Employee engagement is the responsibility of management. Management must select (and deselect if necessary) and develop their employees for success; create a robust, open communication system; and provide the tools necessary to complete the job. Employee empowerment gives an organization the agility and competitive advantage to succeed.

EMPLOYEE ENGAGEMENT is a bit of a misnomer. Engagement in an organization is not a unilateral worker undertaking but a symbiotic relationship within the whole enterprise, and management holds the primary responsibility for it. It is a ballet of empowerment and shared ownership: they go together, and you cannot have one without the other. Nevertheless, we know basically what is meant by employee engagement and employee apathy, and we much prefer the former to the latter.

This article discusses the tangible benefits of engagement, how to promote engagement, and how engagement relates to empowerment. It also examines how far we can go to empower employees in this information age—do we dare go to the edge of full empowerment? And how do we get there?

EMPLOYEE ENGAGEMENT: THE GENERALLY UNDERSTOOD CONCEPT

Jack and Suzy Welch (2006), in response to a question about which three measurements give the best sense of a company’s health, named employee engagement as the number one health indicator (customer satisfaction and cash flow were two and three, respectively). According to these two barons of business, “It goes without saying that no company, small or large, can win over the long run without energized employees who believe in the mission and understand how to achieve it” (p. 126). Engaged employees are those who go beyond knowing what the mission is: they believe in the mission and understand what is needed to achieve it. In a study entitled Driving Employee Performance and Retention Through Engagement, the Corporate Leadership Council (2004, p. xii) defines engagement “as the extent to which employees commit—both rationally and emotionally—to something or someone in their organization, how hard they work, and how long they stay as a result of that commitment.” So in addition to belief in mission, we can add commitment. Pam Barker, director of Strategic Operations and Community Affairs at Pfizer Global Research Division, says that indicators of engagement are what colleagues say, stay (retention), and strive to do to contribute to business success (“Smart Practice,” 2006, p. 4).

THE BENEFITS OF ENGAGEMENT

Why is engagement so important? Employee engagement increases profits. Taco Bell has found a direct link between motivated employees, satisfied customers, and financial success (Wiscombe, 2002). The franchises that are in the top 20 percent of employee retention have 55 percent higher profits than the franchises that are in the lowest 20 percent of employee retention. Ritz-Carlton also agrees that each hotel’s employees are the difference in having satisfied customers, and that leads to financial success (Terzo, 2005). A study entitled Linking Organizational Characteristics to Employee Attitudes and Behavior, from Northwestern University’s Forum for People Performance...
Management and Measurement, had these key findings in linking employee attitudes and behavior with organizational financial performance (Oakley, 2004):

- There is a direct link between employee satisfaction and customer satisfaction and between customer satisfaction and improved financial performance.
- Organizations with engaged employees have customers who use their products more, and increased customer use leads to higher levels of customer satisfaction.
- It is an organization’s employees who influence the behavior and attitudes of customers, and it is customers who drive an organization’s profitability through the purchase and use of its products.
- Customers who are more satisfied with an organization’s products are less expensive to serve, use the product more, and hence are more profitable customers.

It is not only the employees with direct customer interaction who affect the bottom line; engaged employees throughout an organization contribute to a culture’s success.

**HOW TO PROMOTE ENGAGEMENT**

How do you get someone to believe in a company’s mission? The person has to feel he or she plays a part in the efforts to achieve the mission, and his or her values must align with the manifestations of the mission. But first that person needs to know what the mission is. Good communication is instrumental to promoting engagement. The *Linking Organizational Characteristics to Employee Attitudes and Behavior* study (Oakley, 2004) also found the following:

- The key organizational characteristic for explaining employee satisfaction is organizational communication (a measure of the downward and upward communication in an organization).
- Employee satisfaction is a key antecedent to employee engagement.
- Interaction between managers and employees with regard to supportiveness and goal setting, as well as job design, were also key drivers of employee engagement.

Communication has to flow up as well as down. According to James Oakley, author of the Northwestern University study (cited in Terzo, 2005, p. 19), “The organizations that are exemplary in the study are the ones that have a system set up that allows for information to flow from the frontline employees to senior management, so the employees understand what’s going on and feel like they are being listened to.”

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No employee begins tenure engaged in that organization; rather, engagement has to be developed. One part of this is developing the business literacy of employees. They need to know the business of the organization and how the organization makes money. Most important, they need to understand how they contribute and “establish the line of sight,” meaning they need to understand how they contribute to the organization making money (Carney, 1999, ¶ 7). This point is important enough to rephrase: knowing how their efforts advance the success of the company is critical. And remembering that engagement is not a unilateral action, management needs to recognize, acknowledge, and reward employees who are dedicated and committed. To be engaged, employees need to feel that they are valued partners. They need to be congratulated and shown something akin to emotional love, and they need to be fairly compensated with competitive benefits.

