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# Executive summary

## Human Resources Management and Employee Engagement

### A needs statement

Written by Karen Austin and Helen Giles MBE

July 2008

### Commissioned and published by:

The London Housing Foundation  
First Floor, Elmfield House  
5 Stockwell Mews  
London, SW9 9GX

**Telephone** 020 7733 9340

**Web site** [www.lhf.org.uk](http://www.lhf.org.uk)

**Authors** Karen Austin and Helen Giles MBE of Broadway

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Design copyright 2008 Jellymould Creative

Editing by Harriet Powney

Typesetting by Mirza Hassane

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## 1. Introduction

The Beyond A Helpline project was based on the premise, borne out by the evaluation of the pilot, that it is difficult for an organisation to achieve purpose, clarity and consistency in effective people management practice without some expert support from a trained HR professional.

This paper sets out the theoretical and research background to the case for homelessness agencies investing adequately in resources that will enable them to take a planned approach to the effective recruitment, motivation, development and performance management of staff.

'Good' HR might be defined as having the strategic people management practices in place to promote employee engagement. Employee engagement is the extent to which people in an organisation are passionate about what they do and the lengths they will go to in order to achieve their own performance objectives and the wider organisational goals.

The fundamental premise explored is that positive people management practices lead to greater staff satisfaction and employee engagement, which in turn lead to a higher probability of high performance. Since employee engagement is a driver of high performance, it should also be measured as a dimension of organisational performance in its own right. This is particularly true in not-for-profit organisations, which have an ethical imperative to be a 'good employer'.

Finally, section four looks beyond theory with pragmatic guidance about putting the principles into practice.

## 2. HR & Organisational Performance

'Good' HR is about creating and nurturing a competitive edge which will help an organisation stay reactive when competitors come chasing. This is particularly relevant within the social housing and homelessness context where organisations are having to compete with each other to prove their effectiveness and efficiency as contractors for services.

## 3. What is employee engagement and how is it linked to productivity?

There is a vast amount of theoretical and academic work suggesting what employee engagement is and where it comes from. One of the clearest definitions, from the Chartered Institute of Personnel & Development<sup>1</sup> defines it as the 'passion for work' along with the degree of 'positive feelings' towards work and the 'willingness to go the extra mile'.

Employees can be grouped into three categories under employee engagement, those that are:

- **Engaged:** attracted and committed to, inspired and fascinated by their work and more willing to invest time and effort into it.
- **Not Engaged:** mentally 'checked out' and 'sleepwalking through their workday'. Unengaged staff turn up to work but lack passion and effort.
- **Disengaged:** going so far as to act out their lack of commitment with emotions such as unhappiness and by undermining their colleagues.

The elements of HR practice which have a positive impact on organisational performance are discussed below.

1 Anon, (2007). CIPD Employee Engagement – Annual Survey Report. [online]. Available at: <http://www.cipd.co.uk/subjects/empreltns/general/empengmt.htm>

## 4. High impact people management practice

### 4.1 Recruitment and Job Design

'Good' HR practices depend on getting the right people in the right place at the right time and keeping them there.

Maintaining a low turnover rate is not an end in itself, particularly in a sector where staff can become 'burnt out' and disengaged by working with the same clients or client group for too long. Some employee turnover benefits an organisation – for example when a poor performer is replaced or a resignation allows promotion or acquisition of 'new blood'. On the other hand, getting the wrong person brings a very heavy price in the long term. Either they leave prematurely so that the costs of recruiting are doubled or, worse, they stay in the wrong job, bringing the costs of over-managing and compensating for their failings.

### 4.2 Performance Management

For employees to become engaged through performance management there must be robust systems in place that managers are implementing properly, consistently and regularly.

Key elements of a good performance management scheme are:

- A competency framework
- The agreement of clear performance expectations
- Induction into the organisation and the requirements of the job
- Regular supervision sessions (one-to-ones) with the line manager
- Annual (and probationary) performance appraisal.

What constitutes 'good management' should be specified in clear leadership competencies and people management objectives against which line managers should be assessed rigorously. The failure to define line management as a clear and discrete body of actions and behaviours lies behind much of the wasted energy and resources in organisations where there is a high tolerance of underperformance and a high level of disruptive employee relations issues.

### 4.3 Learning and Development

#### 4.3.1 Induction

The way you inform, guide and relate to staff in the early months of their employment is absolutely crucial to how engaged and effective they become. It needs to follow on from the 'high' a candidate feels at getting a new job and their motivation at a new challenge.

