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# How Businesses Can Cultivate Engaged, Committed Employees

Carla White Ellis

Kathleen Peno

*University of Rhode Island*, [kgugs@uri.edu](mailto:kgugs@uri.edu)

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# How Businesses Can Cultivate Engaged, Committed Employees

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BY Carla White Ellis, Ph.D., Johnson & Wales University BY Kathy Peno, Ph.D., University of Rhode Island

When employees are engaged and committed to their jobs, they perform better, are more productive, and are more willing to go above and beyond their assigned roles. They are loyal to their companies and less likely to leave for other jobs.<sup>1</sup> Employee engagement can also be contagious, as it helps create a positive work environment for others.

Companies that are not actively working to foster employee engagement and organizational commitment are missing out on many important benefits that affect their bottom line, including attracting and retaining talented employees. Disengaged employees are estimated to cost American organizations up to \$550 billion a year.<sup>2</sup> By implementing workforce development activities that promote engagement and commitment, businesses can improve worker productivity, retention, and satisfaction, leading to higher quality work and lower costs.

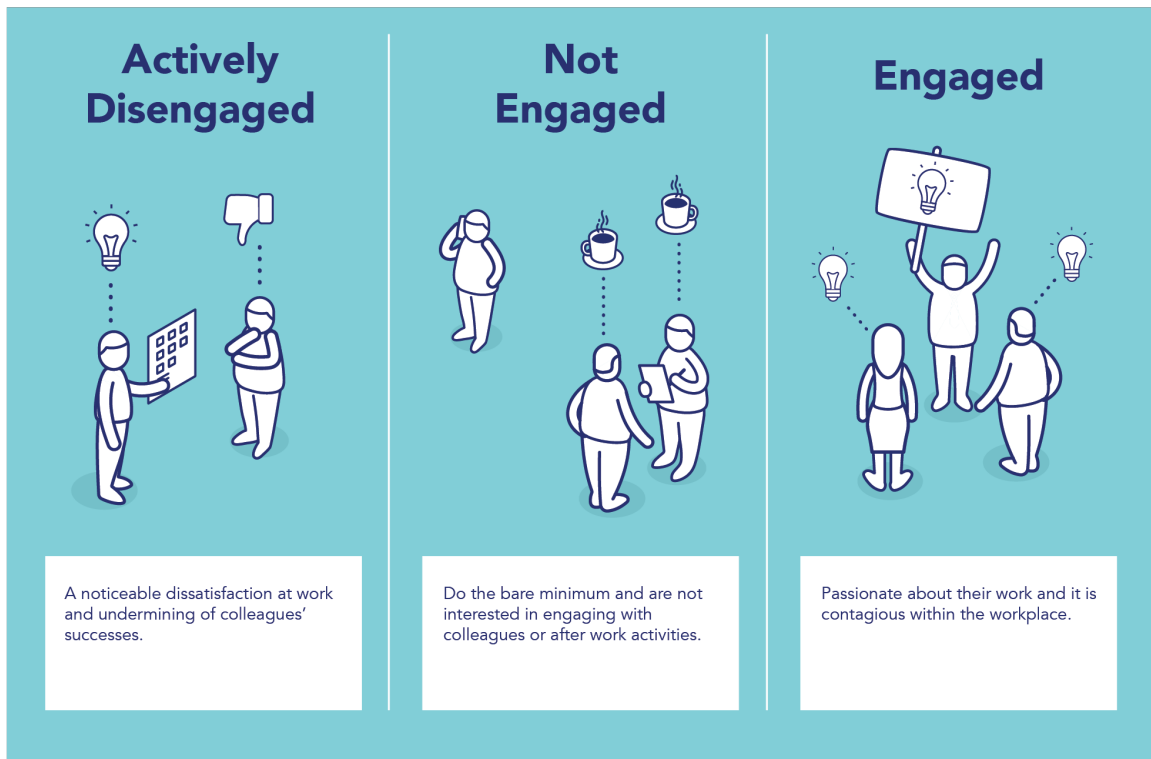
This article examines employee engagement and commitment and the factors behind it, such as self-efficacy, intrinsic motivation, and perceived competence mobilization. By better understanding these issues, employers can mobilize the two-thirds of American workers who do not report feeling engaged at their jobs.<sup>3</sup>

## Why Does Employee Engagement Matter?

**Employee engagement** and commitment are essential to the health of any business. Business professors Bruce Louis Rich, Jeffrey A. Lepine, and Eean R. Crawford define engaged employees as, “being psychologically present, fully there, attentive, feeling connected, integrated, and focused in their role performances.”<sup>4</sup> These employees are open to themselves and others, connected to their work and their colleagues, and bring their complete selves to their tasks.

