

**EBOOK**

# DECODING EMPLOYEE ENGAGEMENT

4 Work Environment Pressures  
Making Your Employees Leave

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# What is employee engagement?

In the human capital management (HCM) space employee engagement is everywhere; in marketing efforts, as a feature on new products, and most HCM or HR technology companies offer promises to increase it. There are so many tools out there to help you improve employee engagement, but what is it exactly? Is it just another buzzword? The latest HR craze? Or maybe it's something that, if focused on, creates true business value.

Let's set the record straight about what employee engagement truly means, and then we'll examine what to do about it. But first, let's talk about what employee engagement is not.

**There are many employee engagement myths and misconceptions out there which only add to the confusion.** The most common one is that engagement is purely about employee happiness. Another misconception is that engagement is only about job satisfaction. Sure, job satisfaction plays a tiny role in determining employee engagement, but there's much more to it than that.

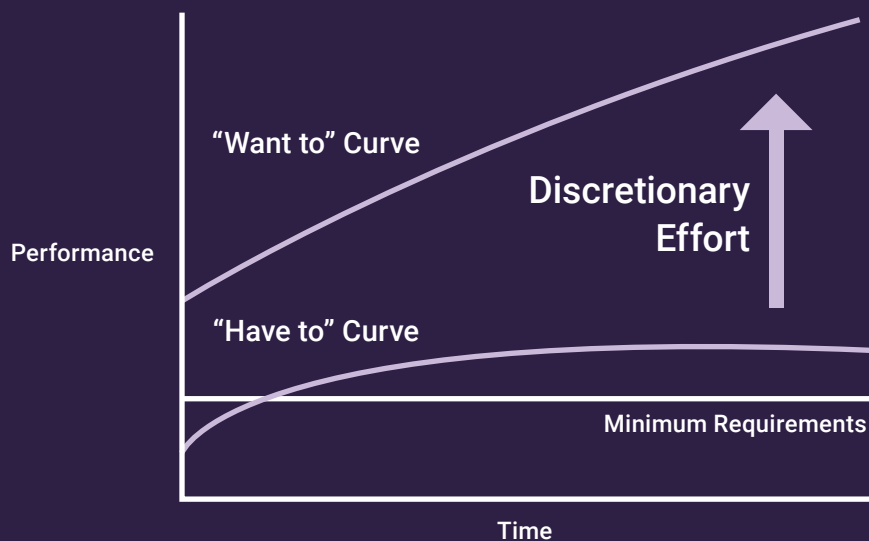


Employee engagement is when employees have deep emotional commitments to both the company and its goals.

Think about psychological ownership, not just being an employee at a company, but feeling emotionally connected to the company, the mission, the vision, the strategy, the people, and the customers. Let that sink in. When employees feel a deep emotional commitment and connection to their company, we see something called discretionary effort.

## Discretionary effort is the effort an employee makes that goes beyond their own personal gain and is truly for the sake of the company.

With low engagement comes low discretionary effort. Employees with low engagement usually do the bare minimum - only what their job title dictates, or only what they have to do, which is obviously not very effective for an organization. On the other hand, employees with high engagement want to go above and beyond – they are energized, impassioned, and committed to the company’s well-being. When this occurs, we start to see some really interesting behaviors associated with discretionary effort.



When engagement and discretionary effort are high, your employees are working for a lot more than a just a pay check. They’re willing to put in extra hours, go the extra mile, and truly want customers to have the best experience possible. **Engaged employees are thoughtful with company money, tend to work more, and work more efficiently.** There are so many benefits of having highly engaged employees.

# When done right, employee engagement leads to bottom-line benefits.

Companies with highly engaged employees outperform others in terms of things that matter like net profits and shareholder value. **Research also shows companies see increased productivity, higher sales, and lower turnover when their employees are engaged.** Even with all the evidence linking employee engagement to so many positive business outcomes, it's a shame just how few companies actually have initiatives to increase and maintain it. According to Motivosity, Inc., only 55% of companies have a strategy in place to identify and fix employee engagement problems and as much as 98% of CEOs don't even pay close attention to engagement data.



Only 1 out of 50 CEOs have employee engagement on their radar.

In an effort to curtail employee engagement issues, more and more companies are starting to implement methods like real-time, or pulse, surveys and polls to track it. However, if you were to look at all the companies tracking engagement year over year in this way, you'll likely find that their engagement is stagnant. **You can't move the needle on engagement using a one size fits all approach that fails to take into consideration employees' unique personalities, behaviors, needs, and drives.** Employees have different needs, motivations, and work experiences. If you are serious about employee engagement, it's critical that your strategy recognizes the need to understand each employee's varying needs. Said differently, creating engagement employees happens at the individual level.



There is no broad campaign or message that will engage your entire workforce.

The inverse is also true - you can successfully improve engagement when you address disengagement at the individual level. Once you understand an individual, you will realize how she actually fits into the workplace, her team, and in a specific role. And, you can learn how she has become disengaged by exploring how environmental pressures in the workplace are weighing on them.

## The 4 environment pressures of employee disengagement

There are many environmental pressures that individuals face which can impact overall employee engagement at your company. We've boiled them down to four specific pressures - job fit, manager, organization, and people.



