physically absent. Their behaviour may appear apathetic, detached, impersonal, inexpressive, lacking interest, bureaucratic, or robotic (*i.e.*, going through the motions)(Kahn, 1990).

Engagement Synonyms and Related Terms

While the concept of employee engagement is relatively new, its essence has been described for some time in both the academic and professional literature (Mohaptra & Sharma, 2010). Terms such as satisfaction, motivation, organizational commitment, organizational citizenship, and work passion all refer to elements related to employee engagement. Some authors even suggest that engagement, as a term, could be succeeded by the phrase 'work passion' (Zigarmi, Nimon, Houson, Witt, & Diehl, 2009), while others simply see engagement as "old wine in new bottles" (Macey & Schneider, 2008, p.6). But despite the similarity amongst the terms, it is worthwhile to understand

some of the nuances and or concepts associated with satisfaction, motivation, organizational commitment, organizational citizenship, and work passion.

Employee satisfaction tends to refer to attitudes or feelings while employee engagement or commitment is usually expressed as behaviour although it is acknowledged that behaviours are shaped by attitude. (Heintzman & Marson, 2005). The most important factors influencing workplace satisfaction are associated with interpersonal relationships and includes quality of decision-makers, personal growth opportunities, and manager-employee communications and relationships (Pohlmann, 1999). These factors act both extrinsically and intrinsically upon the employee.

Extrinsic job satisfaction is derived from factors external to (*e.g.*, imposed upon) the employee such as physical work environment, pay, benefits, and human resource policies. Intrinsic job satisfaction is derived from factors internally experienced by the employee such as ability utilization, opportunity to learn and develop, feelings of personal achievement and accomplishment, autonomy, and creativity (Markovits, Davis, & van Dick, 2007). However, it is important to note that “the factors involved in producing job satisfaction (and motivation) are separate and distinct from the factors that lead to job dissatisfaction.” (Herzberg, 1968, p. 56). Factors associated with job satisfaction include interesting work, achievement, recognition, advancement, development, learning, and autonomy. These factors are usually referred to as ‘motivator factors’. Factors associated with job dissatisfaction are not the same as that for satisfaction. They include unfair organizational policies, incompetent and unfair supervisors/managers, poor interpersonal relationships, and disagreeable work conditions (Sachau, 2007). These factors are generally referred to as hygiene factors (Herzberg, 1968).

Motivator factors share some common characteristics. They have longer positive effects than hygiene factors. They are associated with psychological growth of the employee whereas hygiene factors involve the avoidance of physical and psychological discomfort. Motivator factors are additive, while hygiene factors are not. Motivator factors are about job content whereas hygiene factors are about job context (Herzberg, 1968). Hygiene factors can motivate employees. However, the result is temporary and employees may desire more after the initial novelty wears off. Hygiene factors are not associated with long-term employee satisfaction; rather, they prevent dissatisfaction (Herzberg, 1968). But this is not to say that they are unnecessary because the prevention of dissatisfaction is one part of a positive organizational state. Efforts to improve hygiene factors may tip the scales for ambivalent employees who are neither satisfied nor dissatisfied.

However, when benefits in the hygiene factor suite increase, the new level becomes the minimal acceptable level. This phenomenon has been defined as escalating materialism (Herzberg, 1968). This phenomenon of escalating requirements has also been referred to as escalating expectations, or hedonic adaptation (Lucas, Diener, & Scollon, 2006). Organizations that focus on hygiene factors to motivate their employees may experience

expensive and escalating expectations, although it has been noted that interpersonal relationships do not necessarily fit well as a hygiene factor because the need for such does not escalate (Sachau, 2007).

Organizational commitment can be described as a connection between the employee and the employer largely as a result of shared values and goals (Markovits, Davis, & van Dick, 2007). Organizational commitment is expressed by employees whose managers provide them with supportive feedback and who also hold other employees accountable for poor performance (Perryer & Jordan, 2005). Related to organizational commitment is organizational citizenship. Organizational citizenship behaviour comprises work behaviours that contribute to organizational effectiveness. Elements of citizenship include obedience, loyalty, and participation. Organizations that value their employees and their contributions are in turn rewarded with positive employee behaviour. These reciprocal employee-organization relationships are based on mutual trust and shared values (Van Dyne, Graham, & Dienesch, 1994). Finally, 'work passion' (engagement) can be considered to be a relatively persistent and emotionally positive state of well-being resulting from recurring constructive feedback that supports changes in behaviours and intentions (*e.g.*, such as organizational citizenship and discretionary effort) (Zigarmi, Nimon, Houson, Witt, & Diehl, 2009).

Engagement: The Positive Antipode of Burnout

For satisfaction we saw that "the opposite of job satisfaction is not job dissatisfaction but, rather no job satisfaction; and, similarly, the opposite of job dissatisfaction is not job satisfaction, but no job dissatisfaction" (Herzberg, 1968, p. 56). For engagement, the opposite relationship is more obvious; some have described burnout as an erosion of engagement (Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2002). While engaged employees demonstrate an energetic and effective connection with their work and deal well with the demands of their job, those employees experiencing burnout lack these qualities (Schaufeli, Bakker, & Salanova, 2006). As was noted previously, employee engagement is typified by vigour, dedication, and absorption (Bakker, van Emmerik, & Euwema, 2006). Vigour and dedication have been negatively correlated with exhaustion and cynicism, the core conditions of burnout. Therefore engagement is frequently described as the positive antipode of burnout (Schaufeli & Bakker, 2004; Bakker, van Emmerik, & Euwema, 2006; Schaufeli, Bakker, & Salanova, 2006).

Burnout at work is a reaction to stress. When work demands are high but the resources available to fulfill those demands are low, burnout can occur. Resources generally refer to the physical, psychological, social, or organizational elements of the job that support an individual. (Bakker, van Emmerik, & Euwema, 2006). In addition, giving too much for too long depletes an individual's energy and leads to exhaustion, which in turn can lead to cynicism or an indifference towards work (Schaufeli & Bakker, 2004). Mental and/or physical exhaustion or depleted energy are considered to be primary indicators of

burnout. When accompanied by negative and cynical attitudes toward work and colleagues, as well as reduced professional effectiveness, burnout produces feelings of fatigue and indifference. (Bakker, van Emmerik, & Euwema, 2006).

Burnout is associated with both employee consequences such as depression and other health problems as well as organizational consequences such as poor performance and low service quality (Schaufeli, Salanova, González-Romá, & Bakker, 2002). Other consequences of burnout include reduced job satisfaction, impaired physical and psychological well-being, and increased absenteeism and turnover (Bakker, van Emmerik, & Euwema, 2006). A final consequence of burnout is its contagious nature. Employees experiencing symptoms of burnout can transfer those negative attitudes through social interaction and informal meetings. However, the reverse is also true. Employees working amongst engaged employees report higher level of vigour, dedication and absorption (Bakker, van Emmerik, & Euwema, 2006).

Burnout is precipitated by excessive job demands and the lack of job resources while engagement is encouraged by making job resources available. Job demands are aspects of the job that require sustained physical or psychological effort. Demands can have a quantitative (work overload) and qualitative (emotional) condition. Job resources are aspects that help meet demands or stimulate development. Job resources can include feedback, and interpersonal support from colleagues or supervisor (Schaufeli & Bakker, 2004).

Different intervention strategies should be used, depending on whether the organizational goal is to reduce burnout or enhance engagement. Strategies aimed at reducing high job demands include job redesign, and providing flexible work arrangements, as well as goal setting and work planning. Strategies which increase job resources include participative decision-making, building social support and team-building (Schaufeli & Bakker, 2004). Employee burnout can also be prevented or reduced by developing human resource programs which support work-life balance, improve health, increase flexibility, promote safety, and recognize individual needs (Gill, 2010). To prevent burnout, decreasing job demands is preferred over increasing job resources (Schaufeli & Bakker, 2004).

Measuring Engagement

Before attempting to enhance employee engagement, it is essential to know your current engagement status or condition as determined by an employee survey (Stringer West, 2011). Employee surveys are essential tools to monitor and manage employee engagement because they send important signals to employees about an organization's values and priorities. Sharing the survey results and the associated action plan demonstrate respect for employee input (McMullen & Royal, 2010). Similarly, just as feedback provides employees with a benchmark by which they can measure their own

progress and help them move toward their own preferred state, feedback can do the same at the organizational level (Bezuijen, van den Berg, van Dam, & Thierry, 2009).

It is important to note that the true value of engagement surveys lay in the extent to which the results are used to identify the necessary actions that an organization must take to improve (Scottish Executive Social Research, 2007). “Engagement surveys without visible follow-up action may actually decrease engagement levels” (BlessingWhite, 2011, p. 3).

Surveys are not the only means of measuring engagement. Employee engagement can be measured both indirectly and directly. Indirect measures of engagement include assessing employee absenteeism and turnover statistics. Employee perceptions of organizational support have been linked to employee attendance (Eisenberger, Huntington, Hutchison, & Sowa, 1986). Likewise, there are correlations between the number of sick time hours used and the level of employee engagement (Merit Systems Protection Board, 2008). However, contrary to perfunctory or ‘water-cooler’ summations that unengaged employees use more sick time, some research has identified the relationship between levels of engagement and sick-time use are relatively weak and ignore many of the complexities around absenteeism (Hoxsey, 2010). Furthermore, measures of absenteeism and turnover are strongly influenced by other factors such as labour market. For example, when unemployment is high, both absenteeism and turnover tend to decrease, but as employment opportunities increase, employees feel more comfortable acting on their intentions and discontent (Markham, 1985). Thus unemployment and other economic conditions appear to affect employee values around what constitutes good wages and job security, which illustrates why it is important for employers to be aware of the contextual factors affecting employee attitudes (Karl & Sutton, 1998).

Job satisfaction surveys directly measure employee engagement. These types of surveys allow employees to provide feedback about as many factors as the organization wishes to examine. However, just as with indirect measures, there are numerous other variables that influence job satisfaction or engagement. For example, job satisfaction is influenced by the employee’s level in the organization; the higher in the organization the employee, the higher the level of satisfaction. This relationship is explained in part by the employee’s control of their work environment and their familiarity and closer connection with the organizational goals (Barrows & Wesson, 2001). The trend of increasing engagement as one moves up levels in the organization can also be explained by the greater autonomy, authority, control, connection, rewards, recognition, and status that is received by each successive layer closer to the top of an organization (Merit Systems Protection Board, 2008).

Another example of a variable that influences employee engagement is length of tenure within an organization (BlessingWhite, 2011). In a 2005 survey of the Saskatchewan public service, nearly every employee satisfaction factor (*e.g.*, work/life balance, enabling

environment, leadership and direction) showed a steady decline in satisfaction with increasing tenure. Employees with less than one year of service consistently provided the highest level of satisfaction while those with 10-14 years of service were usually the least satisfied cohort. Satisfaction levels increased slightly in the 15-20 and 20+ years of service cohorts (HayGroup, 2006). This example also illustrates the importance of distinguishing between related variables such as age of employee and tenure. While attitudinal shifts occur in tenure, virtually no differences exist in public employee motivation between generations (*i.e.*, Gen Xer [1961-1981], Baby Boomer [1943-1960], Matures [1925-1942])(Jurkienicz & Brown, 1998).

Finally, another factor that influences engagement or satisfaction levels is the procedure by which engagement is assessed. Some surveys assemble employees into three categories: engaged, neutral, and disengaged (Fleming, Coffman & Harter, 2005); some utilize four categories: engaged, enrolled, disenchanted, and disengaged (Towers Perrin, 2008); while some use five categories: engaged, almost engaged, crash and burners, honeymooners and hamsters, and disengaged (BlessingWhite, 2011). Table 1 presents a comparison of employee engagement levels from different geographic regions, periods, and sources. The average employee engagement level, by category of engagement, and the confidence level at 95% is presented in the last row of the table. While each consultant's definition of the extreme ranges of engagement (*i.e.*, engaged and disengaged) are similar and result in similar figures and lower confidence intervals as identified in Table 1, the intermediate categories vary the most by definition and subsequently so does the resulting data as seen in Table 1.

A comparison of the definitions used by Towers Perrin and BlessingWhite can be seen in Table 2.

Table 1. Comparison of Employee Engagement Levels from Different Regions, Periods, and Sources.

| Survey Group | Year | Percent of Employees in Each Engagement Level (%) | | | | |
|--|------|---|---------------------------------|---|--|------------|
| | | Engaged | Enrolled (Almost Engaged) | Somewhat Engaged Not Engaged Moderately Engaged Neutral (Crash & Burners) | Disenchanted (Honeymooners & Hamsters) | Disengaged |
| Canada ¹ | 2008 | 23 | 44 | | 25 | 7 |
| Canada ² | 2006 | 20 | | 66 | | 14 |
| United States ³ | 2010 | 29 | | 55 | | 16 |
| United States ¹ | 2008 | 29 | 43 | | 22 | 6 |
| United States ⁴ | 2005 | 29 | | 54 | | 17 |
| United States ⁵ | 2004 | 26 | | 55 | | 19 |
| United States Federal Government ⁶ | 2008 | 35.3 | | 47.2 | | 17.5 |
| North America ⁷ | 2011 | 33 | 24 | 15 | 10 | 18 |
| North America ¹ | 2008 | 17 | | 64 | | 19 |
| United Kingdom ¹ | 2008 | 14 | 42 | | 33 | 11 |
| United Kingdom ⁵ | 2003 | 19 | | 61 | | 20 |
| Australia / New Zealand ⁷ | 2011 | 36 | 23 | 11 | 13 | 17 |
| Europe ⁷ | 2011 | 30 | 24 | 15 | 12 | 19 |
| India ⁷ | 2011 | 37 | 29 | 13 | 9 | 12 |
| India ¹ | 2008 | 36 | 46 | | 15 | 3 |
| Southeast Asia ⁷ | 2011 | 26 | 33 | 10 | 15 | 16 |
| China ⁷ | 2011 | 17 | 23 | 18 | 14 | 29 |
| China ¹ | 2008 | 16 | 51 | | 27 | 6 |
| Worldwide ⁷ | 2011 | 31 | | | | 17 |
| Global ¹ | 2008 | 21 | 41 | | 30 | 8 |
| Mean ± 95% Confidence Interval | - | 26±3 | 35±7 | 37±14 | 19±5 | 15±3 |

¹ Towers Perrin, 2008² Aseltine & Alletson, 2006³ Mohaptra & Sharma, 2010⁴ Fleming, Coffman, & Harter, 2005⁵ Scottish Executive Social Research, 2007⁶ Merit Systems Protection Board, 2008⁷ BlessingWhite, 2011

Table 2. *Examples of Two Engagement Level Definitions.*

| Consulting Group | Engagement Level | Definition |
|---------------------|----------------------------------|---|
| Towers Perrin, 2008 | Engaged | The engaged give their full discretionary effort and score highly in rational, motivational, and emotional dimensions. |
| | Enrolled | The enrolled are partially engaged and score high on the rational and motivational dimensions, but not on the emotional dimension. |
| | Disenchanted | The disenchanted are partially disengaged and score low on the rational and motivational dimensions and even lower on the emotional dimension. |
| | Disengaged | The disengaged are rationally, emotionally, and motivationally disconnected from their work. |
| BlessingWhite, 2011 | Engaged | The engaged contribute highly to the organization and have a high level of satisfaction with their work. They give their full discretionary effort and are highly committed. |
| | Almost Engaged | The almost engaged contribute moderately to highly to their organization and have a moderate to high level of satisfaction with their work. They are among the high performers, are highly employable, and are more likely to be lured away to competing organizations than the engaged. |
| | Honeymooners and Hamsters | Honeymooners and hamsters have moderate to high satisfaction with their work but have low levels of contribution. Honeymooners are new to an organization and have yet to understand how best to contribute. Hamsters often spin their wheels, work on non-essential tasks, or may even hide out (<i>e.g.</i> , 'retired in place') and contribute little to the organization. |
| | Crash & Burners | Crash & Burners have moderate to high levels of contribution but low levels of satisfaction with their work. They are disillusioned and potentially exhausted and are often vocal about poor management and lack of accountability. |
| | Disengaged | The disengaged have low levels of contribution to the organization and low levels of satisfaction with their work. They are disconnected from the organization, can be underutilized, can be sceptical, and contagiously negative. They are often actively looking for their next job and when they leave, it benefits everyone, including themselves. |

Benefits of Engaged Employees

Once an organization makes the conscious decision to measure and improve employee engagement, substantial direct and indirect benefits can be realized. Adopting a leadership focus on employee engagement has been associated with 14 to 39% increases in employee satisfaction, organizational commitment, discretionary effort, and employee retention (Wallace & Trinka, 2009). Engaged employees are also more productive, healthier, work safer, are more willing to apply discretionary efforts, have higher customer satisfaction ratings, are less absent, and less likely to leave an organization (Shuck & Wollard, 2010). The retention of employees reduces training and replacement expenses (Fleming, Coffman, & Harter, 2005).