The Society for Human Resource Management identifies three main categories on the spectrum of employee engagement: *Actively Disengaged*, *Not Engaged*, and *Engaged*.<sup>1</sup> *Actively Disengaged* employees display their dissatisfaction in a noticeable way and undermine their co-workers’ accomplishments. Less damaging to morale are the employees who are simply *Not Engaged* – they put in their time at work but are basically checked out. The most valuable are the *Engaged* employees, who display a passion for their work and are the movers and shakers within an organization.

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Not surprisingly, employee engagement has a number of positive effects on the workplace and business outcomes.

By improving the quality of work employees produce, engagement enhances productivity, customer satisfaction, company reputation, and shareholder value.<sup>4</sup> Engagement also encourages company loyalty and increases employee retention.<sup>1</sup> When employees are engaged, they are more likely to commit to their workplace and foster a culture of engagement.

An issue closely related to engagement is organizational commitment, an employee's attachment and connection to their organization. Organizational commitment has been linked to lower absenteeism, greater job satisfaction, higher attendance, lower turnover intention, and increased organizational citizenship behavior (i.e. willingness to go above and beyond one's assigned tasks).<sup>5</sup>

One of the most important forms of organizational commitment is affective commitment, which is an employee's emotional attachment and feelings of loyalty to their organization. Employees with affective commitment experience greater overall job satisfaction and show a stronger desire to take advantage of opportunities like workforce development activities.<sup>5</sup>

## How Self-Efficacy & Motivation Affect Engagement

There are several interacting factors that affect employee engagement and commitment. Among the most important are self-efficacy and intrinsic motivation. Self-efficacy is a person's belief in their ability to be successful when performing a task.<sup>6</sup> Intrinsic motivation is the internal satisfaction an individual receives that reflects a genuine interest and enjoyment of a particular task. These two attitudes are also linked: Business professor Linda Lai found that employees with strong self-efficacy possess high motivation and tend to take on challenging tasks at work.<sup>5</sup>

Employees with the same knowledge and skills may perform differently depending on their levels of self-efficacy, as high self-efficacy can motivate employees to turn their skills into productive action.<sup>6</sup> Intrinsic motivation also drives employees to perform better, making them more likely to successfully complete tasks, to perceive opportunities to use their skills (known as competence mobilization), and to utilize workplace development opportunities.<sup>5</sup>

Upserve is a restaurant management tool that assists restaurants with activities such as sales analytics, optimizing menus, tracking staff performance, and building guest profiles. The company, formerly known as Swipely, is located in Providence. With an average employee age of 29, Millennials have a strong presence in the organization.

As a rapidly growing startup, Upserve has focused on employees' attitudes, engagement, and commitment and implemented various strategies directed at improving these issues.<sup>9</sup> Employee autonomy is embraced and the idea of micromanaging is frowned upon. Competitive salaries, full health benefits, flextime, and paid leave all serve to increase motivation.

Upserve takes employee benefits one step further by creating a sense of community to appeal to their millennial workers. They foster stronger team relationships through game nights, a soccer team, and a supper club. Three times a year, Upserve uses the services of Culture Amp, a "people analytics" company that assists businesses in measuring employee engagement. For example, the company gives new hires an engagement survey after 30 days on the job.

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## The Importance of Perceived Competence Mobilization

As outlined above, self-efficacy and intrinsic motivation contribute to employee engagement and organizational commitment, which in turn increase productivity, retention, satisfaction, and other desirable business outcomes. So how can employers improve self-efficacy and cultivate intrinsic motivation?

