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# **THE ROLE OF EMPLOYEE ENGAGEMENT AND COMMUNICATION IN GAINING COMPETITIVE ADVANTAGE**

Simon Richard West

A dissertation submitted in partial fulfilment of the requirements of the  
University of Chester for the degree of Master of Business Administration



## Acknowledgements

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I would like to thank my mother, Sandra West, who was always so proud of my achievements, and whilst her timely passing came before I undertook my Masters course, there has been a strong drive from myself to complete this programme in order to continue to make her proud of me.

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Finally, I would like to of course thank my dear wife, Anne, who has supported and encouraged me throughout this journey more than I could ever acknowledge, and without whom all of this would not have been possible, and to salute the three boys in my life: Michael, Alex and Toby whom I am all very proud of.

# Abstract

There are many challenges facing today's modern organisations, not least of which is to keep the employee workforce motivated and performing in the way in which the organisation requires in order to attain and sustain competitive advantage, and to satisfy stakeholder expectation.

This can be understood as leveraging employee engagement in the organisational workplace.

This dissertation reported on a real live and current organisational issue within the Authors most recent employer<sup>1</sup> - Organisation X<sup>2</sup>, a large UK Plc and a member of the FTSE 250 with c£10bn turnover, and c2300 retail locations; many of them prime High Street.

The dissertation debated the impact of employee engagement, what it is, how it links to competitive advantage, the tools and behaviours of employee engagement and the merit to Organisation X of having an engaged workforce in their retail estate, (through which 85% of their profitability is delivered). The paper crucially offers recommendations on what Organisation X can do to progress their employee engagement. Concluding with a critical synthesis of whether Organisation X is following the correct route to leverage their internal resource – the employees, and thus provide maximum value to their stakeholders.

The outcomes from this research greatly assisted the Author in developing and communicating his own employee engagement strategy within his area of responsibility thus impacting positively on his domain business and trading performance. These outcomes yielded an opportunity to be adopted in the peer areas of Organisation X's

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<sup>1</sup> The Author left Organisation X on 26/3/08 to complete this dissertation.

<sup>2</sup> The Author has been asked to use any reference to the subject organisation within the dissertation as 'Organisation X', in order to maintain anonymity, and preserve any sensitive commercial intelligence regarding strategy and direction.

retail network thus building a firm platform for competitive advantage, which in turn drives performance ahead of the sector market, and delivers growth in shareholder value.

A robust research methodology is provided, discussing aspects of research philosophy (epistemology; ontology), research methodology (qualitative; phenomenalist and inductive approach), research methods (two-way feedback questionnaire and focus groups) and ethical considerations. A literature review of the main content and process theories of employee engagement is set out and discussed.

This proposal would be useful for anyone interested in organisational employee engagement, (specifically aligned to the case organisation), how it links to competitive advantage and to those who want to know how to write a coherent dissertation with a strong methodology and literature review.

*Key words: employee engagement; competitive advantage; business goal; communication; leveraging internal resources; embedding organisational strategy.*

# Declaration

This work is original and has not been submitted previously for any academic purpose.  
All secondary sources are acknowledged.

Signed. \_\_\_\_\_

Date: \_\_\_\_\_

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# 1.0 Introduction

## 1.1 Background to the research

The Author reported on a real live and current organisational issue within his most recent employer<sup>3</sup> - Organisation X, a large UK Plc and a member of the FTSE 250 with c£10bn turnover, and c2300 retail locations; many of them prime High Street.

The Author was asked to use any reference to the subject organisation within the dissertation as 'Organisation X', in order to maintain anonymity, and to preserve any sensitive commercial intelligence regarding strategy and direction. This clearly linked into a key strand of the dissertation regarding competitive advantage.

Organisation X were the leading player in all key financial metrics within their business sector, which is firmly entrenched in the UK leisure sector and generated multi £bn revenue, with Organisation X being one of the most recognisable and sustainable brand names. Organisation X are currently pursuing a recent and rapid expansion into Western Europe following government deregulation resulting in new entrants to market, and new market propositions being considered on a tender basis.

This dissertation conducted specific research relevant to the Authors area of organisational responsibility, being a member of the executive line management population, with full operational and fiscal responsibility for a large area of retail locations, and the line management of approximately 600 personnel, including five field Managers. Brown (2006) asserted that dissertation topics should be based in the real world of your study fields.

Organisation X has adopted a clearly defined 'Business Goal<sup>4</sup>', being: -

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<sup>3</sup> The Author left Organisation X on 26/3/08 to complete this dissertation.

<sup>4</sup> See appendix 9 for specific detail.

*'To get more customers to spend more money, more often with Organisation X, than with our competitors.'*

This has been embraced across all areas of the organisation and was backed up by a comprehensive customer service initiative, called 'CBS – Competition Beating Service', centred on three key service elements: Friendly service; Great in shop experience and Famous expertise.

As Campbell (1989) stated, the mission (or goal) is an issue which involves both the culture (heart) and the strategy (minds) of the organisation, requiring commitment and enthusiasm among employees.

Strong (1997) quoted the work of Greenley and Foxall (1996) which illustrated that stakeholder orientation is of growing importance to organisational competitive advantage. Their survey found that internal stakeholders – employees, have as much of a dominant presence as components of current organisational goals as shareholders and external stakeholders, (customers and suppliers) do.

There are many challenges facing today's modern organisations, not least of which is keeping the workforce motivated and performing in the way in which the organisation requires in order to attain and sustain competitive advantage.

Kotter (1999) summarised this by saying: *'motivation and inspiration energise people, not by pushing them in the right direction as control mechanisms do, but by satisfying basic human needs for achievement, a sense of belonging, recognition, self-esteem, a feeling of control over one's life and the ability to live up to ones ideals. Such feelings touch us deeply and elicit a powerful response'*.

This can be summarised as leveraging employee engagement in the organisational workplace.

While no definitive consensus as to a formal definition of the term employee engagement appears in research literature (Finn & Rock, 1997), some of the definitions in academic thinking are sought to be understood within the literature review, and the

understanding of the impact an effective employee engagement strategy has on competitive advantage.

## **1.2 Research question**

Organisation X made great strides since 2006 to improve their competitive advantage within their trading sector. The continuing challenge for them is to develop the strategy(s) to further enhance the competitive advantage through use of the business goal, and how this is embedded within the organisational culture.

The research question investigated within this dissertation first evaluated exactly why employee engagement has entered the organisational domain, and finally what employee engagement can generate for an organisation, using the specific example of Organisation X.

As a result it was considered worthwhile investigating the factors that contributed to employee engagement and surrounded the entire issue. From this issue the following research question evolved:-

***The role of employee engagement and communication in gaining competitive advantage.***

### **1.2.1 Aims of the investigation**

- To understand contemporary thinking on the part played by employee engagement in today's modern organisational culture.
- To understand contemporary thinking on communication cultures within organisations.
- To understand contemporary thinking on organisational business goals.

- To make recommendations to drive a strategy to further embed Organisation X's business goal within their organisational culture to gain competitive advantage.

### **1.3 Justification for the research**

#### **1.3.1 Academic**

Basu (2001) talked about the emergence of a new collaborative culture, in which he described the sustainable success of a company shifting to the intellectual property and the people culture rather than just physical assets.

This research showed how important it is for an organisation to drive an employee engagement strategy, with often simple steps required to impact upon employee engagement, which in turn links directly to competitive advantage, which is corroborated within the literature review and the research.

The Gallup Organisation (2008) deduced conclusively from their annual employee engagement survey that engaged employees are the only employees an organisation needs because of their far higher levels of commitment and performance.

#### **1.3.2 Business**

Organisations operate in a fast changing environment and people are one of the most important asset an organisation could have when achieving or retaining competitive advantage

Pfeffer (1994) and Barney (1991; 1997) agreed that an organisation can achieve competitive advantage through its internal resources – its people, and by an organisation working with them to improve upon their behaviour and skills. Price (2003) also agreed, and said that it was possible to establish a clear link between good human resource management and enhanced financial performance. In other words, effectively dealing with people is of major importance and benefit for all organisations.

Organisation X traded for most of their 60+ years as the #2 competitor in their business sector. Only after beginning its employee engagement strategy and journey in 2006, was it felt that that its resource of people was being carefully harnessed to improve upon its competitive advantage, with the resultant effect being that Organisation X became the #1 competitor in the sector for the first time in decades at the end of 2006 trading, with the position further cemented at the end of 2007 trading.

The challenge for Organisation X, in the face of current economy shifts and huge efforts undertaken by the sector competitors to catch up, and also following a major regulatory shift in the industry, is to continue to develop and drive its employee engagement strategy, and to gain more understanding from its employee population in order to refine the strategy and further embed employee engagement at all levels of the organisation.

Grant (2002) defined the task of business strategy ... as determining how a firm would deploy its resources within its environment and so satisfy its long-term goals, and how to organise itself to implement that strategy.

The outcomes from this research were intended to assist the Author in communicating and further embedding his own employee engagement strategy within his area of responsibility thus impacting positively on his domain business and trading performance<sup>5</sup>. These outcomes yielded an opportunity to be adopted in the peer areas of Organisation X's retail network thus building a firm and consistent platform for competitive advantage throughout.

#### **1.4 Methodology/research approach**

This research was undertaken at Organisation X, between October 2007 and May 2008.

This research was undertaken in order to understand how Organisation X's engagement strategy could be further embedded into the researcher's area of operations. By utilising crucial feedback from those that are sought to be engaged, it is desired to be able to determine key strategies and initiatives, and of course gauge organisational

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<sup>5</sup> The Author will be able to utilise the outcomes and recommended strategies in future operational leadership management roles.

understanding and culture, that required impact upon at a management level, in order to achieve the objective.

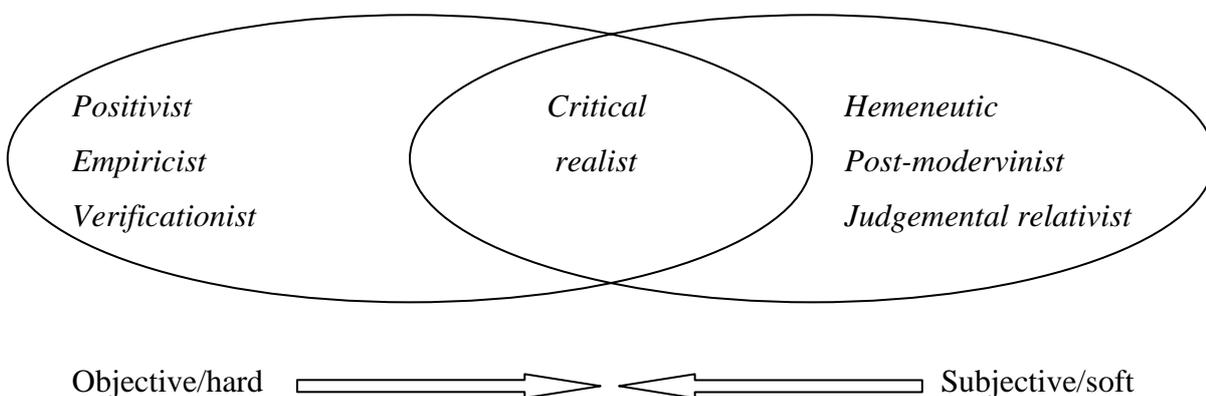
The research element of the dissertation is split into two distinct sections: the literature review in chapter 2, and the field research in chapter 3. The literature review reported on secondary research regarding employee engagement, competitive advantage, organisational culture and organisational communications. This lead into the areas of organisational commitment, organisational leadership, internal marketing and emotional intelligence, focusing on some of the desired competencies and behaviours identified as requirements for adopting an employee engagement strategy.

The field research consisted of a two-way feedback questionnaire designed to test an individual's understanding and perception of the engagement strategy. The questionnaires enabled a clear representation of just how much engagement is understood at the sharp end of the organisation from those with whom the strategy is critically aimed.

The questionnaires then led on to more targeted research by way of a focus group meeting, its objective being to drill down on what the perceptions were are out there in the organisation with regards to engagement.

The Author realised that he was using a combination of different research approaches, and that the most likely approach would be of a critical realist, as Page (2003) pointed out in the following figure:

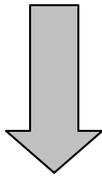
Fig. 1: Example of possible research approaches.



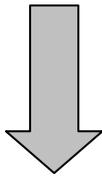
Source: Page, (2003).

### 1.5 Outline of the MBA dissertation

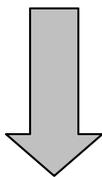
- The core **introduction** to the research question, aims and justification.



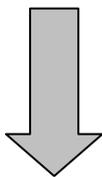
- How **contemporary thinking** on the issue of employee engagement can be implemented within modern organisational culture.



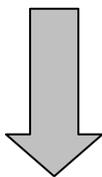
- A description of the **methodology** used to address the research issue. An executive summary of the methodology is then presented to provide the platform for the research.



- The **results** of the research methods undertaken.



- **Review** of the outputs from the research methods, utilised to formulate some critical synopsis on the employee perception of engagement within Organisation X.



- **Recommendations** for the way forward for the engagement strategy.

## **1.6 Definitions**

As outlined previously, the subject organisation is referred to within the dissertation as '*Organisation X*', in order to maintain anonymity, and preserve any sensitive commercial intelligence regarding strategy and direction.

For consistency the term 'organisation(s)' is utilised throughout the dissertation, and could refer to companies, organisations and groups within both the private and public sector.

Engagement is taken within the context of the organisations employees for this dissertation. Limitations need not apply to this definition, as engagement can apply to any group of individuals operating under a collective umbrella, such as an organisation, company or group.

## **1.7 Summary**

This chapter introduced the research problem and research question. The research was then justified within the context of both the academic and business fields, definitions are presented, the methodology is briefly described and justified and the report is outlined.

This dissertation had three critical objectives. The first was academically oriented, aimed at proving a hypothesis. The second two were practical, applying the hypothesis to a business situation.

1. To prove or disprove the hypothesis that there are meaningful correlations between an organisational employee engagement strategy and impact thereon to competitive advantage.

2. To understand more the depth of perception within the target population for Organisation X's employee engagement strategy.
3. To define recommendations for refining and developing the strategy to further embed the engagement culture within the organisation moving forward.

On these foundations, the dissertation can proceed with a detailed description of the research.

## 2.0 Literature review

*'The role of employee engagement and communication in gaining competitive advantage'.*

The review of relevant literature covered the following academic areas pertinent to today's organisations: competitive advantage, employee engagement and organisational communications, with the focus being on employee engagement. Organisational commitment, organisational culture, organisational leadership and internal marketing were also considered, with regards to their relationship to employee engagement.

### **2.1 Introduction**

Leaders spend a lot of time and effort trying to motivate and inspire people, believing that there is a direct connection to organisational performance, and therefore financial success. Employee engagement can be an essential and yet simple foundation for developing a motivated and inspired group of people within any organisation.

We have previously linked Kotter's (1999) theory about inspiring, motivating and energising employees as a foundation of employee engagement within chapter 1.0, [*1.1 Background to the Research*].

In recent years, there has been a great deal of interest in employee engagement and it has become a widely used and popular term (Robinson et al., 2004). Many have claimed that employee engagement predicted employee outcomes, organisational success, and financial performance (e.g. total shareholder return) (Bates, 2004; Saks & Rotman, 2006).

As Campbell (1989) stated, the mission (or goal) is an issue which involved both the culture (heart) and the strategy (minds) of the organisation, requiring commitment and enthusiasm among employees.

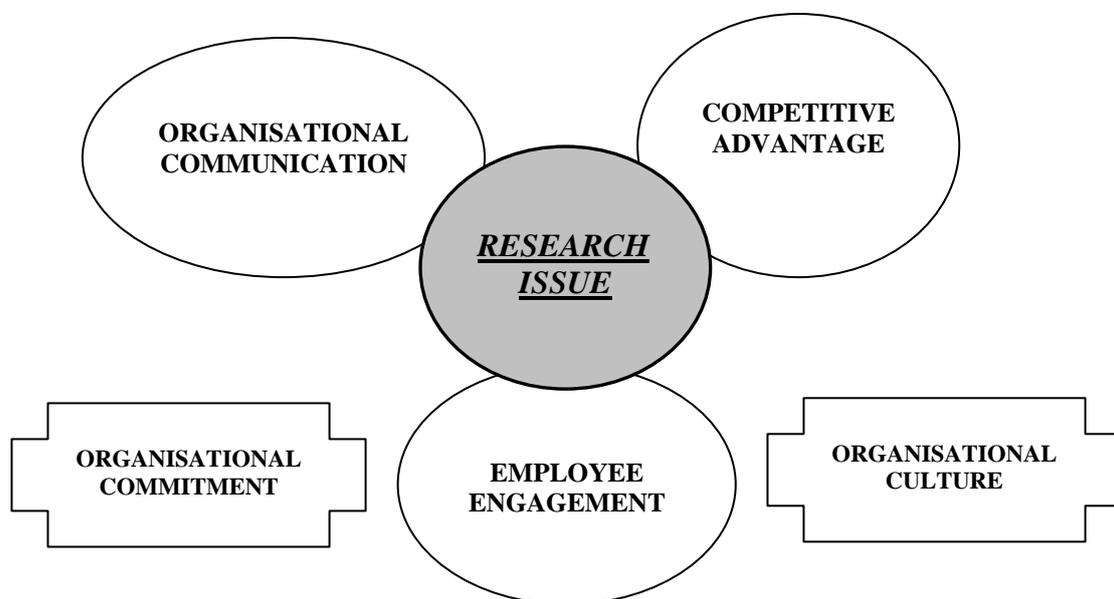
Strong (1997) quoted the work of Greenley and Foxall (1996) which illustrated that stakeholder orientation is of growing importance to organisational competitive

advantage. Their survey found that internal stakeholders – employees, have as much of a dominant presence as components of current organisational goals as shareholders and external stakeholders, (customers and suppliers) do.

