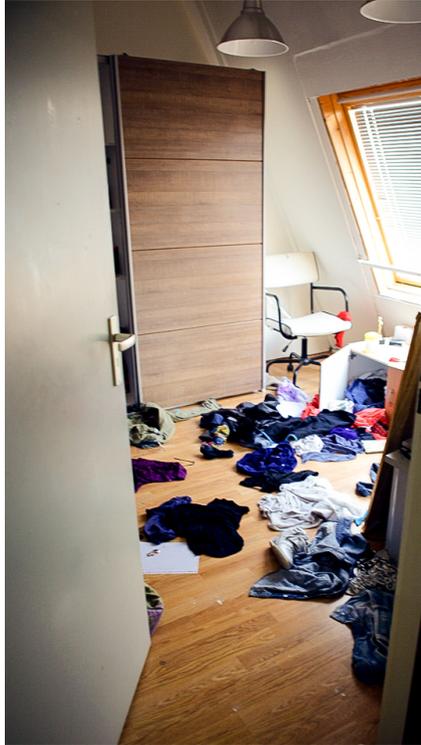


Employee Engagement Depends on What Happens Outside of the Office

by Susan LaMotte

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Companies spend over \$720 million each year on employee engagement, and that's projected to rise to over \$1.5 billion. And yet, employee engagement is at record lows – 13% according to perennial engagement survey leader Gallup. What's wrong here? Perhaps human resources leaders are spending their money in the wrong places. Or the modern workforce is demanding more. Either way, our models and surveys aren't working, and we're making very little progress.

As a former HR leader for a Fortune 500 company, I'm all too aware of how flawed the system is. There are just too many external influences that affect employees' performance. In fact, as my current team at exaqueo reviewed client data to help them address their problems with engagement, we confirmed that most employee engagement models are centered around the work experience and not on the employees.

That's the core problem. When we only try to understand and affect what happens at work, we ignore the most basic tenet of person-organization fit: employees bring their whole selves to work. What happens after the workday may be just as important as what happens during it.

To better learn how to measure this, exaqueo developed what we call the Whole Self Model and applied it to ethnographic research we were already doing for a number of different clients. Specifically we used interviewing and focus groups to find out whether many of the root causes of engagement are actually found outside the workplace. The answer? A resounding “yes.”

In addition to the “work” part of engagement, we broadened our data set to include three additional components to round out the whole self: the internal self, the external self, and relationships. Each involves a different, specific question:

Work: What preferences and patterns do employees exhibit in performance, engagement, and job satisfaction?

Relationships: What people and relationships most influence employees inside and outside of work?

Internal self: What are the values that govern the lives and decisions of employees?

External self: Where do employees expend their energy outside of work?

As you might expect, employees don't always commingle work and life. In fact, we found a strong correlation between increased age and an increased desire to keep work and life separate. Most Gen Xers and Baby Boomers are anxious to finish work for the day and focus on their home lives and families.

We also found that the behaviors and values employees cultivated outside work had an intense impact on how they behaved at work. When employees pulled into their driveways at the end of a commute, the events and activities that happened next governed their behaviors the following day.

One of our clients was a \$1 billion services company with a plan to grow to \$5 billion. They had a detailed strategic plan in place that included increased collaboration and innovation necessary to grow the business. The company was already introducing activities in the workplace to increase collaborative behavior but it wasn't taking hold.

So in our research we asked employees, many of whom were individual contributors, where they spent their energy outside of work – **the external self portion of the model**.

Without fail, over 90% of respondents cited individual activities: cooking, running, knitting, cycling, reading. Outside of family time, few engaged in collaborative, group-minded activities, or really wanted to. Combine this with their roles as individual contributors during the workday and it's clear why adapting to a more collaborative workplace wasn't easy or comfortable for them. One employee summed it up this way: "Everyone's in their own little world here."

No engagement survey could reveal this insight so concisely. Understanding more about these employees' lives outside work also meant it was easier to address the problem through change management, performance management, and recruiting strategies. Launching new collaborative initiatives and expecting them to stick just wasn't going to cut it.

At an Inc. 500 marketing company, we used the model to help leaders understand the root cause of what the CEO defined as a toxic culture. He was putting a great deal of effort into perks and benefits and yet relationships between co-workers were strained, to put it mildly.