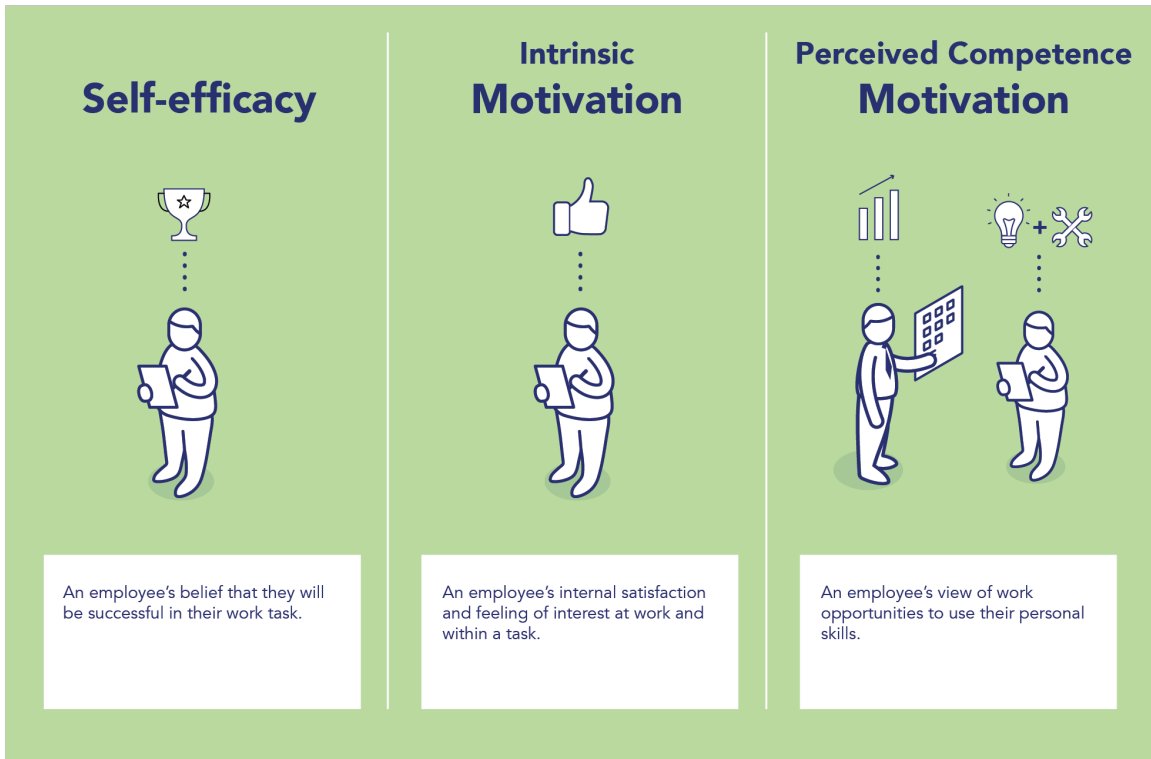
One strategy is to offer employees opportunities to utilize their skills in the workplace and mobilize their competencies. When employees have opportunities to successfully put their skills to work, their confidence increases and, in turn, their feelings of self-efficacy rise.<sup>5</sup>

**Perceived competence mobilization** is the degree to which employees feel that they have adequate opportunities to successfully use their skills. It is closely related to intrinsic motivation, and therefore, to organizational commitment and job retention.<sup>5</sup> If an employee feels that they bring value to their workplace and their tasks, and that value is appreciated, their intrinsic motivation is likely to increase.

