

# Employee Engagement Research Report

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# EXECUTIVE SUMMARY

The success of any business is determined, mainly, by how its workforce performs. Therefore, an employee engagement strategy, that positively encourages the workforce to perform at its best, needs to be a prime consideration for every leader and manager. It has been proven that employee engagement is an exciting and dynamic business tool that can realize huge commercial benefits for any organisation.

Summarised below are The Olive Awards **employee engagement headlines** taken from the latest research:

## EMPLOYEE ENGAGEMENT

- Business leaders are critical to driving the employee engagement agenda in organisations.
- The importance of the psychological contract as a key part of employee engagement. The psychological contract is based on the perceptions of the mutual obligations that an employer and an employee have towards each other.
- Gallup identified that 54% of actively disengaged employees stated that work stress caused them to behave poorly with friends or family members
- The Government White Paper: *Engaging for Success* identifies four predominant factors that create barriers to successful employee engagement:
  - Too many chief executives and senior managers are unaware of employee engagement and are still to be convinced of its benefits.
  - Weak leadership, leading to poor management.
  - Some managers fear the challenges involved in truly communicating with their employees, giving them autonomy and enabling their involvement in the business.
  - Often those who are interested do not know how to create and implement an employee engagement strategy.

## CORPORATE VALUES

- When employees are fully engaged and understand the business mission and objectives, they will be in a position to provide true organisational and customer advocacy.
- Feeling listened to was the most important factor in determining how much respondents valued their organisation.

## LEADERSHIP AND MANAGEMENT

- Leaders often dismiss employee engagement as a soft management issue, rather than a bottom line advantage, despite evidence to the contrary.
- *Engaging for Success* identifies that “the joint and consequential failure of leadership and management is the main cause of poor employee engagement.”
- Leaders that embed a culture of employee engagement as a priority within their organisations will create managers that have the knowledge, skills and attitudes required to implement a reality of employee engagement for all employees.
- The style of leadership that is demonstrated at the top of an organisation influences the behaviour of managers and employees throughout the organisation.

## JOB

- The benefits of a values based approach to attraction and selection are evident with many successful companies. These organisations recruit on skill and attitude, aligning their attraction and selection strategies as key employee engagement issues.

## LEARNING AND DEVELOPMENT

- A key trend for organisations with high levels of employee engagement is their consultative approach to learning and development. Employees are asked what training they want to have and consequently, their key knowledge and transferable skills are improved.
- Organisations with high employee engagement are embedding a culture of coaching and mentoring at all levels of their management team.
- A framework of management competencies that reflect high performance working practices would be a useful starting point for employers.

## INTEGRITY

- Employees are demanding integrity in their working environment.

## THE EVOLUTION OF THE OLIVE AWARDS

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For the past four years, the Olive Awards has been leading the way on employee engagement in the wellness sector. It has been a fantastic journey that has identified some exceptional employers and has highlighted pockets of excellence where members of the industry are fully engaged. It has also become evident that there is often inconsistency of leadership and management amongst employers and a lack of understanding of the business benefits to be gained from employee engagement. Conversely, a similar lack of understanding is evident of the negative impact that disengaged employees are having on business performance.

Following a series of case studies, The Olive Awards is expanding to include fitness as a new industry sector for 2011. This exciting development is happening in conjunction with the Fitness Industry Association and leading organisations within the sector.

The Olive Awards now includes three industry sectors: **Spa, Beauty and Fitness**.

Entrance into The Olive Awards provides four key benefits for employers:

- A vehicle, by means of The Olive Awards survey, for employers to gain immediate feedback from their employees on their levels of engagement in a safe and confidential format.
- A management report from which to formulate an engagement strategy and a business action plan targeting specific business priorities.
- Access to bespoke management consultancy and accredited training to facilitate the achievement of business objectives.
- An industry wide awards process recognising people excellence, providing a benchmarking tool and public recognition of success.

The Olive Awards is continuing to reflect the latest research and is expanding its commitment to employee engagement to the next level. This year, The Olive Awards engagement survey is **completely free to enter**. The survey measures all key elements of business critical engagement that has an impact on overall employee engagement.

For more information on The Olive Awards Engagement Survey, see Appendix 1 to Employee Engagement 2011.