In our research we asked employees about influential connections inside and outside work – **the relationships portion of the model**. First, while the workforce was comprised mostly of women, their relationships outside of work were often with female friends. They cited the difficulty of dealing with some of the emotional issues female friendships often involve and then coming to work and experiencing the same kinds of things. Not only was it taxing, but many people started dealing with work issues using the same strategies they'd use with close female friends, leading to workplace blow-ups that were impeding work performance in significant ways.

We also found that due to the geographic location of the business, employees tended to have a laid-back lifestyle outside work. The CEO assumed that employees wanted this to translate into the office in terms of dress code, mannerisms, and hours.

But employees felt differently. They actually wanted to complement their casual outside-work activities with process, rules, and rigor inside the office. This meant a completely different workforce strategy – one the CEO wouldn't have uncovered through satisfaction survey data. In fact, he called the transformation "significant and measurable."

Understanding employee engagement isn't just about current employees, however. In one case, a Fortune 500 technology company was losing recruits to newer companies like Google, Facebook, and SAS.

In this case we looked at both internal, high-potential employees and potential recruits who fit the same profile but hadn't or wouldn't consider working for the company. This time, one finding that stood out was a difference in the personal values of high-performing employees and the hard-to-woo recruits – **the internal self portion of the model**. While both sets of individuals cited honesty and transparency as key values they held high, external recruits also more heavily valued integrity and loyalty, something that the company wasn't doing a good job of promoting. Companies like Google were actively touting their values and being recognized for them in the press, but the candidates who were choosing not to apply knew very little about the values of our client company and its leaders. And because the company was older, with a less modern and innovative reputation, they were dubious about the promises it was making to be more innovative and forward-thinking.

Another key difference was that the prized potential job candidates were continually honing their technology skills outside of work and wanted to work for companies that encouraged and supported side projects and personal endeavors. In contrast, the company's high-performing employees transitioned away from technology completely at the end of the day.

Using this holistic approach to understanding employees doesn't have to be an expensive or arduous task. There are two key ways you can begin to adopt this at your own company:

1. **Find new insights using the data you already have.** Knowing that people are disengaged is just the beginning when it comes to making workforce decisions. Use the quantitative engagement and satisfaction data you've already gathered to determine areas worth probing. For example if early morning or late afternoon standing meetings are driving significant disengagement, it could be the case that the majority of employees have long commutes. And if your employees are hesitant to take vacation, it may be the case that they're saving it for more personal issues like childcare struggles. If you can't do this type of work on your own, unbiased and experienced research partners can help you dig into the "why" and "how" behind the statistics.
2. **Start asking different questions.** Take a hard look at what you're asking your employees. If all of your surveys and other interventions are focused on work, expand the question set to understand employees' lives outside work. Consider broader influences like internal values, but also more granular issues like family needs, commuting time and methods, and personal interests.

The lessons here are clear. Just as a shopper's purchase decision doesn't start and end in the grocery store, an employee's decision to take a job, engage and contribute isn't confined to the workplace. It's easier for HR departments to rely on surveys and workplace data – and those are still a good starting place. But the insights that lead to real improvements in engagement arise when we consider the whole person.

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Not wanting to teach Grandmother how to suck eggs but there are assorted existing research like Maslow's hierarchy of needs that kind of states that. Initially the basic human fundamental needs must be met and this is usually both work and home derived. A roof over your head and money to keep you there with food to survive is the basics that I think you are talking about. Safety in the workplace eg: from losing your job or bullying is also a major contributor to having staff that feel they are more than just automatons and 'resources/assets' that can be swapped and moved at will. Now you may think that's work based but no, personal relationships can also do this and if there is no way to extend that kind of help from work, which I doubt there is -but I may be wrong- people will always have some factors that cannot be buffeted by more help from work. Love and esteem follow this layer and I'd be interested to see how businesses quantify this in order to then provide best fit for each person, as there are more than one type of each, then I guess the sky's the limit if they ARE successfully catered for as one reaches the higher order of the theory. My personal guess is that people skip up and down the levels at both work and home that contribute constantly, yo-yoing us in a regular state of flux where we have both the chance to optimise our efforts at work and home and feel more alive as well as times where we inevitably dip deep down into personal hells that we all possess, where even if we wanted to, being productive anywhere home or work is not possible. The main thing to remember is the only constant is change and if companies feel they can increase their scope beyond the workplace to help with increasing the good times, then I'm all for it. God only knows governments can't at all. I guess that might lead us to the type of world envisioned by futurists. I may be wrong. But hey, that's just one opinion in a sea of possible contributions. Happy to hear other views. :))

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