Employee engagement can be summarised therefore as the level of commitment and involvement an employee has towards their organisation and its values.

There are many bodies of academic work linking a source of organisational competitive advantage to how an organisation involves its employees through an engagement strategy.

## **2.2 Conceptual model**



## **2.3 Competitive advantage:**

Why is the role and behaviour of its employees so important to the success of any organisation? How can an employee engagement strategy leverage this success?

All of the experts are agreed, any organisational strategy has to begin with a clear vision of what the organisation what to achieve in order to attain **competitive advantage**.

However Collis and Rukstad (2008) suggested that many business executives cannot summarise their organisations strategy or goal in 35 words or less, and thus the impact of this simple yet highly effective tool is lost.

Noted Management writer, Ken Blanchard, believed that to create competitive advantage through an effective customer service strategy is to mould your internal customers<sup>6</sup> into '*raving fans*', ( Blanchard & Bowles 1998), through three simple theories:

- Have your vision to start with
- understand what your customers need/want
- turn your vision into an action plan

Blanchard & Bowles (1998) went on to assert that it was vital to continue to develop consistency and ongoing improvement within the employee population, and adopting the '*one per cent rule*', that is to seek little and often improvement, which in the bigger picture yielded larger returns.

Porter (1985) one of the noted thinkers on competitive advantage theory, drew out three key strategic options in order to gain competitive advantage: employee engagement fits under the option '*innovation*' (through people). A critical organisational success factor to achieve is through the buy-in, performance and commitment of the people, all key strands of employee engagement. Other prominent thinkers on the subject, Pfeffer (1994) and Barney (1991; 1997) agreed that an organisation can achieve competitive advantage through its internal resources – its people, and by an organisation working with them to improve upon their behaviour and skills.

Competitive advantage through customer service is heavily reliant on the behaviour of an organisation's employees, and it is widely accepted that organisational culture provides the greatest source of competitive advantage and underpins any successful strategy. As Grönroos (2007) stated, the first barrier to achieving service results is the organisational barrier, where simply, if the culture isn't conducive to customer service excellence, then this could be a major barrier to change.

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<sup>6</sup> Internal customers being the organisations employees

Hoffman & Tschida (2007) reported that the connection between the attitudes and behaviour of employees and an organisation's bottom line was first trumpeted 15 years ago by US retail company Sears. It dubbed it the '*employee-customer-profit chain*' and informed that the results of putting the idea into practice were spectacular. In a year, Sears' biggest loss making division — merchandising — went from a \$3 billion deficit to a net income of \$752 million. This being a valuable illustration of an organisation which leveraged its competitive advantage through its employees.

## **2.4 Employee engagement.**

It is then clear that competitive advantage can be leveraged simply and often quickly through the most important of an organisations resource, its people. An employee engagement strategy is becoming more familiar in today's leading organisations as they strive to utilise this important resource to develop their competitive advantage.

To understand the influence of an **employee engagement** strategy on an organisational goal, we first need to understand what actually engagement is.

The Oxford English Dictionary (2008) defined engagement as:

### **engagement**

• **noun** 1 a formal agreement to get married. 2 an appointment. 3 the action of engaging or being engaged. 4 a fight or battle between armed forces.

Dictionary.co.uk, (2008), talked about engagement in terms of: the act of engaging; the state of being engaged that which engages; an action; a fight, a battle.

These definitions were interesting in that they clearly linked engagement the noun, and that which we seek to apply the term in an organisational sense here, to that of a battle. It could be said that engagement can be a battle to engage hearts and minds, and the resulting spoils of war are very desirable to Organisations. The definitions also talked of creating an agreement to get married – which in a business sense linked clearly to creating partnerships and long-term relationships, all proven to enhance employee loyalty, and forming a platform of employee engagement.

While Finn & Rock, (1997), asserted that no definitive consensus as to a formal definition of the term employee engagement appears in research literature, some of the definitions can be understood as below -

Kahn (1990: pp.692-724) characterised engagement as '*consisting of physical, cognitive, and emotional components*'. (When linking the engagement of students to the classroom environment, and the success of implementing engagement strategies into facilitation learning success, this having a clear synergy with organisations).

Organisational employee engagement has been defined in many different ways and the definitions and measures often sound like other better known and established constructs such as organisational commitment and organisational citizenship behaviour (Robinson et al., 2004). Most often it has been defined as emotional and intellectual commitment to the organisation, (Saks & Rotman, 2006).

How can an organisation take a snapshot of its employee engagement levels? One way would be to start finding out through their own customised employee engagement survey. Mohanka (2004) believed that if this survey is properly devised and carried out, then it would provide an up-to-date and in-depth understanding of their employees: -

- Motivation
- Commitment
- Belief in the organisation's leaders and managers
- Understanding of the organisations:
  - Values
  - Goals (vision, mission, strategic priorities etc)
  - Actions
  - And their part as a cog in the greater machine
- Probability of staying with the employer (loyalty, retention)

These processes build employment commitment within the organisation engendering a dynamic and creative, and forward thinking organisational culture, and in doing so would result in increased productivity, greater customer satisfaction, improved innovation, and in the long run, generate and maintain competitive advantage.

The Gallup Organisation (2008) deduced conclusively from their annual employee engagement survey that engaged employees are the only employees an organisation needs because of their far higher levels of commitment and performance.

Gallup (2006) derived three types of employee responses from their engagement survey of 2006.:

Fig. 2: The Three Types of Employees.

The Three Types of Employees	
1	<b>ENGAGED</b> employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.
2	<b>NOT-ENGAGED</b> employees are essentially "checked out." They're sleepwalking through their workday, putting time -- but not energy or passion -- into their work.
3	<b>ACTIVELY DISENGAGED</b> employees aren't just unhappy at work; they're busy acting out their unhappiness. Every day, these workers undermine what their engaged coworkers accomplish.

Source: Gallup,( 2006).

Tim Rutledge (2005) explained that truly engaged employees were attracted to, and inspired by, their work (*'I want to do this'*), committed (*'I am dedicated to the success of what I am doing'*), and fascinated (*'I love what I am doing'*).

As HR Focus, (cover story, 2007), reported, by boosting employee engagement you could have the turnover challenge partly addressed, this clearly linked to competitive advantage, and underlined the importance of employee engagement in organisational culture.

How easy is it to engage employees? Hosford (2007) said that there were two key factors that drove employee engagement, First, the level to which a work force is informed about the operational and organisational goals, policies and procedures of their

company. The other is their involvement, using this knowledge to participate in decisions and practices that drive those goals. McCoy (2007) said it was critical to foster engagement by communicating performance goals and key behaviours throughout the organisation.

Sherman (1995) agreed that all Organisations and the stakeholders within it should have a clear understanding of the Organisations goals. The Author observed this goal setting and communication in an unlikely location of a small cigar factory in Cuba<sup>7</sup>, where there were clear signs of overall employee engagement not only through the working conditions and the environment, but critically with clearly signposted goals and outcomes on a large free-standing display sign relating to productivity vs. plan, which all of the employees had clear access to.

Hosford (2007) went on to say that recognition, corporate culture and communications were considered key to an engaged work force, but that none of four HR functions (selection, development, performance management and compensation) were actually found to influence employee engagement, despite Marchington and Wilkinson, (2005) linking Human resource management, or HRM, as frequently being seen as the difference between successful and unsuccessful organisations, and Pfeffer, (1994), who talked of achieving competitive advantage through a productive, motivated workforce, but not without the development of HR policies and procedures. This confirmed Richard and Thompson's (1999) assumption that adopting a specified set of HR policies will not in itself lead to organisational success.

At the same time, it was reported by Bates (2004) that employee engagement is on the decline and there is a deepening disengagement among employees today, partly because of a lack of understanding of the theory, and a lack of consistency amongst practitioners.

Saks and Rotman (2006) predicated that managers should understand that employee engagement is a long-term and on-going process that requires continued interactions over time in order to generate obligations and a state of reciprocal interdependence. In addition, engagement needed to be viewed as a broad organisational and cultural strategy that involves all levels of the organisation (Frank et al., 2004), a series of actions and steps (Saks & Rotman, 2006) that require the input and involvement of

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<sup>7</sup> Fabrique de Cigares à Camajuani, Camajuani, Cuba, observed by the Author April 2008.

organisational members (Robinson et al., 2004), and consistent, continuous, and clear communications (Kress, 2005).

Schaufeli and Bakker (2004) [quoted in Saks & Rotman, 2006] noted that, engaged employees are likely have a greater attachment to their organisation and a lower tendency to leave their organisation thus impacting directly on labour turnover. However, the opposing view to this is that some labour turnover is desirable within Organisations to bring about new ideas and thinking through recruitment of new people, a view corroborated and actively practised by Jack Welch, former CEO of GE<sup>8</sup>, (Welch and Welch, 2006).

Harter, Schmidt and Keyes (2002) went on to report that engagement could be a combination of cognitive and emotional antecedent variables in the workplace, which generated a higher frequency of positive affect (job satisfaction, commitment, fulfilment). They summarised that this positive effect directly impacted upon an individual's performance and therefore business outcomes, linking this clearly to competitive advantage. Baumeister and Leary (1995) stated that a sense of belonging to something beyond oneself was an important aspect of employee engagement and a basic human need.

Rutledge (2005), in his book on engagement, said that there were three types of manager. Engaged managers (the only ones concerning us here) included these elements in their leadership conversations: -

*'[They] ... recognise and accept that the whole person shows up for work and they engage with the whole person by:'*

- 1 *Chatting briefly and occasionally about family, holidays etc [things important to the whole persons personal life].*
- 2 *Asking for their employees help when they need it [driving ownership and commitment]*
- 3 *Not portraying themselves as infallible [team working]*
- 4 *Helping their employees with their tasks when they're swamped [support]*

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<sup>3</sup> GE – The General Electric Company, one of the largest companies worldwide.

- 5 *Giving informal performance feedback in addition to formal appraisal*  
[development and coaching]
- 6 *Recognising employee contributions in ways that are meaningful to the employee* [informal recognition over above formal incentives]
- 7 *Providing opportunities for learning and development* [career progression]
- 8 *Providing career management support* [mentoring]
- 9 *Providing a clear line of sight that links the employees work with an organisation objective* [why are we here? Business goals]

David Maister (1985) reminded us that the highest-performing organisations engaged people with shared principles, and not just the personality and practices of individual leaders. Maister (1985) used the word loyalty instead of engagement, and stated:

*‘Loyalty in one-firm firms .....is based primarily on a strong culture and clear principles rather than on the personal relations or stature of individual members. The key relationship is that of the individual member to the organisation’.*

## **2.5 Organisational commitment**

A fundamental platform of any employment engagement strategy is to engender **organisational commitment** within the organisation, in order that the employee resource may be much more receptive to the engagement strategy, also building organisational loyalty in the way that Maister (1985) linked it to engagement.

Critical to the success of any successful engagement initiative is to build upon the engagement and commitment of the workforce. The workforce needs to clearly know and understand what is required of them. They should have the skills and ability to deliver on these expectations, and should be supported by the organisation to develop the capacity to meet these expectations, with a clear and consistent message being delivered by throughout the whole leadership structure.

Organisational commitment and job satisfaction have received significant attention in studies of the work place. This is due to the general recognition that these variables can be the major determinants of organisational performance and effectiveness, (Lok & Crawford 2004).

As Belbin (1981) contended, that the pattern of behaviour, characteristic of the way in which team members interact, was vital to effective team performance.

This view was also expressed by Stum (2001) who argued that organisations should look to build new employee/employer social contracts that enable organisations to improve employee commitment and retention. Stum used analyses from the @Work database to devise the performance pyramid, where five levels of the workforce needs were summarised, (using the theory and structure of Maslow's hierarchy of needs): safety/security, rewards, affiliation, growth and work/life harmony.

Woodruffe (2006) used engagement to reinforce the theory of an employee being fully, intellectually and emotionally committed to a particular job and representing an organisations most crucial weapon for competitive supremacy.

Lockwood (2007) found that employees with the highest level of commitment performed 20% better and were 87% less likely to leave an organisation, which indicated that engagement was linked to organisational performance.

As Maslow (1943) postulated, people's motivation was driven by their needs, e.g. the employee's basic need was to earn money. Quite often their perception of their value to an organisation lead them only to consider this basic need. It is believed, and indeed experienced by the Author, that through more effective communication, employees can be moved into the Herzberg et al (1993) way of thinking towards peoples three most important motivating factors: *a sense of achievement, recognition and enjoying the work itself*. It is felt that one can impact upon these factors with a different behavioural approach.

According to Griffin and Bateman (1986), Morrow (1983) carried out an investigation into the research carried out on the definitions and measures of work commitment and rationalised over 30 forms of commitment into five dominant groups focusing on the following:-

1. Values, the intrinsic values of work as an end itself.
2. One's career, the perceived importance of, and the associated commitment to a profession.

3. The job, related to the degree of daily absorption in work activity and its relative importance as a central aspect of life. This may include issues such as job involvement and job attachment.
4. The organisation, the degree of devotion and loyalty to the employing firm.
5. The union, the degree of devotion and loyalty to a bargaining unit.

Buchanan's (1974: pp.533-546) work was based upon the following view of organisational commitment:

*'a partisan, affective attachment to the goals and values of an organisation, to one's role in relation to goals and values, and to the organisation for its own sake, apart from its purely instrumental worth'*

Buchanan (1974) concluded that organisational commitment consisted of three key components

1. Identification, adoption as one's own, the goals and values of the organisation.
2. Involvement, psychological immersion or absorption in the activities of one's work role.
3. Loyalty, a feeling of affection for and attachment to the organisation.

These three definitions are in turn all key components of employee engagement.

## **2.6 Organisational culture**

Critical to any organisation is its **organisational culture** or corporate culture, the collective programming of the mind, which distinguished the members of one organisation from another according to Hofstede (1997).

Organisations with strong cultures tended to have better control of their employees: Without exception, the dominance and coherence of culture proved to be an essential quality of excellent companies. In these companies, people way down the line know

what they are supposed to do in most situations because the handful of guiding values was crystal clear, according to Peters & Waterman, (1982).

Organisational culture is an important area for an organisation to influence to ensure that employee commitment is strong, and to provide an environment where an employee engagement strategy can flourish, and in particular the organisation is operating in, and moving forward, in a consistent direction, with employee behaviours to the fore.

Hofstede (1991) defined culture as: *'the collective programming of the mind that distinguishes members of one group or category of people from another'*, and identified three levels of mental programming: Individual, Collective, and Universal. The Individual level held the programming unique to each person, even identical twins. He suggested that this level was at least partly inherited. The Universal level, at the other end, held programming that was common to all humans, and was also likely inherited: instincts for survival, et cetera. The middle level, the Collective Level, in contrast, was the learned programming that was specific to a group of people. It is at this level that his studies focused.

Fig. 3. Hofstede's culture triangle.

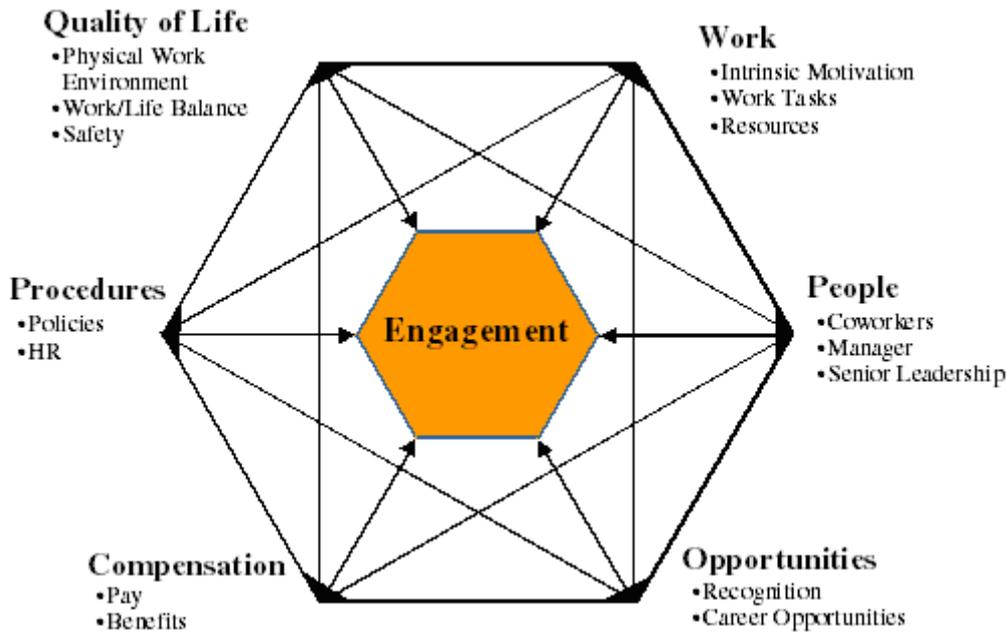


Source: Hofstede,(1991). *Cultures and Organizations: Software of the Mind*. McGraw-Hill Book Company Europe, England.

Hofstede's (1991) organisational culture focused on whether cultural synergy could be achieved within the organisation through the degree where there was congruence of vision; mission, values, strategy and operational processes, areas which were at the heart of employee engagement. Fig. 2 below illustrates some key areas of employee

satisfaction that can be measured through employee engagement within an organisational culture.

Fig. 4. The drivers of employee engagement.



Source: <http://was7.hewitt.com/bestemployers/europe/images/engagementLarge.gif>

Lok & Crawford (2004) and Schein (1990) both agreed that Organisational culture influenced how people set personal and professional goals, performed tasks and administered resources to achieve them. Organisational culture affected the way in which people consciously and subconsciously thought, made decisions and ultimately the way in which they perceived, felt and acted,

An organisational culture may be generally defined as a set of norms; beliefs, principles and ways of behaving that together gave each Organisation a distinctive character, according to Brown (1998).