This can be particularly important for highly qualified workers with strong self-efficacy. Talented employees with high levels of perceived competence mobilization are less motivated to leave their jobs, compared to those who see themselves as overqualified or believe their skills are being underutilized.<sup>5</sup>

Given the importance of competence mobilization, experts emphasize that it is critical for employers to identify and address the reasons that some employees aren't reaching their full potential.<sup>7</sup> An employee's untapped potential can be mobilized through workforce development efforts that offer relevant opportunities, tasks, and challenges.<sup>5</sup> Economic and performance-related benefits, including a higher absolute wage, medical benefits, and paid leave and flextime, can also increase motivation and make employees feel their contributions are valued.<sup>8</sup>

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## Strategies for Fostering Engagement & Commitment

There are a number of ways employers can foster employee engagement and organizational commitment. According to the Society for Human Resource Management, successful strategies include:

- Increasing employees' emotional commitment to the organization and their job,
- Implementing policies that promote work-life balance,
- Developing a positive workplace culture,
- Exercising effective communication,
- Promoting positive manager-employee relations, and
- Reducing barriers to engagement.<sup>1</sup>

Table 1 lists specific strategies that can help organizations address the needs of employees with the goal of engagement in mind. Employers must understand the needs of their employees and apply engagement strategies that are specific to their organizations.<sup>1</sup>

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Table 1 Strategies for Increasing Employee Engagement

TARGET ISSUE	STRATEGY
Employees' Emotional Commitment 	Provide opportunities and challenges to leverage the particular talents of employees.
Positive Workplace Culture 	Establish policies and practices that promote a workplace culture that stimulates employee engagement.
Effective Communication 	Clearly and consistently communicate organizational goals and objectives.
Effective Communication 	Maintain an open dialogue among senior management, middle managers, and employees. Listen carefully to what employees want and need.
Positive Manager-Employee Relations 	Align day-to-day work with broader organizational goals.
Positive Manager-Employee Relations 	Reward managers whose behavior fosters employee engagement.
Employees' Emotional Commitment 	Have managers genuinely thank employees for their contributions.
Positive Workplace Culture 	
Effective Communication 	Do a "pulse check" to understand if employees are engaged. Find out what is working and what is not.
Removing barriers to engagement 	
Positive Manager-Employee Relations 	Hold managers accountable for demonstrating organizational values, fostering the professional development of team members, and producing results.
Removing barriers to engagement 	
Positive Manager-Employee Relations 	Be sure that employees know how they can contribute to the organization's success.
Effective Communication 	

Source: Adapted from Lockwood (2007).<sup>1</sup>

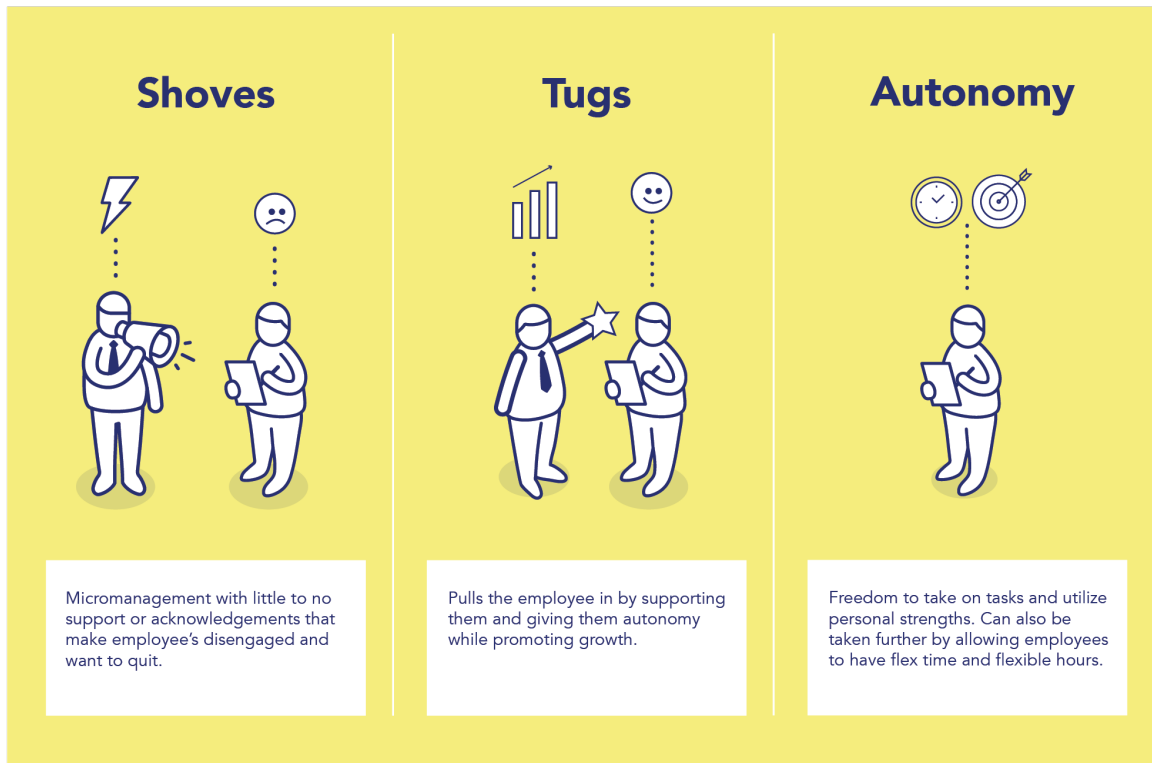
Leadership expert Mark Murphy also emphasizes the importance of understanding what he calls the “shoves and tugs” an employee experiences in the workplace.<sup>7</sup> Some situations “shove” employees toward the door – they demotivate workers, drain their energy, stop them from putting forth maximum effort, and make them want to quit. Other situations “tug” at them to stay by promoting growth and happiness, boosting motivation and fulfillment, and ultimately making employees want to give their all and keep coming back every day.

