

EMPLOYEE ENGAGEMENT AND LINE OF SIGHT

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ABSTRACT

Establishing a clear line of sight and building an employer brand around it from inside the organization while leveraging leadership, communication, employee development and corporate & social responsibility may not be something entirely new to the world of strategic HRM, but it does appear to be a worthwhile investment, especially with regard to employee engagement. This paper examines engagement as it relates to employment these subjects and offers suggestions for HR practitioners.

KEYWORDS: Line of Sight, Employment Brand, Leadership, Communication, Employee Development, Corporate Social Responsibility

INTRODUCTION

There appears to be some level of disagreement about the concept of employee engagement. From its origin, proper definition, effect and even its existence – is employee engagement simply “old wine in new bottles” or is it a strategic tool that organizations can use for a sustainable competitive advantage?

An “engaged employee” is defined as one who is “fully involved in and enthusiastic about his or her work” (Seijts & Crim, 2006). In an increasingly competitive, global environment that is facing a possible talent shortage, this “engaged employee” may sound a little too good to be true. However, there is much evidence to suggest that he or she does in fact exist and can even be created through organizational and leadership efforts.

LINE OF SIGHT

Line of sight is defined as “an employee understanding the strategic objectives of an organization and how to contribute to those objectives” (Boswell & Boudreau, 2001). By being able to make the connection between the overall direction and goals of the organization to the individual employee, the employee is then able to see how their job, goals and career “fit”. Line of sight also gives employees a clearer understanding of what is expected of them and how their contributions impact the organization.

There is also a distinction to be made of an employee who clearly sees the links between the line of sight, his or her individual performance and the organization’s performance. Employees in this type of situation are more likely to take appropriate actions on the job without direction from a line-manager or authority figure because the employee understands how his or her actions affect business results. This level of autonomy and the employees’ ability to respond quickly to situations effectively and efficiently gives the organization greater ability to adapt to dynamic market conditions and therefore, a sustainable competitive advantage (Vogt, 2005).

When the line of sight is recognized and understood by the employee, the organization should also strive to highlight the link between the employees' values and the organizations’ mission. By doing so, the line of sight becomes

more personal to the employee, strengthening both his and her emotional commitment and employee engagement. For example, at Medtronic, the most important meeting every year is the holiday program, broadcast to 30,000 employees worldwide (Johnson, 2005). The event features the stories of patients who have benefited from the organizations' products. "Our people (employees) end up feeling personally involved in our company's mission to restore people to full life," says Paul Erdahl, VP of Medtronic's Executive Leadership and Development. "They can see the end result of their work. Many of them are profoundly moved by the patients' stories." By putting a human face on its mission, Medtronic has helped to achieve employee-retention rates above the industry average. Additionally, employee engagement items on employee surveys - "I have a clear understanding of Medtronic's mission" and "The work I do supports the Medtronic mission" - are astoundingly high. Granted, the organizations' mission and line of sight may be a little clearer to employees when lives are at stake, but it is an extraordinary accomplishment that has made other organizations take note.

But, organizations in any industry can find ways to help employees see how their daily work affects the organization and its customers. A classic example of the use of line of sight in the retail industry is the Sears Roebuck & Co. turnaround in 1992. "Total Performance Indicators" were created to gauge how well Sears was doing with its stakeholders – employees, customers and investors. The result – an employees' understanding of the connection between work – as operationalized by specific job-relevant behaviours – and the strategic objectives of the company had a positive impact on job performance. An interesting discovery in the Sears example was that employees' attitude towards the job and the organization were found to have the greatest impact on loyalty and customer service than all the other employee factors combined. And improvements in employee attitude led to improvements in job-relevant behaviour, therefore increasing overall customer satisfaction and the organizations' revenue growth.

Research shows that line of sight "varies by hierarchal level, tenure and number of positions held within the company" (Boswell & Boudreau, 2001). Therefore, organizations should evaluate all employees by level, tenure and position to determine which line of sight efforts would be most beneficial. Regardless, all employees should at the very minimum have some level of line of sight comprehension.