There are three aspects of organisational culture that are important in matching the impact of culture to employee engagement and competitive advantage:

1. Direction: (degree to which a culture support rather than interferes with reaching organisational goals).

2. Universal: (degree to which a culture is embedded among an organisation, rather than being inconsistently adopted).

3. Strength: (degree to which employees accept the values and other aspects of a culture)

Drucker (1998) talked about new management paradigms, my interpretation (and some extension) of Drucker's observations, applied to organisational culture, included:

- Needed: a clear vision and purpose for the enterprise. Communicating this throughout the company and allied organisations.
- Managing needs to be outwardly focused. Marketing and negotiations will be most effective when directing attention to what the other party wants.
- Use decentralised decision-making for most situations. Pushing decisions down the organisation as a strategy for dealing with the complex, fast-moving, and changing marketplace.
- Develop a community of businesspeople and entrepreneurs. Training people to understand business as well as their specialties. Good decisions are good business decisions.
- Treat people as partners in the enterprise.
- Promote a win-win atmosphere in the workplace and when crafting compensation and other workplace attributes.

Kotter (1995) suggested an 8-stage process for managing organisational change that addressed organisational concerns and turned them around to a key stage in the successful management of change: (see *appendix 10: Kotters model of change, for full diagram*).

1. Establishing a sense of urgency
2. Creating a guiding coalition
3. Developing a vision and strategy
4. Communicating the change vision
5. Empowering a broad base of people to take action
6. Generating short term wins
7. Consolidating gains and producing even more change
8. Anchoring (institutionalising) the new approaches into the culture

Darling (2007) verified Burnes (2004) notion that an organisations environment was almost constantly in a state of flux through change, making leadership even more vital to ensure that the vision and goals were achieved. Burnes (2004) talked about emergent change being a continuous process, and the need for organisations to develop and communicate a shared vision. Rowland (2007) discussed the role of organisational development into how systems, cultures and people impacted each other. It aimed to increase organisational effectiveness through these areas

It is therefore widely accepted that organisational culture provided the greatest source of competitive advantage and underpinned any successful strategy and business goal.

### 2.6.1 Organisational leadership

Clearly any organisational culture has to be directed by its leaders through their **leadership** style.

Leadership has a long history of study but is an issue that has been critically examined in recent years. The concept of leadership is found within groups, whether it is a corporate organisation, a political party or a sports team, but is more concerned with organisations. Leadership continues to evolve as the needs of organisations change, especially in the fast moving environment of today, as time changes so do the ideas of leadership.

In the recent literature of leadership, (that is over the last 80 years or so), there have been four main ‘generations’ of theory:

- Trait theories.
- Behavioural theories.
- Contingency theories.
- Transformational theories.

It is important, as van Maurik (2001) has pointed out, to recognise that none of the four ‘*generations*’ is mutually exclusive or totally time-bound.

Leadership was defined by Stodgill (1950) as *'the process of influencing the activities of an organised group in its efforts toward goal setting and goal achievement'* (cited from Huczynski & Buchanan, 2001).

Bennis & Nanus (1985) compared management to leadership by stating that to manage means to bring about, to accomplish, to have responsibility for, and to conduct. To lead means to influence, to guide in direction, course, action, or opinion. Goleman (2000) and Goleman et al (2002) looked at the emotional intelligence aspect of leadership and said that leaders executed a vision by motivating, guiding, inspiring, listening, persuading and creating resonance.

Bass' (1990) theory of leadership stated that there were three basic ways to explain how people became leaders. The first two explained the leadership development for a small number of people. These theories were:

- Some personality traits may lead people naturally into leadership roles. This is the Trait Theory.
- A crisis or important event may cause a person to rise to the occasion, which brings out extraordinary leadership qualities in an ordinary person. This is the Great Events Theory.
- People can choose to become leaders. People can learn leadership skills. This is the Transformational Leadership Theory. It is the most widely accepted theory, first developed by Burns (1978).

Northouse (2004) stated that transformational leadership was a process that changed and transformed individuals. It was concerned with emotions, values, ethics, standards, and long-term goals, and included assessing followers' motives, satisfying their needs, and treating them as full human beings. Transformational leadership involved an exceptional form of influence that moved followers to accomplish more than what was usually expected of them. It was a process that often incorporated charismatic and visionary leadership.

Transformational Leadership engendered more of a *'selling'* style, (compared to Transactional Leadership, which can be summarised as a *'telling'* style), and is therefore

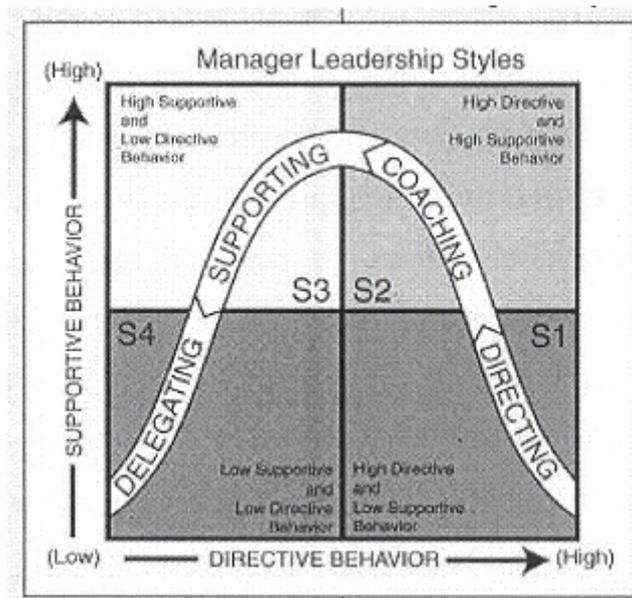
much more suited to an organisational culture which sought to embed an employee engagement culture.

The transactional leader often used management by exception, working on the principle that if something is operating to defined (and hence expected) performance then it does not need attention. Exceptions to expectation required praise and reward for exceeding expectation, whilst some kind of corrective action is applied for performance below expectation. Bass (1990) was concerned that Burns (1978) set transactional and transformational leaders as polar opposites, instead he says we should be looking at the way in which transactional forms can be drawn upon and transformed.

Situational Leadership is another style that can be applied generically to a style of leadership, but that also refers to a recognised, and useful, leadership model. In simple terms, a situational leader is one who can adopt different leadership styles dependant on the situation.

Hersey and Blanchard's (1982) situational leadership theory based leadership behaviour on two dimensions: task behaviour and supportive behaviour.

Fig. 5: Hersey and Blanchard's Situational Leadership Theory.



Source: Blanchard (2004)

Hersey and Blanchard (1982) also identified four different leadership situational styles that could be drawn upon to deal with contrasting situations: Directing (telling); Coaching (selling); Supporting and delegating.

It's proved popular with managers over the years because it passed the two basic tests of such models: it's simple to understand, and it worked in most environments for most people

The Path-Goal Theory, (House 1971, Bass 1990), assumed that a leader would be able to match their leadership style with the motivation needs of individuals with whom they were trying to lead or manage.

Often the most effective leadership style is one that utilised a combination of all of the above styles, leaders must know when it was best to be autocratic and when to be democratic, and they can also be transactional and transformational at the same time, these are not mutually exclusive and can complement one another. Feidler's (1967) classic contingency theory suggested that the leadership style should match the situation for the success of achieving organisational goals.

It is clear that a leader seeks to deliver results through others; a key attribute is to exhibit power with people, not over people. Leaders need to communicate their vision effectively, they need to influence, to feedback, to feed forward and to seek impact, (measured to appropriate timescale, which is important as Kaplan and Norton, 1992, say '*what gets measured gets done*'<sup>9</sup>), through both energising and inspiring those around them.

Burnes (2004) concluded that management was about the present, and leadership about the future.

It is also clear, that the success of any employee engagement strategy, and the firm embedment of such, depends on the ability of the organisations leaders to utilise a leadership style to convey clear communication to the employees, a view agreed with by Gummerson (1987), and by Kotter (1995), who went on to say that employee

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<sup>9</sup> Kaplan and Norton (1992), in their seminal performance management article discussing the balanced scorecard approach.

involvement has been seen to be very important when implementing any kind of change activities and leadership acts within an organisation.

Quality of leadership is, arguably, central to the survival and success of groups and organisations, and fundamental to any employee engagement strategy.

## **2.7 Organisational communication**

An employee engagement strategy, together with organisational commitment and organisational culture will not be effective unless an organisation has an effective platform in which to maximise **organisational communication**.

Dourado (2007) referred to the noted Australian leadership thinker, Alan Sieler, who said that an essential action of leaders and manager occurred almost entirely in conversations. Dourado (2008) went to link to Senge's Fifth Discipline and the question posed of *what do people do in organisations?*, by quoting Synan and Blacks thinking that conversation is the sixth discipline that leaders and managers need to develop if they are going to connect on a deep enough level to lead effectively, and thus foster engagement.

Lockwood (2007) argued that that the number one factor that influenced employee commitment was the manager-employee relationship. The manager created the connection between the employee and the organisation, and as a result, the manager-employee relationship was often the *'deal breaker'* in relation to retention. He referred to a recent study which showed that employees who trusted their managers appeared to have more pride in the organisation and were more likely to feel they were applying their individual talents for their own success and that of the organisation. However, the findings showed that only 56% of employees felt that their manager had a good knowledge of what they did and promoted the use of their unique talents.

Lockwood (2007) went on to say that an Organisation should clearly and consistently communicate organisational goals and objectives to its employees.

Hoffman and Tschida (2007) agreed that an effective Organisation knew its values and communicated them to its employees.

Elving (2005) cites Francis (1989) and Ridder (2003) who both agreed that organisations should seek to create a community within the organisation. Roughly, a distinction can be made between organisational communication as a means to providing information and organisational communication as a means to creating a community spirit.

Noted Management writer, Ken Blanchard, believed that communication was at the heart of a strategy to create effective customer service, saying it was to mould your employees and customers into '*raving fans*', (Blanchard & Bowles 1998), through three simple theories:

- Have your vision to start with
- understand what your customers need/want
- turn your vision into an action plan

Blanchard (1998) summarised that In short: Effective organisational communications can create engaged employees whom create loyal customers who in turn create bigger profits.

### 2.7.1 Internal marketing

**Internal marketing** (IM) was devised to summarise the notion of viewing an organisations employees as '*customers*', in order to build a culture that linked them closely to core external customers.

More than 20 years ago IM was first proposed as a solution to the problem of delivering consistently high service quality by Berry et al. 1976, (quoted in Rafiq & Ahmed, 2000). Despite many academic writings on IM, there still remains confusion as to what single unified concept is meant by IM

Rafiq & Ahmed (2000: pp. 449-462) went on to summarise their concept of IM into three phases:

- *Phase 1: Employee motivation and satisfaction*

Essentially viewing employees as internal customers, this view of IM was based upon their notion that *‘to have satisfied customers, the firm must also have satisfied employees’*.

- *Phase 2: Customer orientation*

Utilising theory lay down by Grönroos (1985), being his original definition of IM as a method of motivating personnel towards customer consciousness and sales mindedness.

- *Phase 3: Broadening the internal marketing concept – strategy implementation and change management*

A vehicle for strategy implementation.

Internal marketing (IM) is an ongoing process that occurred strictly within a company or organisation whereby the functional process aligned, motivated and empowered employees at all management levels to consistently deliver a satisfying customer experience.

Key concepts of internal marketing include:

- Alignment of the organisations purpose with employee behaviour
- Employees internalising the core values of the organisation
- Motivation, reframing and empowerment of employee attitude
- inside-out management approach
- Retaining a positive customer experience throughout the business objectives

Persuasion is a key skill for any organisations manager to utilise to impart a clear message, and can be used, according to Borg (2007), to impart any message that attempted to influence peoples opinions, attitudes or actions (behaviours). Borg (2007) went on to say that real persuasive communication involved trust, integrity and empathy, and sought to engender mutual understanding.

Daniel Goleman, (Goleman et al, 2003), said that the ability to connect with people one-to-one or one-to-many required emotional resonance – empathy – and said it was the prime requirement of leaders today.

The art of persuasion has been around for centuries, with Aristotle, (quoted from Borg, 2007), who linked successful communication to three clear strands: ‘*Ethos*’ (the ethical nature of the message); ‘*Pathos*’ (the emotional appeal of the message) and ‘*Logos*’, (the logic of the message).

An important element to consider with any organisational communication, is to ensure that the message clearly communicated what the organisation wanted, and thus wanted to achieve with the message. Malcolm Gladwells innovative book, ‘*The Tipping Point*’, (Gladwell, 2001) researched how key messages, ideas and information etc became phenomenon in recent years, (citing some very well known examples) and theorised about the importance of the ‘*tipping point*’. The tipping point being the process by which some products, organisations, ideas, information and messages crossed a threshold, or ‘*tip*’, and took off. This ‘*take off*’ often coming through the behaviour of certain types of people, which could give credence and ‘*stickiness*’ to a key message, ensuring that ‘*it*’ was fully embedded within the desired environment, leading to exceptional action and/or results.

It is important that organisations see their own employees as ‘*internal customers*’. If internal customers are to provide external customers with good customer service, then they need to feel valued and well treated themselves.

An example of internal marketing excellence: (Armitstead 2005).

*‘For a man who is never far from one of his two mobile phones, Sir Philip Green, [Chairman of BHS & Arcadia Group], was unusually hard to get of last Wednesday. Little wonder – the billionaire had hidden himself away to call every one of the 67 members of Arcadia’s scholarship programme. Six months ago, these lucky things were taken on by Green in a sort of grown-up, real-life version of ‘The Apprentice’. With half the programme gone, Green thought he would give the gentle, personal touch.’*

What a simple yet highly effective engagement tool utilised in this example. Green not only engaged with 67 of his fledgling employees, and thus promoted the use of engagement with them in his organisation through emphasising the importance of engagement and of the programme. The route taken would undoubtedly have

engendered promotion of this engagement style to a much wider organisational audience through third party recounting of the conversations etc.

It is clear that internal marketing can connect directly to an organisations competitive advantage, but that an important factor is how the message is conveyed, and then received and utilised.

### 2.7.2 Emotional intelligence

Any organisational communications depends also on the interpersonal relationship between a subordinate and their manager. The manager's ability to communicate and emphasise effectively directly impact upon any employee engagement strategy. After all, for a strategy to not be viewed as just lip service, the organisations culture has to be seen as having engagement embraced by all stakeholders within the organisation, and critically the management population.

It is therefore appropriate to touch on **emotional intelligence** as a notion of management skill in order to understand some of the management behavioural competencies highlighted in order to manage interpersonal relationship management.

Emotional Intelligence (EI) has been defined succinctly by Daniel Goleman, the EI guru, as: (discussed in: Higgs and Dulewicz, 1999)

- *'Knowing what you are feeling and being able to handle those feelings without having them swamp you.*
- *Being able to motivate yourself to get jobs done, being creative, and performing at your peak; and ,*
- *Sensing what others are feeling, and handling relationships effectively.'*

Studies described by Goleman found that *'... emotional competences... found to be twice as important in contributing to excellence as pure intellect and expertise.'* (Goleman, 1998)

Researchers have defined Emotional Intelligence as consisting of a number of dimensions. (Goleman, 1998, Higgs and Dulewicz, 1999). Goleman’s framework is made of five dimensions as follows:

Fig. 6. The five dimensions of emotional intelligence.

Personal competence	Social competence
self-awareness	empathy
self-regulation	social skills
Motivation	

Source: Goleman (1998).

The dimensions of Emotional Intelligence are requirements for the successful manager of any organisation, particularly when following an employee engagement strategy.

## **2.8 Summary of literature review**

The literature review has described just how valuable an employee engagement strategy can be to today’s modern organisation, and the impact it can directly have on an organisations competitive advantage. The review looked critically at modern thinking on competitive advantage, organisational communications, (connecting to internal marketing and emotional intelligence), and organisational intelligence, all links in the strand to employee engagement.

The origins of engagement can be traced back to Maslow’s work (1954) who believed that social needs, such as the desire to be recognised and included were basic human necessities. Yet the reality is that in today’s workplace many people do not feel engaged either with the culture, with their manager, with their colleagues, or critically with the organisation’s vision and goals.

We have seen here how employee engagement cannot happen without effective organisational commitment from its employees; without the organisation working hard to define its culture in which engagement and all of the associated benefits can flourish

and work to drive a direct benefit to competitive advantage. Key to the whole strategy is how an organisation communicates to its employees.

Mohanka (2004) firmly believed that ensuring that an organisation's employees were not just merely '*staying*' in a job role, but also '*striving*', wasn't a management fad, it was a management necessity.

For several years now, '*employee engagement*' has been a hot topic in organisational circles. It's a buzz phrase that has captured the attention of workplace observers and HR managers, as well as management teams. And it's a topic that employers and employees alike think they understand, yet can't articulate very easily.

It turns out that all that employee engagement research undertaken over the past few years has defined the term differently, and as a result, came up with different key drivers and implications, yet with no empirical investigations to date that employee engagement, (where effectively leveraged), actually does harm to competitive advantage.

All academic detail is aligned, in that an employee engagement strategy is of a huge benefit to any organisation in pursuit of its goals, and in seeking competitive advantage. What is less clear however is just how to impact on employee engagement within an organisational culture.

Employee engagement has been put in very simplistic terms, through using just two words, '*thank you*', Leimon, A. quoted in the Daily Mail, (2008). Leimon went on to say that it is not a question of being nice, but saying '*thank you*' fundamentally affected the bottom line, with staff being primarily motivated by two key factors: financial reward and a happy working environment. She concluded by saying that typically only one in seven employees were engaged in their job. Addressing this lead businesses to gain lower staff turnover, people working harder, increased productivity and rising profits.

