

ESG: Employee engagement

Employee engagement forms an essential part of the governance pillar in ESG (environmental, social and governance) activities. Employee engagement is important to productivity, reputation and branding, making a big difference to organisational success.

THE IMPORTANCE OF EMPLOYEE ENGAGEMENT

Employee engagement is viewed as an essential part of excellence governance. Employees can be engaged with their organisation and/or with their individual job within it. Engagement comprises intellectual, affective and social engagement, all of which contribute to positive organisational outcomes. Engagement can be thought of a state of mind or as behaviour.

Intellectual engagement refers to when employees think how to do their job better. When they are intellectually engaged they are absorbed in their work.

Affective engagement refers to when employees feel a positive emotional connection to doing a great job.

Social engagement means that

employees discuss work-related improvements with their work colleagues in the pursuit of better work outcomes.

CHARACTERISTICS OF ENGAGEMENT

The characteristics of employee engagement include having a positive attitude, a strong team spirit, employer loyalty and commitment, high productivity, job and career satisfaction and mutual trust. To achieve these outcomes, excellent governance is needed, for example, in the form of an appropriate and engaging leadership style.

The workplace environment must facilitate and encourage excellent communication, collaboration, and foster voice and autonomy. Employees should also feel rewarded (although not necessarily financially) for what they do.

DRIVERS OF ENGAGEMENT

Employee engagement is closely linked to senior management's and leadership's vision and integrity. Governance must embrace strong, clear, two-way communication. Line management also play a crucial role. They must encourage employees to feed their views upwards and provide a supportive work environment for them.

Job demands play another key role in supporting employee engagement. These include the urgency of work, workload, role conflict/ambiguity and organisational politics.

It is important to ensure that work-life balance is considered as part of governance actions. This is because if employees over-engage in terms of workload and meeting deadlines, they can suffer burnout. Poor work-life balance also affects family relationships.

Role conflict and ambiguity lead to stress as the job demands are unclear.

So it is important that employees understand their purpose and the roles they should perform.

Organisational politics can prevent employees from learning about key information as well as damaging work relationships. So care needs to be taken here too to ensure a supportive political environment.

ENGAGEMENT OUTCOMES

Research indicates that there is a good correlation between employee engagement and business outcomes. Highly engaged workforces show high levels of discretionary effort leading to high performance.

Engaged employees have more authentic relationships with clients, customers and other contacts. This improves customer relations thereby supporting another factor important in excellent corporate governance.

Engaged employees are closely aligned with the organisational mission and values. This leads to a strong connection between employee engagement and branding. Employee branding means that engaged employees act as organisational standard bearers. They will present a highly positive corporate image. This helps to enhance a further governance objective, namely to present a positive employer brand to all stakeholders.

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