When employees are engaged, they are more aware of their role in the organization. They recognize their ability to affect the quality of their product or service, the satisfaction of their customers or clients, and subsequently the profitability, revenue, growth, and costs to the organization (Towers Perrin, 2008). Similarly, organizations also recognize that engaged employees are less likely to leave the organization, have fewer performance problems, have fewer pay and equity complaints, ultimately strengthen customer relationships, and subsequently create their competitive advantage (Harter, Schmidt, & Hayes, 2002; McMullen & Royal, 2010).

The increased productivity and better organizational performance associated with having engaged employees is very significant and measurable (Huselid, 1995). Engaged employees are associated with 20% increases in productivity (Scottish Executive Social Research, 2007). Companies with high employee engagement scores have been shown to have 51.9% greater operating income, 17.5% greater net income growth rate, and 39.0% higher earnings per share growth rate over companies with low levels of engagement (Towers Perrin, 2008).

To address the question of whether engaged employees create financial performance or if a company's profitability influences employee engagement, Harter and Schmidt (2011) examined Gallup's Q12 employee performance questions and identified that the causal path from individual engagement to financial performance is stronger than from financial performance to engagement. In summary, "...engagement is related to professional efficacy" (Schaufeli, Bakker & Salanova, 2006, p. 713).

An indirect benefit of having engaging practices and engaged employees is being recognized for them. Being identified and recognized as one of 'Canada's Top 100 Employers' or by Australia's 'Employer of Choice' programs have intangible benefits including increasing staff morale, loyalty, and commitment, enhancing brand recognition, strengthening corporate responsibility, and enhancing business reputation (Gill, 2010).

These programs draw attention to and promote an employer's commitment to employees in many areas. In the case of Australia's Employer of Choice program, these include leadership and interrelationships, safety, well-being, staff development, opportunity, inclusion, community involvement, financial education, and sustainable practice (Gill, 2010). Similarly, in the case of Canada's Top 100 Employers program, they include physical workplace, work atmosphere, health, financial and family benefits, vacation and time off, employee communication, performance management, training and skills development, and community involvement. Drawing attention to the practices of recognized private and public employers has market value when trying to attract new employees and also allows other organizations to improve by providing the opportunity to examine the practices of successful organizations (Yerema, 2011).

Private Versus Public Sector Employers, Engagement, and Employees

While the effect of progressive human resource management practices is similar in both public and private organizations (Delaney & Huselid, 1996), they do differ in other respects. Knowing these differences allows managers to better understand their organization, their employee needs, and the relationship of these factors to the organization's bottom line. Among the major differences separating private from public sector employers are their structure and reporting system, the employees they attract, their service value chain, and the way they are perceived by the public.

The public sector differs from the private sector by being established by law, being publically funded, having democratically elected or appointed leaders, having a greater myriad of rules and restrictions to follow in areas of human resources and procurement, and having a wider range and sometimes contradictory set of organization goals (Word & Park, 2009). This underlying structure is also at least somewhat responsible for differences in public satisfaction in public and private institutions. General customer satisfaction with government services tends to lag behind scores obtained by service in the private sector. Part of the lower satisfaction with government service originates from the lack of consumer choice that citizens have because many government functions are regulatory in nature (American Customer Satisfaction Index, 2011).

Another difference between private and public organizations is the connection between employee satisfaction and organizational performance and profit. While the flow along this value-chain is similar in both sectors, the outcome is different. In the private sector, the service profit chain defines the link between employee satisfaction and customer satisfaction. This causal relationship identifies how improved employee attitudes and behaviours make for a better customer experience which leads to increases in sales, in company performance and growth, and ultimately in profit (Heintzman & Marson, 2005). In the public sector, the bottom line of company performance and profit is replaced by citizen trust and confidence. When public trust and confidence is high in public institutions, it is perceived that they are achieving their democratic mission. The public

sector service value chain links service delivery to management performance, leadership, people management (Heintzman & Marson, 2005), and, finally, in public trust. While profit and cash are the currencies in the private sector, trust is the currency in the public sector. Trust in government, among other factors, is an indicator of good governance (Bouckaert & Van de Walle, 2003).

“The most essential outcome of citizen satisfaction with federal government is citizen trust. ACSI research consistently shows that increased citizen satisfaction results in greater trust in government.” (American Customer Satisfaction Index, 2011, p. 2). Every employee-citizen interaction holds the potential to build citizen trust and satisfaction in government - or to diminish it (Fleming, Coffman, & Harter, 2005; Heintzman & Marson, 2005). The number one factor influencing government service rating is “professional service” which is a composite of public servant attributes such as being friendly, helpful, professional, courteous, knowledgeable, empathetic, fair and understanding (Canada Information Office, 2000).

The relationship between citizen experience with government and performance rating is clear. Of Canadians who have had positive experiences with government service, 43% rate government performance as good, among those who have had neither a good nor bad experience, 33% rate government performance as good, and of those that had a bad experience, only 25% rate government performance as good (Canada Information Office, 2000). Now, more than ever, the employee-citizen trust value chain needs to be reinforced. In 1960, 75% of Canadians trusted the Canadian Government “to do what is right”. By 2002, that trust had dropped to only 27% (EKOS Research Associates, 2002). Furthermore, most Canadians do not trust government; only 18% report that they trust politicians and 36% report that they trust federal public servants (EKOS Research Associates, 2002).

Among other factors, citizen trust flows from positive experiences with government, which are more likely to occur when public servants are engaged. Measuring and improving employee engagement results in enhanced citizen trust, and confidence in government and public institutions (Heintzman & Marson, 2005). “Perhaps the only or best chance public servants have of helping to strengthen citizen trust and confidence in public institutions is to act as if every single one of their actions could do so” (Heintzman & Marson, 2005, p. 570). However, willingness and behaviour like this comes almost exclusively from engaged employees.

One consideration when trying to affect public employee engagement are the employees themselves. While private sector employees tend to value good wages, public sector employees tend to put more value in interesting work although these preferences represent a departure from employee preferences in the 1970’s and 1980’s (Karl & Sutton, 1998). The public sector also tends to offer greater job security than the private sector, and employs workers with different job motivations and work values (Steijn, 2002).

Differences in job involvement, motivation, or employee engagement may be explained by the self-selection of employees into their chosen sectors or disciplines. This is reflected in part by the relationship between personal temperament and vocational preference (Oakland, Horton, Glutting, & Stafford, 2001). Some human resource consultants even recommend screening during the recruitment phase for employees who will become engaged in the workplace. Development Dimensions International have identified six factors that they consider to be predictors of individuals becoming engaged employees: an individual's adaptability, passion for work, emotional maturity, positive disposition, self-efficacy, and achievement orientation. They also note that candidate job fit and alignment with organizational culture are other important aspects that can influence employee engagement (McGee, 2006) but it is recognized that numerous factors are associated with employee engagement.

Drivers and Factors Associated with Engagement

At one time it was surmised that "the only way to motivate the employee is to give him challenging work in which he can assume responsibility." (Herzberg, 1968, p. 53). While challenge and responsibility are important factors that can motivate employees, they are but two of the many drivers that influence employee engagement. As Heintzman and Marson (2005) note, "the concepts and causal relationships (of employee engagement) are complex, subjective, multi-dimensional, and contestable" (p. 567). Following is a discussion of some of the drivers of employee engagement.

According to Heintzman & Marson (2005) "A 'driver' is an independent variable that can be shown to be an important predictor of performance outcome" (p. 554). However in the field of human resources, there are many interrelating factors that can originate from numerous sources. Since employee engagement is an individual-level construct, what constitutes a driver of employee engagement for one individual may differ substantially from another depending upon their individual values. Therefore, reliance on only one or a few approaches may not be successful in increasing employee engagement (Scottish Executive Social Research, 2007; Shuck & Wollard, 2010). Similarly, many of "the so-called independent variables are not really independent from one another" (Mohaptra & Sharma, 2010, p. 293) so it is often necessary to look at a suite of activities and the context in which they have been implemented.

Nearly two dozen factors or drivers of employee engagement are regularly referenced in the academic and practitioner literature. Many of these factors were summarized by Herzberg (1968) as being either motivator or hygiene factors. Herzberg distinguished between the two types by noting that "the absence of hygiene factors such as a good supervisor-employee relationship or good benefits can make a worker unhappy, but their presence will not make him want to work harder" (1968, p. 53). Some of the factors can arguably be considered to be a subset of another and were only referred to infrequently

while others were referred to consistently. Table 3 provides a summary of these factors and the frequency that they were referenced.

Table 3. *A Summary of Employee Engagement Factors Regularly Cited in the Literature and the Frequency of Occurrence*

| Engagement Factor | Frequency ⁸ of Occurrence in Papers (%) |
|---|--|
| Growth (training and development) | 67 |
| Autonomy (input into decisions affect the job and the organization) | 60 |
| Advancement | 47 |
| Work itself (meaningful) | 47 |
| Positive relationships with supervisor/peers | 40 |
| Recognition (& appreciation) | 40 |
| Effective senior leadership | 33 |
| Benefits | 20 |
| Employer cares about employee well being | 20 |
| Salary | 20 |
| Clear organizational goals | 13 |
| Effective communications | 13 |
| Reputation/image as good employer | 13 |
| Security | 13 |
| Work conditions | 13 |
| Achievement | 7 |
| Moderately challenged | 7 |
| Organizational goal clarity | 7 |
| Organizational policies | 7 |
| Positive perception of senior management | 7 |
| Reasonable workload | 7 |
| Trust in the organization | 7 |

Autonomy

Of the factors identified in Table 3, autonomy and effective senior leadership were frequently cited as being the most influential factors in determining employee engagement. Chamberlain & Hodson note that “the most widely recognized occupational-level working condition with negative impact for workers is lack of autonomy - failing to have control over one’s work tasks” (2010, p. 458). Autonomy has also been positively associated with job satisfaction, commitment, involvement, motivation,

⁸ The percent of papers in which the factor was cited in: Herzberg, 1968; Spector, 1986; Heintzman & Marson, 2005; Aseltine & Alletson, 2006; Penna, 2006; Aube, Rousseau & Morin, 2007; Sachau, 2007; Merit Systems Protection Board, 2008; Towers Perrin, 2008; Zigarmi, Nimon, Houson, Witt & Diehl, 2009; Chamberlain & Hodson, 2010; Towers Watson, 2010; BlessingWhite, 2011; Giancola, 2011; Kernaghan, 2011.

performance, and negatively correlated with emotional distress, absenteeism, and turnover (Spector, 1986). However, Spector (1986) also cautions that not everybody is seeking additional control since increased control is often accompanied by increased responsibility, accountability and workload.

Hackman and Oldham (1976) recognize autonomy as one of the five core job dimensions or factors that influence employee motivation. They also identify skill variety as expressed by the range of abilities that employees use, task identity as represented by the completion of an identifiable or whole piece of work, task significance as described by the recognition of the job's effect or influence on others, and feedback as indicated by the employee receiving information regarding their performance. While these factors are not wholly responsible for determining employee motivation, they are statistically significant in explaining the variance associated with measures of employee work outcomes such as performance (Hackman & Oldham, 1976).

Leadership

Leadership, especially within the executive of an organization, is also crucial since an organization's 'quality of management' or lack thereof, is an important factor that influences employee turnover intention (Steijn, 2002). "First and foremost, organizations must have effective - and engaged - leadership at the top." (Towers Perrin, 2008, p. 9). A part of that leadership, at least as perceived by employees, is that there must be a sincere interest in employee well-being. When employees feel that their employer is concerned about their well-being and individual needs, they are more committed to the organization (Aubé, Rousseau, & Morin, 2007). The top values identified by 'best employers' are: caring, recognition, and career advancement of employees. This is in contrast to the top three values identified by lesser performing organizations which are customer focus, challenge, and excellence (Marusz, Kao, Bell, Veres, & Bakos, 2009). Examples of how managers can demonstrate caring is an interest in their employees through work-planning and goal setting, being aware of (and even perhaps celebrating) their birthday or other significant events, and providing positive and reinforcing feedback. Leaders of top-performing teams provide positive and reinforcing feedback five times more often than negative feedback; low performing organizations provide employees negative feedback three times more often than positive feedback (Wallace & Trinka, 2009).

Other desired leadership behaviours and actions also include having an open and honest dialogue with employees, being visible and accessible to all staff, providing reasons for decisions, especially those that directly affect staff, and ensuring that actions and policies are consistent with the organization's values and messages (Towers Perrin, 2008). And while senior management leadership and quality of line management/supervision are frequently the highest ranked drivers of employee engagement, they are also the most likely to receive poor performance scores (Kernaghan, 2011).

