

WILLIAM SCOTT-JACKSON  
ANDREW MAYO

# TRANSFORMING ENGAGEMENT, HAPPINESS AND WELL-BEING

*Enthusiasing People,  
Teams and Nations*



# Transforming Engagement, Happiness and Well-Being

William Scott-Jackson  
Andrew Mayo

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Enthusing People, Teams and Nations

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William Scott-Jackson

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# 1

## Engagement, Happiness and Well-Being: Why Bother?

### 1.1 Purpose of the Book

This book aims to provide the tools by which leaders of any organisation, from a small company to a nation state, can maximise the engagement, happiness and well-being of their people.

Leaders of any organisation, whether it be government or a commercial enterprise, have an obligation to not only create, but also maximise, the well-being of those they are responsible for. In addition, high levels of engagement lead to numerous beneficial outcomes, as we shall see. There have been many examples, both at national and at company level, where an absence of properly developed and nurtured well-being has resulted in friction of some sort, sometimes with catastrophic results, and similarly, a lack of engagement leads to significant issues in organisations.

There is also a recent surge in interest in ‘happiness’, another related concept, particularly at country level with Bhutan leading the way in defining Gross Domestic Happiness as the goal of government and countries like the UAE and India appointing Ministers of Happiness to reflect this wider goal. More recently, organisations have also begun to consider employee and customer happiness as a key issue with, for example, Dubai Smart City facilitating happiness projects to make Dubai the happiest city on earth (see Chap. 7). We will suggest that in many cases, what is required is a more active form of happiness (closer to engagement) rather than the relatively passive concepts of happiness and well-being as commonly defined.

Although it is a bit of a truism to say that individuals perform better when

they feel good not only about themselves, but about those who control or manage their destiny, it is still surprising how many governments, as well as those involved in commercial leadership/management, forget this very simple rule.

We consider well-being, happiness and engagement to be highly related, with high well-being/happiness contributing to high engagement and vice versa. Unfortunately, theory and practice have tended to be completely separate for all these concepts (with the notable exception of Ulrich and Ulrich (2010) who also combined research from psychology and management to explore the ‘why of work’), whereas we see them as simply reflecting different dimensions of a common issue. If we think of the dimensions of active versus passive, happy versus unhappy and short term versus long term, then we arrive at Fig. 1.1.

This shows that, for example, the passive short-term high-level state is summed up as ‘contentment’, and indeed, it could be said that many ‘happiness’ programmes tend to aim for and result in contentment. But for the leaders of organisations and indeed nations, is short-term contentment what we need? We propose that a better goal is on the top right—an active high-level long-term state which we describe as *active committed enthusiasm (ACE)*. This definition allows us to include the excellent research and practice in all these related areas to arrive at one model whose goal is to maximise ACE in employees and citizens.

National and organisational success is much more easily created when there is a general sense of well-being and engagement, and where there are well-being and engagement, there will be success: a virtuous cycle.

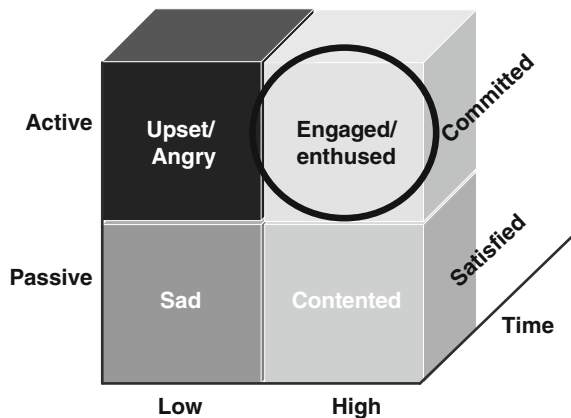


Fig. 1.1 Dimensions of happiness, well-being and engagement

We will be examining how leaders, whether at national or organisational level can help to improve both the well-being and engagement of their people in order to create benefits not only to the people themselves, but also to the organisation or nation itself.

