



Dimitri Otis via Getty Images



ENGINEERING ENGAGED EMPLOYEES

Power to your people to add strength
to your quality program
by Santosh Mishra and Dennis Delgado

JUST THE FACTS

Employees are your most important asset. If you take care of them, they will take care of your business and customers.

Research shows that engaged employees

return 120% of their salary in value to the organization. Employee engagement also is key to a strong sustainable culture of quality, and the quality of services and products.

The author outlines the high correlation between quality and employee engagement, and what you can do to ensure your employees are emotionally connected to their work.

Two quotes highlight the importance of employee engagement in an organization. One is from Richard Branson: “Clients do not come first. Employees come first. You take care of your employees, they will take care of the clients.”¹

The other is from Jack Welch: “There are only three measurements that tell you nearly everything you need to know about your organization’s performance: employee engagement, customer satisfaction and cash flow.”²

Furthermore, the relationship between quality and employee engagement is highly correlated, and the quality of any service or product depends greatly on how engaged employees are. Creating an emotional connection to the work is at the heart of taking employees from simply being satisfied to being engaged.

According to Brent Gleeson, “Today, more than ever, organizations rely on the energy, commitment and engagement of their workforce to survive in the 21st century. As a former Navy SEAL, I can assure you that one of the fundamental reasons we continue to dominate our battlefields is due to the fact that we have 100% employee engagement.”³

To understand the importance of employee engagement to quality, we first must understand what an engaged employee means. An engaged employee is different from a satisfied employee. A satisfied employee may like his or her job a lot and have no intention of leaving it, but he or she does only what is necessary to keep it.

Engaged employees go beyond what simply is required for the job and expend energy to solve problems, delight customers and reach organizational goals.

That is a far cry from what employers really want: engaged employees. Engaged employees go beyond what simply is required for the job and expend energy to solve problems, delight customers and reach organizational goals. And the best part is they do it because they want to.

In this article, we draw from our experiences and exposure to quality, and from observing the direct consequences of services and products provided to customers from engaged and disengaged employees—the latter having catastrophic consequences for businesses. Supported by data, we dwell on what employee engagement means, why it is so important for quality and what can be done to develop the workforce to be fully engaged, which leads to a superior quality culture.

What is employee engagement?

First, we must understand what employee engagement is. Only then can we explore its importance to quality and what we can do about it. The best way to explain employee

engagement is by using Abraham Maslow’s hierarchy of employee engagement model—from being disengaged (survival) up to being highly engaged (self-actualization). (See Figure 1, p. 20.)

Employee engagement has been and is being talked about animatedly the world over as if it is the newfound key to business success. So, where did it start? The first published mention of the term “employee engagement” was in William Kahn’s 1990 paper, “Psychological Conditions of Personal Engagement and Disengagement.”⁴

The best organizations build and sustain a culture of engagement, led by CEOs who understand that employee engagement is not just nice to have, but critical to achieving business results. Leaders in these elite organizations also understand that employee engagement primarily is their responsibility.

Employee engagement is a heightened emotional connection that employees feel for the organization, which influences them to exert greater discretionary effort to their work. Employee engagement rates go up exponentially when there is a clear correlation between employee action and

Signs of Engagement

Tell-tale signs of an engaged workforce include:

- A shared vision of the organization across the business and goal congruence at all levels.
- High growth and profits.
- Delighted and happy customers; customer concerns are resolved quickly.
- A high level of trust and mutual respect.
- Faster decision making.
- Absence of fear.
- High-performing teams.
- A focus on continual improvement.
- Innovative ideas are encouraged and acted upon.
- Transparent operation and internal communication; employees find ways to save resources.
- High energy all around.
- High accountability in operations.
- No favoritism.
- No water cooler gossip.
- Low employee turnover.
- Employees volunteer to take on extra work.
- “That is not my job” is not heard.
- Volunteering in the community is fostered.

—S.M. & D.D.

organizational success. The bottom line is that employee engagement affects any organization’s bottom line (see Figure 2, p. 21).

An engaged employee is defined as one who is fully absorbed by and enthusiastic about work, and who takes positive, proactive actions to further the organization’s reputation and interests. Engaged employees work with passion and care deeply about the organization’s success. They drive innovation and are emotionally invested in committing their time, talent and energy to add value to their team and advance the organization’s initiatives.⁵

As author and inspirational speaker Simon Sinek said, “No customer will ever love a company until the employees love it first.”⁶

Creating an emotional connection to the work is at the heart of taking employees from being satisfied to being engaged. In many ways, an engaged workforce is the holy grail of the business world and has proven just as elusive. So, this begets the question: Are we attacking the symptoms rather than the root cause?