Employee engagement was also a key component of the new HR theory, Human Capital Management (HCM), which could be summarised as how organisations structure d themselves to optimise the talents and skills of their staff. Bentley (2007) suggested that

HCM research clearly demonstrated that if your employees weren't engaged, then they were unlikely to be doing a particularly good job, and probably not keeping your customers all that happy. You can be sure that another organisation coveted those very same customers, and would be going their utmost to poach them from you, striking a positive for their own competitive advantage.

Several major studies on employee engagement have been published recently by top research firms such as Gallup, Towers Perrin, Blessing White, the Corporate Leadership Council and others.

Each of the studies used different definitions and, collectively, came up with 26 key drivers of engagement. For example, some studies emphasised the underlying cognitive issues, others on the underlying emotional issues.

At least four of the studies agreed on these eight key drivers.

- Trust and integrity – how well managers communicate and 'walk the talk'.
- Nature of the job –Is it mentally stimulating day-to-day?
- Line of sight between employee performance and company performance – Does the employee understand how their work contributes to the company's performance?
- Career Growth opportunities –Are there future opportunities for growth?
- Pride about the company – How much self-esteem does the employee feel by being associated with their company?
- Colleagues/team members – significantly influence one's level of engagement
- Employee development – Is the company making an effort to develop the employee's skills?
- Relationship with one's manager – Does the employee value his or her relationship with his or her manager?

Other key findings included the fact that larger companies are more challenged to engage employees than are smaller companies. All studies agreed that the direct relationship with one's manager is the strongest of all drivers. It is also clear that engaged employees take psychological ownership, they are more inclined to ask. '*How can I contribute?*'

In the final analysis, one wonders whether employee engagement is just another trendy business concept, or really a big deal?

According to all reports, commentary and research, employee engagement is a very big deal. There was clear and mounting evidence that high levels of employee engagement closely correlated to individual, group and corporate performance in areas such as retention, turnover, productivity, customer service and loyalty.

That said there is an antithesis to employee retention, and according to Jack Welch (2006), *'a company that bets its future on its people must remove that lower 10 percent and keep removing it every year'*.

If Sir Philip Green in the example above, (Armitstead 2005), can find the time in what must have been a very busy diary to telephone and engage with 67 of his employees, how much time do leaders and managers in other organisations spend on developing other people?

Developing and operating with simple, yet highly effective, engagement strategies and tools can obviously impact directly onto an organisations competitive advantage through its business metrics: productivity; sales growth; market share and employee retention; customer satisfaction, and thus positively impact on the organisations financial performance.

Collis and Rukstad (2008) agreed and said that spending the time to develop a few words, (suggesting a maximum of 35), of an organisation strategy statement with a message that truly captured the strategy, and energised and empowered the employees would raise the long-term financial performance of that organisation.

As Mohanka (2004) succinctly summarised with the question of employee engagement: *'the inescapable fact is that the linkages between the levels of employee engagement and business outcomes have been proven, repeatedly'*.

## 3.0 Methodology

*‘The role of employee engagement and communication in gaining competitive advantage’.*

### **3.1 Introduction**

This chapter described the methodology used to address the research issue. A summary of the methodology is then presented to provide the platform for the research.

The methodology best suited to achieve the research issue aim is then affirmed, alongside discussion on other methodologies and why they were not felt appropriate for utilisation with this research issue. The chapter completed with a discussion on the research design and approach, together with an evaluation of the limitations and challenges faced.

#### **3.1.1 Objectives and scope**

This research was undertaken in order to understand how Organisation X’s engagement strategy could be further embedded into the Author’s area of operations. Crucial feedback was utilised from those that Organisation X sought to engage. The purpose was to determine key strategies and initiatives, and of course gauge organisational understanding and culture, (that required impact upon at a management level, in order to achieve the objective).

Views and feedback from a sample employee population, (who were under the direct line management responsibility of the Author at the time of the research), were sought utilising two data collection methods: a two-way feedback questionnaire and a focus group meeting.

#### **3.1.2 Research definitions**

What is research? Johnson (1994, cited from White: 2005) defined research as *‘a focussed and systematic enquiry that goes beyond generally available knowledge to*

*acquire specialised and detailed information, providing a basis for analysis and elucidatory comment on the topic of enquiry’.*

Johnson (1994, cited from White: 2005) highlighted four key issues in this definition:

- *Research should be focussed, not general*
- *Systematic – the approach to a problem should be structured and organised*
- *Beyond generally available knowledge*
- *A basis for analysis and elucidatory comments.*

Easterby-Smith et al., (2002) regarded management research as distinctive and having many routes that can be taken. They argued it was eclectic, i.e. wide-ranging, and crossed many subject boundaries. It is therefore difficult to centre research in any one particular discipline.

White (2005) stated that research was a process leading to a series of activities over a period of time. There are different schools of thought on the research approach which would be undertaken with many academic philosophies to be considered.

### 3.1.3 Key research paradigms

There are numerous reasons why an understanding of philosophical issues was important. Hughes (1994) asked ‘.....*what is it about philosophy that gives it this seemingly vital role in human intellectual affairs?*’. Hughes (1994) further argued that it was the nature of philosophical questions that best demonstrated the value of understanding philosophy.

Easterby-Smith et al., (2002) identified three reasons why utilising philosophy may be significant with reference to research methodology:

- It can help the researcher to refine and specify the methods to be used in a research study.
- Knowledge of research philosophy will enable and assist the researcher to evaluate different methodologies and methods and avoid inappropriate use and unnecessary work by identifying the limitations of particular approaches at an

early stage.

- It may help the researcher to be creative and innovative in either selection or adaptation of methods that were previously outside his or her experience.

Barnes (2001: pp. 1076-1095) argued that the selection of an appropriate methodology was fundamental to the success of any research project, but asserted that it was unlikely that there was one best way, citing Silverman (1993) who said that: '*methodologies, like theories, cannot be true or false, only more or less useful*'.

Academics confirmed that, in the main, two different research areas were distinguished: **quantitative research**, and **qualitative research**, (White, 2005; Saunders et al., 2007; Fisher, 2007). Quantitative research involved an objective way of studying things, whereas a qualitative approach assumed this was difficult and that the research was subjective, as the research issue clearly was in this instance.

#### 3.1.4 Qualitative (or relativist) approach

Often called an **interpretivist** or **phenomenalist** approach, and generally involved data being collected in the form of descriptions.

Qualitative research took the view that it was very difficult for researchers<sup>10</sup> to stand back and be objective, since they were really part of the process being researched, according to White (2005).

#### 3.1.5 Quantitative (or positivist) approach

Often called a **positivist** approach, results are given a numerical value and used statistically by the researcher to evaluate the results.

A major criticism of the positivist approach understood by Crossan (2003) is that it does not provide the means to examine human beings and their behaviour in an in-depth way.

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<sup>10</sup> 'Researcher' refers to the hypothetical researcher

### 3.1.6 Deductive or inductive approach?

It is also appropriate to consider whether research should be along the lines of **deductive** or **inductive** research. Saunders et al., (2007), suggested that it can often be advantageous to combine the two, but that it may be more appropriate to work inductively by generating data and analysing and reflecting upon what theoretical themes the data are suggesting.

Deduction can be defined as arriving at a conclusion through the use of logic, and has its academic basis in scientific principles. Induction is when a conclusion is drawn from past experience or experimentation, (Fisher, 2007).

Figure 7 summarises some of the major differences between deductive and inductive approaches to research.

Fig. 7: Major differences between deductive and inductive approaches to research.

<b>Deduction emphasises</b>	<b>Induction emphasises</b>
<ul style="list-style-type: none"><li>• scientific principles</li><li>• moving from theory to data</li><li>• the need to explain causal relationships between variables</li><li>• the collection of quantitative data</li><li>• the application of controls to ensure validity of data</li><li>• the operationalisation of concepts to ensure clarity of definition</li><li>• a highly structured approach</li><li>• researcher independence of what is being researched</li><li>• the necessity to select samples of sufficient size in order to generalise conclusions</li></ul>	<ul style="list-style-type: none"><li>• gaining an understanding of the meanings human attach to events</li><li>• a close understanding of the research context</li><li>• the collection of qualitative data</li><li>• a more flexible structure to permit changes of research emphasis as the research progresses</li><li>• a realisation that the researcher is part of the research process</li><li>• less concern with the need to generalise</li></ul>

Source: Saunders et al., (2007).

The research contained within this dissertation clearly followed the inductive route to understanding.

### **3.2 Methodological considerations**

Academics are agreed, that choosing a research philosophy is often subjective, Saunders et al., (2007) warned researchers not to fall into a '*trap of thinking that one research approach is better than another*'. Fisher (2007) agreed and said that '*in practice you can use any of the research methods in any of the approaches*', a viewpoint endorsed by Easterby-Smith et al., (2002).

Barnes (2001) concluded this argument in saying that the selection of an appropriate methodology was fundamental to the success of any research project, but asserted that it was unlikely that there was one best way, citing Silverman (1993: 42): '*methodologies, like theories, cannot be true or false, only more or less useful*'.

This research followed the epistemological philosophical route to analyse the target audience's nature of knowledge with regards to their organisational engagement. The research methods were designed to develop conclusions on what constituted the '*truth*' with the employee's views on engagement using consensus from the target audience.

The term epistemology came from the Greek word epistêmê, (their term for knowledge). In simple terms, epistemology is the philosophy of knowledge or of how the world (or viewpoint) is seen. Methodology is also concerned with understanding, but is much more practical in nature. Methodology focused on the specific ways -- the methods -- that can be used to try to understand a research issue. Epistemology and methodology are intimately related: the former involves the philosophy of how the world is understood in the eyes of the researcher and the latter involves the practice, (White, 2005; Saunders et al., 2007; Fisher, 2007; Easterby-Smith et al., 2002).

This research also followed the primary data route of research method, as it is sometimes believed to be more accurate than secondary data according to Schmidt and Hollensen (2006). Methods of primary data collection include focus groups and questionnaires.

The data collection undertaken within this relativist research supported a **qualitative**, often called interpretative, research method. Qualitative research took the view that it's difficult for researchers to stand back and be objective, since they are really part of the process being researched, and supported Gilberts (2001) belief that qualitative research did not support no single or truth or assumption. Therefore it can be determined whether employee engagement within Organisation X is in fact a series of multiple and subjective realities, enabling a clear strategy to be developed and adopted.

This research led on from the previous generic quantitative, often known as the positivistic approach, data collection that Organisation X derived from its first ever Engagement Survey, administered in February 2007, [*see appendix I*]. The intention being to utilise the core engagement data to drill down to specific areas of interest and onward action, which can also be corroborated against the findings of the research here.

The qualitative approach undertaken will support Gilberts (2001) notion of the knowledge-driven model of research producing knowledge that impels action, and closely follows the social research theory of research.

The two-way feedback questionnaire also included six generic questions designed to give some basic quantitative data in order to substantiate and sort the results.

### 3.2.1 Data collection methods

To support the research strategy, the following data collection methods were employed:

- A literature review. A literature search as undertaken across a range of mediums including academic and professional journal articles, books and web-based resources, such as Ibis and Emerald, in order to support the identification of the research question and to develop contemporary thinking on the three key strands: competitive advantage; employee engagement and organisational communication. In addition the literature review was used to identify the research strategy and methods which were used to facilitate the issue.
- The two-way feedback qualitative questionnaire was sent out to all LBO management staff under the responsibility of the Author within Organisation X. The forms were anonymous to enable the respondent to feel confident in reporting back their true

feelings on the engagement issue without fear of recourse. It was believed that the questionnaires would enable a clear representation of just how much engagement is understood out at the sharp end from those with whom the strategy is critically aimed.

- Focus group meeting: Drawn from a range of Area staff, including District Manager, LBO Managers and LBO Deputy Managers. The focus group based method enabled use of non-standardised questions, which were valuable to use as strategies for discovery on a pre-determined list of topics so that a range of views could be gathered and considered. Lofland (1971, cited from Gilbert 2001) summarised the objective of the non-standardised format as being '*to elicit rich, detailed materials that can be used in qualitative analysis*', its objective being to find out what perceptions are out there with regards to engagement.

The focus group approach also enabled the facilitator to look at the consensus formation; the interactional process and group dynamics.

### 3.2.2 Justification for the selected paradigm and methodology

Based upon the research question and the review of the research methods literature, it was decided that a **qualitative (or phenomenological) approach** was the most appropriate for the following reasons:-

Phenomenological research lends itself most appropriately to qualitative research, where the qualification of the research is words rather than quantification in the analysis of data.

1. There was a clear theoretical focus for the work based upon the previous work of Fisher (2007), Saunders et al., (2007), White (2005), Yin (2003), Hussey & Hussey (1997) and Cresswell (1994).
2. Simple flexible structure to react to changes in emphasis as research ensues.
3. Level of access permitted collection of a substantial amount of qualitative data.
4. The research process can be controlled by appropriate phenomenological techniques.
5. Facilitated an inductive approach of gaining an understanding of human meanings.

### 3.2.3 Rejected methods

The quantitative research approach was discounted as a total approach<sup>11</sup> because the research issue had clear attributes suited to a two-way feedback questionnaire and focus group meeting, and that the context was specific to an organisation and a particular group of employees if of interest, thus linking the research methodology clearly to the qualitative research approach, utilising induction in order to gain a clear understanding of the human meanings the research sample attach to the research issue.

The quantitative data previously collected through the group Engagement Survey 2007<sup>12</sup>, had already enabled statistical analysis to be used to correlate the findings with other research findings thus increasing reliability and validity.

The research approach dovetailed nicely onto the end of this data, in being used to drill down into human feelings about their sense of organisational engagement.

## 3.3 Research design

The following research methods were employed:

### 3.3.1 Two-way feedback questionnaire.

A **questionnaire** is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. Although they are often designed for statistical (quantitative) analysis of the responses, this is not always the case.

A two-way feedback questionnaire was developed to gain a swift snap-shot of engagement attitudes and perceptions within the Authors specific area of responsibility in Organisation X through the eyes of the subject employee population. Due to the size and the scope of the project the research process was simplistic in design, problem identification obvious and methodology. (Janes, 1999). The people orientated nature of the Organisation X business suited a '*human*' approach', (Jarrat, 1996: 6:15).

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<sup>11</sup> Six quantitative questions were included on two-way feedback questionnaire for data gathering.

<sup>12</sup> Organisation-wide engagement survey sampled from all employees during February 2007, repeated February 2008 (results not available before completion of this research),

The key objectives of the questionnaire were to establish:-

- Engagement – attitude towards and perception of (by the employees).
- Vision – the desired future state of the engagement strategy.
- Strategic intent – the main intention of the organisation to achieve those visions
- Insight into company culture
- Goals / action plan – specific objectives with milestones and an action plan

Organisation X promoted '*engagement*' as a key organisational priority, one important area to gain engagement is to seek employees opinions and their help with problem solving etc, If the employees' motivation and satisfaction increase, so will their performance. '*A happy worker is a productive worker*' does not always hold true, but usually does. Workers who are part of a problem's solution will work hard to make sure that their solution is successful, and it all builds effective engagement.

The two-way feedback questionnaire, (*see appendix 2*), was selected as a data collection instrument, as it was able to be designed and implemented in a short space of time, enabling a snapshot of relevant and current feedback to be analysed, and a suitable agenda and objective enabled for the next stage of data collection.

The content of the two-way feedback questionnaire requested some top line quantitative data, such as length of service range, status in organisation etc. The two-way feedback element was designed to elicit personal responses from the respondents, and as such was designed to be returned anonymously in order to protect the identification of the respondent, and to crucially promote an informal forum within which full and frank admissions on the question of engagement could be reported.

The questionnaire was kept suitably bland to promote the informality of the responses required, and to promote how important engagement was being viewed within the organisation by the sheer nature of asking for informal written responses from the employees heart, in complete antithesis to the previous organisational structure within Organisation X whereby the culture was very formalised and hierarchical, and where a detailed questionnaire would have been the norm, and yet not believed to be received by the employee population as a tool from which cultural change could ensue.

This approach was believed to be vital in establishing trust among employees, particularly those from different levels within the hierarchy. Without this trust, employees would have not felt secure in expressing unpopular opinions, or in contributing viewpoints from their own value systems, in order that meaningful opinions could be harnessed moving forward.

- The questionnaire was posted out on 20th November 2008
- The questionnaire was entitled '*Employee Engagement: Effective Two-Way Communication*'.
- The questionnaire was sent out to 243 management staff, within the Manchester operations area of Organisation X.
- The questionnaire had 6 questions listed for response
  - Gender (female or male)
  - Role (Manager or Deputy Manager)
  - Length of service (0-6mths; 6mths-1yr; 1-3yrs; 3yrs+)
  - Do you understand engagement?
  - Do you feel engaged?
  - Who should be engaging you?
- The questionnaire had two sections entitled '*PLEASE SUGGEST ACTIONS THAT COULD HELP TO IMPROVE ENGAGEMENT LEVELS WITHIN THE AREA: (please add more if required) – Action 1: Action 2*'.
- The questionnaire set a return to the Author deadline of 10th January 2008.

[See appendix 2 for a copy of the two-way feedback questionnaire template]

Respondents were encouraged not to limit their responses to just two points, and directed to either complete another form, or to include on another piece of paper. This was because the respondents were wanted to be encouraged to include everything that was on their mind, rather than having to prioritise two responses and limit possible research outcomes for the Author.

### 3.3.2 Focus group meeting

A **focus group** is a form of qualitative research in which a group of people are asked about their attitude towards a particular issue or issues. Questions are asked in an interactive group setting where participants are free to talk with other group members, all accepted by Fisher (2007), Saunders et al., (2007), White (2005), Yin (2003), Hussey & Hussey (1997) and Cresswell (1994).