## AN UPDATE ON THE ENGAGEMENT SITUATION

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The Olive Awards is committed to excellence in employee engagement. 2011 sees an exciting change to the awards process and an increase in benefits for all of the companies that enter The Olive Awards. This coincides with the Government taking the matter of employee engagement more seriously. The Government aims to use employee engagement strategies to positively impact upon UK competitiveness and performance, in order to meet head on the current challenge of increased global competition. Extensive research was carried out for the recent Government White Paper: *Engaging for Success*, which informs much of this update. The Prime Minister has given his full backing to the Employee Engagement Task Force, which was launched in March 2011, with the aim of sharing and promoting good employee engagement practices across both the public and the private sectors. The taskforce will be collaborating with leading academics, think-tanks and practitioners. It will report back next year on the strategies it recommends organisations should adopt to promote best practice and learning. The Olive Awards will be tracking the progress of the Employee Engagement Task Force, and bringing to you any new concepts and recommendations that are presented.

Employee engagement remains a dynamic and increasingly business critical aspect of any organisation that wants to be competitive in today's market. What may once have been regarded as a nice to have extra is now an indisputable business enabler. It is relevant to all sectors of industry because employees are the resource that makes the difference in an increasingly competitive global workplace. The way people are led and managed and their resulting level of engagement has a real impact on business performance.

There are two key questions that employers need to ask themselves about employee engagement, if they wish to remain competitive:

- Am I valuing my employees?
- Can I afford for my business to be disengaged, on any level, particularly in the current economic climate?

The Government White Paper: *Engaging for Success*, reinforced that a business that values its employees will have employees that value the business. It confirmed that when employees are fully engaged and understand the business mission and objectives they will be in a position to provide true organisational and customer advocacy. Engaged employees are the ultimate ambassadors for their employers when interacting with both suppliers and customers.

Effective leadership remains the critical element of employee engagement. There is a definitive difference between leading and managing, and employees need both, but often lack true leadership. Many employers concentrate their efforts on management issues rather than the important tenants of leadership. Management issues are often urgent, needing prompt attention, and involve the day-to-day aspects of how any organisation functions. Leaders in organisations need to be focused on strategic goals, planning and communicating clear direction and purpose.

The bottom line remains the same: Government commissioned research proves that maintaining high levels of engagement matters because employee engagement directly correlates with performance. Even more significantly, increased levels of engagement directly correlate with increased levels of business performance. Furthermore, Gallup has also shown that higher levels of engagement are strongly related to increased levels of business innovation and commercial performance. How engaged an employee feels will directly impact on their motivation, effort and ability to be innovative.

## THE IMPORTANCE OF THE PSYCHOLOGICAL CONTRACT

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Employee engagement is a two way process requiring contribution and commitment from employers and employees. Feedback received by The Olive Awards is supported by recent research carried out by the Chartered Institute of Personnel and Development (CIPD) that consistently demonstrates the importance of the psychological contract as a key part of employee engagement.

The psychological contract is based on the perceptions of the mutual obligations that an employer and an employee have towards each other. These obligations are often informal and imprecise, possibly based on current or past actions, as well as statements made by the employer. All communication by the employer, whether direct or indirect, can form a part of the contract: during the recruitment and selection process, HR policies, appraisals, briefings and updates. The elements of the contract are obligations between the employer and the employee that may be seen as promises or expectations. Most importantly, they are believed by the employee to be part of the relationship with the employer.

The psychological contract is the reality of the employment contract and effectively tells employees what they are required to do in order to meet their side of the bargain and what they can expect from their job.

Listed below are examples of the different elements that may contribute to the psychological contract for employers and employees. This will be different for every employer/employee relationship.

EMPLOYEES PROMISE TO:	EMPLOYERS PROMISE TO PROVIDE:
Work hard	Pay commensurate with performance
Uphold company reputation	Opportunities for training and development
Maintain high levels of attendance and punctuality	Opportunities for promotion
Show loyalty to the organisation	Recognition for innovation or new idea
Work extra hours when required	Feedback on performance
Develop new skills and update old ones	Interesting tasks
Be flexible, for example by taking on a colleague's work	An attractive benefits package
Be courteous to clients and colleagues	Respectful treatment
Be honest	Reasonable job security
Come up with new ideas	A pleasant and safe working environment

The Olive Awards survey information has shown that employers that are unaware of employee engagement or its benefits are usually unaware of the importance of the psychological contract. The psychological contract emphasises that employment is a relationship based on mutual trust. When the contract is broken, there is a betrayal of trust between employer and employee. This usually has a negative impact on the employee causing a decline in job satisfaction, commitment and overall engagement. Managers need to remember that it is a managers' job to take responsibility for maintaining employment relationships. Preventing a breach of the contract in the first place is better than trying to repair the damage afterwards, but where a breach cannot be avoided it is better to acknowledge this and spend time renegotiating the deal and rebuilding a relationship of trust between the employer and employee.