Our research has adopted a multidisciplinary perspective to investigate how strategy and policy, individual psychology and management thinking can together not only create but also drive these beneficial outcomes.

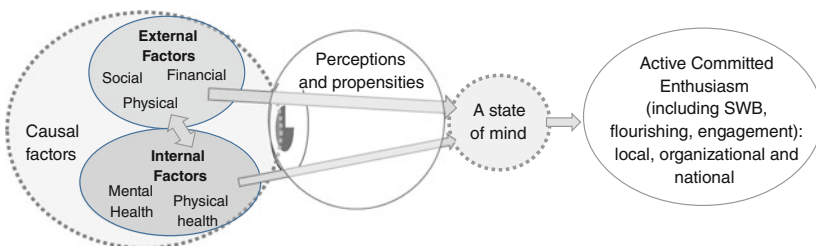
Well-being and engagement levels worldwide are extremely low, and this is at least partly because they are both parts of an extremely complex process with a myriad of factors, causal relationships and parameters which need to be considered. So we are going to break down and model this complex process in order to make it easier to assess how individual factors can contribute to ACE.

We have developed a single framework which pulls all of these concepts together and we have named it a *process of active committed enthusiasm* (PACE, see Fig. 1.2). We are going to use PACE to distinguish between causes, constructs and outcomes.

It should also be recognised that individual and organisational contexts and needs change over time, which means that the PACE model is a dynamic tool rather than a one-off fixed model.

Our objective is to provide new ideas, models and clarity to help leaders of any type to maximise individual active committed enthusiasm (ACE). It is not only about measurement, but also, more importantly, the improvement, implementation and development of a truly engaged and happy workforce or citizenry enjoying high levels of well-being.

The principles outlined are valid no matter what the organisation is or its purpose. Whether it is a government or a charity, the principles outlined are exactly the same, but we have written the book from the very specific perspective of the organised body, rather than from the individual's perspective. In fact, we are looking on how the creation of ACE is necessary in order to contribute to the goals of any organised body of people:



**Fig. 1.2** A process for active committed enthusiasm

Of course, engagement, happiness and well-being are desirable states in themselves, but specifically, we are going to be looking at achieving high levels of ACE with beneficial outcomes, not just for the individual, but also for the organisation or nation.

It is a self-evident truth that an organisation or a nation exists (or should exist) to serve its population, which means that the achievements of both individuals and the organisation or nation are interdependent in the sense that active committed enthusiasm (ACE) among citizens or employees helps to achieve organisational/national goals and the achievement of organisational/national goals will also create ACE among the people.

We refer to this as bidirectional causality—a chicken and egg situation. In other words, the citizens of the country experience well-being because of that country's success, and the engagement and well-being of the citizens create that very success in the first place.

Engagement and well-being have been researched and interpreted in many different ways, and as we shall see, other authors have also introduced distinct but related concepts. For instance, Seligman (2012) refers to 'flourishing', whilst Stein and Sadana (2015) see well-being as a product or outcome of health. Macey and Schneider (2008) see the term engagement as referring to 'psychological states, traits and behaviours, as well as their antecedents and outcomes'.

The above three examples are just a few of the range of definitions that we have to contend with, so this may be a good point at which to clarify what we mean by well-being and engagement in the context of this book so it is clear where they fit in the PACE.

We see well-being as being a sustained, positive, perceived state of satisfaction with life (often referred to as subjective well-being). This is not to be confused with short-term happiness or even the absence of 'ill-being'.

Engagement, on the other hand, is an active state of committed enthusiasm towards an organisation, nation or government and its goals.

Engagement resides within the disciplines of management and organisation, and well-being is more a product of national policy and individual psychology.

Nevertheless, and despite the fact that the formal definition of well-being and engagement considers two separate standpoints, there is little doubt that well-being and engagement are highly related to both being identified as causal factors for the other.