Although autonomy and senior leadership have been identified by many as being critical components of engagement, others have identified a hierarchy of limiting factors that determine engagement. For example, Penna (2006) describes a hierarchical model of employee engagement, not unlike Maslow's theory of motivation and hierarchy of needs (1943), where specific and basic extrinsic factors must be met first, followed by an ordered progression of intrinsic factors. At the foundation of Penna's model (2006) is the basic requirement of competitive pay, acceptable working hours, and adequate employee benefits. The next factor limiting engagement is learning and development opportunities, followed by opportunity for promotion. Next are organizational leadership, trust, and respect. At the top of the hierarchy is meaning at work. Employees have a greater sense of contribution when their work is meaningful (Giancola, 2011).

Growth

Growth (*e.g.*, training and development) is the most frequently referenced factor affecting engagement in Table 3. Training and development opportunities are critical in driving engagement and should include the chance to learn new skills not necessarily essential to an employee's current role (Aseltine & Alletson, 2006). Leaders in organizations that have been classified as 'best employers' recognize that developing and retaining talent is an essential factor in their business success (Marusarz, Kao, Bell, Veres, & Bakos, 2009). One common development program offered by employers is tuition reimbursement. Unfortunately, most employers are unaware that this program usually leads to increased employee turnover unless completion of the program is accompanied by employee advancement in the organization (Benson, Finegold, & Mohrman, 2004). Utilizing newly developed employee skills and abilities reduces turnover and provides a return on the employer's investment

Trust

While less frequently identified than other factors, trust in one's supervisor, senior management, and organization is still fundamentally important to building employee engagement. Trust is a pivotal construct for organizational success. Trust is comprised of the belief that another is worthy of your trust and that you are willing to expose your true self and thus be vulnerable to another, whether it be an individual or organization (Bordia, Restubog, Jimmieson, & Irmer, 2011). Employee trust in supervisors and senior leaders develops from a history of participative decision-making, fair organizational procedures, and fair treatment (Dirks & Ferrins, 2002).

Trust in one's employer liberates self-expression, creativity, emotional expression, authenticity, playfulness, ethical behaviour, and the ability to be vulnerable. Trusting your employer requires open communication, the sense of being cared for, and not fearing reprisal (Kahn, 1990). Employees that experience an employer-employee relationship that cultivates trust and respect have higher levels of satisfaction with their supervisors and

their work, exhibit more commitment to their organization, experience more role clarity, exhibit better job performance, and have fewer intentions to leave the organization (Bezuijen, van den Berg, van Dam, & Thierry, 2009).

Unfortunately, only 20% of Canadian public sector employees completely trust their employer while over 60% of small business employees completely trust their employer (Pohlmann, 1999). Employees who lack trust in their organization become guarded and cynical about actions of the organization. In this state they experience lower job satisfaction, have higher intentions to leave, and greater turnover (Bordia, Restubog, Jimmieson, & Irmer, 2011). Lower organizational trust leads to employee withdrawal and risk aversion (Bordia, Restubog, Jimmieson, & Irmer, 2011).

Not surprisingly, negative organizational experiences lead to lower trust (Bordia, Restubog, Jimmieson, & Irmer, 2011). Among the many possible and common mechanisms that can degrade employee trust is poor change management. Employee reaction to new or developing organizational initiatives is largely shaped by their exposure to previous events (Pettigrew, Woodman, & Cameron, 2001). Past poorly implemented change causes employees distress which contributes to lower organizational trust, as well as loss of trust in senior and line management (Kiefer, 2005). A history of poor change management in an organization is associated with employee beliefs that are expressed as low trust in the organization and increased cynicism about organizational change as well as disengagement and even deviance (Avey, Wernsing, & Luthans, 2008). Lower organizational trust is associated with lower job satisfaction and higher turnover intention. Cynical beliefs about organizational change also increase employee turnover intentions and are associated with increased employee resistance to future organizational change (Avey, Wernsing, & Luthans, 2008; Bordia, Restubog, Jimmieson, & Irmer, 2011). In addition to lack of trust, there are also other barriers to engagement.

Barriers to Engagement

Barriers to engagement are not merely the opposite of the factors that contribute to engagement. Work conditions, historical circumstances, and context moderate employee perception and contribute to an employee's decision as to whether they will engage or disengage from work (Kahn, 1990). As was noted previously, the organizational chaos associated with change has a tremendously negative impact on employee behaviour. Restructuring or change are attributed to being among the top reasons for low levels of employee engagement (Mohaptra & Sharma, 2010). Employees are frustrated by uncertainty, chaos, poor-planning, and incompetence, which reduces employee satisfaction and commitment to the employer (Chamberlain & Hodson, 2010). If work situations are ambiguous, unpredictable, or threatening, employees may consider engagement to be too risky, fearing repercussions, consequences or judgement (Kahn, 1990). Subsequently, organizations whose employees perceive their environment as uncertain exhibit below-normal performance (Carmeli & Tishler, 2004).

However, the lower job satisfaction that results from poorly conceived and executed initiatives is but one barrier to engagement that occurs at the organizational level (Barrows & Wesson, 2001). Other barriers to engagement at the organizational level include entrenched operating systems, bureaucracy, red tape, hierarchical culture, and controlling management practices (Word & Park, 2009; Giancola, 2011). Unfortunately, these same barriers are ubiquitous to most public service agencies (Giancola, 2011). Consequences of these barriers include lower employee job satisfaction, lower organizational commitment and risk aversion (Word & Park, 2009).

Barriers to employee engagement can also occur at the individual level. Studies of public sector employees in the United Kingdom show they tend to be more negative than private sector employees because they:

- experience more bullying and harassment in the workplace,
- are presented with fewer opportunities to exercise their abilities,
- are more stressed and under more pressure (Scottish Executive Social Research, 2007),
- receive comparatively lower pay than the private sector,
- experience limited flexibility, and
- have limited opportunities for promotion (Barrows & Wesson, 2001).

Not only do these barriers discourage qualified public employees from advancing in their careers and remaining with government, they can diminish innovation and productivity in public agencies and departments (Barrows & Wesson, 2001). As a further result, public sector workers are more critical of their organization, have less trust and confidence in their senior leadership, and are more suspicious and sceptical about organizational communications and organizational change (Scottish Executive Social Research, 2007).

While these barriers may not be exclusive to the public sector, there are other barriers that are more common across both sectors. They include lack of feedback, lack of job autonomy, lack of social and supervisor support, and lack of participation in decision-making (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001). In summation, important areas requiring attention in order to engage employees included: unnecessary approvals, excessive controls, hierarchical structure, inadequate trust in senior management, limited opportunities for advancement, limited influence in decisions that affect their work, and lack of encouragement to be innovative and take initiative (Treasury Board Secretariat, 2009).

Of the factors affecting engagement as summarized by the Treasury Board Secretariat (2009), five of them are the results of actions or control by an organization's executive (*e.g.*, unnecessary approvals, hierarchical structure) and two of them are readily influenced by the actions of an immediate supervisor (*i.e.*, encouraging initiative and

providing opportunities to influence decision-making). Thus each level within an organization has a role and subsequent influence on employee engagement. The conceptual framework will explore some of the influences exerted by each organizational strata.

CONCEPTUAL FRAMEWORK: INFLUENCES AT EACH ORGANIZATIONAL LEVEL

Engagement results from the interaction of the individual employee with their psychological and physical environment whereby positive outcomes are influenced by the degree to which the needs of the individual are met, the quality and quantity of positive interactions the individual experiences, and the individual's perception of their interactions with their environment (Neufeld, *et al.*, 2006). An employee's psychological needs, interactions, and individual experiences are met and commonly influenced by the employee themselves, their colleagues, their immediate supervisor, the human resource department, and the organization's executive. Some of the influence is indirect such as through the organization's systemic management practices and organizational culture while some is directly experienced from interpersonal relationships. Thus, each of these levels within the organization holds the potential to positively or negatively affect an employee's engagement level.

Some elements of employee engagement can reside naturally within an employee due to their disposition, temperament, or traits (Macey & Schneider, 2008). It is often expressed by employee attitude and organizational citizenship. To take advantage of inherent engagement, employers should focus some of their recruitment effort on employees that share their organizational values. Within the context of the public service, it has been noted that the best performers in the public service are those that exhibit 'public-service motivation', composed of commitment to the public interest, compassion, self-sacrifice, and attraction to policy-making (Kernaghan, 2011). Similarly ensuring a good fit between job candidates and positions is not just about technical skills, but alignment with the organization's desired culture. For supervisory positions, supervisory abilities, including the ability to engage employees, are more important than their technical skills. Unfortunately "...agencies too often fill supervisory positions with the best technical specialist available regardless of that person's supervisory capability." (Merit Systems Protection Board, 2008, p. 43).

Employee engagement is also influenced by employee interaction and relationships with coworkers. Informal co-worker networks provide employees with a trusted mechanism to share work and life related problems however non-productive grousing can exacerbate the negative aspects of work and increase stress (Chamberlain & Hodson, 2010).

Perhaps the greatest influence on an employee's engagement level is their relationship with their supervisor. Supervisors interact with employees regularly and provide the context for organizational policies. In addition, supervisors provide employees with feedback on their performance and encourage employee behaviours through recognition. This level of the organization is largely responsible for practices such as participative management, recognition, training and development, and communications. Mohaptra & Sharma, (2010) classify these factors as situational and suggest that they have a greater role in employee engagement than personal or employee-based factors.

Organizational policies can also affect employee engagement. These policies are usually implemented by the human resource department of an organization and include areas such as health benefits, pay administration, and vacation allowance. Since these areas are usually associated with hygiene factors, once a baseline level has been obtained, employees are less likely to settle for less.

A final area where engagement can originate is from the organization's executive. This level of the organization not only develops policies and programs, but is expected to model the values and culture of the organization. While employees are most likely to trust their immediate manager, the trust in an organization's executive has twice the impact than the trust they have in their immediate manager (BlessingWhite, 2011).

Each of these organizational levels varies in terms of where the responsibility or control for initiating, implementing, or interpreting policies and programs occur. Each level also differs with the frequency of interaction with the employee. A summary of the sources of engagement can be seen in Table 4. The significance of knowing how and where engagement factors originate is that it allows employers to develop engagement strategies that are specific to the conditions and needs of their employees. Knowing the status, needs and desires of an organization's employees permits the implementation of actions or approaches that will have the greatest likelihood of contributing to employee engagement over the long term. As noted previously, engagement is complex and organizational performance is largely influenced by organizational culture, perceived organizational reputation, managerial capability, human capital, performance feedback, and labour relations (Carmeli & Tishler, 2004).

Table 4. *A Comparison of Five Sources of Employee Engagement.*

| Source of Engagement | Characteristics |
|----------------------------------|---|
| Organizational Executive | <p>An organization's executive is usually responsible for developing an organization's policies and programs.</p> <p>Executive members act as models of the organization's written and unwritten values and culture through their words and actions.</p> <p>The executive infrequently and indirectly interacts with employees.</p> |
| Human Resource Department | <p>The human resource department is often responsible for implementing policies and programs.</p> <p>Human resource managers reinforce organizational values and culture through the implementation of programs.</p> <p>Human resource managers infrequently but sometimes directly interact with employees.</p> |
| Immediate Supervisor | <p>Supervisors interpret and enforce policies and programs.</p> <p>Supervisors encourage and reinforce the values of the organization by encouraging or discouraging specific employee behaviours and actions.</p> <p>Supervisors have frequent and direct interaction with the employee.</p> |
| Coworkers / Colleagues | <p>Coworkers are the recipient of policies or participants in programs.</p> <p>Coworkers mirror the demonstrated values and culture of the organization.</p> <p>Co-workers have frequent and direct interaction with other employees.</p> |
| Employee | <p>The employee is the recipient of policies or participants in programs.</p> <p>Employees mirror the demonstrated values and culture of the organization.</p> <p>An employee's awareness of their interaction with others and their environment depends on their state of mindfulness.</p> |

METHODS / PROCEDURES

The focus of this report is to identify how Canada's top 100 rated employers perceive employee engagement and to identify the methods, activities, approaches, or philosophies they use to engage their employees. The research described in this report is exploratory in nature and provides a basis of comparison to the approaches described in the academic and practitioner literature review. The intent of gathering this information is to develop a series of recommendations that hold the potential for encouraging employee engagement in both the private and public sector, but with an emphasis on the latter.

The Sample

The first phase of this project involved identifying the 2011 national competition results of Canada's top rated 100 employers. For the last 12 years, Canada's top 100 employers have been identified by Mediacorp in an annual national competition. The results of the competition are reported by the popular media (e.g., *The Globe and Mail*) and also on their website at <http://www.canadastop100.com/national/>. It is interesting to note that 70% of the organizations contacted for this report are also present on the recently released list for 2012.

The results of the competition list each organization alphabetically; however, letter grades were assigned to each of eight criteria evaluated to determine organization status. The criteria evaluated for the 2011 competition⁹ were:

1. physical workplace,
2. work atmosphere and communications,
3. financial benefits and compensation,
4. health and family friendly benefits,
5. vacation and personal time off,
6. employee engagement,
7. training and skills development, and
8. community involvement.

In order to sample the best of the best for this report, the letter grades were converted to number grades for each of the criteria. A composite score that averaged each employer's

⁹ Despite claims that the criteria have remained consistent since the inception of the competition, the criteria used by Mediacorp to evaluate organizations for 2012 were: (1) Physical Workplace; (2) Work Atmosphere & Social; (3) Health, Financial & Family Benefits; (4) Vacation & Time Off; (5) Employee Communications; (6) Performance Management; (7) Training & Skills Development; and (8) Community Involvement

criteria ratings was obtained and the 100 organizations were sorted from highest scoring to lowest scoring.

The top 50 scoring organizations were then contacted by e-mail and telephone to obtain their consent to participate in an interview that would explore employee engagement. While some of the organizations failed to return repeated calls and written requests to participate and others simply declined, 46% of the organizations in the top 50 rated organizations did participate in the interviews (*i.e.*, n=23). This response rate was obtained largely because of the difficulty in making contact with the organizations. Many of the organizations have a policy to not allow external callers to connect with any department unless they had a name of an individual that they wished to talk to; a department (*e.g.*, human resources) was not sufficient to be put through from the main switchboard. Furthermore, many of the organizations also had policies that only permitted employees of the organization to contact the human resource department. The results of the interviews in combination with the literature review form the basis for the findings of this report. The questions posed to the organizations can be found in (Appendix 1).