The price of failing to fulfill or manage the expectations of the psychological contract might be to seriously damage the employer/employee relationship and consequently the performance of the business. The eight categories within The Olive Awards survey encompass the key business areas that can be affected by the success or failure of the psychological contract.

### THE BARRIERS TO EMPLOYEE ENGAGEMENT

What are the main things that are preventing employers from maximizing employee engagement to the advantage of their businesses? Reflecting data captured by The Olive Awards, the Government White Paper: *Engaging for Success* identifies four predominant factors that create barriers to successful employee engagement:

- Too many chief executives and senior managers are unaware of employee engagement and are still to be convinced of its benefits.
- Weak leadership, leading to poor management.

- Some managers fear the challenges involved in truly communicating with their employees, giving them autonomy and enabling their involvement in the business.
- Often those who are interested do not know how to create and implement an employee engagement strategy.

These barriers to employee engagement are summarised below.

#### Lack of Awareness of the Benefits of Employee Engagement

Despite the current Government support and the array of research and case studies proving the business benefits of employee engagement, some leaders and boards remain unconvinced. Some are put off by the evidence that it may take time for all of the benefits of investing in engagement approaches to show through in performance. Others dismiss employee engagement as a soft management issue, rather than a bottom line advantage, despite evidence to the contrary. This lack of awareness, or refusal to make employee engagement issues a priority, by individuals in senior posts, is a really limiting factor for some organisations and often results in disengaged employees. Some companies know far more about their suppliers and customers than they do about their employees. Possibly, one of the best ways of increasing employee engagement levels is to ensure that more leaders and managers understand the full significance of the concept and what it can deliver. Leaders need to truly understand the business case for employee engagement, to be able to do it. Employee engagement does not necessarily involve a huge outlay of time or money, and there are experts available to explain the concepts, benefits and support the implementation.

#### Weak Leadership and Poor Management

Strong leadership is required by all organisations to provide vision and direction. *Engaging for Success* identifies that "the joint and consequential failure of leadership and management is the main cause of

poor employee engagement.” Weak leadership leads to poor management practice, where line managers fail to engage their staff. Poor management practices in dealing with people lie behind many of the factors of disengagement. Exit interviews with staff that are leaving an organisation often demonstrate the fact that, people join organisations – but they leave due to weak leadership and poor management.

Leaders that embed a culture of employee engagement as a priority within their organisations will create managers that have the knowledge, skills and attitudes required to implement a reality of employee engagement for all employees. Managers can be trained in effective management knowledge and skills. Attitude is more complex area, being inextricably linked to the overall leadership and culture of an organisation.

Due to the importance of leadership and management for successful employee engagement, both leadership and management are separate category headings within The Olive Awards survey.

### **Ineffective Communication**

There is rarely a case of an employer communicating too often with their employees! However, communication is often inconsistent, one-way and erratic, which acts as a disengagement factor. If communication is driven by an overarching communication strategy that defines exactly how and when information is to be communicated, at every level of an organisation, employees will be more confident that they are valued as individuals. Managers that have the confidence to give employees a level of autonomy and the opportunity to be involved in the decision making process will create more engaged employees, whom feel that they are valued for their contribution.

### **Failure to Take Action**

There have been examples where employers have engaged in The Olive Awards survey and have been disappointed to see no increase in their employee engagement. For improvements to occur, employers need to take action on the results provided from an employee engagement survey. The construction of an engagement strategy, addressing all the key problem areas highlighted by the survey, and an engagement action plan will ensure a good start to improving employee engagement. Case studies prove, that to maximize success, employers should carry out these actions in a collaborative manner, consulting with employees on the process and seeking feedback. If employees are engaged in the formulation of any change initiative, whatever it may be, they are more likely to actively supportive its implementation within the workplace. To ensure the highest chance of success and an increase in employee engagement, changes to embed engagement initiatives within an organisation need to be carefully planned, implemented and managed, just like any other cultural or management change programme.

