

COMPELLING BUSINESS NEED FRAMEWORK FOR DRIVING EMPLOYEES' ENGAGEMENT

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Abstract: *In the today's economy that is constantly disrupted and challenged it is important to have motivated and engaged employees as they contribute more to the business in terms of productivity, they are more committed and create higher customer satisfaction. Unfortunately, many companies fail at the very beginning of the journey by not succeeding to onboard employees and get their buy-in for the business strategy. The aim of the article is to outline a specific and practical step-by-step framework for generating employees' engagement, not only in executing strategy, but also throughout their active participation in creating it – all enriched by illustrative case study.*

Keywords: *Strategy, Compelling business need, Employees' engagement.*

1. INTRODUCTION

One of the major pitfalls of working with business strategies is that they became too complex. Often it is unclear who owns them, how they are related to an employee and thus if they can drive employee engagement. However, in the dynamic and complex world that is constantly changing at the pace as never before, it is of critical importance to create, reinforce and amplify employee engagement.

The workforce has changed and nowadays business companies are using of advanced techniques and evolving technologies, which urges for having employees with increased technical and sophisticated skills who cannot be managed in old autocratic management style i.e. through schematism, standardized operation with „hierarchical supremacy and subordination“ (Radosavljevic & Radosavljevic, 2015, p.218). These employees expect more autonomy and space to deliver. Additionally, it is evident that no one has a better insights into what is really happening, what is missing or could be improved, from those who are doing the front business, the one who are executing business as they are in direct contact with customers and thus have a unique opportunity and perspective which enables them to create credible and relevant innovations.

Stated above already gives good indication why attention of managers is shifting towards employees' side of organizations. Specifically, concept of employee engagement, employee commitment and similar terms started to be in a spot light since the last quarter of twentieth century. So, although employee engagement is a complex concept it became clear that it is a vital component for every organization to thrive in the competitive environment. The need for employee engagement is linked to the need of the business to increase efficiency, productivity and to get maximum output from efforts.

This article is an attempt to present a specific approach to business strategy co-creation, which is based on few clear conditions for articulating compelling business need to which employees can relate and attach to. The presented framework through the illustrative case studies shows

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that it ensures the answer to very important questions “why?”, that is “why am I doing something in the organization and how this contributes to the organizational goal?” Furthermore, it enables quantifying and following up on the strategy and projects/initiatives related to it in a meaningful, predefined way. Fundamentally, it presents how the focus should shift from broad vision and projections based on external environment to what assumptions have been made related to internal resources, its utilization and how strategy can be co-created and endorsed by those that will execute the business strategy – our employees.

2. EMPLOYEE ENGAGEMENT

Employee engagement is not a clear concept and throughout years it evolved. For instance, Harter, Schmidt and Hayes (2002) stated that “Employee engagement refers to the individual’s involvement and satisfaction with as well as enthusiasm for work” (p. 269). Czarnowsky (2008) specified that engaged “employees are mentally and emotionally invested in their work and in contributing to their employer’s success” (p. 6). Fleming and Asplund (2007) described employee engagement as, “the ability to capture the heads, hearts, and souls of your employees to instill an intrinsic desire and passion for excellence” (p. 2) and Chartered Institute of Personnel and Development ([CIPD], 2010) outlined that it goes above motivation and job satisfaction but should be rather seen as a blend of willingness to help colleagues and commitment to organization. Regardless of the definition used there are many reasons why employee engagement has become a management hot topic, top priority in HR agenda and gotten in the spotlight of scientific research.

Firstly, reports show that employees who are invested in their roles are more productive than those who are not – engaged employees increase productivity and the companies with high employee engagement outperformed those with low engagement in many aspects including, profitability, productivity and customer satisfaction (Hanaysha, 2016). This finding is also outlined in the research of Gallup conducted in 2012 (<https://www.gallup.com/workplace/236927/employee-engagement-drives-growth.aspx>). Indeed, it seems that employees that are engaged in their work are at the same time the best people to interact with customers as in various research relationship between engaged employees and increased customer loyalty and/or satisfaction was confirmed (Haid & Sims, 2009; Gonring, 2008). This finding is very close to everyday logic as employees are often the key that makes distinction between positive or negative customer experiences i.e. the difference if customer will stay or not.