We have applied the PACE model to both constructs, and through the model, we aim to demonstrate that the principles which we put forward apply

to any sort of organisation, from the smallest group all the way through formal organisations and ultimately nation states.

In recent years, the Sultanate of Oman, for example, has been developing rapidly as a result of a government focus on well-being, from basic provision through to the current focus on intrinsically positive factors.

The Omani experience illustrates quite clearly how any leader can utilise the process model and compare the likely impacts of possible interventions in a systematic and structured manner.

The PACE model is therefore an aid to leaders of organised bodies to achieve national and organisational goals through maximising the engagement and well-being of their citizens and staff. It also provides a useful framework not only for practical application, but also for academic research.

## 1.2 Why Is It Important?

We have completed extensive research into the associations, and complex and often bidirectional causal links, between well-being and engagement, as well as outputs such as productivity, revenue, sick days, participation, Gross Domestic Product and shareholder value, as well as retention, emigration and a whole raft of other outputs.

Engagement and well-being as related concepts have very significant impacts on the personal, social and economic lives of individuals, organisations and societies. Largely due to their different academic foundations, one perceived difference between the two is that well-being, from the perspective of psychology, is seen as a desirable outcome in its own right with engagement, as a management issue, being viewed as a causal factor for increased productivity, success, effort, motivation, etc.

It is self-evident that such outcomes could also apply to well-being at national level.

Well-being is regarded as a fairly passive state, whereas the concept of engagement carries with it a degree of action and is closely aligned to enthusiasm and commitment.

Over 40 years ago, H.M Sultan Qaboos, the ruler of Oman, stressed that the aim of his national plan was not just the well-being of the citizens but also their active participation. You often hear politicians as well as chief executives say something along the lines of ... 'And our most important asset ... Is our people!' That particular phrase has been trotted out on so many occasions that it has become somewhat of a cliché, but the approach by the Omani government in recognising the importance of focusing on the well-being of its

citizens clearly demonstrates that once that particular principle is applied properly, it does have a very positive effect on outcomes, specifically the active participation of Omani nationals.

The concepts of well-being and engagement, and more recently happiness, have been the subject of extensive theory, research and practice, so you may be thinking what can possibly be the practical purpose of this work?

- It has been shown consistently over the years through various studies that a lack of well-being can have a considerable net negative impact on everything from mental disorders such as anxiety, to more serious physical disorders such as diabetes and hypertension. Looking at a corporate scenario, it is understood that say, a sudden increase in sick days being taken and an increase in staff attrition are classic signs of a lack of well-being among individuals and ultimately lack of well-being among staff in general. Although well-being is defined as a personal thing and a function of an individual's state of mind, in a tight corporate environment an individual not feeling very good about themselves or about the company, and especially if he or she is a centre of influence, can very quickly create a sense of lower well-being among previously satisfied staff. On a larger scale, this can also apply at national level where, for instance, even a small issue can be picked up by the (social) media, and very soon, previously satisfied citizens suddenly realise that they weren't as happy as they thought they were. Well-being cannot be assumed to stay high, but it is a fluid and dynamic state which both companies and politicians need to be aware of and nurture on a continuous basis.
- You have probably heard the visitor to a company asking the question 'How many people work here?' Quick as a flash, the answer comes back, 'About half of them'. There are grains of truth in that, because real-world engagement continues to remain elusive with many studies and surveys indicating that only about 25% of people in work are fully engaged (e.g. Towers Watson 2014). Similarly, less than one-third of American workers were found to be engaged in their jobs (Fig. 1.3), and a Gallup survey (2015) found that just over half of employees were not engaged, with about 17.5% being 'actively disengaged'. Those studies were primarily at corporate level, but there is nothing to suggest that similar figures don't apply at national level, especially with recent political upsets (e.g. Brexit, Trump) seeming to reflect general states of active disengagement with political establishments. The state of engagement and well-being is much more difficult to assess globally, especially given the wide variety of definitions and measures. Nevertheless, a 2014 Gallup survey of over 130,000