There is also some concern that employees who are not co-owners of the organization – via employee stock ownership programs – will be naturally less clear of the line of sight and less inclined to comprehend and embrace it. While this argument requires further research, an organizations' leadership must continue to be creative and persistent to link each and every employee and his or her actions to the overall impact (financial and non-financial) on the organization.

Overall, an employee who understands precisely how to contribute to the organizations' strategic goals and what his or her actual impact is on the final outcome will be of greater importance in terms of attachment to the organization, than simply an employee who understands the organizations' strategic goals (Boswell & Boudreau, 2001).

EMPLOYMENT BRAND

The employment brand as defined by Sartain and Schumann (2006) is "how a business builds and packages its identity from its origins and values, what it promises to deliver to emotionally connect employees so that they in turn deliver what the business promises to customers."

There is often some confusion about the difference between emotionally connected and committed and engaged employees. Engagement is more deep and dynamic than emotional connections and commitment, as it involves the active use of emotions, behaviours and cognitions (Saks, 2006).

The organizations' line of sight is the source of the "origins and values" required to build the employer brand.

An unclear organization vision will blur the line of sight causing the employer brand to be possibly not built or built and packaged incorrectly. Clarity of the line of sight is the responsibility of the organizations' leadership. Initial efforts on the employer brand must be done from inside the organization and should be tested internally before it is released externally.

The employer brand defines the company value proposition for its employees and (hopefully) enhances the organizations' reputation as an employer of choice in the marketplace. Touted as the first step to employee engagement (Farmery, 2006) an organization makes itself attractive to potential employees on the basis of its brand. Ideally, the organization should both attract and exactly offer what its target employee is seeking. Potential candidates can then self-select based on whether or not the organization presents an ideal fit. It is the fit between the employee, the organization and the brand that is imperative in creating and building employee engagement.

It is critical that an organization continually uphold the employer brand. In fact, "nothing can undermine a brand faster than when the day-to-day employee experience does not mirror how the employee remembers the brand promise" (Sartain & Schumann, 2006). Engaged employees can quickly become disengaged, potentially destroying the brand both internally and externally.

To the customer, the employment brand bridges the gap between the promise makers - the marketers and the promise keepers - the employees. Engaged employees fully understand, believe in and deliver the organizations' brand to its customers. This level of commitment is especially critical for organizations within the service industry, where the relationship between the employees and customers is essentially the product that the organization sells (Krell, 2005).

Building a successful employer brand requires many formal elements of marketing. Most notably, a specific internal marketing function is created. Insights are derived from employee research, segments of employees are created in order to improve the effectiveness of internal marketing efforts, and measures are used to evaluate internal marketing programs. All efforts not only work to create and build a successful employer brand, but also achieve employee engagement.

An engaged employee would be "living and breathing" the employer brand both inside and outside the organization.

Both the line of sight and employer brand are reinforced through leadership, communication, employee development and corporate & social responsibility to create and build employment engagement.

THE ROLE OF LEADERSHIP

Not unlike any other organization initiative, support for employee engagement must come from the very top and be highly visible to all employees. The leadership team is responsible for creating the organizations' mission, vision and values, but they must also uphold and disseminate these ideals throughout the organization, and many would also argue outside of the organization.

Great leaders are required for employee engagement (Seijts & Crim, 2006):

- Great leaders have a passion to lead and are themselves engaged - inspiring passion and commitment in others.
- Great leaders select for fit. While KSAs are important, a lack of fit stifles employee engagement.
- Great leaders help to connect employee goals and accomplishments to the organizations' goals by keeping the line of sight in focus.

- Great leaders promote accountability for themselves and their employees in reaching set goals. Accountability builds a level of trust and integrity essential to employee engagement.
- Great leaders make expectations clear by focusing on the what - quantitative goals, and on the how - behaviours and skills required to achieve the goals while living the organizations' values.
- Great leaders develop their talent. An effective leader ensures work for employees is challenging and meaningful – promoting employee engagement.
- Great leaders coach and provide recognition for both successes and failures.

Employee engagement is a direct reflection of how employees feel about their relationship with their line manager. The quality of the relationship is the most critical factor in determining whether or not the employee chooses to stay at or leave a job.