Employee retention is one indicator of employee engagement; uncompetitive pay and benefits will affect retention. Ritz-Carlton revamped its pay and rewards system and saw its turnover rate dramatically decrease from 51% in 1991 to 23% in 2004 (Terzo, 2005).

Another management responsibility in this equation is employee selection. Many companies understand the importance of putting a premium on personal attributes when hiring. Selecting employees for the right culture fit goes a long way to maintaining an engaged workforce. Southwest Airlines looks for potential employees who have a servant’s heart, will treat people with respect, and will fit in to the culture of working hard to be the best and have a fun-loving attitude while not taking themselves too seriously (Hardage, 2006).

To be truly engaged, employees need to feel and be empowered. They need to feel trusted. Once they know the goals of the company and the intent of the team efforts, they need to understand that they are expected to make appropriate decisions. In this information network–enabled environment, employees need to be given access to whatever tool or piece of information that can let them contribute to the mission at the lowest
possible level. To grow into a robust, engaged workforce, individuals need to be groomed and developed to their fullest potential.

A glimpse of the culture strategy of JetBlue can be used as a capstone on how to promote engagement (Marquez, 2006). The company values leadership development and recently resisted a proposal to cut the leadership development budget during a cost-savings review. While undergoing steady growth, it maintains its selective hiring criteria. Knowing that many of its employees are on the front line of customer service, it promotes staff development by providing training in conflict management and problem-solving techniques. Managers attend workshops where they learn how different procedures affect the bottom line. Frontline employees have the authority to make decisions to waive fees for passengers who change flights after being taught the financial implications of such policies across the enterprise. The intention is to give them the tools and knowledge to make the right call.

**POWER TO THE EDGE**

One can view the history of mankind as a journey of empowerment, conspicuously marked at critical junctures by the synergistic combination of a particular technological advance and an innovative social adaptation that together eliminate a debilitating constraint.

John Stenbit (Alberts and Hayes, 2003)

*Power to the edge* means empowering individuals who operate where the organization interacts with the operating environment—the front lines (Alberts and Hayes, 2003). The empowered individual on the edge must be engaged, or there will be failure. That means organizations need to select the right people, develop them, and give them access to the right tools and information so that they and the organization can succeed at the edge. Figure 1 shows where an edge organization operates.

A cube construct allows visualization of allocation of decision rights, patterns of interaction, and distribution of information that can be used to map empowerment. At the bottom left-hand corner of the figure is the classic command and control of the industrial age, characterized by a strict hierarchy of concentrated decision-making rights and tightly controlled access to information. This is contrasted to the edge organization in the information age, located in the upper-right corner of the cube. The edge organization has a wide allocation of decision rights, unconstrained limits on patterns of interaction, and broad distribution of information to those who need it. Note that we have stayed within the organizational environment; we have gone to the edge but have not crossed into the open space of an outside universe.

*Self-synchronization* is a term that applies to an edge organization. Individuals know what the goals and intent of the organization are, so they can consistently react to dynamics affecting them in the best way that aligns with the intent of the organization. In this way, different nodes from the organization can quickly react without waiting for guidance from above. Alberts and Hayes (2003) list the assumptions for self-synchronization:

- Clear and consistent understanding of command intent
- High-quality information and shared situational awareness
- Competence at all levels of the labor force
- Trust in the information, subordinates, superiors, peers, and equipment

Edge organizations are flatter organizations. The more capable and empowered individuals are on the edge; whereas in the past, these people were found in layers of middle management, away from the cutting edge. The shared situational awareness that the information age permits is the key to success in an edge organization. Real-time communication and shared knowledge allow a transparency throughout the enterprise. With a flatter organization, executives are able to see what is going on in the environment. Conversely, employees can more clearly

![Figure 1. Representation of an Organizational Environment](source: Alberts & Hayes (2006, p. 75).)

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see and operate within corporate intent. The overall result is agility and the competitive advantage that it brings.

IN SUMMARY

Perhaps employee empowerment is the term that should be used over employee engagement because it correctly reflects that management has the overwhelming responsibility in promoting engagement. It also reflects that to be engaged, an employee needs to be empowered. The question management must decide on is this: How empowered will employees be? Organizations that approach the edge in search of agility and competitive advantage need to select and develop their personnel for success. A robust and open communication system is crucial for an organization that values engaged and empowered employees. Providing employees with the tools to succeed is just as important. When all of these components come together successfully, the organization will see valued results produced by people working in a system—a definition of Human Performance Technology.

References


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