

The Four Secrets to Employee Engagement

Written by Rob Markey for the Harvard Business Review (January, 2014)



Direct supervisors who set their teams up for success, observe them in action, ask for feedback, identify the root causes of employee concerns, and then follow through with meaningful improvements have happier, more engaged employees.

Why, then, do senior executives who tout the value of employee engagement so often delegate it to the HR department? HR serves an important function, but not even the best HR staff is in a position to take the actions required to affect the attitudes of individual employees or teams.

And employee engagement remains a challenge for companies worldwide. Recently, Bain & Company, in conjunction with Netsurvey, analyzed responses from 200,000 employees across 40 companies in 60 countries and found several troubling trends:

- Engagement scores decline with employee tenure, meaning that employees with the deepest knowledge of the company typically are the least engaged.
- Engagement scores decline as you go down the org chart, so highly engaged senior executives are likely to underestimate the discontent on the front lines.
- Engagement levels are lowest among sales and service employees, who have the most interactions with customers.

Yet some companies manage to buck these trends. IT-hosting company Rackspace, for instance, has a mantra of “fanatical” customer support. Energized, motivated “Rackers” put in the discretionary effort that creates a superior experience for customers. In turn, customers reward Rackspace with intense loyalty, contributing to the company’s 25% compound annual revenue growth and 48% profit growth since 2008.

Rackspace and other leading companies invest heavily in creating a culture of employee engagement. But what are their secrets?

Line supervisors, not HR, lead the charge. It’s difficult for employees to be truly engaged if they don’t like or trust their bosses. Netsurvey’s data shows that 87% of employee “promoters” of their companies also give their direct supervisors high ratings.

That’s why it’s critical for supervisors to treat team engagement as a high priority — and why their bosses, the senior executives, can’t merely prescribe rote solutions. Instead, senior leaders give supervisors the responsibility and authority to earn the enthusiasm, energy, and creativity that signal deep employee engagement.

Supervisors learn how to hold candid dialogues with teams. Not every supervisor is a natural at engaging employees, so leading companies provide training and coaching on how to encourage constructive discussions with team members. Trainers prepare them to handle sensitive topics like requests for better pay or worries about outsourcing. The training also stresses the importance of taking the right actions quickly and then telling employees how their input contributed to the improvements.

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They also do regular “pulse checks.” Short, frequent, and anonymous online surveys (as opposed to a long annual survey) give supervisors a better understanding of team dynamics and a sense of how the team believes customers’ experiences can be improved. What matters most, however, is not the metrics but the resulting dialogue. At AT&T, executives don’t distribute survey scores to line supervisors or their bosses; instead, they show only trends and verbatim feedback. This signals that discussing and addressing the root causes of issues — and seeing steady progress — matter more than any absolute score.

Teams rally ‘round the customer. Call center representatives, sales specialists, field technicians, and others on the front line know intimately which aspects of the business annoy or delight customers. The companies that regularly earn high employee engagement tap that knowledge by asking employees how the company can earn more of their customers’ business and build the ranks of customer promoters. And they don’t just ask; they also listen hard to the answers, take action, and let their employees know about it.

For example, AT&T has built a digital infrastructure enabling all employee suggestions to be logged online. A small, dedicated team regularly reads and triages the suggestions, sending each promising one to a designated leader or expert who is obligated to consider it and respond. Employees can see the progress of each suggestion and log comments. Other companies have developed systems that enable employees to “vote up” or “vote down” the ideas suggested by others, with the best ones getting the attention of the leadership team.

Most companies today spend tremendous amounts of time and effort measuring and addressing issues related to employee engagement. But the results are generally underwhelming. To get a higher return on these resources, it’s time for executives to turn their current approach upside down. Open up the dialogue between employees and their supervisors. Put teams in charge, and let the center provide support. That’s what it takes to help your employees get so fired up that they approach their jobs with energy, enthusiasm, and creativity.

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