Leaders and line-managers face an extremely difficult task in determining how to effectively motivate, support and engage their employees. Employees are individuals - not all have the same sources of motivation nor can they all be influenced the same way. Factors that contribute to an employees' level of engagement can be specific and vary per individual. Once identified, these factors must then be encouraged and maintained at an individual, group and organizational level (Bernthal, 2004).

But through great leaders, employees can become engaged employees. And engaged employees can create a sustainable competitive advantage for the organization.

THE ROLE OF COMMUNICATION

A key driver in any successful organization, effective communication is essential to employee engagement. First and foremost, to establish the line of sight, an organization must communicate a clear vision to all levels of its employees (Seijts & Crim, 2006). Ideally this communication will come from the top of the organization. Further communications from the organizations' leaders that connect to the vision and strategic goals by incorporating the employer brand help to build and strengthen the foundation for employee engagement.

Employees will need to fully understand the vision before being able to personally identify with the organizations' goals and their role within the organization.

Continuous communication must be encouraged. Employees must be immediately informed of changes that affect the organizations' vision and strategy and how the changes relate to the employees' job and role within the organization. To support employee engagement, communication between leaders, line managers and employees must be an open two-way dialogue. Feedback on employee development and performance is critical.

Through positive and constructive feedback, employees are more likely to understand what is expected of them in helping to achieve both the organizations' and their own personal goals by displaying and engaging in the appropriate behaviours for success.

Unfortunately, it has been suggested that organizations are relying too much on technology as a substitute for communication from leaders (Watson Wyatt, 2006). It is not uncommon for employees to log onto their computers or telephones and be greeted with the organizations' "message of the day." Emails and voicemails scripted for leaders and line-managers are frequently distributed in mass. Not surprisingly, the employee – regardless of their level of engagement - may not give their full attention when receiving the message. At the very least, communications to

employees should be customized and segmented for each appropriate employee group in order to be effective - akin to marketers targeting specific audiences.

But not all hope is lost! Organizations are leveraging technology and employee insight for more effective communication methods. Traditional company reports and documents – financial statements, annual reports and newsletters - are being presented in “non-traditional” ways. Through technology, innovative delivery methods include interactive emails, webcasts and the Intranet. And employee suggestions have given birth to the use of “translated” reports and documents in easier to understand formats or “plain English”.

Communications should be more than just targeted and customized to the correct employee segment. It is critical that messages sent resonate with employees to build and support their engagement.

From the Engaging Brand blog (2007). Communications should resonate:

- **R** Is it **rational** - can the employee see the reason behind the message?
- **E** Does the message **explain** so that the employee can truly understand the message?
- **S** Does the message **suggest** that the employee has a role and is it inclusive?
- **O** Does the message **offer** a picture of what success will look like?
- **N** Does the message offer something **new** - information, strategy, facts?
- **A** Is the message **aspirational** – inspiring the employee to higher achievement?
- **T** Does the message **tempt** the employee by offering an answer to the "What's in it for me?" question?
- **E** Does the message appeal to the employees' **emotions** and can they **empathize** with it?

An engaged employee would be able to explain in his or her own words the strategic goals of the organization and would also feel comfortable in having open dialogue with his or her line-manager.

THE ROLE OF EMPLOYEE DEVELOPMENT

An essential component to achieving employee engagement is employee development (Robinson, Perryman & Hayday, 2004). Unlike traditional employee development plans riddled with minimal built-in accountability or measurement (Wellin & Concelman, 2005), an employee development plan designed for engagement aligns and monitors the employees' job and career goals to the organizations' strategic goals. The development plan is customized for each employee, co-designed by the employee and fully supported by the line-manager. Through the addition of accountability metrics, engaged employees recognize that their continuing value to the organization increasingly depends on achieving the goals of the plan. Subsequently, the organization secures the talent and skills necessary for operational excellence (Wellin & Concelman, 2005). The line of sight is constantly reinforced, rationalizing the employees' goals and actions. For example, the Wm. Wrigley Jr. Company's employee engagement group established the GOLD - Goals Outcomes Learning Development - program, which enables employees to actively participate in the ongoing appraisal of their own performance against corporate goals (Forum, 2006).