## **EMPLOYEE ENGAGEMENT TRENDS**

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Successful employee engagement involves all elements of an organisation being strongly led and a positive organisational culture. Much of previous employee engagement work has been directed solely at ‘traditional’ employee issues. The current research indicates that effective employee engagement requires a foundation of brand, culture and leadership engagement. Successful employee engagement requires a whole business approach, because areas that are left untended may sabotage even the most positive parts of an organisation.

There is a heightened awareness of the commercial success that can be realized by successful employee engagement. This has been demonstrated by the current raft of academic research studies, new books, media coverage and Government interest in employee engagement.

Listed below are the new categories for The Olive Awards survey and an update on the headline trends observed in organisations with high levels of employee engagement.

### **Category 1 - Job**

Questions in The Olive Awards survey for the Job category cover:

- Attraction and selection strategy
- Job descriptions/competencies
- Induction process
- Employees ability
- Confidence to carry out the role
- Reward, incentives and recognition

Employers want to be thought of as an employer of choice and investing in employee engagement will help make this a reality. If people genuinely choose to work for an employer, that organisation will find it easier to attract and retain talent, will experience low levels of sickness and absence, and will benefit from high levels of discretionary effort and performance. So, how do employers become an employer of choice?

### **Attraction and Selection Strategy / Recruitment Process**

There is a trend showing that organisations that excel at employee engagement have robust and sophisticated attraction and selection strategies. This includes a comprehensive and consistent approach to all aspects of recruitment, with all involved personnel being trained in the process. However, in recent research carried out by Hawkins Muiderman (2011), with a range of employers within the global wellness industry, 74% of respondents said they are struggling to attract the right calibre of staff for appointments. Despite the current economic climate, employers in wellness are still finding it challenging to attract the staff that they want and need for their organisations.

In addition to a having a clear organisational process for attraction and selection, best practice organisations are demonstrating a growing trend for using desired values and behaviours as an attraction and screening mechanism. The benefits of a values based approach to attraction and selection are evident with many successful companies. These organisations recruit on skill and attitude, aligning their attraction and selection strategies as key employee engagement issues. These organisations believe that employees need to be attracted and genuinely buy-in to the company culture and ethos at all levels. Some organisations develop a profile of their best performers and use these characteristics as a template to recruit against. This model also enables organisations to use psychometric profiling and assessment centre techniques to ensure that they are attracting and hiring the right people to fit with their corporate values.

Previous winners of The Olive Awards have demonstrated the success of using behavioural-based interview questions in conjunction with a competency based framework. The traditional method of interviewing to a clear framework of competencies enables organisations to ask questions that test whether the candidate has the appropriate

knowledge and skills. Additional behavioural based questions, asking for specific examples of situations that require the person to demonstrate a specific behaviour or values based approach, will test for an attitude that best matches the company values, culture and ethos.

### Induction Process

It is important that all new employees are given a thorough induction to their new workplace. This is a great opportunity to inform employees of the vision and goals of an organisation and reinforce the organisational values, culture and ethos. Some organisations treat the induction process as unimportant or unnecessary. It is sometimes not carried out until months after a new employee starts work, or not at all. As it is the first 100 days of employment that makes or breaks people's perception of an organisation, this approach will, in all likelihood, not build positive employee engagement.

A robust attraction and selection strategy that is linked to corporate values will enhance employee engagement and contribute to making organisations employers of choice. An induction process that reinforces the message is vital in ensuring that new employees understand that the corporate values, culture and ethos underpin how everything works within that organisation.

### Category 2 - Personal Growth and Development

Questions in The Olive Awards survey for the **Personal Growth and Development** category cover:

- Personal development
- Core training
- Career development
- Coaching and mentoring

A key trend for organisations with high levels of employee engagement is their consultative approach to learning and development. Employees are asked what training they want to have and consequently, their key knowledge and transferable skills are improved. These organisations also tend to invest in a considerable amount of training for all employees to develop the knowledge, skills and attitudes of their staff.

Line managers are key to the successful implementation of a learning and development culture within an organisation. They need to work together with their staff to identify the learning and development requirements and the range of possible options for achieving them. Development interventions that are tailored to the needs and the learning styles of individual team members will enhance employee engagement and team cohesion.