The Survey

Both qualitative and quantitative data were collected during the interviews. The survey participants were all members of either the organization's human resource department or senior executive (*e.g.*, CEO). Each survey began by collecting basic information about the background and structural attributes of each organization. Next, the signs and symptoms of engagement and disengagement were discussed to provide the participants with a consistent context for the survey. Statistics around employee engagement were then gathered as well as discussions around the human resource policies and practices. The policies, practices, approaches and philosophies of the organization were identified in a number of different questions. The survey concluded by exploring possible extraneous causes of disengagement and then each participant had the opportunity to provide other insight or pose questions. The survey was composed of approximately 26 questions and the interviews lasted from 30 to 90 minutes depending on the depth of the answers of the respondents. While the survey followed the questions identified in Appendix 1, the participants were encouraged to elaborate on issues and areas that they perceived to be important.

The Analysis

Each of the narrative accounts from the qualitative questions were coded, grouped into like responses, summarized and analyzed in terms of the proportion of respondents who identified with those responses. To maintain the anonymity of respondents, all identifying features (*e.g.*, work areas, organization name, etc.) were removed from the summarized results. Examples of qualitative questions included: "As an HR manager, can you provide

some examples which illustrate employee engagement?”, and “Can you think of any specific circumstances, policies, actions, or activities that contribute to employee engagement?” Qualitative questions accounted for approximately 77% of the questions. The majority of the questions on the survey were qualitative in nature because collecting qualitative data allows human resource professionals to talk about the contextual factors that explain why practices have a specific effect on employees (Johns, 2006).

Approximately 23% of the interview questions were quantitative in nature. The quantitative type questions included areas such as employee absenteeism rates, turnover rates, and levels of engagement. Each quantitative question was analyzed by obtaining the mean of the variable and using statistical inference, obtained the confidence interval for the mean at the 95% confidence level. The tool used to conduct the statistical analysis was StatTools (Palisade Corporation, 2008). The one-sample analysis - confidence intervals were chosen because they are more intuitive in their representation of data variability as opposed to standard deviation or variance.

FINDINGS

The narrative and numerical data collected during the interviews is organized along three themes: 1) Characteristics of the surveyed organizations, 2) Signs and symptoms of engaged and disengaged employees, and 3) Practices that engage and discourage employees.

Characteristics of the Surveyed Organizations

Of the organizations identified in Canada's top 100 (Appendix 2), approximately 24% can be categorized as being in the public sector. For the purpose of this report the public sector includes municipal, provincial, and federal government agencies, Crown corporations, and academic institutions. Of the 23 organizations surveyed, 39% (*i.e.*, 9) were identified as being within the public sector (Figure 1). The higher proportion of public institutions surveyed is likely a result of the communication policies employed by many private sector organizations that discourage external contact with their human resource department, thus preventing their participation.

In terms of the organization size, as measured by the number of employees, approximately two-thirds (*i.e.*, 15) of the surveyed organizations were large (*i.e.*, having > 500 employees). The balance of the organizations had between 100 and 500 employees (Figure 2). The size of organizations surveyed, as reflected by the scope of their

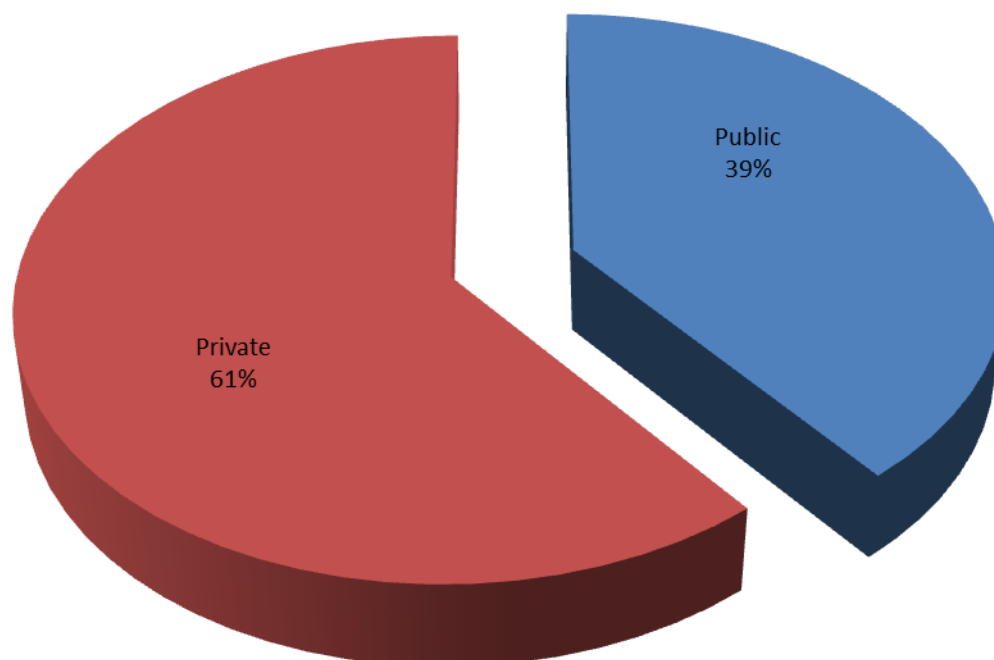


Figure 1. Distribution of the 23 surveyed organizations by sector.

operations and geographical distribution, is presented in Figure 3. Local organizations were those that had offices predominantly in one city. Organizations that had offices in various cities, but in the same province were classed as provincial. Organizations with offices across Canada were defined as national. The balance was international or multinational in character.

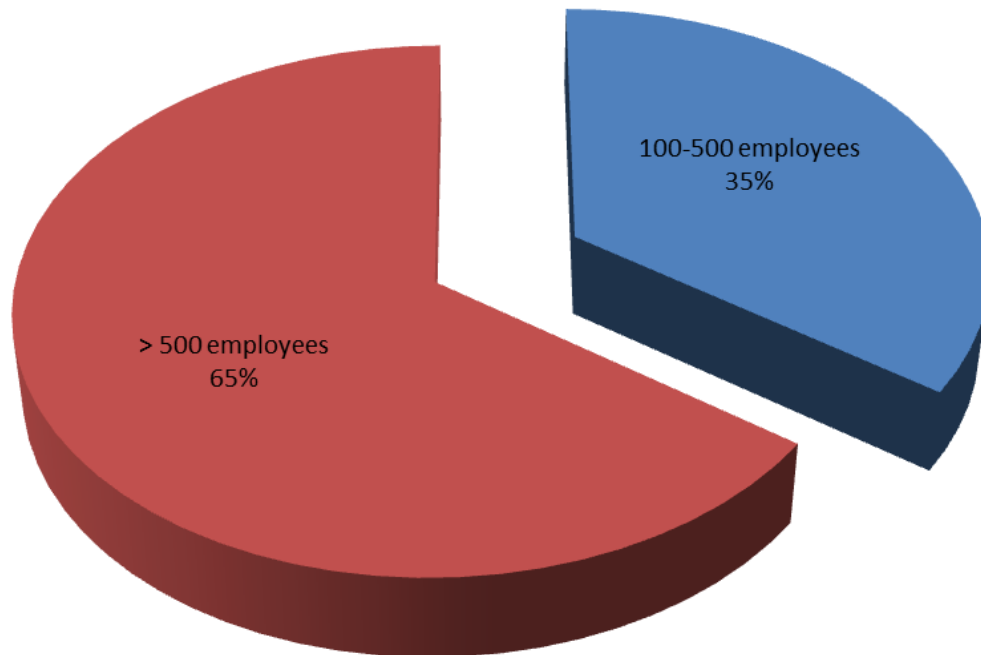


Figure 2. Distribution of the 23 surveyed organizations by size of the organization.

Signs and Symptoms of Employee Engagement and Disengagement

Engaged employees are readily recognized by their positive ‘can do’ attitude and by being ‘present’ in the moment whether it be with customers, clients, or coworkers. They exceed expectations and often go the ‘extra mile’ to help others. They participate fully in meetings and organizational social events and are known for their initiative and innovation. These are the primary characteristics as identified by the surveyed organizations. Figure 4 identifies these and other signs that illustrate when an employee is engaged. Figure 4 also identifies the proportion of organizations that associate engagement with these symptoms.

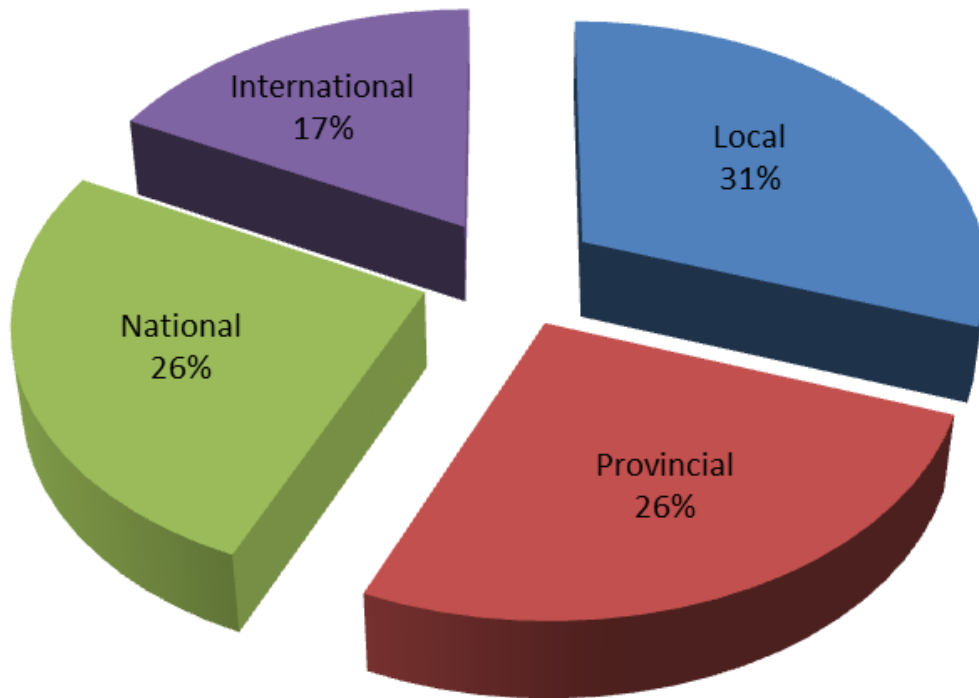


Figure 3. Distribution of the 23 organizations surveyed by geographic scope of operations.

Conversely, employees are perceived to be disengaged when there is a marked reduction in their performance, when absenteeism increases, and when turnover rates increase. Employee turnover rates across 18 of the 23 surveyed organizations were 4.6 ± 1.1 % per year. While this figure is relatively low, a number of employers noted that some turnover in an organization is healthy because it brings in fresh ideas and perspectives and can help to eliminate employees with performance issues. Another cited measure of disengagement is absenteeism. The rate of employee absenteeism across 12 of the 23 surveyed organizations was 6.6 ± 1.7 days per year. These figures are also low as many of the organizations interviewed noted that when your organization has flexible scheduling, employees don't need to take sick time to look after non-emergency personal issues.

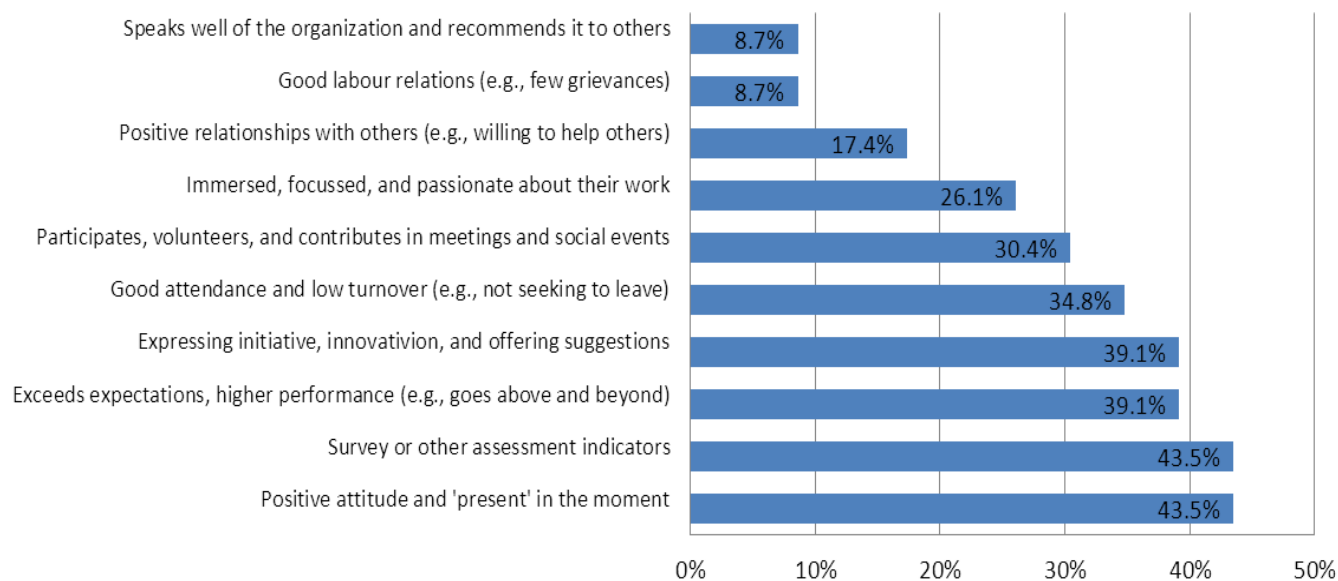


Figure 4. Signs and symptoms of engaged employees and proportion of the 23 surveyed organizations identifying those characteristics.

Other behaviours associated with disengaged employees include a negative, cynical, indifferent, or pessimistic attitude toward work. Non-verbal cues include the withdrawal of employees from interaction with others, being non-communicative, non-participative and not being 'present' in the moment (Figure 5).

For virtually all of the participants interviewed, identifying engaged or disengaged employees was relatively simple. Some who knew their organization well could gauge their organization's employee engagement level simply by the turnout at employee social events. The reasoning for this is that people usually don't wish to socialize with coworkers when they are not happy at work. Figure 5 presents the signs and symptoms that employers attribute to disengaged employees and the proportion of organizations that associate these characteristics with disengagement.