#### 4.3.2 Managerial Training and Development

Training for managers makes sense when you consider that managers are the front line of any employee engagement initiatives. HR can drive strategy and support managers but alongside this the structure of training must focus on those at the top and in line management roles, to ensure that they are skilled and competent in the key areas of people management.

### 4.3.3 Wider Learning and Development Activities

Learning and development must be central to everything your organisation does. It's not about spending money but about having a simple process for articulating clearly what the knowledge and skills requirements are and taking a planned approach to meeting these at organisational and individual levels. On-the-job learning opportunities with structured coaching from line managers and peers will always be the most effective component of any learning and development strategy.

### 4.3.4 Career Development

Organisations with flat structures or less staff should not be afraid to tackle career development. Staff can see when there is no room for movement and avoiding the issue will not create an open management relationship. Where there is no scope for people to move up consider recruiting people that have potential and transferable skills, rather than those that are already trained. People with potential can be retained for longer, and smaller or in-house development interventions will be more useful and appreciated by them.

## 4.4 Clear and consistent policies, expectations, goals and values

Many surveys confirm that employees function better and feel more comfortable where there are clear and transparent expectations, ways of working and policies and procedures. However, you can only turn this clarity into credibility if all of these are applied consistently.

Ultimately the only people to benefit from an absence of consistency or 'trusting people to behave like adults' are bullies, but you will be unable to challenge them without the necessary tools. Invariably other staff will recognise that unacceptable behaviour is tolerated and either replicate it or see the organisation and its managers as less credible for their lack of management.

## 4.5 Employee Involvement

In many cases employee involvement and engagement are quoted alongside each other as elements of HR strategy and organisational initiatives to boost productivity. In effect one does not come without the other. Employee engagement will never be fully recognised unless staff are involved, consulted with and genuinely engaged in two-way communication.

Although it is clear that the employee gains from meaningful involvement, the organisation too stands to gain from an employee involvement culture as it can help to:

- maintain employee engagement and high productivity
- prepare employees for, and make them more receptive to, change
- build trust
- generate new and fresh ideas
- facilitate consistent and controlled messages to filter down (and up)
- engage and build good relations with trade unions and employee representatives.

## 4.6 Leadership

Leadership plays a vital role in influencing levels of employee engagement and is a quality that anyone at

any level can possess. The role of a leader is to influence through setting examples of how work should be done and the attitudes that the organisation seeks to replicate.

Leaders and individuals with leadership potential should be sought during recruitment and selection and through learning and development interventions. Competency frameworks are again an excellent tool, recognising and coaxing out the leadership potential of individual staff.

## 5. Monitoring and Evaluating

Before embarking on a new strategy for people management and employee engagement, an organisation is advised to undertake a review to ensure they focus action on areas of priority. This will set a benchmark from which to monitor any improvements and, more importantly, demonstrate a return on the investment.

For those who believe their organisation would benefit from greater employee engagement, the HR Strategic Review model and the rating tool discussed in detail in this section are a good starting point, aiming to establish what needs to change and ways to address this.

A recommendation to any organisation introducing employee engagement initiatives is to start with the basics. In order to prioritise and maximise the effectiveness of the new approaches, and before introducing new policies, an organisation should consider how and where it can build in the administrative capacity to ensure the consistent application, monitoring and evaluation of the new tools. For example, how will the organisation support managers to follow policies through, record absence and turnover rates and facilitate feedback throughout the process?

Within the conclusions and recommendations stage of the strategic review it is also essential to set levels of expectations for the projects. Invariably as monitoring increases and the implementation of initiatives begins, staff turnover, frequency of employee hearings and absence rates go up. If this is not prepared for it is likely that those expecting results will become disheartened and lose belief in the project.

To combat this, the action plan should be linked clearly to the business case for each action and the perceived long-term financial and non-financial gains expected, and must come with a clear identification of the areas of:

- responsibility and key personnel involved
- budgetary constraints
- tools for measurement
- results expected from each one at short, medium and long term intervals (even where the results are expected to get worse before they get better).

## 6. Conclusion

The central premise of this paper – corroborated by an ever-increasing body of research - is that good people management results in higher productivity.

Although the effort to obtain employee engagement appears to be considerable, evidence suggests that the long-term financial and non-financial rewards for the organisation justify the investment.