

Institution: Kingston University
Unit of Assessment: 19, Business and Management Studies
Title of case study: Impact on policy and practice in Human Resources to improve employee engagement
<p>1. Summary of the impact</p> <p>Research at Kingston University into employee engagement was taken up by the Chartered Institute of Personal Development (CIPD), a major international HR professional institute, which changed its policies and professional training offerings as a result of the research findings. This had a consequent effect on the practice of HR professionals.</p> <p>Two large UK firms also made substantial changes to their HR practices as a result of engaging with the research, improving employee engagement and satisfaction and reducing staff turnover and absenteeism.</p> <p>2. Underpinning research</p> <p>In 2006, Kingston University's Centre for Research in Employment Skills and Society (CRESS) began a programme of commissioned research on engagement for the CIPD, surveying the views of 2000 working adults from across the UK. The research looked at factors affecting work motivation and performance, including the emotional, cognitive and physical dimensions of engagement. This initial work found that the drivers of engagement included the ability of employees to feed their views upwards, feeling well informed about the organisation, and thinking that one's manager was committed to the organisation [1].</p> <p>In 2007, with the CIPD's support, CRESS founded the Employee Engagement Consortium (EEC) project, collaborating with ten public and private sector companies. In-depth case studies were developed for each member organization, involving a questionnaire survey and number of face-to-face interviews. The research set out to define engagement, determine how it can be managed, its consequences, and how it relates to other individual characteristics [2].</p> <p>In particular, this research highlighted the mediating role of engagement on performance [5]. Data from over 2000 employees in the service sector found that both line manager behaviour and HRM practices influenced engagement. In turn, employee engagement was strongly linked to an individual's task performance and his/her innovative work behaviour. The research also demonstrated that the impact of employee engagement arose at least in part because engaged employees were more involved and socially connected with their work, allowing them to develop better solutions. Engaged employees were found to have higher levels of well-being all round, making them more likely to cope with work-related problems, reducing absenteeism [6].</p> <p>A second phase of EEC research focused on the issues below, with reports published by the CIPD in 2011 [3] and 2012 [4].</p> <p>a) <u>Definitions and measurements of engagement</u>. The research revealed engagement to be a complex condition comprised of two types: <i>emotional engagement</i> (driven by extrinsic motivation – they enjoy their work and identify with organizational values and objectives), and <i>transactional engagement</i> (shaped by employees concerns for extrinsic rewards or fear of job loss, etc.), both of which can vary over time. Both groups may appear engaged behaviourally, but the motivations behind each are clearly different. These findings indicate that existing engagement surveys measuring engagement as a static, average score are misleading, and firms risk misunderstanding and mis-managing engagement.</p> <p>b) <u>Factors influencing engagement</u>. The research suggested that organisations can improve emotional engagement by considering a broader array of antecedents beyond the influence of the line manager. The context in which engagement occurs (e.g. job activities, relationships with line manager or colleagues, external relationships) influences the level of engagement. Jobs that offer high level of autonomy, task variety, task significance and feedback are associated with highly engaged employees. Managers need to manage workloads and work intensification appropriately, in order to avoid a greater proportion of transactional engagement vs. emotional engagement. Emotionally engaged employees are better able to cope with</p>

stress without significant damage to their well-being in the short term. However, over time, work stress reduces the level of emotional engagement in favour of transactional engagement. This suggests well-being initiatives will be ineffective in improving performance unless they are linked to an understanding of the nature and depth of engagement.

- c) *Outcomes of engagement*: Building on the 2007-9 findings, the researchers further explored the link between HRM practices, engagement and organizational outcomes, finding that the positive outcomes of emotional engagement largely depend on the wider organisational climate and employees' relationship with their line manager. A strong relationship was uncovered between transactional engagement and negative outcomes, such as burnout, work–family conflict and intention to leave employment.

Key Researchers: Katie Truss (Senior Lecturer 1996-2002; Reader 2002-2003; Professor 2003-2010), Kerstin Alfes (Researcher, 2009-10, Lecturer 2010-2011, Senior Lecturer 2011-2013), Emma Soane (Reader, 2003-2008), Amanda Shantz (Senior Lecturer 2008-11) Chris Rees (Senior Lecturer 1996-2002; Reader 2002-2008), Mark Gatenby (Researcher 2008-2009), Sunitha Narendran (Part-time Lecturer 1999-2001, Senior Lecturer 2001-2003, Principal Lecturer 2003-2010, Head of Department 2010 – present), Stephen Gourlay (Researcher 1988-1990, Senior Lecturer 1990-2005, Reader 2005-present) and Yannis Georgellis (Professor, Director of CRESS 2011-present).