Another reason that brought employee engagement to attention of academic and practitioners, is that engaged employees are involved and invested in their roles and they are less likely to leave their job, their turnover intentions are lower (Wesley & Krishnan, 2013) as well as absenteeism rate and safety incidents (<https://www.gallup.com/workplace/236927/employee-engagement-drives-growth.aspx>). High engagement at work goes hand in hand with enthusiasm, challenge, and feeling of personal significance (Harpaz and Snir, 2014). Also, as Truss, Alfes, Delbridge, Shantz and Soane (2013) found those employees highly engaged in their work are focused on, attached to and happy about the work, feel valued, so for them working time passes quickly.

Additionally, employees who are engaged and feel good about their job and contributions to the company are more likely to be proud of the company they work for, are happy about the job, so could be seen as ambassadors of the company who spread positive word of mouth about the company to the external world and thus contribute to employer brand equity (Martin & Hetrick, 2006).

In summary, engaged employees to their work maximize their potential through performance which in return results in supreme performance of company and ultimately profit. As much as employee engagement is instrumental for organizational development it is equally important for individual development. Based on the above it is of critical importance to create an ambient that reinforces and drives employee engagement, as the initiatives of management can thrive and go above pure execution only with cordially engaged employees.

3. THE MAGNITUDE OF A BIGGER PICTURE

In essence, engagement could be seen as one's present here and now, focused, and at the same time energized existence where people go above and beyond what is expected of them because they feel part of a purpose larger than themselves – in a job context it means that the job and link achievements to it have a meaning (Kahn, 1990). As research shows engaged employees are engaged because they feel their work matters – it is meaningful (Geldenhuis, Łaba, & Venter, 2014). Purpose or meaning set the base for engagement. It is the essential element that makes an engaged organization possible and thus represents the preliminary step in creating an engaged culture. As Sinek (2019) stated, "...help us imagine a positive, specific, alternative vision of the future, it stirs something inside us that makes us want to raise our hand to join up and join in" (p. 39).

In addition, it is found that the alignment of the strategic vision with employee productivity is a key contributor to the success organization (Cato & Gordon, 2009) because such alignment motivates and inspires employees to be more creative, improve their performance and effectiveness (Obdulio, 2014). Thus, a good starting point for engaging employees is clearly and transparently articulated strategy, vision where the company is going, how it is going to get there and what needs to be done. This gives an organization a unique opportunity to share with its members what the organization sees as important, where priorities are, what role it plays in the external environment and how each employee can contribute to it (Aaltonen & Ikävalko, 2002; Boswell, 2006; Dobni, 2010). Once this is understood, seed of culture of engagement is seeded, employees know what they need to do, why to do it as part of bigger picture, and how to do it i.e. they live company's values at work. To maintain the momentum, those who display the above need to be recognized and celebrated across organization.

The most capable managers set challenging but attainable goals which are positioned as a part of a bigger picture, so that employees are constantly driven to work hard to reach them. This means that in order to have employees motivated and engaged they need to firstly understand clearly what is expected of them, and how their jobs contribute to the success of the organization and why something should be done. It is clear that exclusive and huge responsibility of management is to communicate the organization's strategy and goals to the employees; and to make employees fully onboarded. Although it sounds easy unfortunately in many cases it happens that the vision is relevant to those that are leading organization but disconnected from employees. It could be the explanation why only 33 percent of employees are engaged at work as found by Gallup's State of the American Workplace Report (file:///C:/Users/Korisnik/Downloads/Gallup_State_of_the_American_Workplace_Report.pdf).

Namely, on the one hand side the vision, strategy, purpose and big picture are often created by those who run and/or own company. On the other hand, it is their responsibility not only to cascade it to employees but also to make them able to see how their individual role fits into the overall achievement of the company's purpose which gives it meaning. Meaningfulness entails

“a feeling that one is receiving a return on investments of one’s self in a currency of physical, cognitive, or emotional energy” (Kahn, 1990, p.703-704). When an organization actually creates a purpose then a team could connect with, and that is when it starts to give meaning to employees’ daily activities.

Obviously, the clear articulation of a corporate vision and the employee’s connection to it are important in all times, but particularly in turbulent period like business restructuring or transformation. So, it is manager’s job to help employees find a meaning in what they do. Once employees believe their work is meaningful, they will be more engaged, committed, thrive and give the best out of them willingly.