Organisations with high employee engagement are embedding a culture of coaching and mentoring at all levels of their management team. Coaching and mentoring are specific skill sets that enhance individual performance, team cohesion and business output. An organisation that uses coaching and mentoring as a method of developing their staff will embed confidence in their employees and develop high performance. This approach will also encourage a "can do" attitude that is a typical characteristic of high levels of employee engagement.

### Category 3 – Leadership

Questions in The Olive Awards survey for the **Leadership** category cover:

- The vision and strategy for the business
- Corporate values

- Values based leadership
- Organisational culture

*Engaging for Success* concludes that business leaders are critical to driving the employee engagement agenda in organisations. An important part of employee engagement is how employees feel about the head of a company and their senior managers – the degree to which employees trust their leaders and believe they are accessible.

Employees require a strong strategic narrative to create a collective ownership and commitment from managers and employees at all levels. The style of leadership that is demonstrated at the top of an organisation influences the behaviour of managers and employees throughout the organisation. If a CEO's leadership style is controlling and closed, the probability is that the organisational culture will not be empowering or encourage innovation to thrive. In this environment employees are unlikely to connect to the organisation emotionally. Leadership is the driver of the organisation's vision, strategy and values, which will influence policies and processes, as well as management behaviour, communication and teamwork.

Employee engagement only develops with top-down commitment and buy-in, driving constant follow-through from senior managers. One of the starting points for engagement is to ensure that the senior management team believe in the importance of engagement and actively role model the behaviours that promote engagement. Employees watch and read what managers say and do, and management behaviour has a huge impact on employees confidence that an organisation is committed to employee engagement.

Leaders are responsible for building and driving employee engagement by communicating a clear vision for the future and building trust at all levels of the organisation. They need to demonstrate their commitment by living the espoused values, cementing an organisational culture that reflects the values and demanding this approach from all. Leadership is sometimes regarded as an innate skill, but all senior leaders benefit from training on the different aspects of their role and the strengths of different leadership styles.

### Category 4 – Well-being

Questions in The Olive Awards survey for the **Well-being** category cover:

- Health and safety procedures
- Working conditions
- Work-life balance
- Physical health
- Emotional and psychological health

Overall well-being is becoming an increasingly important factor within employee engagement because as our working lives extend, people will want and demand a greater sense of well-being at work. Well-being within employee engagement is a combination of how a company is perceived externally and how employees are treated internally. Internally, this covers a range of different areas: health and safety, working conditions, work-life balance, physical health, and emotional and psychological health.

Gallup identified that 54% of actively disengaged employees stated that work stress caused them to behave poorly with friends or family members, against 17% of engaged employees. Additionally, this same group said their work lives were having a negative effect on their physical

health. This research shows that employee's experience at work inevitably does have an impact on their mental and physical health.

Relations between line managers and employees are a critical aspect of employee well being. The saying "bad hair day" has come into everyday language over the last few years. Many people regularly, and sometimes permanently, experience "bad boss days". Employees that work in an environment with poor, dysfunctional or autocratic management often suffer from low morale which has a decided effect on their motivation and overall well being.

Job design and structure affect how an employee feels about their employer. If a job is boring or repetitive and lacks challenge, or if an employee has insufficient resources to do their job, it is unlikely to provide fulfilment or contribute to an employee's well-being. Family-friendly policies and the degree to which an organisation promotes a work-life balance also promote employee engagement. Other policies such as those promoting equality and diversity, enforcing legal requirements and maintaining attractive working conditions are also an important factor in employee well-being and overall employee engagement.

When well-being at work is poor, organisations suffer from low levels of employee engagement. Strategies that ensure employees are engaged in meaningful work that provides positive emotional experiences, will maximise employee physical, emotional and psychological well being.

#### Category 5 – Communication and Involvement

Questions in The Olive Awards survey for the **Communication and Involvement** category cover:

- Information flow
- Listening
- Team cohesion

Employers have long been aware that effective communication with their employees is important and drives employee engagement. However, traditional one-way communication strategies alone are proving to be insufficient, however comprehensive they may be at using different mediums. The Government White Paper: *Engaging for Success* has identified that "giving employees a voice" is a key engagement enabler. The concept of voice means increasing traditional communication strategies to include a variety of ways in which employees views and opinions are sought, appreciated and used to shape the business at all levels. Voice is about embedding an approach where employers consistently listen and act upon employee ideas and feedback. Case studies have suggested that it is a combination of direct and indirect forms of voice that has the most impact on employee attitudes. Manchester Business School, in research for the CIPD, confirms that voice has a positive impact on performance.