The focus group, semi-structured, approach was adopted to enable pursuit of the identified research approaches, and to pursue unstructured exploratory research. Fisher (2007) believed the panel approach important to offer the interviewer an opportunity to be used in an open or pre-coded interviewing manner.<sup>13</sup>

Krueger and Casey (2000), cited from Saunders et al., (2007), described focus groups as being very useful because the researcher can learn a lot from the participants, who they described as being '*information rich*'.

The focus group meeting was utilised within this research approach as a critical instrument enabling the Author<sup>14</sup> to discuss in an organised, yet fairly informal, face-to-face meeting with key stakeholders from whom the engagement strategy was desired to be further embedded.

### 3.4 Research procedures

The research undertaken was administered solely within the Organisation X. The findings reflected the organisational culture within Organisation X across a fairly wide ranging sample within the Researchers responsibility area. Generic organisational issues became clear from the research, enabling the results to not only be utilised within Organisation X to formulate an engagement strategy, but also to bear credence to other organisations seeking to follow a similar path.

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<sup>13</sup> Fisher (2007), open interview informal, interviewer can steer, generally respondent leads direction of interview. Pre-coded interviews controlled by the interviewer, reads from prepared logical script, no deviation.

<sup>14</sup> The 'Author' being the researcher within all outputs for the research approach within this dissertation.

### **3.5 The research approach**

#### **3.5.1 Two-way feedback questionnaire**

The questionnaire template, (*see appendix 2*), was sent to every retail store Manager and Deputy Manager under the control of the Author, numbering 243 personnel in total.

The management population was targeted first as a way to garner perceptions and attitudes regarding employee engagement, with some reference to time scales, and also to use the research process as a method of promoting engagement to them, and nurturing the management population's role in implementing and following the employee engagement strategy.

#### **3.5.2 Focus group meeting**

Following on from the focus group meeting, a panel of 12 Managers and Deputies were selected by the Author to be invited to the focus group meeting. The selection was designed to include representatives from the various grading of shop<sup>15</sup> throughout the area estate.

The meeting was facilitated by the Author, who at the time of the meeting was in an Executive management relationship to the participants, they came under the direct line management responsibility of District Managers, who directly reported to the Author.

### **3.6 Ethical considerations**

Ethics are an important aspect of any research work to be considered, being an important component of how data is gathered and utilised. One of the most straightforward definitions of ethics is that of Churchill (1995), who stated they were: *'moral principles and values that govern the way an individual or group conducts its activities'*.

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<sup>15</sup> Organisation X grades each shop from A (highest) to F, dependent on turnover.

White (2005) reported that research within a business organisation can place the researcher in a delicate position, particularly if they operated within the part of the organisation being researched.

All organisations deal with confidential and commercially sensitive issues and information, which requires discreet handling particularly given the objective with this research issue of leveraging competitive advantage, therefore it is not always possible to publish a full disclosure in the public domain of research findings.

Easterby-Smith et al., (2002) discussed that there was much debate surrounding ethics being most common in qualitative research such as this. This research has been conducted using the deontological philosophy standpoint, which Saunders et al (2007) argued that the results served by the research would not justify being gathered using unethical research methods.

Bryman (2004) quoting from Diener and Crandall (1978) agreed that the researcher must ensure that data collection methods endorsed: -

- *The research will not be used to harm participants (either commercially or otherwise)*
- *Only participants who consent fully will be involved*
- *All results will be completely confidential and anonymous (only the researcher has access to results)*
- *Deception will not be involved to gain access*

The nature of the data collection methods across a wide sample of employees under the direct line management of the Author therefore supports this standpoint, and so the opposite teleological approach was not considered.

Fisher (2007) took the ethical consideration down the line of being important to also protect any people involved in the research. It is important that people are not treated unfairly or badly, or any information gained in the research to be allowed to cause harm.

The two-way feedback questionnaire was very clearly identified and promoted as being an anonymous tool, which was solely being utilised to harness opinion, ideas and frustrations about the topic of engagement in the organisation being researched.

Two people did return their responses with clear identification as to their names, and also expressed what could be viewed in some quarters of the organisation as contentious and controversial views on engagement and its failings within the organisation. It is therefore believed that these respondents in particular identified themselves in confidence that they trusted the Author to accept and to use the information in the way it was promoted initially, and that it would not be used to harm them.

The other area of ethical consideration asserted by Easterby-Smith et al., (2002) was with the use and control of the data obtained by the researcher. The two-way feedback questionnaires were administered and received back in hard copy form, and read and retained solely by the Author.

The focus group meeting was not recorded in any way, other than the facilitator, (the Author), taking notes and all participants were clearly asked at the outset to confirm that they were happy for their views and comment to be noted down anonymously by the meeting facilitator.

Both data collection forms were clearly championed by the Author as having an objective to gather information/opinion which could be used by the organisation to corroborate/determine engagement strategy moving forward, and thus ultimately benefit all in the workplace.

### **3.7 Limitations to the research approach**

Although questionnaires are often designed for statistical (quantitative) analysis of the responses, this is not always the case. The design of the two-way feedback questionnaire enabled the Author to garner valuable opinion, comment and information from the population within the organisation from whom the engagement strategy was directed – the employees.

Focus groups also have disadvantages: The researcher has less control over a group than a one-on-one interview, and thus time can be lost on issues irrelevant to the topic. Moreover the number of members of a focus group is not large enough to be a representative sample of a population; thus, the data obtained from the groups is not necessarily representative of the whole population

However, these disadvantages were accepted and disregarded by the Author, as there was confidence in the research approach and its validity to obtain the results desired to enable the research objective to be fulfilled.

The Author left the employ of Organisation X after the fulfilment of the research approach, and design of the initial recommendations to address the research question apropos Organisation X's strategy. The research question and outcomes, whilst specific to the perception of and attitudes towards employee engagement within Organisation X, reflect generic perceptions, attitudes and crucially recommendations for the way forwards, and thus are enabled to be utilised within any organisation practising an employee engagement approach.

### **3.8 Summary of methodology**

This chapter has discussed academic theory relating to research approaches, and presented the two-way feedback questionnaire and focus group research methods of the dissertation and justified the decisions made regarding the research design and approach.

The objective behind the research design have been discussed and the component parts of the research discussed and summarised in a systematic way. The limitations and risks have been disclosed, with, where possible, mitigation strategies. This created a research design that was capable of being utilised as a platform both for further research and a study of the empirical findings which will be revealed in the next chapter.

The outcomes from this research were intended to greatly assist the Author in developing and communicating his own employee engagement strategy within his area of responsibility thus impacting positively on his domain business and trading performance. It was thought that these outcomes would naturally yield an opportunity to be adopted in the peer areas of Organisation X's retail network thus building a firm

platform for competitive advantage which is so important for any organisation to engender as previously highlighted in this proposal.

## 4.0 Analysis of data

*'The role of employee engagement and communication in gaining competitive advantage'.*

### **4.1 Introduction**

This chapter reported on the data collection from the research approach, with the findings being discussed within chapter 5 within the context of the literature.

### **4.2 Two-way feedback questionnaire<sup>16</sup>**

The two-way feedback questionnaire was sent out on 20<sup>th</sup> November 2007 to every retail store Manager and Deputy Manager under the control of the Author, numbering 243 personnel in total. The return date deadline of 10<sup>th</sup> January 2008 was set, and respondents were requested to return the questionnaire direct to the Author.

Number of questionnaires sent out: - 243

Number of respondents: - 128 (53% of target)

\* 12 of these were received after the deadline date, but still included.

Table 1: Quantitative data from Two-Way Feedback Questionnaire

<b>Q1</b>	Are you:	Female	60 47%	Male	67 53%	*1 declined to answer
<b>Q2</b>	Your Role:	Manager	81 65%	Dep. Mgr	44 35%	*3 declined to answer

<sup>16</sup> See appendix 2 for template questionnaire

<b>Q3</b>	Time with Company	0-6mths	12 9%	6mths-1yr	28 22%	1-3yrs	37 29%	3yrs+	51 40%
<b>Q4</b>	Do you understand 'engagement'?	Yes	101 79%	No	27 21%				
<b>Q5</b>	Do you feel engaged?	Yes	83 65%	No	45 35%				
<b>Q6</b>	Who should be 'engaging' you?	Line Manager	22 17%	DOM	64 50%	AOM	16 13%	The Company	26 20%

Source: Two-way feedback questionnaire, (West, 2008).

Table 2: Breakdown analysis of Q4 and Q5 versus time served in organisation (Q3)

<b>Q3</b>	Time with Company	0-6mths	12	6mths-1yr	28	1-3yrs	37	3yrs+	51
<b>Q4</b>	Do you understand 'engagement'?	Yes	42%	Yes	86%	Yes	89%	Yes	90%
		No	58%	No	14%	No	11%	No	10%
<b>Q5</b>	Do you feel engaged?	Yes	33%	Yes	64%	Yes	54%	Yes	57%
		No	67%	No	36%	No	46%	No	43%
<b>Q4</b>	Do you understand 'engagement'?	Yes	5	Yes	24	Yes	33	Yes	46
		No	7	No	4	No	4	No	5
<b>Q5</b>	Do you feel engaged?	Yes	4	Yes	18	Yes	20	Yes	29
		No	8	No	10	No	17	No	22

Source: Two-way feedback questionnaire, (West, 2008).

#### 4.2.1 Feedback received from two-way questionnaire:

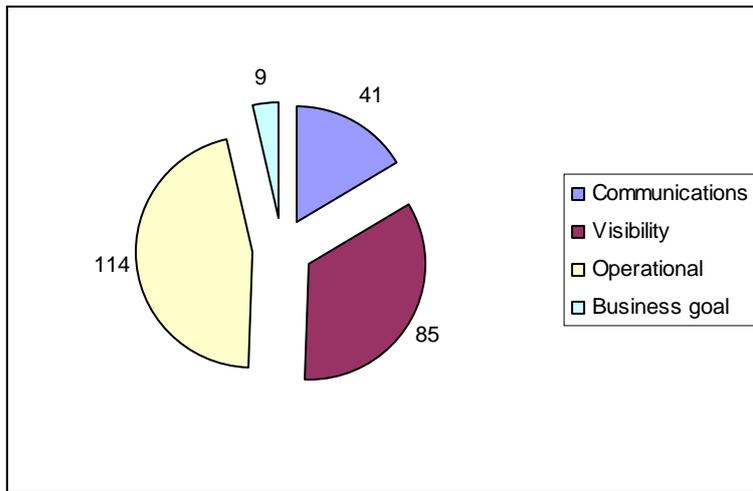
- 5 from 7 rota, objection (x 45 events)
- Manager inclusion with succession planning and development (x 4 events)

- More awareness with the business goal<sup>17</sup> (x 9 events)
- 9am Sat openings (x 22)
- Request on profitability re evening racing & 9am opening issues (x 31)
- DOM visibility (increased frequency of visits), (x 29 events)
- More request for feedback from District Managers (x 13 events)
- Managers meeting to happen every month (x 8 events)
- DOM's to produce a District newsletter (x 3 events)
- Concern with Ex-Stanley WH knowledge, suggestion to attend Dep. Manager course
- Communication book to record anything requiring handover to next Manager
- Buddy system for new Deputies and Managers
- Complaint on WH commentary, particularly Carla (customers don't like)
- Customers want to hear betting/sports info not personal matters
- DOM communications, DOM's seem very distant sometimes
- Member of line to attend all training courses, puts more importance on
- DOM communications, lack of reply back to voicemails
- Allow Managers to sit in on CSA interviews re positions in their shop
- If an area of the shop is not performing as expected the Manager should be given clear guidance through small achievable goals from the DOM
- Rota for AOM & DOM being put on Regional Page, to save ringing around
- More regular DOM CBS meetings (monthly), so that staff were more aware how to improve performance etc

Fig. 8: Summary headings from feedback on specific business issues from Two-Way Feedback Questionnaire.

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<sup>17</sup> See appendix 9.



Source: Two-way feedback questionnaire, (West, 2008).

Table 3: Specific issue breakdown apropos Fig. 8.

<u>Business issue:</u>	<u>Times raised:</u>
<b>Communications</b>	
- District Manager	17
- Feedback	13
- Regular meetings	8
- Newsletters	3
<b>Visibility</b>	
- District Manager	29
- Line management	14
- CBS visits	42
<b>Operational</b>	
- 5 from 7 rota	45
- Saturday 9am opening	22
- Evening racing	31
- Planning & development	4
- Training	11
<b>Business Goal</b>	
	9

Source: Two-way feedback questionnaire, (West, 2008).

#### 4.2.2 Definitions from Table 3:

1. District Manager – would be the respondents senior Manager.

2. Line management – refers to both District Manager and the Area Operations Manager,
3. 5 from 7 rota – Organisation X were in the process of amending the previous flexible working time patterns, where many management personnel worked their hours in 3 days, then took 4 days off, into a regimented pattern where management were required to be in the business for 5 out of 7 days.
4. Saturday 9am opening – This new trading time had been implemented from 1<sup>st</sup> October 2007, after previously being at the standard opening time of 10:15am.
5. Evening racing – Previously Organisation X had operated with a closing time of 9:30pm for the summer racing season, (generally April to September). From 2007 Organisation X moved to a policy of opening all year round until 9:30pm, a move that was very unpopular, particularly when many of the sector competitors did not follow suit, and business levels were seen by the shop staff as being very negligible.

#### **4.3 Focus group meeting**<sup>18</sup>

The focus group meeting was held on February 6<sup>th</sup> 2008 at an Organisation X conference room within the operational area, commencing at 10am, and finishing at approximately 3pm.

Twelve invitations were extended, to six Managers, and six Deputy Managers. All of the invitees attended.

The meeting was facilitated by the Author, who at the time of the meeting was in an executive management relationship to the participants, they came under the direct line management responsibility of District Managers, who directly reported to the Author. The Author made a 30 minute PowerPoint presentation to the participants, first revisiting the Organisation and Area employee engagement survey results from February 2007<sup>19</sup>, and finally discussing the organisations employee engagement strategy and the subsequent strategy adopted from the 2007 engagement survey results by the Area management team.

Appendix 4 details the summary feedback in full to some key question headings utilised and discussed at from the meeting.

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<sup>18</sup> See appendix 3 for the focus group meeting invitation letter.

<sup>19</sup> 2007 results published in June 2007, and previously cascaded down by District Managers

Here are some results from two key discussion areas:

• Why is engagement so important to our organisation?

- Profits
- Everybody working towards a common goal (our business goal)
- Retention of people
- Future development of people, and thus organisation
- Having people enjoy their work, and thus contribute more
- Employee performance
- Share price, keeping shareholders satisfied (including the employees)
- Keeping Organisation X at number 1 in the industry

• What, for you, are the burning issues that arise and that you want to see actioned with regards to engagement?

- Communication from senior management, cascading information/results downwards to shop level, more awareness and promotion of the Business Goal.
- More shop visits from line management.
- Recognition & Reward, we need to praise more, personal touches, pass on the good things as well as the bad, speak to staff on a 1-1 basis.
- We all need to reward and praise staff more as we as castigate, make people feel more appreciated.
- Communication, info needs to be cascaded down to CSA level more effectively (inc cleaner).
- The senior management of WH have communicated a clear vision, this needs to be communicated more clearly to the shop teams to motivate them more.
- Ensure communication is cascaded down to all levels more.

## 5.0 Conclusions

*'The role of employee engagement and communication in gaining competitive advantage'.*

### **5.1 Introduction**

This dissertation is based on the assumption that an organisations competitive advantage can be maximised through adopting an inclusive policy with the employee population by following an employee engagement strategy, particularly when the organisations communications and culture is leveraged effectively.

The previous literature review chapter clearly outlined the *'what'* in regards to the areas of academic relevance. Of equal importance is *'how'* organisations implement an employee engagement strategy within their culture and employee population to bring about key change with employee engagement.

However, the challenge is to first understand what the employee's expectation would be with the engagement strategy, i.e. *'I would like to be engaged by.....'*, and second ensure that the strategy has critical buy-in and adoption across all areas of the management team, which is so critical to bring about the best possible results. The literature review and survey above lead to a multi-pronged approach to the profile and development of an employee engagement strategy, based on competitive advantage, employee engagement, organisational communications and organisational culture.

### **5.2 Critical evaluation of adopted methodology**

The research approach was designed first to take a snapshot of how employee engagement is perceived within the retail management population, (through the two way feedback questionnaire), and finally to drill down on these perceptions by speaking directly to representatives of the initial sample group in the focus group meeting format.

### 5.2.1 Two-way feedback questionnaire.

The high return rate of 53% was undoubtedly enhanced by the questionnaire being directed to employees solely from the retail management population, with them being given a previously unprecedented opportunity to feedback directly to their senior manager, but also due to efforts made previously by the Author to promote the employee engagement strategy and the new type of area culture being engendered.

Conclusions from quantitative questions on questionnaire:

Anonymity:

Four respondents failed to answer questions 1 and 2, this is interpreted by them wanting to maintain their anonymity, even though the invitation to complete the questionnaire was explicit in that there was no agenda to identify any of the respondents. This reflects a small proportion of the sample.

Gender:

There was a higher response rate on Q1 from males, (53% vs. 47%), this fits with the overall profile of the management population, with males representing a slight majority.

Seniority:

It was interesting to see in Q2 that a much higher response came from 'Managers', compared to 'Deputy Managers', (65% vs. 35%). Conclusions drawn by the Author from this are that generally the Managers have longer service than the Deputy Managers, (by definition Managers are almost entirely drawn from the Deputy Manager population). The critical issue here with regards to the subject, is that it is important to ensure that the engagement strategy reaches the Deputy Managers, and that they are well informed on engagement and its aims from the outset of their relationship with the organisation.