4. COMPELLING BUSINESS NEEDS (CBN)

Compelling Business Needs (CBN) framework is proposed to create augment and engagement of all employees through balancing top-down and bottom-up approaches by articulating business strategy and objectives including specific activities and projects that will contribute to achieving bigger picture. It is based on reducing complexity, spelling important elements in a simplistic way with their clear inter-connections making it relevant to all stakeholders, in particular employees. Namely, in order to create ownership of all involved parties it helps them see the value in the proposed strategy and planned moves forward. The CBN is developed to drive ownership and engagement throughout the process which is presented below.

Phase One: Pre-work where top leader are asked to reflect on: Growth Prospect, Productivity opportunities, People Capability – Key questions to support their thinking are various, such as: What are the Organization Goals in numbers? What would be key strategies to achieve them? How might they translate into Compelling Business Needs? Key Outcome of the prework for management team is creation in the predefined template functional / departmental key business challenges i.e. top 3 areas that are vital for success in the upcoming 12-18 months, how this could be achieved, through which activities / initiatives / projects and how the success for each of them would look like, basically sketching how it could be measured. Therefore, each top manager will have 3 separate papers, one per identified vital area with elements mentioned above. When pre-work distributed to management team it is important to realize if they can prepare based on already known or they need to run sessions with their teams to do so.

Phase Two: Management team drafts CBN which requires minimum one day workshop composed of few important mail stones. Namely, there are few exercises that are done individually and each latter followed by small group work. The flow or sequences of the exercises are designed in such a way to help participants paint the picture where they (i.e. company, organization, function) want to be, what are their current strengths and weaknesses, where they are now and how to close the gap between today’s and desired state – where the most of the time is spent on. In essence, it fosters transparent and constructive discussion and alignment within top management on what we needs to be achieved i.e. top 3-5 things (i.e. strategy), how they will be achieved (objectives/initiatives/activities/projects), and setting quantitative or qualitative targets to measure the progress towards set objectives (i.e. key performance indicators).

Phase Three: Team buy-in where the above drafted CBN is presented to the entire team. It is done in short condensed version, where each member of top-management has a role to play, in order to display ownership of the entire management. Following that, the participants are

divided in smaller groups and work on a CBN. Firstly, individually they write on Post-its if they like or dislike something within the CBN, what should be modified, removed or added and why. Then they place Post-it's on a printed CBN and in a small group they discuss and review all inputs. Following their discussion and alignment each group has a chance to present it to the entire auditorium i.e. other groups. The facilitator plays a critical role in incorporating those feedbacks/suggestions into the CBN and thus encouraging all participates to participate in co-creation of the final CBN. Visually it should be short and simple, all captured in a format of a table that could be seen by all participants.

Effective CBN is designed to help the organization and each employee, or at least critical mass of them, to gain a broader picture and purpose i.e. “why do we change?”, “what is my role?”, “how can I contribute?”. This is achieved due to characteristics of effective CBN (Table 1).

Table 1. Characteristics of effective CBN

Stretching	• Creates positive “structural tension” between current and the future state i.e. where do we want to be and where are we now
Energizing	• Touches the heart of the organization; not just the mind. It is developed, co-created by management and employees to define “what we stand for”
Memorable	• Easy to recall. Tie to the business need is crystal clear to everyone & everybody knows how their work will deliver the CBN

Source: the author of the text, 2019

Once CBN is co-created all agreed projects, initiatives and activities should be assigned/distributed to employees and there are various ways how it could be achieved. For instance, if there is an issue of silos approach in the organization than it would be beneficial to consider creation of cross-functional team. Assigning employees could be done also based on their self-nomination, or individual developmental need – all depending what message the organization wants to address or promote. In any event, sequential deployment methodology with continuous measurement of deployment and performance progresses have to be established. The progress needs to be tracked along with sustainability and continuous improvement mechanisms embedding governance, accountabilities and change management.