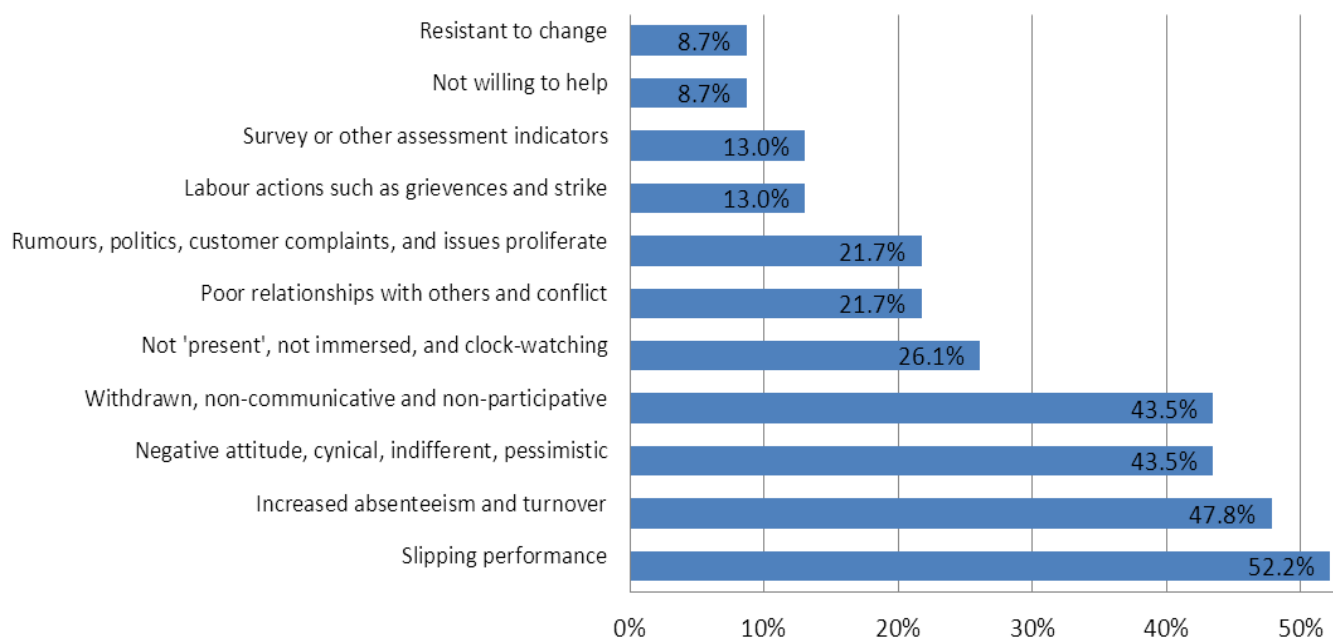


Figure 5. Signs and symptoms of disengaged employees and the proportion of the 23 surveyed organizations identifying those characteristics.

In addition to the physical and behavioural signs and symptoms of engagement and disengagement, employers also turn to their employee surveys (as noted in Figures 4 and 5) to identify when their staff are disengaging. For Canada's top 100 rated employers, engagement levels are relatively high. Approximately $63 \pm 12\%$ of employees are engaged at the organizations surveyed in this study (Figure 6). This value is substantially higher than the average employee engagement rate identified in Table 1 (*i.e.*, $26 \pm 3\%$). Correspondingly, the average level of employee disengagement across the organizations surveyed for this report is only approximately $8 \pm 3\%$. This figure is almost half of the average disengagement level of $15 \pm 3\%$ identified in Table 1.

In addition to identifying the levels of engagement reported by organizations in this study, Figure 6 also presents some of the terms that various organizations consider to be synonyms for the other levels of engagement.

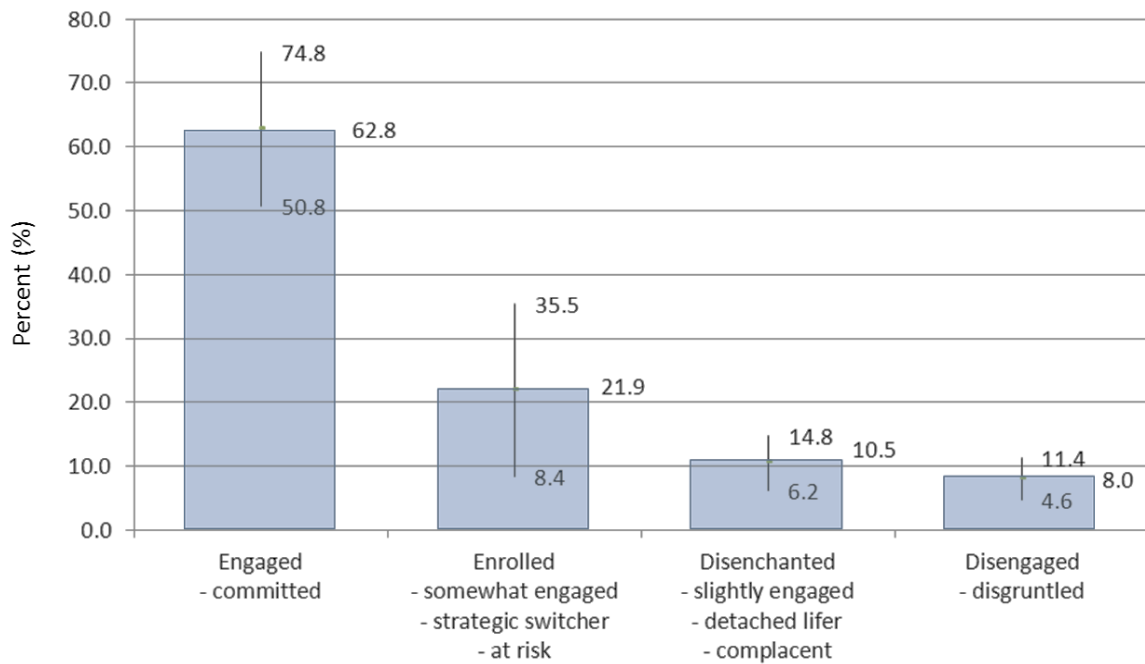


Figure 6. The mean employee engagement levels and 95% upper and lower confidence limits for the surveyed organizations. Note: The sum of the categories will not equal 100% due to different sample sizes associated with each represented category

Practices that Engage and Discourage Employees

Among the organizations surveyed for this study, nearly half of them cited poor communications as a factor that discourages employees, particularly when policies are implemented without explanation. The next most commonly cited factor that disengages employees are poor managers or supervisors, especially those who exhibit bullying, micromanagement, or dictatorial tactics. The third most commonly cited factor was poor change management efforts in an organization. Other factors cited as contributing to employee disengagement by the surveyed organizations are seen in Figure 7.

Upon examination of the factors that discourage employees (Figure 7), nearly two-thirds (*i.e.*, 62.5%) can be attributed to an immediate supervisor's actions or inaction. Almost one-third (*i.e.*, 29.1%) could result from an organization's executive actions and the balance (*i.e.*, 8.3%) of the discouraging factors could originate with the human resource department of an organization. However some conditions occur as a result of economic or external factors. Figure 8 presents the proportion of surveyed organizations that are or have recently experienced economic or external pressures.

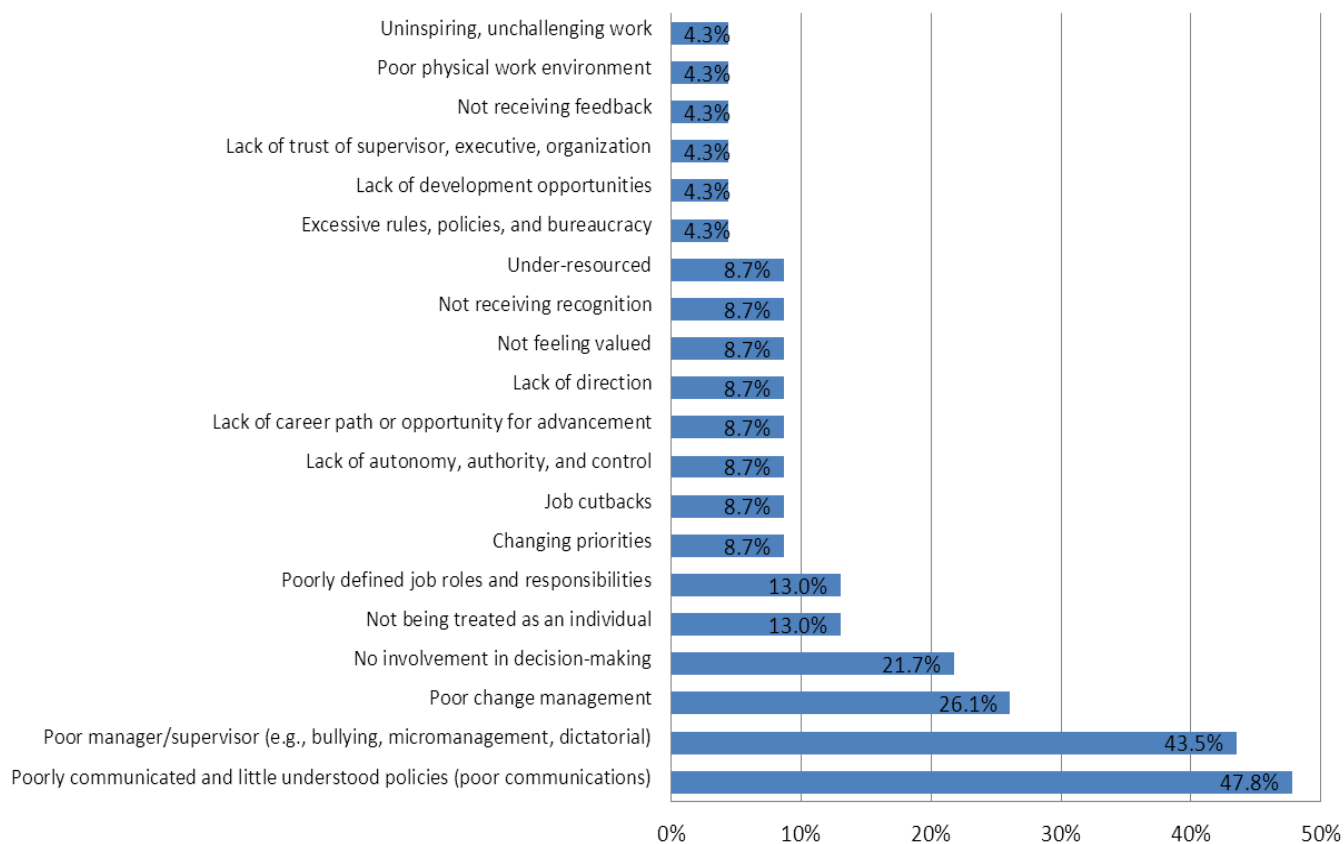


Figure 7. Practices and conditions that disengage or discourage employees and the proportion of the 23 organizations citing those causes.

While the practices, factors and conditions that can discourage employees are numerous, so too are the practices that encourage employee engagement. Perhaps the simplest and most frequently identified practice to engage employees is to demonstrate care and respect for them as individuals. The next four most commonly cited practices to engage employees are: 1) maintaining frequent two-way communications, 2) giving employees the opportunity to provide input and influence decisions, especially when there is a direct impact on their jobs, 3) having the opportunity to grow through training and development, and 4) having alignment and connection between the employee's role and the vision and goals of the organization. Other practices, while less frequently cited but also of importance in maintaining employee engagement, are identified in Figure 9.

Of the practices or conditions that were identified to engage employees (Figure 9), less than half (*i.e.*, 44.4%) could be considered to be the responsibility of the immediate supervisor. One-third of the practices that engage employees can be associated with the executive level within the organization and the human resource department has an influence over 14.8% of the practices. It is worthwhile noting that a couple of the practices (*e.g.*, social events, networking) can be associated with the employee and their coworkers.

Engaging practices are essential to provide the psychological and physical environment in which employees can excel. These practices are also among the predominant reasons that organizations attribute to their success, and specifically as being rated as a top 100 employer. The number one reason to which organizations owe their success and ranking as a top 100 employer is their culture of having an employee-focused approach. Other reasons cited that are directly related to engagement include: having a team-work approach, having learning and career development opportunities, and employees having a connection to the organization's goals. Figure 10 identifies the reasons that organizations attribute to making them a top rated employer.

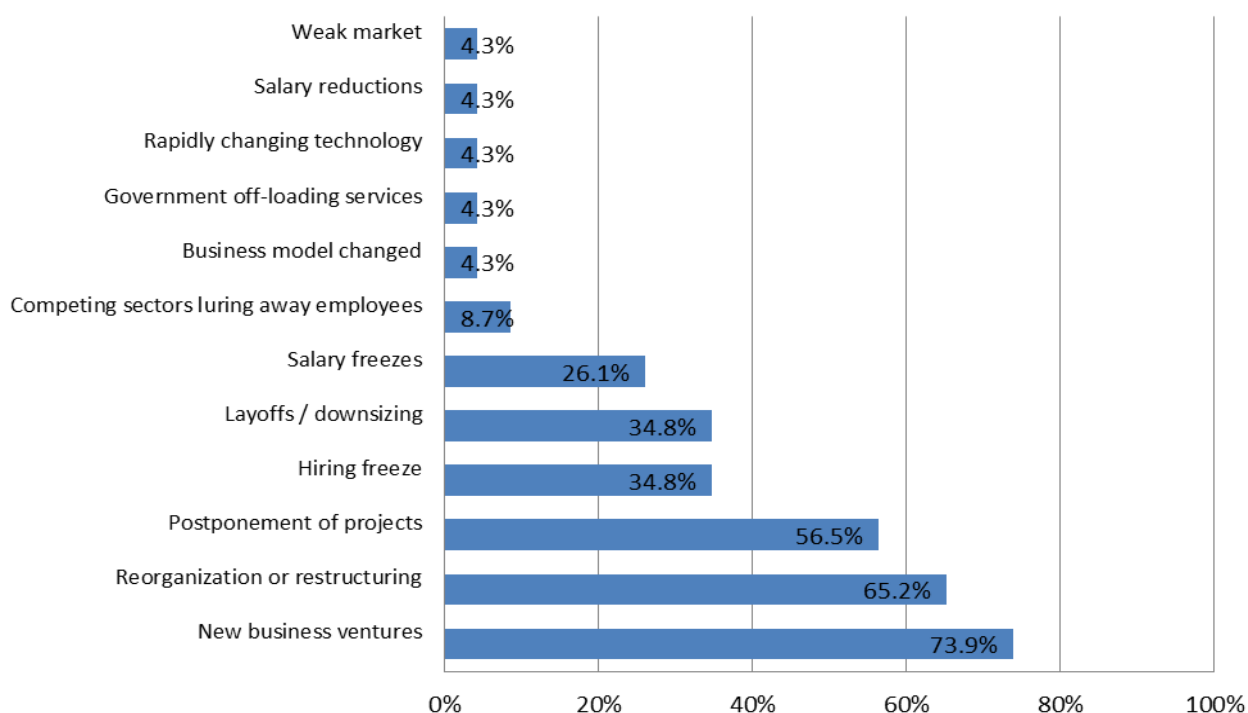


Figure 8. Proportion of the 23 surveyed organizations that are experiencing economic or external conditions that may influence employee engagement.

