

Employee engagement studies: are they becoming the tail that is wagging the corporate dog?



Are employee engagement studies capable of delivering all that is now being asked of them? And are there approaches that can deliver greater business value, asks **Libby Child**

COMPANIES, CORRECTLY SENSITIVE to the need for 'people management', are placing greater emphasis on employee engagement surveys, using the findings as a management barometer about the wider internal health of their company. But instead of asking: "Are you happy?", why are leaders not asking: "What is it really like to work here?"

I believe passionately in the value of a motivated, capable, aligned workforce. Having spent a decade specialising in the area of performance management, working with marketing and agency teams around the world, it is clear 'to win in the marketplace, you must first win in the workplace'.

'Company culture', that easy to feel yet hard to pin down spirit, can be more energising than amphetamines, but it can also be so toxic that teams operate at around half their capability.

From these experiences, I've come to the view that employee engagement surveys, while of some value, are short-changing both management and employees as they offer too narrow a perspective.

The Happiness Index, the Gallup Q12, *The Sunday Times* Best Companies To Work For survey – all owe much to the widespread acceptance of 'happy employees = better business performance'.

This simplistic conclusion is compounded by the PR machine around 'Best Companies'. Its resultant league table has become an external badge of honour and a recruiting tool. Inevitably, some businesses manipulate the results, with pre-selection of participants and a pep talk of 'be positive, please'.

With their focus on the individual, high EE scores are not necessarily an indication all is well. For example, a statement such as "I understand the company's values" could elicit a potentially misleading high-score response of "well, of course I do", which does not reflect the thought "shame nobody else does". The statement "There is a clear and consistent set of values that governs the way we do business" is a much tougher and more pertinent thing to consider.

Using only engagement surveys, companies are missing out on key management feedback from employees. They could find out what they actually experience and see happening in the workplace, day in day out. In short, what is their company's culture?

Organisational culture surveys do exist, but are yet to establish their place within management practice.

At Greengrass, we use the Organisation Culture Diagnostic developed by Denison. We chose this particular methodology, because:

- Results have been proven to correlate to bottom-line performance
- Running for more than 20 years, used by 5,000 companies globally, it has validated benchmarks,

against which each company's results are calibrated

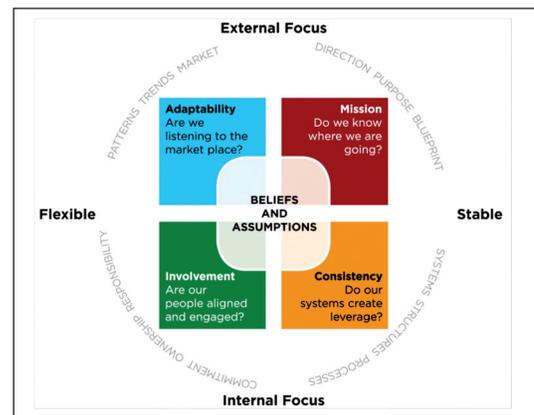
- Findings are visualised, easy to understand, and produced for each area of the business, allowing swift comparatives

- There are four proven drivers of high performance – mission; ways of working (consistency); employee involvement; adaptability (competitiveness), giving clear frameworks for company-wide improvement

- Modules can be added to review priorities, including diversity, health and safety, and innovation.

In a nutshell, this study makes sense of the slippery beast called 'organisational culture' and gives leadership teams an easy way to get a handle on their strengths and issues, and see what needs to improve.

As you can see from the diagram below, it places appropriate emphasis on employee involvement and empowerment, asking questions that determine "Are our people aligned and engaged?"



Our view is that organisational culture metrics should be a key element – the third internal pillar – of any company's balanced scorecard, covering:

1. Financial (profit, growth)
2. Market/external (market share, quality of product, customer/client retention)
3. Internal (staff satisfaction/retention, resource utilisation/efficiency).

As noted in *Harvard Business Review*, "senior executives tend to think about corporate culture as a topic that's hard to measure and hard to change. As a result, many choose not to invest in it despite all the evidence that culture can be a powerful source of competitive advantage."

Time to make a different choice?

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