According to Axero, an intranet software company, a 5% increase in employee engagement is linked to a 3% increase in revenue growth in the subsequent year. Also, 65% of employees in the United States and 87% of employees worldwide are engaged in their work. Engaged employees give 3.9 times the earnings per share. On the flip side, unhappy U.S. workers cost U.S. businesses \$550 billion annually in lost productivity.^{7,8}

Furthermore, employee turnover costs U.S. organizations \$1 trillion,⁹ and Deloitte found that organizations with effective recognition programs reduced their voluntary turnover by 31%.¹⁰ (See Figure 3, p. 22.)

According to the Canada Human Resource Centre, 89% of Canadian employers believe that employees leave their organization for more money, when in reality,



only 12% of employees actually do leave because they want more money.¹¹

Also, fully engaged employees return 120% of their salary in value, partly engaged employees return 100%, somewhat disengaged employees return 80% and disengaged employees return 60%.¹²

The 2014 Deloitte Global Human Capital Trends report found that 87% of business leaders rate retention and employee engagement as urgent or important, and employee experience represents the biggest opportunity for HR today.¹³ See the sidebar, “Signs of Engagement,” for the characteristics of engaged employees.

What does quality have to do with it?

When Gallup researchers compared teams in the top quartile to those in the bottom quartile on the measurement of engagement, they found median differences in performance, as reflected in the bar chart in Online Figure 1, which can be found on this article’s webpage at qualityprogress.com.¹⁴

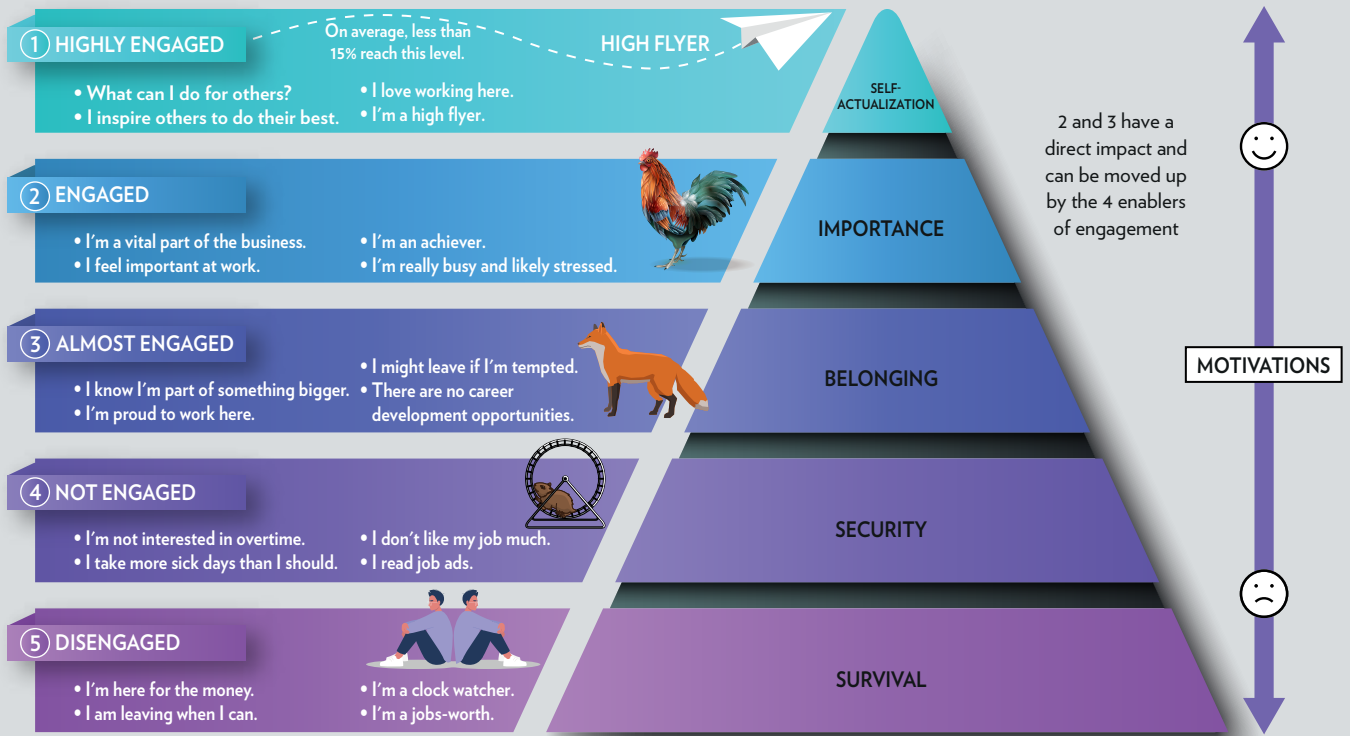
Combining these performance metrics into an overall composite performance metric, teams in the 99th percentile had four times the odds of success (or above-average performance) compared with those in the first percentile.