Length of service:

This issue of when to begin engagement is also highlighted through Q3, where it was seen that a large majority of the respondents had served over 3 years service with the organisation, (40% of the sample), with a further 29% of the sample serving +1 year.

It was concerning to see that 21% of respondents reported that they did not understand engagement, with 35% reporting that they did not feel engaged.

Understanding:

Breaking down Q4, (*'do you understand engagement?'*), versus time with the company, (Q3), (*see Table 2, pp 62*), illustrates some important trends. The understanding of engagement gets higher throughout the respondents the longer they have served in the organisation. Moving from 42% understanding engagement with 0-6mths service, to a high of 90% in 3yrs +.

Current feeling:

This trend is similarly reflected in Q5, *'Do you feel engaged?'* where 33% said they were engaged in the 0-6mths group, and 57% being engaged in 3yrs +. The difference here was that the highest return was in the 6mths-1yr group with 64%.

This can be summarised first, by confirming the view above that its important for engagement practitioners to ensure that the engagement message and strategy began from the outset of an employment or new role relationship, particularly with management personnel.

The fact that the highest service group reporting feeling engaged was the 6mths-1yr group perhaps ratified some important work being done on engagement in Organisation X where they operated a management skills course during this period for Deputy Managers and new Managers, where some time was given over to engagement: its meaning within the organisation, and the expectation from the management staff in utilising in their theatre of operations.

The question of *'who should be engaging you?'* is important to employees. Q6 in the research reported a large majority, (64%), reporting that they believed their District Manager was responsible for engaging them, which corroborated where the Organisation have placed the responsibility for engagement. However, interestingly, the next highest report is 26% who stated that they believed the Company should be engaging them more, which linked to organisational culture, and perhaps reflected an attitude of District Managers not displaying the correct leadership behaviours in

devolving responsibility for engagement to the organisation during discussions on challenging issues.

Just 16% reported that they expected the Area Operations Manager to be engaging them, which was lower than anticipated. An assumption from this question overall, was that employees linked engagement with visibility and needing to be engaged face to face<sup>20</sup>.

Feedback: (*see Fig 8, p. 64*).

Four key organisational issues were reported within the informal feedback:

- Communications - 41 comments
- Visibility - 85 comments
- Operational - 114 comments
- Business Goal - 9 comments

Some key business issues were reported out of these organisational issues were reported, which clearly linked to engagement levels. The highest return was within the operational issue, where new and recent changes to working patterns were affecting engagement levels. This affirmed that it was important to plan a simple and consistent message to communicate these changes, then to follow them up upon field visits and to allow an opportunity for the employees to have their say, rather than pushing through a transactional change within the organisation as opposed to a transformational one.

### 5.2.2 Focus group meeting

The Author produced four key outputs following on from the Focus Group Meeting, the first two being outcomes of the meeting, and the last two being strategy documents utilising the feedback from the Focus Group Meeting together with the Two-Way Feedback Questionnaire.

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<sup>20</sup> District Managers are based in the field and expected to visit their shops weekly at least. The onus on Area Operations Managers visiting shops is much more infrequent given large scale to cover.

The outputs were:

1. Feedback from the focus group meeting, (*see appendix 4*).

Highlighting key organisational issues of communication; visibility; recognition and rewards; involvement and belonging; performance; team ethic; future vision.

2. Planned action from focus group meeting, (*see appendix 5*).

Suggestions from the respondents.

3. Area strategy, (*see appendix 6*).

Development of a strategy document for implementation by the Authors management team of District Managers, pivoting around organisational issues of communication; visibility; Deputy Managers and general/training and development.

4. Engagement activity briefing, (*see appendix 7*).

Policy document compiled following a management team meeting with the District Managers, designed to consolidate the team's engagement efforts, share best practice, and to set a blue print for engagement activity moving forward.

The Author has compiled a new implementation plan for the organisations business goal, as this was one key area throughout all of the research that was seen to have not had the desired impact at the front end. (*See 6.1.3: Recommendations*).

### **5.3 Conclusions about the research objectives (aims)**

Organisation X is totally committed to its employee engagement strategy, and has a firm commitment to continue to run their engagement survey on an annual basis. The research aim of drilling down more into perceptions through a smaller sample frame will be valid and meaningful as an ongoing approach to understanding engagement perceptions, and crucially how to further impact positively upon them.

This research objective was totally relevant to any organisation seeking to leverage competitive advantage through an employee engagement strategy.

#### **5.4 Conclusions about the research question**

Through the review of literature on competitive advantage, organisational communications, (connecting to internal marketing and emotional intelligence), and organisational intelligence, all links in the strand to employee engagement, we have defined that an effective employee engagement strategy does link closely to organisational competitive advantage, and have proposed a programme of activities specifically for Organisation X to further embed employee engagement within its organisational culture.

This research question and its outcomes were applicable to all organisations where the foresight to leverage their employees through an effective employee engagement strategy is adopted.

#### **5.5 Limitations**

Although the ideal research approach would have been to survey the entire sample frame under the responsibility of the Author, this was not possible due to this requiring the involvement of c800 people, and associated time constraints.

Due to the constraints of sampling the entire population it was deemed valuable and appropriate to utilise the adopted approach within the store management population initially, as this was perceived to be a demographic where meaningful progress could be made as a start.

However the 128 responses received were considered to be a typical demographic cross-section of the management population and the sample frame.

It would have been much better to have held at least a second Focus Group Meeting, in order to sample a larger frame of the population, and this was planned as the next step to the research work.

## **5.6 Opportunities for further research**

The subject area of employee engagement is immense, and increasingly viewed as a valuable organisational strategy to adopt and follow, in order to leverage competitive advantage through employees.

The opportunity for further research within Organisation X is very realistic, with the next step being to adopt the Focus group meeting approach with most of the management population sample frame, and then extending the approach to the store operations population.

The activity of adopting the two research methodologies enhanced the very nature of engagement, through demonstrating that the employee engagement strategy was important to the Author within his area of operations, and through offering a route to gaining two way feedback, giving credence to engagements importance and validity.

## **5.7 Summary of conclusions**

The dissertation had 3 key objectives:

1. To prove or disprove the hypothesis that there are meaningful correlations between an organisational employee engagement strategy and impact thereon to competitive advantage.
2. To understand more the depth of perception within the target population for Organisation X's employee engagement strategy.
3. To define recommendations for refining and developing the strategy to further embed the engagement culture within the organisation moving forward.

The field research supported the notion that competitive advantage can be effectively leveraged through an employee engagement strategy, however, the research data showed that the target audience of an employee engagement strategy did not always understand what employee engagement is, why they are required to be engaged, and

what part they have to play in the overall engagement strategy, therefore demonstrating a lack of understanding about how they contributed to competitive advantage,

The research highlighted that there can often be a disparity between understanding and feelings of engagement between groups of time served employees, putting importance on ensuring that engagement is explained and embedded from the outset of a relationship with an employee, whilst verifying just how important it is to have consistency with an engagement strategy in reaching employees throughout all the spheres of time served, i.e. long-servers also.

The results from the two-way feedback questionnaire and the focus group meeting highlighted some clear organisational goals to be followed to embed employee engagement, simply along of the lines of getting the communication right and consistent, and ensuring that the management visibility remained high in order that they can practice effective two-way communication, and demonstrate consistent leadership behaviours.

Critical of all of the results were that more needed to be done to raise and heighten awareness of the organisations business goal, this being critical to the overall competitive advantage strategy, as time and time again the respondents from both research mediums reported confusion, lack of understanding, lack of promotion, and a general disregard for the business goal when they went about their daily business, albeit not from a lack of demotivation, but more from a lack of promotion of the business goal.

This area linked clearly back to the literature review, where it was determined that any organisational strategy had to begin with a clear vision of what the organisation wanted to achieve in order to attain competitive advantage.

The recommendations from this research detailed ways in which practitioners of an organisation employee engagement strategy could play their part in embedding employee engagement through clear and consistent engagement activities linked to clear business issues within the organisation.

The literature review and research results also showed that an employee engagement strategy was heavily influenced by an organisations culture, and its leadership

behaviours within, and that often a basic employee engagement activity was to do simple things, such as communication, in a clear and consistent manner.

However, embedding an employee engagement culture can be slow, and inconsistent in places, particularly where the organisation operated in a transactional leadership state, and not the desired transformational state. The literature review, and the research results, clearly identified a transformational leadership state as the most appropriate state in which employee engagement could be effectively leveraged.

The leadership state should be the first critical issue which Organisation X has to deal with, as there are still many examples and critically, perceptions from the research sample, of a view that the leadership culture is still at odds with the desired engagement strategy.

*The challenge to organisations is simple: the more employees who can be moved from the 'not-engaged' type of employee to the 'engaged' type, the more beneficial this would be for the organisation in pursuing its competitive advantage. (Gallup, 2006, Figure 2: pp 24). Concurring with Lockwood (2007) who agreed that employee engagement was a key business driver for organisational success, and firmly believed that high levels of employee engagement in domestic and global organisations promote retention of talent, foster customer loyalty and improve organisational performance and stakeholder value, thereby directly impacting upon competitive advantage.*

As Mohanka (2004) succinctly summarised with employee engagement, *'the inescapable fact is that the linkages between the levels of employee engagement and business outcomes have been proven, repeatedly'*.

## **5.8 Personal learning review**

The creation of a research work of this size provided the opportunity for demonstration of a range of challenging management competencies such as personal motivation, time management, organisation, and communication. It also required the development of analytical and research competencies for the field research project.

The opportunity to delve deeper into an area of interest to the Author has been invaluable, and the research enabled him to increase my awareness of his own competencies and leadership behaviours that were required to impact on employee engagement, and thus competitive advantage, leaving him well equipped to create a plan for his own further development in this area and for the development of strategy to drive and embed employee engagement.

It has also provided the Author with a knowledge base of engagement and organisational competitive advantage that will be useful to him with future management and leadership roles. Had the Author remained with Organisation X, the research would have enabled him to work closely with his employer to transfer the knowledge amongst his peer and subordinate managers within the organisation, linking the research closely to competitive advantage.

## 6.0 Recommendations

*‘The role of employee engagement and communication in gaining competitive advantage’.*

### **6.1 Introduction**

We have seen previously how important it is for an organisation to measure its employee engagement levels, (Mohanka, 2004), and thus take a snapshot of its effectiveness in order to develop and maximise competitive advantage.

Organisation X had carried out two annual engagement surveys<sup>21</sup> prior to the commencement of the Authors research, deriving valuable data about how their engagement strategy was viewed and being embedded throughout the organisation.

This survey data was of no value unless the key items and issues were disseminated from the data. Larsen et al (2005) advocated the use of improvement teams who should be appointed to identify possible root causes of engagement issues, to examine the issues and results in-depth presenting their recommendations to management, who can in turn SMART<sup>22</sup> based actions to address them.

#### **6.1.1 Academic recommendations**

The Author had planned to continue the research methodology through facilitation of another focus group meeting drawing on participants from the shop floor area of the business, prior to his departure from the organisation.

Ongoing research and determination with regards to employee engagement perceptions and levels is important for any organisation following a formal employee engagement measurement. The summary snapshot needs to be followed with more specific research, as detailed and adopted within this dissertation, in order that key areas and issues can be drilled down further to facilitate new strategies in order to cement the engagement strategy, and link closely to competitive advantage.

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<sup>21</sup> Survey 1: Feb’07, results fully published, survey 2: Feb’08, results awaited.

<sup>22</sup> SMART – Specific; Measurable; Achievable; Realistic; Time bound.

### 6.1.2 Business opportunities

Appendix 5 detailed the action plan compiled at the focus group meeting from the respondents.

Five key issues were clearly identified from the results of research, and were adopted as key headings for the ensuing management strategy within the Authors area of responsibility, (adopted as five key work streams therein).

- *Valuing people's contribution through more effective two-way communication*
- *Team Development*
- *Senior Management Visibility & Approachability*
- *Helping our people see how what they do contributes to our success*
- *Continuing to communicate our business goal*

The issues in fig 8, were still clearly reflected in the data derived from the research approaches, particularly in the qualitative feedback gained, therefore it is important that a clear, consistent and structured approach is applied to addressing and improving upon the culture mindset in order to impact upon the issues highlighted.

Using Larsen et al's (2005) theory of improvement teams, the Author determined that the best approach for their area of responsibility would be to develop key activities headlined by the five key workstreams with input from the District Management Team, but with ownership of each workstream delineated by District Manager.

Each District would have its own '*agreed actions*' document where engagement actions were separated into the relevant workstream, and given a RAG status:

***Red= Perceived to be a risk (no activity)***

***Amber= Perceived to need progress (minimal activity)***

***Green= Perceived to be on track (Optimal activity)***

The Author recommended that this documented approach was adopted throughout the operational retail structure, in order that engagement activity and actions could be structured and consistent throughout the organisation.

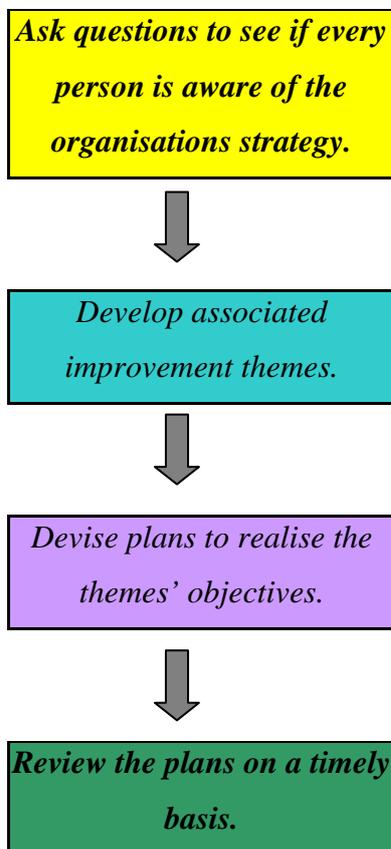
One of the important angles of any employee engagement strategy is to drive competitive advantage, (Porter, 1985: Pfeffer, 1994: Barney, 1991; 1997: Hoffman & Tschida, 2007). Collis and Rukstad (2008) contended that a strategy statement was critical to any organisation seeking to engender competitive advantage, and crucially by ensuring that all in the organisation were able to articulate the objective, scope and advantage of such,

Organisation X has had their '*Business Goal*' in place since 2006. The engagement survey and subsequent research of this dissertation has highlighted that the business goal doctrine is still not particularly well embedded within the organisation.

To facilitate a new implementation of the business goal, the Author recommended that the following plan was adopted:

### 6.1.3 Promoting the business goal

The deployment of the business goal should be based on simple principles: -



The Author has recommended some key initiatives on the above basis to Organisation X following work on a project team, that are awaiting ratification and possible adoption at the front-line.

In summary the initiatives were about first generating involvement and belonging, (a key aspect of employee engagement), through setting out annual plan targets for each business unit, and subsequent follow-up by reporting results and monitoring progress towards the targets, with the Managers being set key SMART objectives centred around customer service, business awareness and competitor monitoring.

Utilising key themes such as: -

'This is our business goal'?

'This is how you can contribute to your LBO'.

'What's in it for you'?

'What can you bring to Organisation X'?

'Customer service in action'.

'Are we getting it right'?

The full plan document is shown in appendix 8.

## **6.2 Implementation plan (areas for implementation)**

The events of the Authors departure from Organisation X had somewhat dampened the implementation plan which was initially envisaged.

The Author was able to hold a team meeting on 4<sup>th</sup> March 2008 to discuss the outputs from the two research methods with his management team, and discussed and devised a strategy to address the issues which arose; the implementation of this strategy was in full motion as the Author left the organisation.

### **6.3 Summary of recommendations**

The suggested areas from the outcome of the research for implementation purposes have been discussed in this chapter, from both the academic and the business standpoint, and clearly linked back to the literature review.

The key task clearly identified from the research was that the organisations business goal was not embedded within the daily culture at the front line, and so a clear implementation plan for a relaunch promoting the business goal was discussed.

At the time of writing this report the Author had departed Organisation X and so had no opportunity to follow through his recommendations beyond the initial implementation as discussed. However, the conclusions and recommendations surmised from this research are of a generic substance therefore enabling utilisation by the Author in his next organisational leadership role.

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# Appendices

<b>Appendix Number</b>	<b>Description of Appendix</b>
Appendix 1	Organisation X Engagement Survey background
Appendix 2	Two way feedback questionnaire template
Appendix 3	The focus group meeting invitation letter
Appendix 4	Feedback from Focus Group meeting
Appendix 5	Planned action from Focus group meeting
Appendix 6	Area strategy document
Appendix 7	Engagement activity briefing
Appendix 8	Business Goal implementation plan
Appendix 9	Organisation X's business goal
Appendix 10	Kotter's model of change

# APPENDIX 1

## Organisation X Engagement Survey background

In February 2007<sup>1</sup> all staff within Organisation X plc, circa 15,000, were invited to undertake a telephone engagement survey.

Purpose: -

The 2007 Employee Engagement Survey was designed to gather employee perceptions about the workplace, and is the primary way Organisation X will be measuring their progress in building a highly engaged workforce.

Process: -

- A quantitative, IVR survey was administered in English to the entire Organisation X employee population.
- The survey consisted of 27 questions on a 5-point agree-disagree scale.
- The results will be drilled down to District levels enabling cascading of information to all operational staff.

## What is engagement?

*“Engagement is the extent to which employees commit to something or someone in their organisation, how hard they work, and how long they stay as a result of that commitment.”*

*“Engagement is a combination of attitudes and perceptions that has a consistent and predictable impact on behaviour.”*

If we can improve our engagement scores then we are far more likely to be successful in achieving our business goal of getting more people to spend more money, more often with us than with our competitors – and in achieving this through our CBS programme

'High levels of employee engagement are good for our people, its good for our customers and its good for our business'.