Of the reasons and practices to which employers attribute to their success, some originate with senior management, some with the human resources department, and some with the employee's supervisor. However amongst those three, employers predominantly view an employee's immediate supervisor as having the greatest influence on employee engagement level. Approximately 87% of the 23 organizations surveyed (*i.e.*, 20) identified an employee's immediate supervisor as having the most significant role in engaging employees. Another 9% identified the organization's senior executive as being the most influential. Figure 11 identifies who in the organization has the greatest

influence on employee engagement. Interestingly, none of those surveyed identified the employee themselves as having the greatest influence on engagement.

When disengaging practices (Figure 7) and engaging practices (Figure 9) are compared, it appears that an employee's immediate supervisor bears the greatest responsibility for discouraging practices (*e.g.*, poor supervision, no employee involvement in decision-making, poorly communicated policies). Similarly, the immediate supervisor also has the greatest opportunity to engage employees with practices such as demonstrating care and respect for the employee, and offering training and development. However, an organization's executive also has a substantial role in engaging employees through actions such as providing transparency in their operations, providing supervisor training, and acting on survey results.

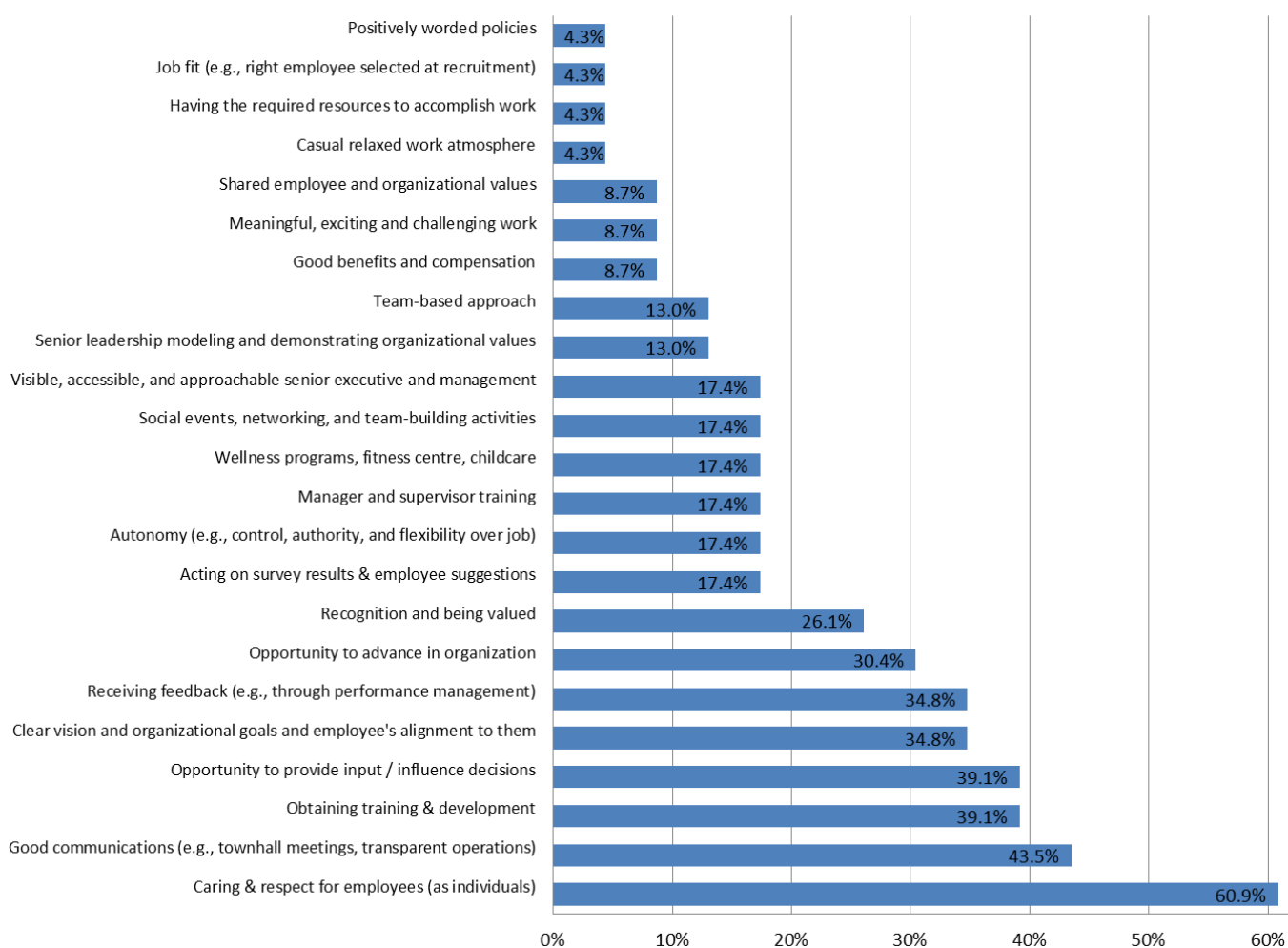


Figure 9. Practices that engage employees and the proportion of the 23 organizations surveyed that identified the practice.



Figure 10. The reasons that the 23 organizations attribute to their success and for being recognized as a top rated employer.

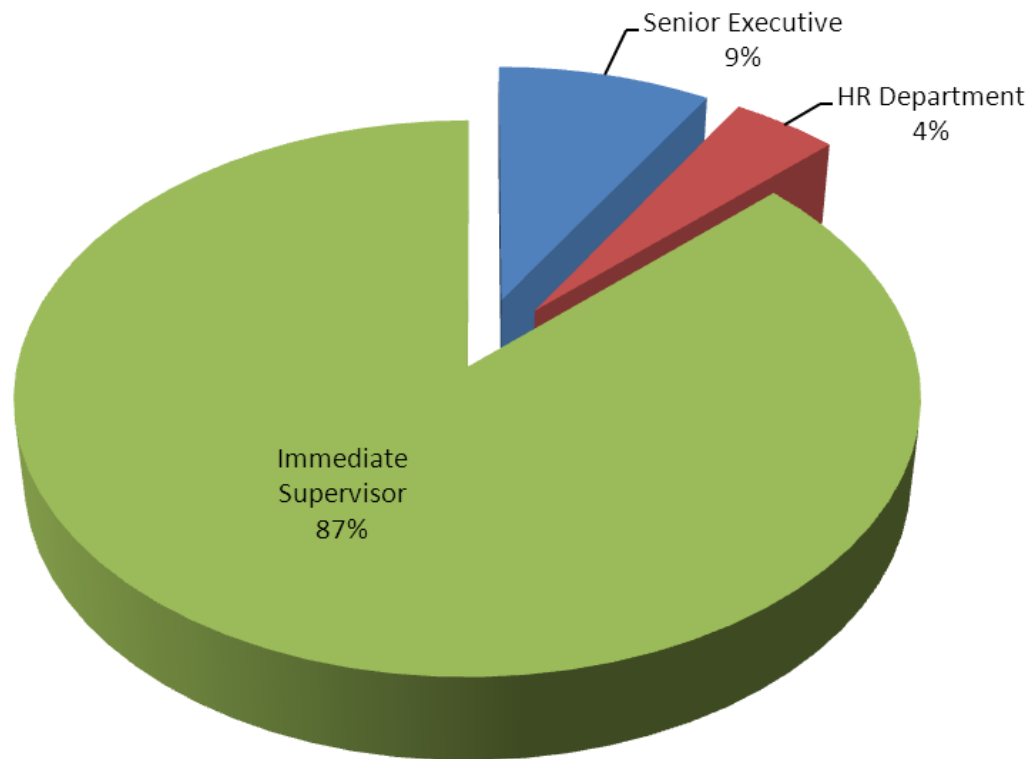


Figure 11. Individuals or areas of an organization with the greatest role in influencing employee engagement.

DISCUSSION

While the interview responses obtained for this report are not particularly surprising, what is surprising is that more employers are not using these practices. Canada's top 100 rated employers reflect the private and public sectors, large and small industries, and are scattered across Canada and also the globe. However, each of these organizations, for the most part, have taken an interest in their own future by recognizing the one asset that can make them innovative and productive, or conversely stagnant and lethargic: their employees. These "employers succeed...by valuing their people and bringing out the best in them." (Maruszak, Kao, Bell, Veres, & Bakos, 2009, p. 8).

Even though virtually all of the organizations sampled in this study can be considered at least somewhat large (*i.e.*, having greater than 100 employees [Figure 2]), Hewitt Associates (2009) have found that company size and industry have virtually no relationship to an organization being ranked as a best employer. But in terms of employee engagement, surveys of workplace satisfaction suggest that typically the smaller the organization, the greater the level of employee satisfaction (Pohlmann, 1999).

Employee satisfaction surveys are not the only way to determine if an employee is engaged. In general, the human resource managers and company executives interviewed for this study had very clear ideas of what an engaged (or disengaged) employee looks like and how they behave. They knew by gestalt. A disengaged employee will not simply have poor performance or cynical behaviour, but they will exhibit a suite of subtle and not so subtle characteristics that are obvious to others. Similarly, the engaged employee will exude a sense of contagious optimism. But it is important to note that both negative and positive attitudes are contagious in a workplace (Bakker, van Emmerik, & Euwema, 2006). Some have even suggested that the influence of an engaged employee outweighs that of the unengaged and that inserting engaged employees into a declining environment may be more beneficial than moving disengaged employees out of an area (Bakker, van Emmerik, & Euwema, 2006). However, this approach alone is not likely to improve engagement levels and productivity.

Another important characteristic that engaged employees possess is mindfulness. Mindfulness is heightened attention and the awareness of the present reality that one is experiencing (Avey, Wernsing, & Luthans, 2008). This in part is why engaged employees are often described as being present in the moment. They are simply not distracted by negative attitudes and thought. Being mindful of your thoughts and emotional response patterns allows employees to make the conscious decision to positively alter them (if they were pessimistic). Mindfulness allows the individual to step outside of their embedded mindset and observe it (Avey, Wernsing, & Luthans, 2008).

Absenteeism and Turnover

Absenteeism and increased turnover are the two most commonly cited signs of disengaged employees, after declining performance (Figure 5). Rates of absenteeism across the 23 surveyed organizations were 6.6 ± 1.7 days per year. This differs substantially from the rates reported across Canada's public sector which averages 11.8 days per year, and Canada's private sector which averages 8.2 days per year (Uppal, 2011). While 5.2 extra days per year difference (*i.e.*, $11.8 - 6.6$) does not sound like much, this translates to 520 additional days lost each year for every 100 public sector employees. If this figure is not impressive enough, consider the following. There are approximately 3,609,274 public sector employees in Canada (Statistics Canada, 2011a). The additional 5.2 absent days per employee each year translates to 18,768,224.8 additional days (each year) lost to absenteeism (*i.e.*, the equivalent of 72,185.48 years, using 260 work days per year). At an average public sector salary of \$53,154/year (Statistics Canada, 2011b), this represents approximately 3.8 billion dollars lost each year to disengagement (and other factors) in the public sector. This figure is not inconsistent with the £4.1 billion lost due to absenteeism in the United Kingdom public sector in 2004 (Moore, 2005).

The average employee turnover rate provided by the participants in this study was 4.6 ± 1.1 % per year. While it has been previously noted that this figure is low and that some turnover in an organization is desirable, it is worth noting that turnover is an organizational statistic that is susceptible to influence from external forces such as the labour market and economy. For example, staff turnover in Australia usually ranges between 11% and 13% but increased in 2008 to 18.5% as employees sought better employment conditions (Schneiders, 2008). This being said, turnover is still somewhat reflective of employee engagement levels because satisfied, motivated, or otherwise engaged employees tend not to look for work elsewhere.

However, when an employee's engagement level dips low enough that they consider changing employers, it probably means that they have been unsatisfied and disengaged for some time. Statistics such as absenteeism or turnover may be more indicative of long-term or systemic organizational issues. If employers want to proactively monitor engagement, it is recommended that they use some of the early warning signs of engagement such as employee attitudes, behaviour, or regular engagement survey results.

Engagement Levels and Surveys

The level of employee engagement reported by the participants in this study (*i.e.*, 63 ± 12 % engaged) is more than double the engagement levels identified in the literature as cited in Table 1 (*i.e.*, 26 ± 3 % engaged). This result is somewhat expected given that Table 1 presents national and global engagement level statistics while the participants in this study represented organizations identified as being from the top 50 employers in Canada.

It also represents the potential that can be realized if organizations decided to focus on their employees' engagement.

Aside from the valuable metrics, baseline conditions, and current organizational status that employee surveys provide, conducting surveys also demonstrates to employees that the employer is actively seeking their input and feedback in order to improve the organization, especially when the results are shared and action plans are implemented (McMullen & Royal, 2010). It bears repeating though, that "engagement surveys without visible follow-up action may actually decrease engagement levels" (BlessingWhite, 2011, p. 3).

Conducting regular employee engagement surveys is not necessarily a common practice, but it is considered to be a 'high-performance work practice' (Guthrie, 2001). Some of the organizations surveyed for this report noted that they not only conduct annual employee surveys, but some even conduct shorter employee surveys on a more frequent basis.

But in order to obtain the most meaningful interpretations from survey results, it is important to drill down to individual work areas or units. When measuring employee engagement or other indicators, dig deeper than the organizational average; "local variability shows up on virtually every performance metric", and "the only way to improve local performance is to provide feedback at the level where the variability originates." (Fleming, Coffman, & Harter, 2005, p. 111).

Practices That Engage and Discourage

While it is important to recognize the symptoms of engagement and levels of engagement within an organization, it is equally important to know what practices contribute to or discourage these conditions. Interestingly, the practices that that were cited as contributing to employee engagement (Figure 9) were not simply the opposite of the practices that contribute to employee disengagement (Figure 7). For example, poor supervisor-employee relations, poor change management implementation, ambiguous job role, changing priorities, absence of direction, and excessive rules and bureaucracy were uniquely identified as discouraging or disengaging practices. Conversely, practices or factors that were uniquely identified as engaging included: having visible and approachable senior management, having good job fit, having wellness and childcare programs, having good compensation and benefits, having social events and team building activities, and having a casual relaxed work atmosphere. Upon examination of the unique factors that engage employees, it appears that they are centred around characteristics that Herzberg (1968) would classify as hygiene factors. Employers are therefore cautioned about focusing their engagement strategy action plans around these types of benefit or practices as they are associated with hedonic adaptation (Lucas, Diener, & Scollon, 2006).

The practices which appeared to have the ability to both engage and disengage, depending on whether the practice was present or absent in the organization, include:

- good two-way communications and feedback,
- involvement in decision-making,
- being treated as an individual,
- having autonomy,
- having training and development opportunities,
- having the opportunity for advancement, and
- being valued and recognized.

It is worth noting that most of these practices are influenced by the employee's immediate supervisor indicating the importance of supervisory skills. The leadership within an organization plays an important role in engaging employees because managers and supervisors are involved with the coaching and evaluation of employees as well as making organizational objectives relevant (McMullen & Royal, 2010). While studies conflict about which sector leads in employee engagement level (Barrows & Wesson, 2001), coaching employees in the private sector accounts for approximately 20% of top-performing leader's time while coaching in the U.S. federal public sector accounts for less than 5% of a manager's time (Wallace & Trinko, 2009).