Though team performance isn’t perfectly predictable, these results provide strong evidence that it is possible to measure the cultural elements of a team that predict how well that team will perform. In other words, team culture is, indeed, “stat-able.” Businesses that measure and manage those elements can increase performance and improve their chances of success.

Engagement has accelerated the most over the past decade, with a seven-point improvement in the percentage of engaged employees and a five-point drop in actively disengaged employees. This represents about 10 million more people with engaging jobs over the past decade.¹⁵ A truly engaged employee is a truly committed employee. However, investing in a superlative employee experience requires discipline and hard work, and it takes time to fructify.

FIGURE 1

Maslow’s hierarchy of employee engagement



Source: “Employee Engagement,” SlideModel, <https://slidemodel.com/?s=employee+engagement>

FIGURE 2

Employee engagement



Source: www.forbes.com

Long before employee engagement became a trend, American statistician and business philosopher W. Edwards Deming formulated the 14 principles of effective management. Deming's principles laid the foundation for the modern total quality management (TQM). The 14 points first appeared in Deming's 1986 book, *Out of the Crisis*.¹⁶ A closer look at these 14 principles reveals that many are linked to improving employee engagement. The principles are foundational to a robust quality culture and are highly dependent on employee engagement.

ISO 9001—from the 2000 revision onward—is based on seven principles, one of which is people engagement. Creating value occurs when people in the organization feel engaged and understand how they contribute to creating and delivering value.

In addition, the newly released *ISO 10018:2020 Quality management—Guidance for people engagement* provides guidelines on how an organization might build, develop, cultivate and nurture the kind of culture that gives strength to the roots of people engagement.¹⁷ When people engagement is nurtured, it feeds further development of an organization's quality culture.

Why is culture so important?

According to Dwayne W. Lehman, "Culture is an important aspect of any institution and yet, it is difficult to find a single, unified definition of culture."¹⁸ Organizations start with individuals wanting to achieve a common goal, followed by establishing artifacts (roles and rules), and creating norms and values among members.¹⁹

Among the three levels of organizational culture—namely artifacts, espoused beliefs and values—and basic underlying assumptions, the latter is an invisible dimension of the organization not easily expressed in concrete ways.²⁰ These invisible and visible elements of an organization are shaped by the organization's culture.²¹ A strong culture is manifested

by common values and norms (positive culture) with a high degree of consensus among organizational members (cohesive culture).²²

Many authors consider TQM to be the ideal way to manage quality in organizations.²³⁻²⁵ According to a research article on TQM and organizational culture, quality management "should be studied as a cultural phenomenon with a coherent set of underlying assumptions that form an ideal quality culture."²⁶ This research also suggests that quality managers must understand the existing organizational culture and bridge any gaps for it to be compatible with quality culture.

Gil Luria presented the psychological explanation for employees' behaviors toward quality and the importance of leadership in managing those behaviors.²⁷ Transformational leadership—that is, the actions of leaders who raise the needs and motivations of followers, and promote dramatic change in individuals, groups and organizations—is important in the journey toward a strong quality culture.^{28, 29}

Survey-based research to understand the obstacles to TQM success found the second most significant barrier was "inadequate human resources development and management."³⁰ Elements of this particular barrier include:³⁰

- Employees aren't trained in quality improvement skills.
- Employees, teams or both aren't recognized for quality improvement achievements.
- Employees aren't trained in problem identification techniques.
- Employees aren't trained in group discussion and communication techniques.
- Employees aren't empowered to implement quality improvement efforts.
- Cross-functional teams aren't employed.