*[Source: taken from Organisation X presentation to Senior Management, 30th April 2007].*

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<sup>1</sup> Repeated during February 2008

# APPENDIX 2

20<sup>th</sup> November 2008

## Employee Engagement

## Effective Two-Way Communication

Now that you have received your Engagement briefing from your DOM, I would appreciate your thoughts on what activities we could put in action within the Area in order to:

- 1) Value our people through more effective two-way communication.
- 2) Continue to communicate our business goal.
- 3) Help our people to see how what they do contributes to our success.
- 4) Enhance Senior Management visibility & approachability.
- 5) Ensure there is real focus on team development.

**Process 1:** please answer the questions detailed below (these will only be used for statistical purposes only).

**Process 2:** record in the sections below, 2 actions that from your point of view would make a difference. I would like as many different ideas as possible from which we can select our priorities. Use the priorities above to help focus on what's important.

Please feed your ideas back to me by **10th January'08** so that I can consider your thoughts and share them with the DOM team to formulate the 2008 strategy. I welcome any thoughts/ideas from your staff also.

Many thanks in advance for your contributions, your feedback is much appreciated - after all it's for all our benefit! It can be anonymous or named - up to you.

Simon West – Area Operations Manager.  
*Organisation X*, [return address here]

### Process 1:

Q1	Are you:	Female	<input type="checkbox"/>	Male	<input type="checkbox"/>				
Q2	Your Role:	Manager	<input type="checkbox"/>	Dep. Mgr	<input type="checkbox"/>				
Q3	Time with Company	0-6mths	<input type="checkbox"/>	6mths-1yr	<input type="checkbox"/>	1-3yrs	<input type="checkbox"/>	3yrs+	<input type="checkbox"/>
Q4	Do you understand 'engagement'?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>				
Q5	Do you feel engaged?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>				
Q6	Who should be 'engaging' you?	Line Manager	<input type="checkbox"/>	DOM	<input type="checkbox"/>	AOM	<input type="checkbox"/>	The Company	<input type="checkbox"/>

**Process 2:**

**PLEASE SUGGEST ACTIONS THAT COULD HELP TO IMPROVE ENGAGEMENT LEVELS WITHIN THE AREA: (please add more if required)**

Action 1: - .....  
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Action 2: - .....  
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Thank you for your valuable contribution.

*Our business goal:  
To get more customers to spend more money, more often with Organisation X, than our competitors.*

Source: The Author (2008).

## Appendix 3

Dear [first name],

### **Employee engagement – the way forward for 2008**

Since its introduction in 2007, employee engagement has been a key organisational strategy for *Organisation X* and contributed in no small way to the impressive gains we have made in our Retail performance to becoming the No 1 in our sector. We can see by the way our competitors have rushed in their own new strategies, mainly centered on customer service and employee development that they view the advances we have made as a serious threat.

Whilst our business performance to date has been fantastic we know that unless we continually develop our employee engagement strategy at all levels of our business, and raise the bar with our performance, particularly with CBS<sup>1</sup>, we will ultimately lose the edge we are currently enjoying.

One of the reasons why the introduction of *Organisation X's* employee engagement strategy has been successful was because of the input we collected, from a very broad cross section of retail colleagues, at the initial design stage. It is now time to plan how we will develop employee engagement and take it to the next phase, so it continues to provide the competitive edge we need. To do this you have been invited to join a focus group meeting I am running to generate ideas about the best way forward for our Area.

The focus group meeting is scheduled for 10am on February 6<sup>th</sup> 2008, at the xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx (map and directions enclosed). The session should last for around 5 hours and a sandwich lunch will be provided at 1pm.

You will be part of a small group of about 10-12 colleagues from the Manchester Area, I will be facilitating the meeting, and I would like to ensure that discussion on the day is open, constructive and unrestrained, so that meaningful feedback and ideas can be generated and acted upon.

You have been selected because I believe that you have the ability to add value to discussions by contributing your ideas and opinions in an open forum.

Thank you for your support and help with this important piece of research.

Best Regards,

SIMON WEST  
Area Operations Manager - Manchester

*Our business goal:*

*To get more customers to spend more money, more often with Organisation X than our competitors.*

*Source: The Author, (2008).*

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<sup>1</sup> CBS – Competition Beating Service, the organisational customer service strategy.

# Appendix 4

*Feedback from Focus Group meeting:*

## **Group Engagement – action plan**

### MANCHESTER AREA: FEEDBACK

\* Taken from SW Focus Group meeting on February 6th 2008.

• Which of the Engagement Survey results confirm the views you already had?

- Organisation X leading the way through CBS, FOBT's.
- Clear link between what staff want and the Company objectives.
- Involvement and belonging: good reflection of people management and teamwork.
- Recognition and rewards: Staff view is they can never be paid enough.
- Future & Vision indicates that Organisation X making changes necessary to compete effectively.
- Always looking to improve.

• Which of the Engagement Survey results challenge the views you hold?

- Recognition and rewards: We feel WH values staff contributions but concerned that staff don't necessarily believe this.
- Communication is not enough.
- Future & Vision disappointing, believed we had a structured trail and simple goal.
- Personally I don't feel that there is enough communication to DOM level for cascade to shop level, i.e developments, changes in the industry etc.
- Surprised at Recognition & Rewards low score, I personally feel WH value peoples contribution.

• If you were communicating these results to colleagues what are the key highlights you would want to celebrate?

- Quality and Involvement & Belonging, its good that staff think we have top quality products and also feel that they belong within WH, and the Area/District teams, believing in what you sell is very important.
- Excellent result on: can see a clear link between my work and Company's objectives, and on the feeling part of a team, this confirms the work done in Manchester on getting in the right people and fostering a team ethic and performance.

• What do see as the key drivers of engagement within our area?

- communications from the management team (DOM, AOM)
- consistency
- leadership styles and behaviours
- success
- get the working patterns right, (5/7, evening racing)
- recruitment, needs to start at the beginning

• Why is engagement so important to our organisation?

- Profits
- everybody working towards a common goal (our business goal)
- retention of people
- future development of people, and thus organisation
- having people enjoy their work, and thus contribute more
- employee performance
- share price, keeping shareholders satisfied (including the employees)
- keeping Organisation X at number 1 in the industry

• What, for you, are the burning issues that arise and that you want to see actioned with regards to engagement?

- Communication from senior management, cascading information/results downwards to shop
- Recognition & Reward, we need to praise more, personal touches, pass on the good things as well as the bad, speak to staff on a 1-1 basis
- We all need to reward and praise staff more as we as castigate, make people feel more appreciated.
- Communication, info needs to be cascaded down to CSA level more effectively (inc cleaner)
- The senior management of WH have communicated a clear vision, this needs to be communicated more clearly to the shop teams to motivate them more.
- Ensure communication is cascaded down to all levels more.

*Source: The Author, (2008).*

# Appendix 5

Planned action from Focus group meeting:

Overall company priority areas: -

Summary of action that will be taken to address this area

1. Valuing people's contribution through more effective two-way communication.

- DOM visibility (more time in the shop, develop communication at all levels in Shop).
- Listening skills (performance can be improved upwards as well as downwards).
- Deputy Manager meetings (encourage them to take more ownership).
- All meetings properly minuted and communicated.
- Ensure AOB used at all meetings, (not at end of day), encourage 2-way feedback.
- More praise/constructive criticism.

2. Continuing to communicate our business goal.

- Retail goal to be detailed on all correspondence.
- Goal to be constantly discussed/monitored/highlighted to keep at top of Area/District domain.
- Quality of meetings with shop staff (both joint/shop and off-site), structured agenda.
- Effective regular quality CBS meetings, SMART based.

3. Helping our people to see how and what they do contributes to our success.

- Concentrate on what the customers see/feel/hear (deliver high level customer service).
- Ensure staff aware of shop targets.
- Update them with progress re targets.
- Communicate more about why service is an important desire from customers.

4. *One other priority area for your function.*

- Meetings need to be focussed around CBS, clear agenda and objective, not just a tell/dictatorial structured around: - friendly service, famous expertise, great in-shop experience.
- Time management key area to improve, and key barrier to realising some of the objectives above both in how the DOM's manage their time, and how their time is managed/impacted upon from outside.

WHAT            **HOW**            WHEN

*Source: The Author, (2008).*

# APPENDIX 6

## ENGAGEMENT – AREA STRATEGY DOCUMENT

14<sup>th</sup> February 2008

### COMMUNICATION:

- 'Effective **2-way engagement form** sent to all LBO's, requesting feedback direct to AOM by 10th Jan'07.
- Focus Group meeting held on 6<sup>th</sup> February 2008.
- DOM concern expressed that the '**engagement brand**' needs to be promoted more on DOM visits, to ensure that staff are connecting DOM visit/visibility/communication with DOM engagement.

Simple way forward is to hold a **formal engagement meeting** following a CBS meeting, asking for 2-way feedback, and by asking the Manager to obtain prior agenda items from the staff, so that all are involved and can see DOM engagement in action.

DOM's to action immediately on CBS visits.

- Quarterly Area **newsletter** to be continued, but with end page for District specific input from DOM's. Competition to be included in each issue, with entries to AOM/Stalybridge.

Area newsletter due end Mar'08

- Idea adopted from DOM/SK that LBO memo's are to request **signatures** from all staff to drive full readership/understanding/compliance.

All LBO memo's to include immediately

### VISIBILITY:

- **DOM tracking** document implemented to drive **visibility**, initial return to commence from Mar'08 management report. Visibility on shop visits (talking to staff) is the critical DOM component to engagement by being able to promote two-way communication.

DOM's to begin using to report back within Mar'08 management report

- DOM's asked to focus on bottom 6 poor performing **Retail Eyes** LBO's as high priority CBS visits.

DOM Action by 10<sup>th</sup> March'08

- Area presentation/visibility to be made at each **Area training** course
  - AOM to attend as many induction courses as possible
  - AOM/DOM rota for Level 2, Level 3 courses

- DOM's to have **conversation** with each delegate from their District on Level 3 courses and Management Skills, to support, motivate and set out an expectation.

### DEPUTY MANAGER OWNERSHIP:

- Concern that **Deputies were excluded** (by Managers) from some of the 'management stuff'. I.e not attending meetings, not being given DOM memo's to read etc.

- DOM's agreed to arrange **Deputy Manager meetings**, with agenda centred on engagement, but including business issues, by end Apr. Way forward agreed to be two DM meetings per year per District.

DOM to hold Deputy meetings by end Apr'08

- AOM to hold two **Management coffee mornings** – 1st for Deputies, then 2<sup>nd</sup> either for more Deputies, or depending on success/feedback, with Managers.

AOM to arrange dates early Apr'08

#### **GENERAL:**

- AOM to hold four **new starter/improver** coffee mornings pa. AOM to arrange dates by end Mar'08
- **Retail Goal** is branded on all DOM memo's/agenda's etc, continue to maintain maximise profile, make clear connection with everything we do.

#### **TRAINING & DEVELOPMENT:**

- AOM to look at freeing up **DTC time** and maximising their visibility in shops and using them as another arm of Area engagement.

Through quality management cover/Deputies; ensuring high involvement in recruitment interviewing; fulfilling visits required from DTC role; [tackles staff retention/development/LBO standards etc]

AOM meeting RTM/MW on 23 Feb  
AOM & DTC meeting on 14 Mar

- AOM to look at suitability of utilising **ATC role**, to manage/support DTC function.

AOM & DTC meeting on 14 Mar'08

Source: *The Author, (2008).*

# APPENDIX 7

## ENGAGEMENT ACTIVITY BRIEFING:

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### District Engagement Workstreams

4<sup>th</sup> March 2008

The Area met shortly after the Area Focus Group Meeting held on 6<sup>th</sup> February 2008, to determine its strategy for 2008.

It was decided to develop key activities headlined by 5 key workstreams with input from the District Management Team, but ownership delineated by District Manager..

District X: Valuing people's contribution through more effective two-way communication

District X: Team Development

District X: Senior Management Visibility & Approachability

District X: Helping our people see how what they do contributes to our success

AREA SUMMARY: Continuing to communicate our business goal

Actions moving forward were agreed to be implemented at Area level, and also District specific, across all of the five workstreams.

Each District will have its own 'agreed actions' document where engagement actions are separated into the relevant workstream, and given a RAG status:

**Red= Perceived to be a risk (no activity) Amber= Perceived to need progress (minimal activity)**  
**Green= Perceived to be on track (Optimal activity)**

### **District Specific summary of engagement activities: -**

#### **District X: -**

##### Valuing peoples contribution through more effective two way communication:

AOM and DOM presence at each coffee morning and off job course (Level 2 & Deputy) DOMs attended all inductions to meet new starters personally as not always involved in the interview process.

Increased effectiveness of the Staff Council in the two meetings chaired by myself. Comprehensive discussion and resolution to the items on the table particularly well received.

Used this forum to provide a trading update, outline current issues, threats & opportunities. Also, feedback on any issues unable to answer at the previous meetings.

##### Continuing to communicate our business goal:

Branded communication used in order that the business goal remains at the forefront of staff thoughts.

SMART objectives set during CBS visits so that staff are aware what they are working towards.

Business awareness packs distributed to all DOM's to highlight the link between business performance & retail eyes during shop visits.

##### Helping our people to see how what they do contributes to our success.

Personally rewarding staff and presenting prizes during engagement meetings & ad hoc shop visits Personal phone calls from AOM & DOM's celebrating success in; cash betting accounts, retail eyes, FOBT promotions. Explaining how positive performance impacts on their reward, both financial in terms of bonuses & personal in terms of recognition and progression.

All of the above through increased transparency, negating the scepticism... Getting staff to believe line management are not hiding anything has been key.

##### Senior management visibility & approachability:

Attended all deputy manager, level 2 and coffee mornings without exception.

Had two days out with each DOM per quarter. The focus being on accessibility and willingness to address every query and issue raised at the coal face.  
This was done with a high degree of success.  
Positive rapport developed within District 12 at all levels and a very healthy camaraderie to inherit.

#### Team Development

Key to the success of engagement in 2007 and moving forward has been in imploring staff to understand the importance of succession planning and retention.

This has been a key element of the fully subscribed engagement briefings.

Each shop manager charged with having a meeting with all of their shop team, outlining individual career expectations.

DOM's can access these to have in essence a 'family tree' type document to consider progression.

#### **District X: -**

##### Two Way Communication.

- Re-introduction of coffee mornings for new employees.
- Broadening out CBS discussions, to include members of the team other than it always being the shop manager. This accomplished via half day DOM visits.
- Distribution of District newsletters.

##### Communication of Business Goal

- Branding of all written communications.
- Discussions of LBO performance at CBS meetings.

##### Visibility

- Half day CBS visits to LBOs. Quality rather than quantity!

##### Helping our people see the value of their contributions.

- Highlighting success via newsletters.
- Praising/rewarding employees in front of their peer group.
- Feedback of a positive nature where it is due.

##### Team Development

- Individual monthly meetings with DOMs to discuss management report and matters arising.
- Identification of key individuals within each District, to develop in some aspects of the DOM role.
- Identification of "Shadow DTCs".

#### **District X: -**

CBS meetings continue. 6 weekly cycle followed  
Manager meetings held every 6 weeks  
Deputy meetings held every 8 weeks  
CSA meetings held minimum bi annually  
Retail eyes summary by DOM after each wave  
Retail eyes summary by AOM after each wave  
District bulletin every quarter. An District team of 6 produce  
District social club formed. Over 90 employees joined  
Staff council held every 6 weeks  
DOM/AOM attend every course  
Coffee mornings held 4 weeks after EVERY induction  
Succession plans submitted by every district to HR  
Vouchers and awards given out promptly  
Quarterly "employee of the quarter award"

#### **District X: -**

AOM & DOM - business update / engagement meetings to all managers and deputy managers which totalled 10 meetings across the District. 100% attendance levels were achieved and the cascade communicated to both sets of staff individually. The plan is to continue this in Q2 this year.

District team meeting held away from the business to review all the feedback and project work, and for the DOMs to agree the approach for the District.

DOMs conducted full review of district staffing and completed a succession planning document for the whole district, a copy in HR.

LBO trading targets issued to all shops and reviews of LBO operating statements have taken place with the LBO managers.

District summary of all Retail Eyes scores produced by AOM and circulated to all shops on completion of each wave. Likewise, district summaries have also been produced. All awards, vouchers and certificates have been presented at meetings.

Staff Council meetings held initially monthly due to historic issues but will revert to bi monthly this year. Status of role and meetings now positive with pro active meetings.

CBS meetings now underway across all 5 districts – AOM to support and coach in 2008.

District newsletters circulated bi monthly and quarterly, copies in regional office.

All BAU training courses attended by a member of the District Ops Team to give a company update and clarify expectations and career opportunities.

Social events held across all 5 districts for Xmas 2007. For this coming year, social clubs to be introduced and functions planned and supported by line.

LBO manager meetings now held on a bi monthly cycle in a professional venue. This is to continue to communicate the Business Goal and engage in 2 way communication. There are plans to do this to deputy managers and CSAs in 2008 on a quarterly / half yearly cycle.