Interestingly, the link between employee engagement and employee development can be first established when the employee is presented with the job offer. By engaging in a dialogue about the attributes that drew the organization to selecting the employee, an immediate tie to the organization, its strategic goals and a clear understanding of how the

employees' KSAs can be used productively is established (Watson Wyatt, 2007). Not surprisingly, Watson Wyatt found significant differences between levels of employee engagement and financial performance between organizations that focus on the details of how they hire, orientate and integrate new employees and those that do not. Organizations that do not overlook hiring and orientation programs as prime opportunities to reinforce strategic goals, start the employee development process immediately and engage employees are at a competitive advantage (Watson Wyatt, 2007). Employees who are unsure of how they fit within the organization will experience feelings of limited opportunities for both professional and personal growth and a lack of decision making authority.

Closely tied to employee development is compensation. Employee engagement and the actual employee can be lost if goals and accomplishments are not rewarded and recognized appropriately by the organization. It has been well documented that money is not the only successful motivator nor will it necessarily engage or even keep an employee. Therefore, the organization must provide resources and benefits that are most desired by employees and are likely to create a sense of obligation that is returned with higher levels of engagement (Saks, 2006). By truly differentiating employee development and compensation with a mix of individualized; pay, benefits, career opportunities and job challenges – an organization moves to supporting and building the employees' unique development path and high level of engagement.

An engaged employee would be able to explain in his or her own words how their job and career development supports not only their own personal goals, but also the strategic goals of the organization. The outlook should extend far into the future and be seen by both the employee and the organization as a mutually beneficial relationship.

THE ROLE OF CORPORATE AND SOCIAL RESPONSIBILITY (CSR)

Corporate and Social Responsibility (CSR) denotes that organizations have an obligation to consider the interests of customers, employees, shareholders, communities and the environment in all aspects of its operations (Wikipedia, 2007). Essentially, all of these parties move from varying levels of importance to the organization to become legitimate stakeholders within it. In terms of strategic Human Resource Management practices, CSR may have been initially seen as a powerful tool for attracting potential employees. After all, CSR, (at its core), is a relationship engagement strategy (Googins, 2005). However, CSR initiatives that extend the line of sight and look beyond the organizations' bottom line have the potential to build and sustain the value of an organizations' brand and reputation with all of its stakeholders. The real impact of CSR on employees is through their hearts and minds - driving employee engagement through emotions.

CSR initiatives should be aligned with the organizations' strategy and brand. Close ties to organizational core competencies will result in a greater likelihood of success and buy-in from all stakeholders. And like any other initiative, it is imperative that support come from the top and be continually visible to employees at all levels in addition to the remaining stakeholders. Opportunities for employees to assist with CSR initiatives should be tied to individual development plans and performance management systems to strengthen the level of employee engagement.

Unfortunately, very few if any organizations can claim that CSR is owned by each and every one of its employees (Parsley, 2005) let alone each and every one of its stakeholders. However, Starbucks may be considered the front-runner. Once described as "the prototypical example of a company that understands the connection among engaged employees, satisfied customers and increased profits" (Oakley, 2004), Starbucks can now safely add CSR to the list. Not only does Starbucks demonstrate its strategic HRM policies and practices – including a high level of employee engagement - by continually appearing on Fortune's "100 Best Companies to Work For", but the organization was also recently honoured with the number 2 ranking on Fortune's "Most Admired Companies of 2006" for its fair trade practices and ecological

efforts. And Starbucks is able to earn both of these titles while still making investors happy. A \$1,000 investment in Starbucks when the company went public in 1992 would have been worth \$52,718.10 at year-end 2006 (Fortune, 2007).

As the global “war for talent” intensifies and organizations continue to strive for a sustainable competitive advantage, could CSR be the key to unlocking the full potential of both employee engagement and organizational performance?

CONCLUSIONS

It is less important to settle the debate over whether or not employment engagement is “old wine in new bottles” than it is to truly understand the key drivers that enable an organization to attract, develop and retain highly engaged employees to ensure a sustainable competitive advantage. Establishing a clear line of sight and building an employer brand around it from inside the organization while leveraging: leadership, communication, employee development and corporate & social responsibility may not be something entirely new to the world of strategic HRM, but it does appear to be a worthwhile investment.

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