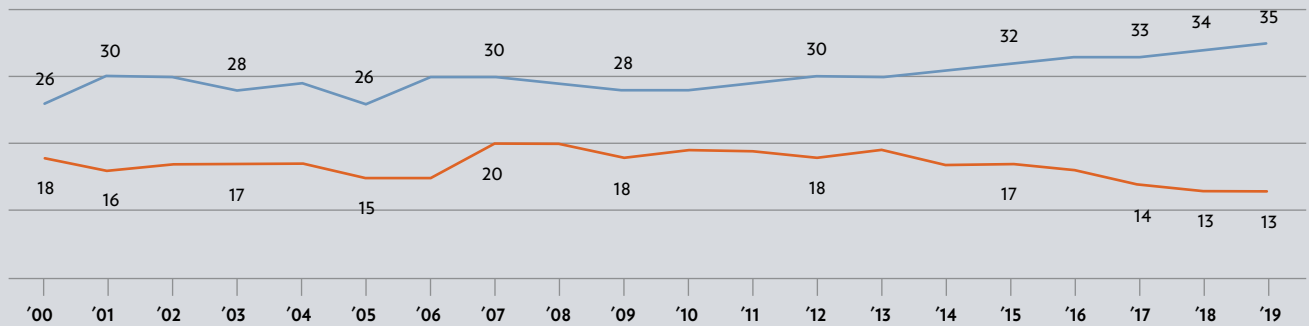
On the other hand, other research revealed that empowerment and contingent reward, charisma and intellectual stimulation are important factors for successful implementation.³¹

FIGURE 3

U.S. employee engagement trend (annual averages): 2019

■ % Engaged

■ % Actively disengaged



Note: 2018 results are for January through June

Source: Jim Harter, "4 Factors Driving Record-High Employee Engagement in U.S.," Gallup, Feb. 4, 2020, www.gallup.com/workplace/284180/factors-driving-record-high-employee-engagement.aspx



TABLE 1

BEST principles

Business	<ul style="list-style-type: none"> ■ Create an enabling culture at work. ■ Demand excellence. ■ Understand the organization’s mission and strategic goals as critical drivers of engagement. ■ Live the values—zero tolerance for violations. ■ Strive to be a leader in the domain. ■ Don’t micromanage. ■ Lead by example as a leader, not a manager. Walk the talk (the single most effective employee engagement strategy leaders have at their disposal). ■ Overcommunicate—daily updates/huddles. ■ Keep every promise made. ■ Make decisions based on data. ■ Make policies and processes lean and not restrictive. ■ Share results. Employee engagement skyrockets when there is a clear, positive correlation between employee action and the organization’s success.
Employee	<ul style="list-style-type: none"> ■ Provide clarity on goals at an individual level; ensure they are aligned to the business. Clarity is the first step to inspiring ownership and commitment. ■ Remove obstacles to achieve goals. ■ Provide challenging assignments. ■ Create a hassle-free work environment. ■ Listen to employees and encourage frequent feedback. Don’t let feedback drop off your radar. ■ Maintain job rotation and job enrichment programs. ■ Ensure trust and respect. ■ Have state of engagement meetings by group leaders and supervisors. ■ Focus more on soft skills, attitude and culture fit during hiring.
Support	<ul style="list-style-type: none"> ■ Provide an open work environment. ■ Provide collaborative platforms. ■ Use public displays of appreciation freely and often. As Mother Teresa said, “There is more hunger for love and appreciation in this world than for bread.” ■ Encourage creativity. ■ Provide tools for efficiency and productivity. ■ Provide opportunities to bond after work hours, such as at a social club. ■ Hold an annual awards night. ■ Offer work-life balance activities, flexible work hours and wellness programs. ■ Share success stories. ■ Encourage open sharing of bad news, such as employee complaints. ■ Have an ombudsman employees believe and respect, and can go to for any issue. ■ Measure the employee pulse every quarter to maintain and sustain employee engagement through tools such as ask.com, about.com, jivesoftware.com, cultureamp.com, qualtrics.com, kainexus.com, meetoo.io, successfactors.com, ultimatesoftware.com, w, 6Q, etc. Use technology to connect and measure. ■ Support frameworks for giving back to society and corporate social responsibility activities. Sponsor a charitable event.
Training	<ul style="list-style-type: none"> ■ Offer continuous training and upskilling per business needs and career development. (Good companies’ full-time employees receive 110 hours of training per year per person). ■ Establish a formal mentoring or buddy program for all new hires. ■ Develop an effective induction program. Make employees’ first days memorable. ■ Build a knowledge repository or how-to guide.

BEST = business, employee, support, training

REFERENCE

1. Mother Teresa, Quotable Quote, <https://tinyurl.com/mother-teresa-love-quote>.

In short, organizational culture forms abstract and concrete aspects of organizations. Organizations are run by people with common values and goals. Organizations with a positive culture have a high degree of consensus among their members and possess a strong culture. A strong quality culture (that is, the quality aspect of a strong organizational culture) is built by transformational leaders who provide the mechanisms for employee participation and consultation, thus encouraging a highly engaged workforce.