#### **AREA SUMMARY: -**<sup>1</sup>

##### Valuing people's contribution through more effective two-way communication

- District management teams given Engagement briefing by AOM/DOM (off-site)
- Coffee mornings utilised for new starters, AOM 45mins informal presentation on Welcome to WH, CBS, Retail Eyes, engagement, career path & 2-way feedback, followed by Q&A
- One Manager/Deputy off-site coffee morning with AOM held in Oct'07, (overtaken by engagement briefings)
- AOM attends new starter inductions to present 'welcome to WH' etc, (high priority)
- DOM attends day3 of induction to give a security briefing, welcome to 'WH from DOM' perspective (high)
- AOM/DOM attendance on every Level 2 course (medium)
- AOM attends Day3 of Level 3 course, for informal discussion on the future, and Q&A (high)
- Bi-annual Area newsletter sent out
- Retail Eyes: CBS visits, encouraging management team ownership of CBS visits by compiling action plan prior to DOM visit, then taking forward in DOM action plan; best practice meeting after each wave for poor performers (agreed by District team); District wave bulletin cascading results, recognition & key message
- 2-way feedback questionnaire sent to all LBO's in Sept'07 (poor response)
- Recognise contribution, praise when good things happen

##### Team Development

- Monthly meeting with DOM to walk through District Management Report
- District succession plans developed/updated
- Policy for DOM's to meet with nominations for Level 3 to set out expectation & the future
- Buddy system for Deputies being developed (post-level 3)
- Management Skills course (held by MW), embraced, 3 in 07, planned in each Quarter for 08
- Some Managers invited to participate in interviewing with DOM
- DTC's considered part of Area Team, representative attends each Area line meeting
- Promote DTC contribution/availability to LBO's, more proactivity with new starter/L1 follow-ups
- AOM attends each DTC meeting, maintains close contact with DTC's
- 2008 Area objective: 'Manager ownership' being developed with DOM's, (workshop 2 12/2/08)

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<sup>1</sup> Area of responsibility for Author

### Senior Management Visibility & Approachability

- Develop proactivity on recognition, sharing and rewarding success (through newsletters, spot prizes, telephone calls, LBO visits), promote to peers
- Maintain high AOM/DOM visibility on BAU courses
- Coffee mornings critical for visibility, 2-way feedback, information gathering & key messages
- CBS visits held by AOM with DOM, (planned for 2 days each DOM per annum)
- DOM's encouraged to talk about and use the 'engagement brand', embed into Area culture

### Continuing to communicate our business goal

- Clearly connect to everything we do, particularly on CBS visits
- Develop understanding, WHAT: business goal, HOW: CBS
- Discussed on every LBO visit, printed on every written communication

### Helping our people see how what they do contributes to our success

- Period trading variance reports cascaded to DOM's
- Session on WH & Area trading performance given at District Engagement meetings
- Area Staff Council considered key cascade/sounding board of Area information/initiatives
- Retail Eyes: Area/District performance communicated in Wave summary, including 100%'s, exemplary service awards and improvers
- Cleaners not ignored, 100% 'Great in shop' achievers receive AOM/DOM letter commending
- Request examples of employee excellence through Area newsletter
- 1 DOM Deputy Managers meeting 07, 2 targetted for 08 minimum
- Key DOM objective to drive use of diary use to track LBO trading performance
- District league tables sent out with each Retail Eyes Area wave summary
- District cascade of 2007 trading results to plan (% only) planned
- Each Manager sent memo detailing: The Engaged Employee, The Engaged Company, Key behaviours

In summary, the above points have all supported our efforts in increasing the engagement levels of all our employees. On review, the most positive feedback has come from the business & engagement meetings delivered to all managers and deputies in Q4 2007. They all requested that they are continued on a permanent cycle. I would have to agree and state that from an Ops viewpoint, a strong message was given to all staff regarding direction and focus to which they responded well.

*Source: The Author, (2008).*

# APPENDIX 8

*Business Goal implementation plan*

Simon West  
16th March 2008

## • ***Continuing to communicate our business goal***

It is clear from the 2007 Engagement Survey that respondents reported a possible lack of understanding or motivation with regards to the Retail Goal, particularly with:

Q20: 'the senior management of WH has communicated a vision of the future that motivates me',  
Scoring 2.75 for Region 3.

Any vision has to be shared and employees informed about strategic plans and their own part in achieving the strategies. Taking the trouble to improve the employee's understanding of the retail goal, and winning their approval will have a positive effect on performance, we must never forget that the employees invest their lives and financial security in the company.

It is important that the goal is not only clearly communicated to the employees, but also firmly deployed through establishing clear strategies on how that goal is going to be achieved, why it is so important to the organization and what exactly we are going to do as a team to fulfil the goal.

## • **BRANDING**

**Key action:** key theme: business goal = customer service

Firstly I believe that we need to simply refer to the goal as the '***Business Goal***' rather than the 'retail goal.'

High group morale can enrich individual motivation and performance remarkably, so branding the '***Business Goal***' will make it clear to the employees that the goal has been deployed in all areas of Organisation X, and that we are all working together with a common aim.

This also aligns Retail with the organizations aim of nurturing engagement throughout Organisation X, not just within Retail. Creating an atmosphere in which people feel appreciated and an essential part of a team is a challenge, and yet a massive win for every organization and manager.

There also needs to be a clear connect of the business goal to CUSTOMER SERVICE, this I believe will enable the business goal to be more simply understood by our employees by driving it through essential employee behaviour (their customer service) and establishing a clear message that 'good customer service' (or 'customer service excellence') impacts positively on our business goal.

In essence we need to bring the business goal down to the employee's level by making it easy to understand, linking it clearly to what they do, and setting clear and simple strategies through CBS that everyone can buy into.

**Action:** key theme: "This is our business goal"?

(1) Correspondence: -

The business goal needs to be branded on all of our correspondence, starting with offer of employment letters, and covering all DOM and LBO correspondence.

A standardised template for memo's, letters etc can be designed to ensure a consistent approach when used by all Regional Staff, AOM's, DOM's etc, in communications with the LBO's, clearly showing our business goal contained within the 'footer' on each page.

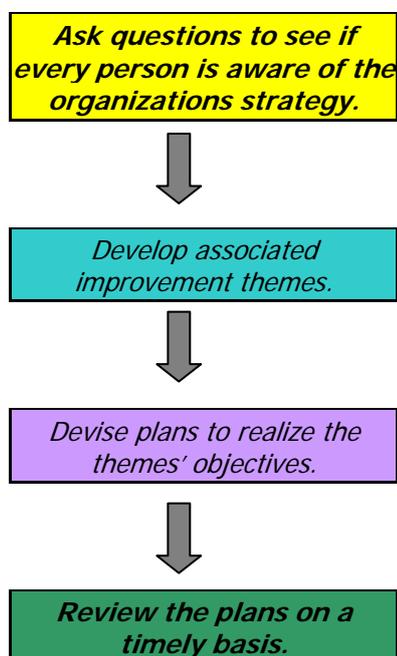
(2) Physical: -

It is intended that suitable branding be found within the LBO premises, obviously this must not be visible to our customers, but located in the employees area where it can be given prominence, and ideally linked with a LBO-specific measurement tool such as CBS/Retail Eyes scores or District league tables etc, so that the employees can check their performance and be self-motivated to improve.

Of course it isn't enough to just brand the business goal, we need to ensure that AOM's and DOM's talk about the goal constantly with Managers and employees at all interaction levels. It has to be communicated with clarity and consistency.

### ● **PROMOTING THE BUSINESS GOAL**

The deployment of the business goal should be based on simple principles: -



We have a very clear and simple business goal, but has this been linked/discussed in terms of what Organisation X's strategy is? I believe that the WH strategy should be cascaded down in simple terms to ALL LBO staff with them firstly being aware of their LBO annual plan targets for turnover, slips and gross win, and of the profitability/share price journey annually of WH.

**Action:** key theme: "This is how you can contribute to your LBO".

(3) We need to ensure that each LBO is given their plan targets for each trading year, and that they are displayed to all staff at a general level, within a calendarised grid notice where the Manager can update results as and when so that the employees can see their progress with the targets.

The Managers can be more specifically tasked with the targets, and set individual SMART objectives.

Discussing organizational profitability can be an emotive issue with employees who can bring or develop a personal agenda based on their own personal reward package, but we need not to be wary of this and generate positivity around the business goal by highlighting that we all belong in

a commercial world with the ultimate goal being to maximise profitability, and by highlighting exactly what successful profitability means to the employees.

Meeting/exceeding profitability expectations yields many benefits for employees such as increase in reward packages; incentive schemes; training and development; career progression and general satisfaction in working for a successful organization and one that is no 1 in the sector.

These are key themes to develop and promote in all employee interaction, so that they can understand what they stand to gain from the business goal being followed, this also links to employee retention.

What is required of the employees in a customer-focused and service-oriented organization?

*General requirements:*

- understand the full relationship the organization has with its customers.
- understand and accept their role and responsibilities in maintaining these relationships.
- be customer-focused in their work environment.

*Specific requirements:*

- have the skills to interact and communicate with the customers
- be motivated to interact and communicate
- be rewarded for interacting and communicating in ways that support customer-focused behaviour, such as praise, recognition, incentives, training and development etc.

**Action:** key theme: "What's in it for you"?

(4) We could develop an employee incentive simply from retail eyes, by having an "Area shop of the year" competition, whereby the top 3 LBO's in each district go through to a "premier league" and undergo a judging by the AOM and/or DOM or a more stringent mystery shopper visit.

The overall District winner then wins, for example, a meal/night out for the whole LBO team, or a day at the races, something to encourage competition, focus on customer service and retail standards, and involve team working, with everything clearly connecting to CBS and the business goal.

It could move forward into a "Regional shop of the year" competition.

Outset of employee relationship:

The promotion of the business goal needs to begin at the very start of our employment relationship, with prospective employees being informed of our goal, and asked what it means to them.

**Action:** key theme: "What can you bring to Organisation X"?

(5) Test a script approach with CSA interviews as part of introduction to WH, looking for responses linked to customer service, going that extra distance to improve sales/profitability. This can form a key competency for our recruitment selection.

The employee relationship moving forward

Ongoing, the business goal needs to be embedded in all of our training activities, so that the business goal can be linked to those core skill and knowledge area's within training that impact on the employees ability to affect the business goal, such as customer service, CBS, standards etc.

**Action:**

(6) Thorough review of all training material to take place, starting from induction through to level 3, to ensure that the business goal is correctly embedded and linked to training and impact of customer service upon the business goal and Organisation X's financial performance. Its vital that the business goal message is talked about constantly by DOM's and AOM's on LBO visits and other employee interaction area's, we must assume that the message is always new to someone so need to keep repeating it, and tailoring different approaches and angles on subsequent visits.

Simple questioning along the lines of: "what is your understanding of the business goal", can lead into an important conversation about customer service and its impact etc.

**Action:** key theme: "Customer service in action".

(7) We could formalise this into a monthly/quarterly CBS procedure, where LBO staff are asked to complete a simple form listing two ways they can, or have, improved their customer service. This is then reported by the Manager to the DOM, then onto the AOM etc.

**• MEASURING THE BUSINESS GOAL**

\* may link to communications workstream

We need to celebrate the achievements of our organization with our employees, with key themes that we can align clearly to the business goal, such as retail eyes results and trading performance.

**Action:** key theme: "Are we getting it right"?

(8) We need to carefully design a tool to cascade down specific MI data so that the employees can see what impact their contribution is having. This could be Organisation X plc results, or Regional/Area/District, or ideally LBO-specific trading data. Anything above LBO-specific could be reported in a league table format to encourage competition amongst District LBO's.

(9) Business awareness of trading results is critical with driving strategy, we need to adopt Peter Stewart's initiative as a regional approach, and have the AOM's perform a one-to-one quarterly analysis with the DOM's of the trading performance data. This will encouraged the DOM's to take ownership by reaching their own conclusions on the results, with the trading results being clearly connected to retail eyes scores and thus to the business goal.

The analysis is then cascaded down from DOM to LBO Manager to seek their input and problem solving, all designed to encourage their ownership of their specific results.

(10) We can make more use of our competitive market share data, by completing a regular competitor slip check, (monthly or quarterly), and plotting the market share result on a calendarised chart, updated as required by the Manager, and displayed on the notice board so that the employees can gauge their performance relative to the competition.

We need to ensure that this information doesn't act in a negative way by employees becoming complacent and losing any proactivity with regards to customer service, the message being to celebrate success but we can always make it better.

(11) Do we need a formal appraisal/feedback process for the Managers, where they can be set clear goals linked to the business goal through CBS etc, which are then reviewed on a timely basis.

*Source: The Author, (2008).*

## APPENDIX 9

### **ORGANISATION X'S BUSINESS GOAL.**

All of the experts are agreed, any strategy, and particularly a customer service strategy has to begin with a clear vision of what the organisation what to achieve.

Organisation X has a clearly defined "Business Goal", being: -

*"To get more customers to spend more money, more often with Organisation X, than our competitors."*

This has been adopted across all area's of the business and is backed up by a comprehensive customer service initiative, called 'CBS – Competition Beating Service', involving line manager shop visits/action plans, retail marketing and a mystery shopper campaign.

However, the 2007 Organisation X Engagement survey, which resulted in a mean overall score of 3.20 (out of 5), [see appendix 1 for more detail on the survey], highlighted concerningly in the area of 'Future/Vision' that the staff response was only 2.75 in response to the question:

*'Has the senior management of Organisation X communicated a vision of the future that motivates you'?*

The challenge therefore for the Organisation, is how to more effectively embed the business goal at the shop floor level?

High group morale can enrich individual motivation and performance remarkably, so branding the 'Business Goal' will make it clear to Organisation X's employees that the goal has been deployed in all area's of the Organisation, and that everyone is working together with a common aim.

This also aligns Retail with the organisations aim of nurturing engagement throughout Organisation X, not just within Retail. Creating an atmosphere in which people feel appreciated and an essential part of a team is a challenge, and yet a massive win for every organisation and manager.

There also needs to be a clear connect of the business goal to *customer service*, this I believe will enable the business goal to be more simply understood by the employees by driving it through essential employee behaviour (their customer service) and establishing a clear message that ‘good customer service’ (or ‘customer service excellence’) impacts positively on the business goal.

In summary the business goal links clearly to customer service will be brought down to the employee’s level by making it easy to understand, linking it clearly to what they do, and setting clear and simple strategies through CBS that everyone can buy into.

The promotion therefore of the business goal becomes a vital aspect of an organisation's engagement strategy when seeking to maximize competitive advantage.

# APPENDIX 10

Kotter's model of change:

Kotter's model of change is reproduced in the following diagram, reproduced from *Leading Change*

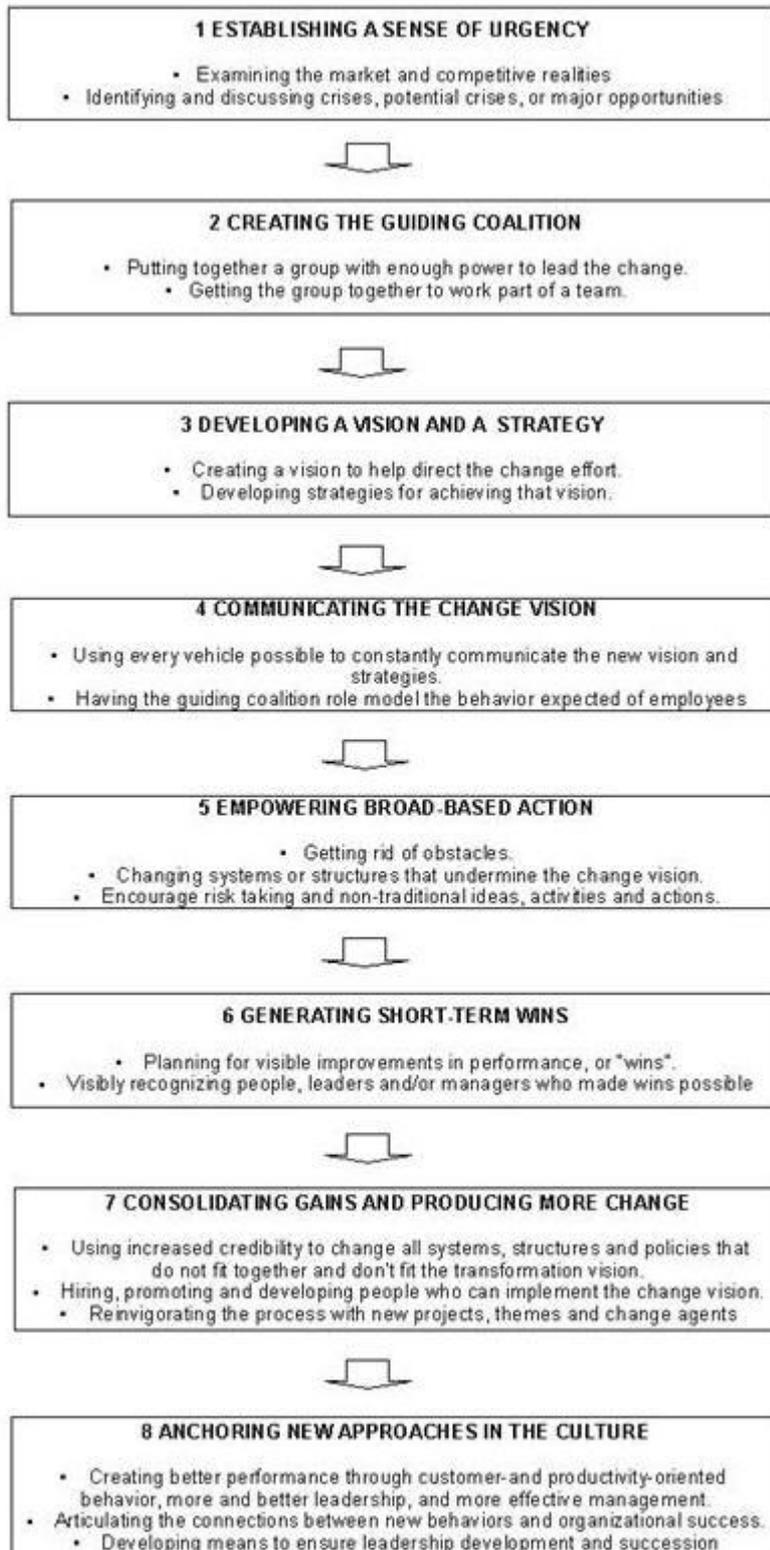


Image reproduced from original on p. 21 of  
*Leading Change* by John Kotter