Even if employees have many “tugs” keeping them connected to their workplace, a handful of “shoves” can make a difference in their engagement and commitment, potentially pushing them out the door.

To maximize retention, employers must discover and respond to the factors pushing valuable employees to consider leaving, while also building on the factors that tug at them to stay. If the tugs add to employees’ intrinsic motivation and self-efficacy, they will also help improve engagement and commitment.<sup>7</sup>

Accountability for work performance is also important to motivation and engagement. When an employee with poor performance is not held accountable, high-performing workers may feel a lack of recognition, as well as frustration

at having to compensate for others' shortcomings.<sup>7</sup> This can lead to lower levels of employee engagement and commitment. In one survey, 87% of high- and middle-performing employees admitted they sometimes wanted to change jobs because of their low-performing colleagues.<sup>7</sup>



#### Text Box 2. Communities of Practice as a Tool for Increasing Engagement

Workforce development has been shown to impact worker satisfaction and retention. One promising workforce development strategy is the use of Communities of Practice (CoPs) in the workplace.<sup>10</sup> CoPs consist of workers who collaborate on the solution to a work-based problem by sharing their experience and expertise about an area of common interest. This type of collaborative project encourages employees to be engaged and committed to their work.

Because participants are involved in the planning and development of strategies for tackling real workplace issues, their motivation is likely to increase.<sup>10,11</sup> A group project that allows individuals to showcase their knowledge and expertise in an area helps employees build self-efficacy as well as commitment to their colleagues and the organization.

Recently, the advent of virtual learning communities has made existing CoP models easier to access. Virtual access to CoPs can alleviate some of the barriers to participation often faced by busy employees trying to achieve a work-life balance.<sup>12</sup>

## Lessons for Businesses

In order for businesses in Rhode Island to succeed, they should pay close attention to employee engagement and commitment. By increasing opportunities for competence mobilization in the workplace, companies can foster employee feelings of value, self-efficacy, and intrinsic motivation. Collaborative projects, team-building social

activities, and other strategies can help increase organizational commitment and self-efficacy. Extrinsic motivators such as flextime, higher base salaries, medical benefits, and paid leave also play a role in increasing motivation and engagement.

An important first step is for companies to evaluate the level of engagement and commitment among their employees and identify and address barriers to engagement. Effective communication and a positive workplace culture make it easier to bring issues to the surface, while also fostering a positive work experience for employees.

Each company should create an employee engagement strategy tailored to the needs of its workers and its organization. With an effective approach in place, companies can produce better business outcomes as well as happier employees.

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## **ADDITIONAL INFO**

- [Type of Research](#)



## Core Insights

- Responds to questions of Policy Leaders with research projects that closely align with state priorities
  - Provides implications for challenging state issues
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## Endnotes

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