In addition to having the ability to engage or disengage by virtue of their presence or absence, the practices noted above are also among the most frequently cited approaches by the survey participants. Three of the practices are identified elsewhere in the literature as being important drivers of engagement (*i.e.*, having training and development opportunities, having advancement opportunities, and having autonomy) (Ryan & Deci, 2000; Bakker, van Emmerik, & Euwema, 2006; Merit Systems Protection Board, 2008; Dewhurst, Guthridge, & Mohr, 2009; Towers Watson, 2010). Furthermore, the literature also identifies these practices as: 1) being able to satisfy innate psychological needs that permit the advancement of intrinsic or self-motivation (Ryan & Deci, 2000), 2) being more effective motivators than the top three top rated financial incentives (*i.e.*, cash bonus, increased wages, stock options) (Dewhurst, Guthridge, & Mohr, 2009), and 3) being predictors of employee engagement (Bakker, van Emmerik, & Euwema, 2006).

It is recognized that each of the separately listed categories of practices in tables 7 and 9 are not necessarily discrete as many of them can be considered to be related and intertwined. For example, Towers Watson (2010) identify career development as a driver of engagement, however it can also be considered to be composed of having the opportunity for training and development and having the opportunity for advancement (Figure 9). Similarly, communications is a broad, and often referred to, area to improve engagement. Communications can refer to the transparency of an organization's operations, it can refer to the frequency with which employees obtain information, it can

refer to the involvement that employees have in decision-making, and it can refer to the feedback that an employee receives from their supervisor. While communications is indeed all of these things, it needs to be supported and promoted. Energy and ideas from employees should be encouraged, rewarded, and acted upon to solve problems and increase the sense of accomplishment and contribution (Bakker, van Emmerik, & Euwema, 2006). Annual employee meetings and performance reviews are insufficient in engaging employees (Wallace & Trinkka, 2009).

The series of factors, drivers, and practices identified in Figures 7, 9, and 10 hold the potential to move an organization from ordinary to exceptional. But this cannot occur by concentrating on any single factor. While much of the literature tries to identify the most important factors, there is not necessarily a specific constellation of practices that will solve every organization's engagement issues. Each organization's needs differ just as each employee's needs differ. What appears to be often forgotten is that "management is always people management" (Steijn, 2002, p. 2). It is this context that must be considered when drafting an engagement strategy. Context can be considered to be the factors, history, and environment that an employee is exposed to that shapes their perspective, perceptions, and behaviours at work (Johns, 2006). Similarly, another element of context is that what you do is only half as important as how you do it. The best designed practices and sophisticated approaches will fail if they are not properly implemented (McMullen & Royal, 2010).

Influencing Engagement

Employee engagement is largely influenced by the relationship between the employee and their immediate supervisor (Gill, 2010). This summation tends to be well supported by 87% of the participants in this report (Figure 11) and reflects the importance for supervisors to have good people management skills. A survey of employees who considered themselves to be engaged found that 87% agreed that their supervisors had good management skills while only 14% of disengaged employees believed that their supervisors had good management skills (Merit Systems Protection Board, 2008). Unfortunately, while employee engagement has been an important issue for organizational success, only 39% of organizations identified that their managers are accountable for engagement (Eaton & Bhatia, 2009).

Supervisors have a direct effect on employee engagement because they interact with their staff on a regular and continual basis, and the practices most closely associated with the maintenance and encouragement of employee engagement are ones for which they are responsible for (Merit Systems Protection Board, 2008). Some of the practices that supervisors use to promote and encourage employee engagement include: 1) communicating job expectations, 2) making effective use of the employee's skills and abilities, 3) providing employees with the resources they need to do their jobs, 4) rewarding and recognizing employees, 5) encouraging the development of employee

skills, 6) treating employees respectfully, 7) soliciting and valuing employee ideas, concerns, and feedback, and 8) building a co-operative and team environment (Merit Systems Protection Board, 2008). In addition, employees depend on their immediate supervisor or manager for advice, direction, support, and context for the actions of senior management (Aseltine & Alletson, 2006). The immediate supervisor is the single most influential person in guiding group performance. As is often said, “employees join great companies, but leave poor managers” (Fleming, Coffman, & Harter, 2005, p. 114). It is the manager’s or supervisor’s job to create the environment that enables employees to develop a sense of attachment to their employer (Markovits, Davis, & van Dick, 2007).

While supervisors play a decisive role in sustaining employee engagement because of their proximity and persistent interaction, employees look to an organization’s senior executive for different reasons. Employees need to see a senior leadership that models and demonstrates the organization’s values. They have to be able to trust in their leadership to make the right decisions, and to provide a clear direction and vision. They need to be able to communicate with them without fear of reprisal, (Figures 7 , 9), and they need to know that their leadership is concerned about their well-being (Aubé, Rousseau, & Morin, 2007). “Employees want to see the organization’s vision and mission put into practice by visible leaders” (Aseltine & Alletson, 2006, p. 4-5).

RECOMMENDATIONS

The recommendations of this report are not simply a listing of the practices identified in the literature or used by Canada's top 100 employers, although some are referenced. Rather, this section will present a process map or framework that outlines a sequence of steps that employers could use to build an engagement strategy. The framework and practices presented have a public sector emphasis, but may also have applications within the private sector.

Process Map for Developing an Employee Engagement Strategy

Systemic changes to an organization particularly around engagement and culture, require a considerable amount of sustained leadership, focus, and resources (Zigarmi, Nimon, Houson, Witt, & Diehl, 2009). To accomplish this, involvement and commitment must flow from the organization's senior leadership and include all levels of the organization. To ensure that organizations focus on issues specific to their needs, it is essential to determine the organization's current state, as well as define its desired future condition. A framework that outlines eight steps to accomplish this is presented in Figure 12. The following describes each step in further detail.

1. Obtain Commitment

Before managers, supervisors, and employees will invest effort into a program, they need to see that it is not only sanctioned by an organization's executive, but that it is a priority for them. In the case of the public service, if the program is of ministerial importance, it will also become important for staff. The Pygmalion effect has potential to help organizations meet their desired condition. The Pygmalion effect describes how leader expectations and behaviours influence employee attitudes and behaviours to change in the expected direction (Bezuijen, van den Berg, van Dam, & Thierry, 2009).

Additionally, engagement is not a one-time proposition, but rather a continuous management function. Executive support of an engagement strategy should include the financial and staff time resources required to implement the required practices.

2. Determine Purpose

For programs to succeed, employers should be clear about the desired outcomes. More specific and more challenging goals result in better performance than generalities and ambiguous statements of improvement (Bezuijen, van den Berg, van Dam, & Thierry, 2009).

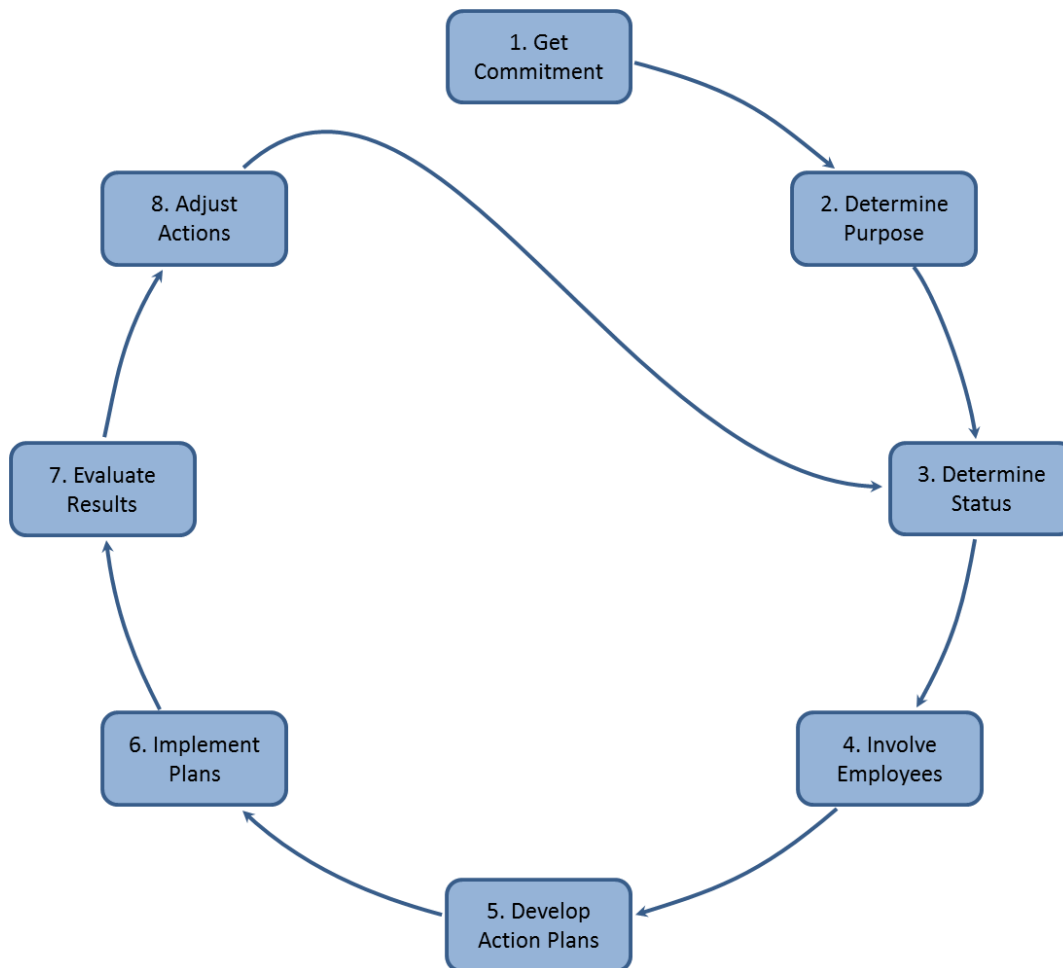


Figure 12. Process map or framework for assisting in the development of an employee engagement strategy.

Presumably the intent of the engagement program is to increase levels of employee engagement, but attributes around engagement such as absenteeism, waning productivity, or burnout prevention should be addressed specifically if they are pertinent to the organization. In addition to describing the attributes of engagement that will receive attention, it is also important to identify measures of success associated with each attribute so that progress can be measured and celebrated.

3. Determine Status

An effective method of assessing the current state of employee engagement across the organization is with a survey. Questions should be clear and they should address the areas, topics or themes that were identified in step 2. While it is possible to develop a custom survey, there are numerous commercial surveys available. Advantages of commercial surveys and the consulting firms that offer them is that they usually have

baseline data from other like organizations, and the technical infrastructure developed to electronically implement the survey, which maintains staff anonymity. They may even offer statistical interpretation of the results. One example of an employee engagement survey that explores several elements of engagement (*e.g.*, enthusiasm, immersion, resilience, pride) is the Utrecht work engagement scale – work and well-being survey (Schaufeli & Bakker, 2003). This short, 17-question survey can be completed in just a few minutes. Appendix 3 provides a copy of this survey.

Because work place practices and behaviours are often embedded within the organization's culture, employers may consider conducting an organizational cultural assessment. (*e.g.*, <http://www.ocai-online.com>). Not only will instruments like this identify your existing organization culture but they will provide insight into defining a preferred culture and help identify practices that may be barriers to an engaged workforce (Quinn & Rohrbaugh, 1981). Surveys are also valuable tools to identify how well organizations are implementing the practices used at Canada's top rated employers (Figures 7, 9, and 10). Most organizations use these practices to some degree but it is how well they are implemented that determines employee engagement results.

Finally, encourage employee participation. One method to encourage participation in a voluntary engagement survey is to offer random draws for prizes. Alternatively, employees may also be more encouraged to participate if the survey had a self-assessment component that gave them immediate feedback on their own personal state and some insight into their scores, and some helpful suggestions. Additionally, surveys can also be supplemented with focus groups or interviews to obtain qualitative context. Collecting qualitative data allows human resource professionals to illuminate the contextual factors that explain why practices have a specific effect on employees (Johns, 2006).

4. Involve Employees

Surveying employees about engagement levels and practices within the organization creates an expectation that something is going to follow. When surveys have been summarized, it is important to communicate the results to staff, good, bad or otherwise. Involving staff from across the organization for the survey analysis can provide context for the results. Where possible, consider setting up mechanisms for staff to comment on the results and offer suggestions for improvement. This will have the benefit of involving staff in the process and will also expand the pool of possible solutions. If employees are rewarded for providing viable solutions, they will be more likely to demonstrate initiative in the future.

More context can be obtained by analyzing the data to as small a work unit as possible without compromising the anonymity to the survey participants. Similarly, stratifying the data according to respondent characteristics such as gender, tenure with the organization,

supervisory/non-supervisory role, and other characteristics may also offer additional insight. Consider the context of the results and how the factors interrelate. “A set of factors, when considered together, can sometimes yield a more interpretable and theoretically interesting pattern than any of the factors would show in isolation.” (Rousseau & Fried, 2001, p. 4).

5. Develop Action Plans

Based on the strengths and weakness illuminated from the survey data and from the input of interested staff, build plans to implement suggested practices to address the issues. Action plans should be tailored to as fine a work unit as possible. Action plans should also define how the selected practices connect to the desired goals and should include measures that identify when the practice has been successful. Some organizations have assembled organizational development working groups, made up of representative and interested employees from across the organization, to develop and help implement plans. Organizational development programs are often designed to increase productivity, build interpersonal relationships and teamwork, increase knowledge and expertise, improve staff satisfaction, and increase organizational income (Gill, 2020).

Given the experiences of Canada’s top 100 employers, the action plans should introduce or explore the following top 10 approaches, practices, or philosophies:

- i. Improve organizational communications. Consider providing numerous opportunities and options for dialogue. Infrequent ‘town hall’ meetings do not necessarily constitute adequate communication in this age of Facebook and Twitter; also consider using these emerging technologies to share organizational messages. When new policies are being implemented, it is also helpful for employees to understand the reasoning behind the new policy or changes. Transparency of operations is an effective method of communicating to staff and building trust. Enhanced trust also allows employees to feel that they can communicate without repercussions and reprisals.
- ii. Help develop manager and supervisor interpersonal skills; most managers obtained their position on the basis of technical skills. Consider providing feedback mechanisms such as 360° reviews to help supervisors assess their capabilities and build personalized development plans. Encourage senior leadership to model organizational values by being visible, accessible, and approachable. The foremost method of encouraging employee engagement from figure 9 is to demonstrate care for employee well-being. Celebrating birthdays, anniversaries of start dates or other employee achievements help build a caring environment.
- iii. Where possible, consider increasing employee autonomy and flexibility and invite employee participation into decision-making, especially when it affects their job.
- iv. Provide extra support to change management efforts. Change creates uneasiness and anxiety among many employees so explaining why change is necessary helps

employees become more comfortable with the transition. Training also helps ease employees through change as does listening and acting on feedback. However, when counterproductive griping and grouching does occur, it is important to steer the conversation toward the positive and identify where progress can be made. Employee teams and especially supervisors and managers should focus their efforts on sharing positive experiences and limiting negative discussions (Bakker, van Emmerik, & Euwema, 2006).