Improving employee engagement

The following includes some practical ways to improve employee engagement. For the quality aspect of the organizational culture to be sustainable, there must be:

Senior management leadership and commitment. Senior management or the owner—or both—must show quality leadership and commitment by providing the necessary resources to manage quality in the organization. Quality leadership is shown by having a quality policy, leading by example, following the quality policy and fostering a no-blame environment.

Moreover, commitment is manifested by monitoring quality key performance indicators (KPI), budgeting for quality training, establishing mechanisms for employee participation and consultation, and implementing a suitable QMS.

Employee participation and consultation. Employees performing the task know the essence of quality problem risk reduction and continual quality improvement. It is good practice to involve employees when:

- Reviewing quality policies and procedures, particularly when formulating work instructions and standard operating procedures.
- Establishing quality targets and action plans to attain them.
- Discussing quality problems and action plans to correct and prevent them from recurring.
- Formulating plans to improve overall product and service quality.

Quality management system (QMS) implementation. QMS implementation must be suitable to the organization’s operation. It goes beyond having documented information, such as a quality policy, procedures and instructions. The system is a management tool for lowering the risk of quality issues, communicating quality requirements and

IoE Report: Leadership Is Key

Employee engagement is crucial to an organization's success—that's why it's so important for organizations to invest in their workforces. When employees are happy, they are engaged and emotionally connected to their work, which improves product and service quality, and builds a sustainable quality culture.

According to the authors of "You Get What You Give," employee engagement is leadership's responsibility: "The best organizations build and sustain a culture of engagement, led by CEOs who understand that employee engagement is not just nice to have, but critical to achieving business results."

Last year, Forbes Insights, in partnership with ASQ Excellence (ASQE) and ASQ, examined how quality initiatives are progressing in the digital era, based on the views and experiences of 1,036 executives and quality professionals from global enterprises. The results from ASQE's Insights on Excellence (IoE) Benchmarking Data allow ASQE to bring real-world metrics and quality insights to ASQE and ASQ members.

To deliver actionable guidance to our member communities to pursue best practices in organizational excellence and operations, the IoE 2020 Annual Research Report gathered data on current leadership practices that may be surprising to some: eight in 10 respondents indicated their leaders are on board with quality to some degree, but this commitment does not run deep. Only four in 10 said their leaders are fully open to change and dialogue on quality engagements.

Considering the past year's challenges, the need for guidance within this constant quality journey is even more paramount. The IoE foundational data set provides members with real-world insights on this topic and acts as a maturity model of performance levels to inspire the advancement of organizational excellence best practices.

➤ Visit <https://insightsonexcellence.org> to learn more about the ASQE Insights on Excellence and view the 2020 IoE Annual Research Report.

performance, and enhancing quality KPI performance. It should apply consistently with its purpose, and reflect the organization's activities and practices. Everyone in the organization must know the system's requirements, and conformance to requirements must be monitored regularly. New client and regulatory requirements, and advancements in technology and quality improvement plans must be reflected in the QMS, and everyone must be notified of the changes. Also follow the business, employee, support and training principles laid out in Table 1 (p. 23).

The key to a culture of quality

People are your most important asset. If you take care of your employees, they will take care of your business. Engaged employees are the most effective evangelists and ambassadors of your brand.³² Employee engagement is key to a strong sustainable culture of quality. Nurture employee engagement in whatever way you can. That will never fail. **QP**

EDITOR'S NOTE

References listed in this article can be found on the article's webpage at qualityprogress.com.

LEVERAGE LEAN

Although typically associated with manufacturing, lean also can help improve culture and engagement in organizations. Learn how eliminating waste and nonvalue-adding activities can improve employee engagement—and the organization's bottom line—in the ASQTV episode, "Leveraging Lean to Improve Engagement and Culture." See the episode at videos.asq.org/leveraging-lean-to-improve-engagement-and-culture.



Santosh Mishra is a quality leader at Saab Technologies Ltd. in Burnaby, British Columbia. He received a master's degree in electronics and telecommunication from Pune University in India. A senior member of ASQ, Mishra is an active member and past chair of the ASQ Vancouver Section and is a certified Black Belt.



Dennis Delgado is an occupational health and safety professional at Athabasca University in Edmonton, Alberta. He received an MBA from the University of the Philippines Diliman in Quezon City. A senior member of ASQ, Delgado is the treasurer, past chair and past vice chair of the ASQ Vancouver Section. He also is an ASQ-certified manager of quality/organizational excellence.