3. References to the research

CRESS reports

- [1] Truss, K, Soane, E. Edwards, CY, Wisdom, K., Croll, A. and Burnett, J (2006) "Working life: employee attitudes and engagement 2006" London: London: Chartered Institute of Personnel and Development. ISBN 9781843981794
- [2] Alfes, K., Truss, C., Soane, E.C., Rees, C., and Gatenby, M. (2010) "Creating an Engaged Workforce: findings from the Kingston employee engagement consortium project", London: Chartered Institute of Personnel and Development.
- [3] Gourlay, S., Alfes, K., Bull, E., Narendran, S., Petrov, G., and Shantz, A. (2011) "Locus of engagement: Understanding what employees connect with at work", London: Chartered Institute of Personnel and Development. Available from <http://business.kingston.ac.uk/cress/employee-engagement-consortium>
- [4] Gourlay, S., Alfes, K., Bull, E., Baron, A., Petrov, G, and Georgellis, Y. (2012) "Emotional or transactional engagement – does it matter?" London: Chartered Institute of Personnel and Development. Available from <http://business.kingston.ac.uk/cress/employee-engagement-consortium>

Journal articles

- [5] Alfes, K., Truss, C., Soane, E., Rees, C. & Gatenby, M. (2012): The relationship between line manager behaviour, perceived HRM practices and individual performance. Examining the mediating role of engagement. *Human Resource Management* vol 52 no 6, 2013, doi: 10.1002/hrm.21512 [ABS ranking: 4*]
- [6] Soane, E., Shantz, A., Alfes, K., Truss, C., Rees, C. and Gatenby, M. (2013) 'The Association of Meaningfulness, Wellbeing and Engagement with Absenteeism: A Moderated Mediation Model'. *Human Resource Management* vol 52 no 3, 2013, doi:10.1002/hrm.21534 [ABS ranking: 4*]

Note: Ratings obtained from International Guide to Academic Journal Quality produced by the Association of Business Schools ('ABS ranking') www.bizschooljournals.com

4. Details of the impact

This research has changed policy in a major international HR professional institute, with consequent changes in the practice of HR personnel. Members of the Employee Engagement Consortium have also made lasting changes to their practices as a result of the research.

CIPD

The CIPD is one of the largest HR and development professional bodies in the world, with over 135,000 members across 120 countries. It supports and develops those responsible for the management and development of people within organisations as well as informing and shaping debate, public policy, and legislation in order to enable higher performance at work.

The underpinning research influenced the CIPD's research programme and shaped its input to public policy through:

- i) work on the independent MacLeod Reviews [1] [2] on engagement in 2008/9 and 2012
- ii) input to the UK Commission for Education and Skills on human capital
- iii) work with the charity *Business in the Community* [3], shaping its "work-well model" and a tool to measure engagement and well-being (2011).

For example, the second MacLeod Review [2] makes heavy use of the Kingston engagement research, arguing the link between engagement and performance. "The importance of 'engaging managers' has increased... and employee engagement performs a crucial linking role between line manager behaviours and employee performance" [pg 2, citing KU research].

All 4 CRESS reports were made available for free download to CIPD members in 2009, 2010, 2011, and 2012 respectively, and were featured in the CIPD's marketing strategy to direct members to this work including highlighting the member newsletters. As of 8 February 2013, these papers had been downloaded 14,757 times. There was widespread media coverage for the research. For instance, the latest CRESS-CIPD report was discussed in over 25 publications, including HR Magazine, HR Review, and The Telegraph newspaper. The research was also disseminated to CIPD members through the CIPD's engagement forum, a knowledge network open to all members, the CIPD annual conference on Engagement, a practitioner conference attracting approximately 200 people and the National Conference attracting some 2,000 delegates. In addition, the work was disseminated around the CIPD's branch network of 46 autonomous regional groups [4].

