



# Engagement

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**W**ith more than 6 million websites, 3,000 books, and a myriad of blogs and articles devoted to the subject, it is clear that employee engagement is a major concern. However, a Gallup poll showed that more than 71% of Americans aren't engaged in their jobs. What is the cause of this epidemic of low engagement, and what can companies do to reverse its course?

## What is Engagement?

"Engagement refers to how employees perceive their jobs and employers," said Dr. Robert Hogan, president of Hogan Assessments. "It is an ideal state that is rarely fully achieved."

Engagement is most useful when defined in terms of four components. Engaged employees:

1. Like their jobs
2. Like themselves when they are at their jobs
3. Work hard at their jobs
4. Derive a sense of meaning and purpose from their jobs

## Why Does Engagement Matter?

"When employees are engaged, they like their jobs, they work hard at their jobs, they take initiative, and they show loyalty," Hogan said.

According to a 2011 article in *Personnel Psychology*, engaged employees typically have high energy levels, pride, enthusiasm, and positive attitudes at work. They are more likely to go above and beyond their job requirements, stay late to finish a project, or volunteer to lead a work committee.

Engagement also impacts a company's bottom line. According to the 2009 book, *Employee Engagement: Tools for Analysis, Practice, and Competitive Advantage*, companies with highly engaged workers show higher returns on assets, are more profitable, and demonstrate nearly twice the value to their shareholders compared to companies characterized by low employee engagement.

Hogan conducted an international survey examining employee engagement's effect on life-work balance. Of the more than 600 respondents, those who were highly engaged were more likely to:

Be willing to work more than 50 hours per week **59%**

Believe they enjoy their jobs more than their friends or family **76%**

Talk to friends and family about their work **55%**

Finally, disengagement can create its own specific problems.

"When employees are alienated, they hate their jobs, don't work very hard, and never take initiative or show loyalty," Hogan said.

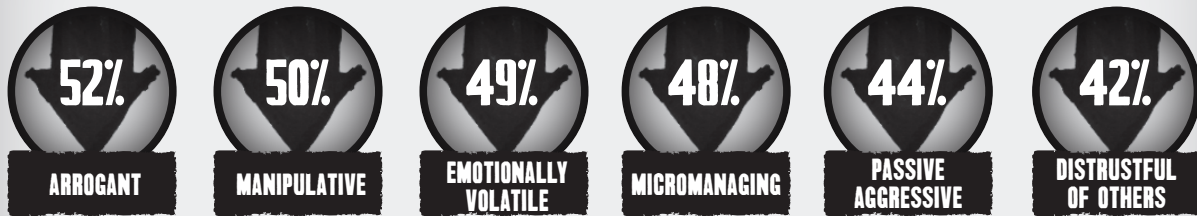
According to Gallup, disengaged employees result in an estimated \$300 billion in lost productivity in the U.S. alone. A recent *Forbes* article boiled it down to this: higher employee engagement equals better organizational performance; lower employee engagement equals worse organizational performance.

## Managers' Influence On Engagement

What is killing engagement? It starts with senior management. According to Hogan, engagement is a reflection of how bosses treat their employees. Unfortunately, fewer than half of existing managers are competent leaders, and many display destructive interpersonal tendencies that alienate

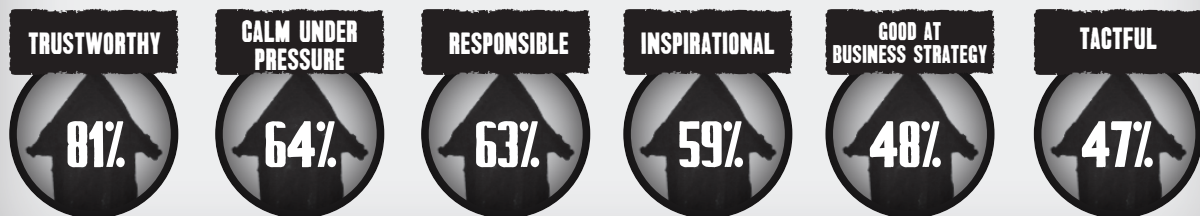


Hogan surveyed more than 1,000 individuals about the personalities of their best and worst bosses.



Arrogant bosses tend to blame their mistakes on others, overestimate their competence, and lack a sense of team loyalty. Manipulative managers often ignore commitments, bend the rules, and disregard others' concerns. These tendencies undermine manager-employee trust and can damage engagement.

Just as bad leaders can destroy engagement, quality leadership can have the opposite effect.



their direct reports and hinder their ability to form and maintain a well-functioning team.

Fortunately, there are examples of managers who get it right. A recent *BusinessWeek* article listed Starbucks CEO Howard Schultz, Travelocity CEO Michelle Peluso, and Cisco CEO John Chambers as leaders who understand their role in engagement and seek to promote it. Schultz focuses on creating an environment conducive to engagement where employees are treated well and respected. Peluso engages her employees by sending weekly emails describing how their service relates to the organization's mission and vision. Chambers holds monthly employee birthday breakfasts to create an environment where employees feel comfortable and valued.

## What Can Companies Do?

According to Hogan, there are five steps companies can take to drive engagement:

1. Assess the current level of engagement to identify pockets of alienation.
2. Fire the managers in charge of the alienated units.
3. Train the remaining managers.
4. Follow up with a successive assessment of employee engagement.
5. Develop hiring practices to hire employees who are more likely to be engaged.



## The Bottom Line

Engagement isn't just a buzzword; it has real consequences for employees, customers, and companies. By using valid personality assessment tools to measure engagement, improve hiring practices, and develop new and existing leaders, companies can positively impact engagement and the bottom line.

### Case Study 1

#### Dependable, hands-on managers engage employees

Nearly 70 managers at a leading refiner and marketer of transportation fuels completed the Hogan Personality Inventory and the Hogan Development Survey. Direct reports rated their managers' leadership effectiveness and completed an employee engagement survey.

Hogan found a manager's personality influenced direct reports' perceptions of his or her managerial effectiveness. Direct reports rated managers who were organized, dependable, practical, hands-on, and interested in providing training and development opportunities as more effective than managers without these characteristics. Also, direct reports perceived managers who tended to be emotionally volatile and uncommunicative as less effective than those who were calm, steady, and concerned for others.

Managerial effectiveness is a key driver of employee engagement. Effective managers were twice as likely to have highly engaged work groups compared to ineffective managers.



### Case Study 2

#### Arrogant, manipulative bosses kill engagement

Members of a high-potential program at a leading manufacturer of jetliners and military aircraft completed the Hogan Personality Inventory and the Hogan Development Survey. Their employees completed an engagement survey including items such as "I like the kind of work I do" and "I trust my supervisor to act in my best interest."

Hogan found that manager personality predicted employee engagement, such that managers who tended to be calm, business-focused, organized, and willing to listen were three times more likely to have highly-engaged work groups compared to managers described as manipulative, arrogant, distractible, and overly attention-seeking.