**Job fit**



**Manager**



**Organization**



**People**



## Job fit

Misalignment between someone's natural tendencies and key job responsibilities.

**Job fit is truly the most important element in all of HCM.** The disengagement forces are at play here when someone is a poor fit for the job. One way to avoid this when hiring or promoting someone is to understand the person's personality and behavioral characteristics so you can determine if there's alignment between the person and job role.

No surprise, when you hire the right person for the right job you'll find they have higher performance, higher job satisfaction, they stay longer, and are generally more engaged. In addition, due to the rapidly changing work environment, jobs often take on new roles and responsibilities. What a person was hired to do on day one may very well shift over time.



While it's important to hire right, it's equally important to keep a close eye on how the behavioral demands of the job role might evolve.

It's possible that if the role changes too much, it could be a stretch for the behavioral characteristics of the employee. **To avoid this type of disengagement, managers must be in tune with how jobs are changing and coach employees on how to best utilize their strengths to perform.** Regardless of how obviously critical it is to understand and nail job fit, it's amazing how many managers fail at this, which leads us to manager impact – the second environmental pressure of disengagement in the workplace.



## Manager impact

### Misalignment between manager and staff.

**As the saying goes, people don't leave companies, they leave managers.** While not always true, it's true most of the time. And after all, if a manager is not focused on inspiring their employees to be their best, they are not managing at all. Managers need to adapt their management style to each employee's needs, drives, and behavioral preferences in order to have maximum impact, engagement, and productivity out of each employee. To do this successfully, you have to understand what your employees' needs and drives include. Yes, this is easier said than done – management is hard work.

As HCM professionals and business leaders, it's our job to coach managers to be self-aware and understanding of their own behaviors and how they impact others. Then, it's equally as important, if not more, for a manager to understand the needs of their employees and manage them accordingly. Remember the golden rule "Do unto others as you would have them do unto you?" Well, that does not apply to good people management.



**If you're a manager, here's a new golden rule: 'Do unto others what motivates, excites, and engages them.'**



## Organization culture

When employees feel like what the culture expects of them isn't who they really are.

Everyone dreams about a perfectly aligned culture – one where the decisions, actions, and behaviors that people take at all levels in an organization are rewarded and valued by the leadership and the overall organizational culture. Does this Utopian company really exist? **No, there really is no such thing as a “perfectly aligned” culture.** That said, a major disengagement force is at play when people work in a culture that expects them to be a lot different than who they really are. When they feel this burden, it's a recipe for feeling like a disconnected misfit and ultimately provides a good reason to leave.



The goal is to find solutions and set things up correctly so that people are engaged and do amazing work rather than just feel like a square peg in a round hole all the time.

When you think about your own organization, there are likely a good number of employees who are a great fit and moving in the right direction. **But the reality is that there are also likely to be large pockets of employees who don't necessarily operate and behave according to cultural expectations.** In fact, many times entire functions in a company are required to operate in their own way in order to be successful in their primary roles. Think about an accounting department in a company that has a sales culture or a creative team in a manufacturing environment.

Employees working within these functions will likely feel the strong force of the culture, and even though they wish they could be more aligned, it just isn't who they are. To prevent this, leaders and managers need to identify these “pockets” and spend time focusing the individual side of employee engagement.





## People and teams

When an employee feels as though they are unlike the team.

**Feelings of miss belonging on a team can cause friction and lead to isolation and disengagement.** Think about someone with low extraversion in a sea of social butterflies or a detail-oriented person surrounded by a team of big-picture people with low attention-to-detail. When these behavioral differences exist, it can be difficult to find common ground, form relationships, and find the right way to work together. It's important that both the team and the "outlier" be aware of their behavioral differences and how learn how these can be used as an advantage to take the greater team forward versus something that divides them.



If you think you have some people who are black sheep or potential black sheep, you need to uncover and unlock their value instead of so quickly deciding they don't belong.

# Understanding behavior

Fixing the engagement problem is possible when you understand behavior. When employee engagement is strong, a company will flourish. Inversely, the costs of getting employee engagement wrong are extreme.

**Disengaged managers alone account for somewhere between \$77 billion and \$96 billion in costs annually.**

It is estimated that \$11 billion is lost annually due to employee turnover, which is often the direct result of low engagement. Billions of dollars a year are wasted because companies are not getting employee engagement right, and they're not using impactful methods to engage their valuable employees. **Fixing employee engagement can feeling like a daunting challenge, but not fixing it has extremely negative business implications.**

The critical problem is that companies spend too little time really understanding what makes their people unique and how this impacts their everyday work experience. In fact, many employees are faced with strong pressures to change who they are in order to meet the expectations of their job, manager, team, or culture. This pressure can cause great strain, disengagement, and eventual turnover.

**Decoding your employees and their work experience is what is needed in order to make disengagement a thing of the past.** It's only when you take the time to understand behavior at the individual level and use that information to consider the job design, culture, manager style versus the employee's needs, that you'll start to see engagement grow. Engagement is infectious and as people become more engaged, it starts to exponentially increase through an organization - leading to positive business results and an overall healthier company that has the ability to achieve more and reach new heights.