Employees at all levels want to know what is going on in the company that they work for. They are interested in the business objectives that are driving the company forward. However, employees want to be consulted and involved, not just on the receiving end of process. If employers inform their employees, they will be aware, but if employers consult with their employees they will become engaged. If employers take communication strategies to the next level, involving and empowering their staff, they will reap the rewards of a truly committed workforce. Data from the 'Sunday Times Top 100 Companies to Work For' found that feeling listened to was the most important factor in determining how much respondents valued their organisation. Being heard reinforces a sense of belonging within an organisation and a belief that one's actions can have an impact.

Employees want to have an effective and empowered voice. They want their views to be sought out, to be listened to and to see that their opinions are valued and make a difference. Employee voice, in the form of two way dialogue, between management and employees, is an essential element of any employee engagement strategy.

#### Category 6 – Manager

Questions in The Olive Awards survey for the **Manager** category cover:

- Proactive management
- HR policies and practices
- Attitude
- Ethics

*Engaging for Success* concludes that managers and leaders, are the most important part of successful employee engagement. The role of an engaging manager is at the heart of a successful organisational culture and has a huge effect on levels of employee engagement. An engaging manager facilitates and empowers rather than controls or restricts their staff. They treat their staff with appreciation and respect, and show commitment to developing, increasing and rewarding the capabilities of those that they manage. Emotional intelligence plays a strong part in an engaging attitude and management style.

Ethics, interpersonal style and integrity are essential elements of a management approach which employees trust and believe in and creates employee engagement. A manager needs to take individual interest, demonstrate genuine concern and care for their employees, and be available, when needed. A manager's personal manner and ethics, particularly around confidentiality and fair treatment will be keenly observed by all staff. Employees that observe incongruence in management behaviour will doubt the integrity of their line manager and the organisation. It is critical that managers "walk the walk" that reflects the "talk".

Organisations with high levels of employee engagement have reaped success from managers that use high performance working practices that include employee involvement and sophisticated HR practices. Research carried out by the CIPD has suggested that a framework of management competencies that reflect high performance working practices would be a useful starting point for employers. A summary of the CIPD management competencies that support employee engagement are listed below:

- Support employee growth
  - Autonomy and empowerment
  - Development
  - Feedback, praise and recognition
- Interpersonal style and integrity
  - Individual interest
  - Availability
  - Personal manner
  - Ethics
- Monitoring direction
  - Reviewing and guiding
  - Clarifying expectations
  - Managing time and resources
  - Following processes and procedures

Few managers are aware of the impact that they have on employee engagement and the key actions that research indicates they can take to

increase the engagement of their employees. The training and development of managers is crucial to the success of any employee engagement strategy.

### Category 7 – Happiness and Motivation

Questions in The Olive Awards survey for the **Happiness and Motivation** category cover:

- Meaningfulness
- Psychological contract
- Emotional intelligence
- Hearts and minds
- Organisational and customer advocacy

The Chartered Management Institute (CMI) has reported a strong association between motivation and personal productivity levels. More than two thirds of managers who reported they were motivated at work also claimed high productivity levels. Gallup research identified that 86% of engaged employees stated they very often feel happy at work, as against 11% of the disengaged. Additionally, 45% of engaged employees also said they get a great deal of their life happiness from work.

Research, over a number of years, has measured employee engagement on the emotional connection that people have with their organisation. This connection can be looked at in three dimensions: how an employee thinks about their job, their rationality on their role and responsibilities; how they feel, their level of passion and positive energy they bring to their work; and how they act, their behaviour and motivation to 'go the extra mile'. How an employee feels and thinks will have a direct correlation to their motivation and how they behave.

Motivation is directly related to energy levels and output. High levels of energy in a disengaged workplace can negatively result in burnout caused by exhaustion, cynicism and ineffectiveness. In contrast, in an engaged environment, employees will be vigorous, investing effort into their work; dedicated, experiencing a sense of pride and enthusiasm about their work; and absorbed, being fully concentrated and engrossed in their work. The long term results of employee motivation and energy are opposite sides of a coin, depending upon the input, the environment and how they are cultivated.