As a result, much of the work was translated into practical interventions by CIPD members. For example, Essex County Council used the work to raise awareness of engagement and its importance in driving performance. They used the research evidence to inform their thinking about the interventions they could make, and to educate their organisation to deal with the individual's needs while also listening to the collective voice. The council's Employee Engagement Manager says: "The work gave us the ability to persuade our managers of the importance of engagement and we used it to shape our "engage space" events for line managers to educate them in their role in engagement." [5]

The research fed into developing views at CIPD, engagement is now a recommended component of the CIPD syllabus. In 2012, the CIPD published two public policy reports that reflect its changed view on engagement [6]. The second report highlights the differences between emotional and transactional engagement and provides guidance for employers, managers and policy-makers [6 pp. 17-18] for identifying and supporting emotional engagement.

The impact of the research continues to be felt among the wider business community, with findings on emotional and transactional engagement cited in the recent independent Salz Review providing recommendations for business practices changes at Barclays bank [7]. The Deputy Chair of the Employee Engagement Task Force, and co-author of the MacLeod report, states that 'The work that CRESS has undertaken and continues to undertaken in the field of employee engagement has been a vital underpinning to the work of the government-sponsored Engage for Success employee engagement national taskforce [8]'

Consortium Members

The UK's largest mutual business, **The Co-operative Group** used the research to identify personal attributes that had an impact on engagement and job role fit. Using the research findings, The Co-Op changed the way it measured engagement and enabled it to identify and test a range of drivers to get a clearer understanding of what makes a difference to engagement.[9]

Similarly, plastic bottle manufacturer **Nampak**, [approx. 700 employees] developed a range of initiatives to foster a culture of engagement and innovation after participating in the first wave of research (2007-9). Implementing a company-wide participation programme that looked at ways to improve the customer and employee experience, the company rapidly transformed its 70% “negativity” rating by employees to a 80% “approval” rating as a good employer over a 3 year period from 2007 to 2010, and enabled 50% of their employees to gain NVQ qualifications. Nampak was the overall winner of the CIPD People Management award in 2010, and was the sole SME selected to participate in UK government-backed taskforce ‘Engage for Success’ to promote employee engagement launched in 2011.

The CEO of Nampak commented, “Our work with Kingston identified the key areas we needed to address; leadership and management development, lack of feedback to employees and enabling employees to understand their contribution. We were also able to exchange knowledge within the network, find out what was working for others and why, access academic thinking and get a greater understanding of how other businesses were addressing the issues we were facing.” [10]

5. Sources to corroborate the impact

- [1] MacLeod, David and Nita Clarke (2009) *Engaging for Success: Enhancing performance through employee engagement*. This report was written for Department for Business Innovation and Skills. The report drew on CRESS research to highlight the importance of manager skill, organizational culture and employee voice in the development of engagement (Kingston research cited on pages 15, 44, 68, 84, 98). Report available from <http://www.bis.gov.uk/files/file52215.pdf>
- [2] Rayton, B, Dode, T. and G. D’Analeze (2012) *Engaging for Success: The Evidence*. Following on the original MacLeod paper, this report sets out the evidence for the effectiveness of employee engagement in raising performance and productivity across the UK economy. Engage for Success is an independent movement supported by several hundred organizations, accounting for a total 2 million employees. Its target audience are investors, shareholders, company analysts and managers. Kingston research is cited on pages 5, 10, 16, 18, 20, 22 and 23. Report available from: <http://www.engageforsuccess.org/voice/2012/11/employee-engagement-the-evidence/>
- [3] *Business in the Community* Public Reporting Guidelines, Employee Wellness and Engagement, BITC, 2011. http://www.bitc.org.uk/resources/publications/reporting_guidelines.html
- [4] Download figures and CIPD dissemination obtained from Operations Manager, HR Practice Development, CIPD. (Corroborating Statement Identifier: 1)
- [5] Interview with Employee Engagement Manager, Essex County Council, Feb 2013 (Corroborating Statement Identifier: 2)
- [6] (i) Managing for sustainable employee engagement: Guidance for employees and managers.
(ii) Managing for sustainable employee engagement: Developing a conceptual framework. (CIPD, Dec. 2012, Available for members to download.)
- [7] Salz Review: An Independent Review of Barclay’s Business Practices, April 2013. Kingston research on engagement is cited on page 90. Report available from www.salzreview.co.uk
- [8] Email letter and interview with Deputy Chair, Employee Engagement Task Force, Sept 2013 (Corroborating Statement Identifier: 3)
- [9] Interview with Head of Employee Engagement & Diversity, The Co-operative Group, Feb 2103. (Corroborating Statement Identifier: 4)
- [10] Letter and interview with CEO, Nampak, Feb 2013 (Corroborating Statement Identifier: 5)