The author of the text attained experience in running the CBN sessions throughout over 3 years' time horizon, in various functions (front and supporting), with different sizes of teams (from 10 to over 500), in different companies, operating in various industries. Based on this, the author proposes CBN as a framework to create an overview, as well as ownership, within organization. It builds the structure while going through phases of CBN, or in simple terms – connect the dots and see makes all employees see how each part contributes to the overall success. To support these arguments, two case studies are presented below, enriched by introducing calculation of the net promoter score (NPS), which is widely used by Fortune 500 companies (<https://customer.guru/net-promoter-score/fortune-500>) and it is calculated using a 0-to-10 scale to answer 1 question: „How likely is it that you would recommend [X] to a friend or colleague?”.

The first illustrative case refers to the group of 20 employees from supportive function employed in international fast-moving good company (FMCG) and after third consecutive year of using CBN the NPS was calculated. Response rate was 70% and in line with NPS (<https://www.questionpro.com/features/net-promoter-score.html>) there was one question: “Considering your complete experience with CBN, how likely would you recommend it to a friend or colleague?” Again in line with NPS rules, response to this question is measured on a scale of 0-10 and

obtained NPS was 57 which is considered as “excellent” result (<https://www.questionpro.com/blog/nps-considered-good-net-promoter-score/amp/>). In order to gain more insights through qualitative data the open ended “why?” question was added i.e. to explain the selected score. Based on these answers it is clear that CBN helped participants get the purpose. For instance participants stated for CBN: “Motivational, inclusive, you know the purpose of your work.” or “Because it’s the best way to follow the strategy with the relevant measurements engagement, ideas, mission sharing, co-ownership, clarifications on what is my role”, or similar “The best thing about CBN workshops is that you can see how everything fits together and how all pieces are a part of a bigger picture”.

Another illustrative, and the most recent case is with the management of one supportive function within an international financial institution composed of 10 people, who participated for the first time in crafting the priorities through the CBN framework. NPS question accompanied with “why?” was given to them immediately after the phase two i.e. drafting CBN. With response rate of 80% obtained NPS was 63 with comments that praised structure, interaction and great opportunity to “get away with get ahead”. This was followed with phase three i.e. co-creation of CBN where all 43 employees from the sector participated. The response rate was 58% with 80 obtained NPS 80 and again, participants mainly emphasized the importance of meaningfulness though comments like “Onboarding of all people regarding what needs to be done” or “Great way to bond the team, align expectations about upcoming initiatives and get everyone involved in achieving goal and strategy implementation”.

5. FUTURE RESEARCH DIRECTIONS

The attempt of this paper is to outline the specific CBN framework enriched with snapshots of two cases that provide some noteworthy implications for practitioners.

Namely, CBN framework closes the entire loop, ecosystem which relays on strategy co-creation, ownership through purpose creating, and a sequential, project/activities-based deployment methodology with continuous measurement of execution and performance progresses. The results of the presented cases give clear indication that the CBN is a framework which helps employees to get the purpose of their work. Also, the entire system is very cost efficient as it requires merely zero additional resources and it could be easily integrated into a company.

Results of presented case studies are very preliminary and based on NPS, which is not commonly used in academic research despite the value of NPS as a predictor or indicator of customer satisfaction and loyalty (<https://www.lightercapital.com/blog/net-promoter-score-how-to-calculate-nps/>). This opens a room for further studies to document the value of NPS, although there are some pioneer attempts (Koladycz, Fernandez & Gray, 2018), which are indicating that usage of NPS is “promising approach to gaining insight into the client experience” (p.1). If HR is to consider employees and/or future employees as clients and customer, then usage of NPS internally, within companies, is another quite untapped area for academic research.

When it comes to CBN presented in the paper, lack of having structured questionnaire is limitation itself, as future study should also focus on testing the framework statistically and link it with more tangible business results.

6. CONCLUSION

The literature indicates that employee engagement is closely linked with organizational performance, as engaged employees have lower absenteeism rate, lower turnover, feel good about their job and are willing to give extra mile, which results in better customer experience, more innovation, and ultimately leads to better productivity and profitability of the company. Most researches emphasize the importance and positive impacts of employee engagement on the business, and therefore they are focused on identifying the drivers of engagement. However, there are not many clearly articulated strategies to get employees engaged, where to start, how to embark the journey, and, most importantly, how to stay on the course with employees onboarded – all embedded with proper cost-benefit analysis, regarding engagement decisions as efforts aimed at increasing employee engagement definitely have financial implications on organizations. The author of the article believes that paper presented provides useful thoughts and clear steps for those who would like to further engage into building effective and efficient system for engaging employees.

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