A successful employee engagement strategy that supports business objectives and is communicated well can create and sustain high levels of happiness and motivation. It will engender a feeling of worth and a sense of purpose that will start to influence employees' hearts and minds. When people feel valued for who they are and the contribution they make, there will be a dynamic effect on their happiness and motivation to get up every morning and come to work, with the knowledge that they are part of something and making a difference.

### Category 8 – Integrity

Questions in The Olive Awards survey for the **Integrity** category cover:

- Culture and climate
- Corporate and social responsibility
- Honesty and fairness

Integrity has become a key concept within employee engagement, because, despite a society that claims traditional values and standards are falling, employees are demanding a working environment that has integrity. The importance of mutual trust has already been described as

an underpinning concept within the psychological contract. Most organisations have espoused values and all have behavioural norms. Where there is a gap between the two, the size of the gap is reflected in the degree of distrust within the organisation. If the gap is closed, high levels of mutual trust usually result.

Examples of the sort of gaps between espoused values and what actually happens in practice might include a company claiming to be passionate about the environment, whilst failing to provide staff with recycling bins. Another example might be a company that has a sign on display stating that 'employees are our most important asset', whilst tolerating a culture of endemic bullying, or failing to provide basics to support good working conditions like air cooling, heating and adequate office furniture.

For an employee to believe in the integrity of an organisation there must be strong and authentic values, backed up with clear evidence. To build mutual trust and respect, there needs to be two way promises and commitments – between employers and staff – which are both understood and fulfilled. If an employee sees the stated values of an organisation being lived by the leadership, management and colleagues, a belief in the integrity of the organisation is more likely to prevail and this is a powerful enabler of employee engagement.

### THE FUTURE LOOKS GOOD!

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The UK is in the midst of an economic recession. Possibly the private sector has weathered the worst and the public sector will be suffering for the next couple of years. However, despite the recession and other dramatic world events, the future is looking positive in the spa, wellness and fitness industries. People have been reminded of their own mortality and want to invest in themselves and their loved ones.

The tough economic climate has produced more flexible relationships between employers and employees, both wanting the best possible outcome. Engaged organisations, releasing the talents, creativity and innovation that resides in their workforce, will be leading the future. Employees remain at the heart of organisations and how they are treated and subsequently feel will have a direct impact on business outcomes. Miles Templeman, the Director General of the Institute of Directors stated, "Everyone has access to the same information, so making the most of human capital is fundamental." Now, and in the future, it is important for organisations to invest time and effort in a whole business employee engagement strategy that maximises their full commercial potential.

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## APPENDIX 1 TO EMPLOYEE ENGAGEMENT 2011

### THE OLIVE AWARDS ENGAGEMENT SURVEY 2011

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#### The Process

The survey is based on a sophisticated questionnaire which has been developed to measure employee engagement using extensive research gained from The Olive Awards itself, academic publications, other engagement experts and business case studies. The questions are focused on the areas which research shows are most important to maintaining high levels of employee engagement.

The survey consists of 100 statements to which employees are asked to respond, using the 7-point Likert scale, indicating the degree to which they agree or disagree. The questions are presented in a simple and easy to follow format, requiring the employee to select their choice response from a pre-set scale. It takes approximately 15 minutes to complete. The questionnaire is completely confidential and individual responses are not shared with the company.

The survey focuses on 8 categories, which have been revised for 2011:

- Job
- Personal growth and development
- Leadership
- Well being
- Communication and involvement
- Manager
- Happiness and motivation
- Integrity

Results from The Olive Awards are based solely on the scores from the on-line employee survey which are collated to determine the overall percentage of employee engagement within a company.

#### The Olive Awards Management Report

On completion of the survey, each company receives a comprehensive management report that summarizes the collective responses on the 100 statements by each of their employees. The report will be highlighted by a "traffic light", (red, amber and green) colour coded system, drawing attention to zones where employee responses have demonstrated positive engagement and areas of concerns. Levels of overall employee engagement will be shown as a percentage, plus a breakdown of scores by category, subcategory and each individual question, enabling each company to formulate an engagement strategy and a business action plan targeting specific business objectives.

#### The Results

To calculate the results for The Olive Awards, each response is given a score which reflects the engagement level in relation to a statement. A mean average of the total scores is then taken to derive the final results for each sector and an overall winner.

**Enter The Olive Awards now at:**  
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