- v. Clarifying job roles, responsibilities, and expectations through work-planning provides supervisors and employees the opportunity to discuss goals and objectives. Positive feedback has more of a beneficial result than does negative.
- vi. Training and development opportunities for employees help expand their skills and abilities and increase their value to the organization. Employee development also helps meet an organization's successional needs and demonstrates a career path for employees. Employees who feel under-utilized are less satisfied with their job, less satisfied with management, less satisfied with their pay, and will look for work elsewhere (Steijn, 2002). Developing a culture of learning within an organization requires an appreciation for the needs and abilities of the employees (Song, Kim & Kolb, 2009).
- vii. Ensuring job-fit can occur during recruitment by exploring candidate values, motivations, and engagement traits. Furthermore, promoting from within the organization capitalizes on an employee's tacit knowledge. Among the world's most admired companies, the best have a formal process to identify their future leaders; they have a talent management strategy, and they have a program to accelerate the development of their leaders (Eaton & Bhatia, 2009).
- viii. Team-building activities promote interaction and the exchange of ideas between work units. The social networking element of it also encourages organizational citizenship behaviours. It is commonly overlooked that "...coping in the workplace often rests on being positively involved with others." (Chamberlain & Hodson, 2010, p. 459).
- ix. Employees feel valued and appreciated when they are acknowledged, recognized, and rewarded for their achievements. 'Atta-boys' are just as important as framed certificates. Public service is a difficult task and "the popular caricature of the bloated and bureaucratic civil service greatly belittles the essential role civil servants play in both policy design and implementation in modern democracies." (Barrows & Wesson, 2001, p. 3). So it is essential to recognize and encourage the traits, behaviours and attitudes that benefit the organization. Similarly, holding employees accountable for performance also demonstrates the importance of the work they do within an organization.
- x. Finally, engagement is simple: "Determine your employee's needs; then meet them !"(Survey participant, personal communication, April 19, 2011).

In addition to these practices and approaches, consider exploring and exploiting the

practices that have been implemented in other like organizations. One such source for the public service is the Employee Engagement Interjurisdictional Initiative (EEII). The EEII is represented by all provincial and territorial governments across Canada (except Nunavut and Quebec) as well as the federal government. This group has agreed on a common model and tool to understand and measure employee engagement and have agreed to share the results of the provincial measures with the other jurisdictions, as well as recommendations for effective management practices to enhance employee engagement (Nisbet, 2010).

6. Implement the Action Plans

Implementing actions plans demonstrate that the employer cares for the well-being of employees. Furthermore, it shows how the input obtained from employees was listened to. If senior management are seen to support the delivery of the action plans, it helps maintain the momentum of an engagement program. When employees from organizational development working groups are involved, engagement is further promoted by having local cheerleaders. These employees can also facilitate on site implementation. Reinforcement such as this is important as it helps integrate the practices into an organization's culture.

7. Evaluate Results

Evaluating plans and practices and their subsequent results help determine the efficacy of approaches. If the practices being evaluated are tied to measures as described in step five of this framework, then relationships between actions and outcomes can be identified. Ineffective practices can be examined for external factors that may be interfering with the desired outcome. Alternatively, weaknesses in the logic model between action and outcome may be discovered and changes can be made accordingly. Tracking change over time in engagement attributes can also identify which areas should be the priority in subsequent plans.

8. Adjust Actions

Based on the receptivity to the practices and the resulting outcomes, adjustment may be necessary. In addition, subsequent survey information should be considered before adjusting practices. Finally, confirmation of executive support for the program is essential to ensure that the purpose is still relevant.

CONCLUSIONS

While the private sector is under constant pressure to adapt, so too is the public sector. Governments are under increasing pressure to privatize, to deregulate, to move toward results-based practices, to provide one-window service delivery, to provide online and real-time information, permits, and approvals, to provide enhanced and more personalized service, and to do all this with a smaller bureaucratic footprint (*i.e.*, reduced public service). This type of rapid organizational change and other pressures are difficult challenges to overcome for a completely engaged workforce, let alone one where only a quarter of the employees are engaged. Therefore it is becoming increasingly more important to have an engaged public sector workforce that is resilient, innovative, and energetic.

The primary goal of this report was to provide an overview of the issues, concepts, and complexities around employee engagement. Sources for this information included scientifically tested academic literature from the fields of psychology, human resources, and governance. Furthermore, contemporary practitioner literature was also gathered, summarized and presented. Finally, quantitative and qualitative information was collected from 23 of the top 50 rated employers in Canada. This information represented the best practices regularly used by Canada's top employers to engage their employees. A secondary goal of this report was to propose a process map or framework that outlined a sequence of steps that employers could use to build an engagement strategy. The proposed process map included the most frequently cited advice from Canada's top rated employers.

What became obvious in drafting this report is that engagement is not a one-time proposition, but rather a continuous management function that should be centred around the employee. In addition to care and respect for employees, Canada's top rated employers identified effective communications as the most commonly cited mechanism to engage employees and to prevent disengagement of employees. In addition, offering training and development and advancement opportunities, the ability to provide input and influence decision-making, and receiving feedback were also among the most commonly cited mechanisms used to engage employees. While no involvement in decision-making was also cited as a common cause of disengagement, so too was poorly implemented change management and lack of supervisor interpersonal skills.

Employee engagement arises from no single approach nor any specific constellation of practices, but from how relevant the practices are to employee needs, and how well the practices are implemented. Furthermore, engagement can wane despite the practices and culture of an organization, so it is especially important for immediate supervisors and an organization's senior executive to continually monitor employee engagement, both formally and informally. It is the hope of the author that readers of this report use it as a

catalyst to improve, refine, or otherwise advance their own work environment and culture.

While the absenteeism and turnover portion of the discussion section alludes to the cost of disengagement in Canada's public sector (*i.e.*, \$3.8 billion annually), it would be beneficial for future studies to better quantify the financial relationship between employee engagement level and the direct and indirect costs to the organization. This information may be what is required for organizational leaders to commit to employee engagement programs.

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APPENDIX 1. QUESTIONS POSED TO EMPLOYERS

Interview Questions for Canada's Top 100 Employers

I. Background and Organizational Attributes

1. Name of participant? _____
2. Consent received:
 - Yes
 - No
3. E-mail of participant (if desiring a copy of the report)? _____
4. Name of the organization? _____
5. What is the size of your organization?
 - 0 to 10 people
 - 10 to 50 people
 - 50 to 100 people
 - 100 to 500 people
 - 500 + people
5. How is your organization geographically structured? (I.e., Are your employees based out of a single location or are they dispersed?)
6. Your organization has been recognized as one of Canada's top 100 employers. To what do you attribute this distinction?
7. Aside from being recognized as one of Canada's top 100 employers, has your organization been recognized for any other innovation, service delivery, or performance related achievements?

II. Signs & Symptoms of Engagement/Disengagement

1. As an HR manager, can you provide some examples which illustrate employee engagement?
2. Can you think of any specific circumstances, policies, actions, or activities that contribute to employee engagement?
3. As an HR manager, how do you know when employees are disengaged (e.g., signs & symptoms)?
4. Can you think of any specific circumstances, policies, actions, or activities that contribute to employee disengagement?
5. Would you say that your organizational rates of retention are:
 - Decreasing (i.e., higher turnover)
 - Increasing (i.e., lower turnover)
 - Staying about the same.
6. If the rates are changing, what would you attribute this to?
7. Would you have any information about retention rates (i.e., numbers) that you could share for this research?

8. Would you say that your rates of absenteeism are:
 - Decreasing
 - Increasing
 - Staying about the same.
9. If the rates are changing, what would you attribute this to?
10. Would you have any information about absenteeism rates (i.e., numbers) that you could share for this research?

III. Engagement of Employees

1. In terms of levels of engagement, employees have been described as being:
 - a) **Highly engaged**; They are known for initiative, enthusiasm, commitment, and discretionary effort.
 - b) **Almost engaged**; They are among the high performers and are reasonably satisfied with their jobs, but not every day is a good day.
 - c) **Honeymooners and Hamsters**: They are either very new to the organization or are spinning their wheels or sleepwalking through the day. Their satisfaction with work is high but their contribution is low.
 - d) **Crash and Burners**: They are somewhat disillusioned and potentially exhausted. Their satisfaction with work is low but their contributions are still high.
 - e) **Disengaged**: They aren't just unhappy at work, they are skeptical and have a contagious negativity that brings others down.

What proportion or percentage of the employees in your organization would you assign to each category:

- ___ Highly engaged
- ___ Almost engaged
- ___ Honeymooner and hamster
- ___ Crash and burner
- ___ Disengaged

2. What would you say that your previous assessment is primarily based on?

IV. Human Resource Policies & Practices

1. Could you identify the primary human resource practices, policies, or methods that your organization uses to engage or motivate its employees?
2. For each of the previously identified practices, could you give me an example or examples of how it influenced employee behavior?
3. Who would you say has the greatest role in maintaining employee engagement?
 - The HR department
 - Front line supervisors / managers
 - Senior executives
 - Other
4. Why would you say that your choice has the greatest influence?

V. Economic Causes of Disengagement

1. In the past couple of years, has your organization been involved in any of the following widespread conditions?
 - Reorganization or restructuring
 - Hiring freeze
 - Layoffs / downsizing
 - Salary freezes
 - Postponement of projects
 - New business ventures
 - Salary reductions
 - Other conditions that could be associated with disengagement

VI. Concluding Questions

1. What do you feel sets your organization aside from others that makes you a preferred employer?
2. Are there any comments or points that you might like to mention with regard to employee engagement?

APPENDIX 2. CANADA'S TOP 100 EMPLOYERS (2011)

| | | |
|---|---|---|
| Agriculture Financial Services Corporation | Edmonton Regional Airports Authority | Office of the Auditor General of Canada |
| Agrium Inc. | EllisDon Corporation | OMNI Health Care Ltd. |
| Alberta-Pacific Forest Industries Inc. | Enbridge Inc. | Ontario Public Service |
| Alcool NB Liquor | Ericsson Canada Inc. | PricewaterhouseCoopers LLP |
| AMEC Americas Limited | Fairmont Hotels & Resorts | Procter & Gamble Inc. |
| ATB Financial | Farmers Cooperative Dairy Ltd. | Rescan Environmental Services Ltd. |
| Bank of Canada | Gay Lea Foods Co-operative Limited | Research In Motion Limited (RIM) |
| Bayer Inc. | George Brown College | Royal Bank of Canada |
| BC Hydro | GlaxoSmithKline Inc. | SAS Institute Canada, Inc. |
| BC Public Service | Goldcorp Inc. | Saskatchewan Government Insurance |
| BioWare ULC | Golder Associates Ltd. | SaskTel |
| BMO Financial Group | Great Little Box Company Ltd., The | Shell Canada Limited |
| Bombardier Aerospace | Home Depot Canada, The | Siemens Canada Limited |
| British Columbia Lottery Corporation | HP Advanced Solutions Inc | Simon Fraser University |
| British Columbia Safety Authority | Human Resources & Skills Development Canada | Sophos Inc. |
| Business Development Bank of Canada | IMP Group Limited | St. Joseph's Healthcare Hamilton |
| Cameco Corporation | Industry Canada | Stantec Inc. |
| Canadian Security Intelligence Service | ISM Canada | Statistics Canada |
| Capital District Health Authority | Johnson Corporation, The | Stikeman Elliott LLP |
| Carswell, div. Thomson Reuters Canada Ltd. | KPMG LLP | Sunnybrook Health Sciences Centre |
| Catholic Children's Aid Society of Toronto | L'Oréal Canada Inc. | TD Bank Financial Group |
| Cementation Canada Inc. | Ledcor Group of Companies | Telus Corporation |
| Ceridian Canada Ltd. | Loblaw Companies Limited | Toronto Community Housing Corporation |
| Certified General Accountants Assoc. Canada | Manitoba Hydro | Toronto Hydro Corporation |
| Co-operators Life Insurance Company | Mars Canada Inc. | Toronto, City of |
| Cogsdale Corporation | McGill University | Toyota Motor Manufacturing Canada Inc. |
| College of Physicians & Surgeons of Ontario | Medtronic of Canada Inc. | TransCanada Corporation |
| Compass Group Canada | Molson Coors Canada | Union Gas Limited |
| Deeley Harley-Davidson Canada | Monsanto Canada Inc. | University of Toronto |
| Digital Extremes | National Energy Board | Vancouver City Savings Credit Union |
| | NB Power Holding Corporation | Vancouver Island Health Authority |
| | New Flyer Industries Canada ULC | World Vision Canada |
| | Nexen Inc. | Yellow Pages Group Co. |
| | Nordion Inc. | Yukon Hospital Corporation |
| | Novartis Pharma Canada Inc. | |
| | Nuance Communications Canada Inc. | |

APPENDIX 3. THE UTRECHT WORK ENGAGEMENT SCALE – WORK AND WELL-BEING SURVEY

Work & Well-being Survey (UWES) ©

The following 17 statements are about how you feel at work. Please read each statement carefully and decide if you ever feel this way about your job. If you have never had this feeling, cross the “0” (zero) in the space after the statement. If you have had this feeling, indicate how often you feel it by crossing the number (from 1 to 6) that best describes how frequently you feel that way.

| 0 | 1 | 2 | 3 | 4 | 5 | 6 |
|-------|--------------------|----------------------|---------------------|-------------|--------------------|-----------|
| Never | A few times a year | Once a month or less | A few times a month | Once a week | A few times a week | Every day |

1. _____ At my work, I feel bursting with energy
2. _____ I find the work that I do full of meaning and purpose
3. _____ Time flies when I'm working
4. _____ At my job, I feel strong and vigorous
5. _____ I am enthusiastic about my job
6. _____ When I am working, I forget everything else around me
7. _____ My job inspires me
8. _____ When I get up in the morning, I feel like going to work
9. _____ I feel happy when I am working intensely
10. _____ I am proud of the work that I do
11. _____ I am immersed in my work
12. _____ I can continue working for very long periods at a time
13. _____ To me, my job is challenging
14. _____ I get carried away when I'm working
15. _____ At my job, I am very resilient, mentally
16. _____ It is difficult to detach myself from my job
17. _____ At my work I always persevere, even when things do not go well

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