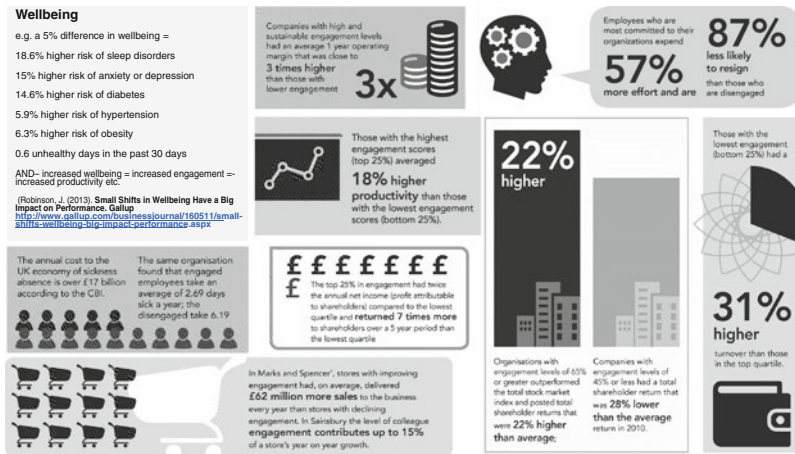
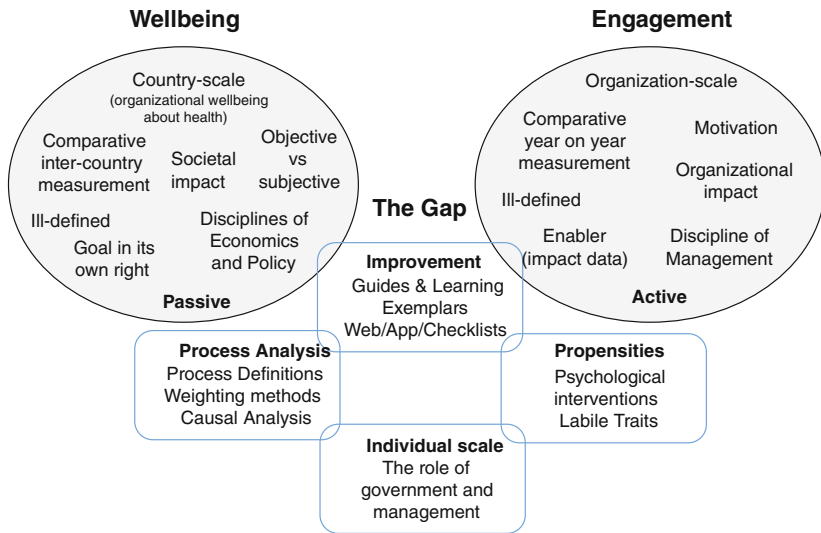


Fig. 1.3 Impacts of engagement and well-being

respondents suggested that globally only 17% of the population are 'thriving' in three or more elements (out of five). That could mean that the so-called best practice is either failing to be implemented or if it is being implemented, it is failing. This book will merge useful findings from two separate disciplines to provide insights for both researchers and policy-makers as well as leaders for all organisations, ranging from the smallest charity to national governments.

- In spite of much debate and discussion, as well as measurement and research, the definitions of well-being, happiness and engagement remain ambiguous to many. This book will attempt to define the main constructs in process terms and will help the reader to decide for themselves. The weighing of the various causal factors will help with decisions on impactful, relevant and effective interventions.
- The focus of this book is not on measurement for its own sake, or even for the sake of league tables, but on the practicalities of creating improvement. This focus has been chosen in order to give the leader or manager a clear view of when and where to intervene in the PACE as well as helping to determine which causal factors have the most significant impact. It would also help to decide which agencies, such as organisations (Quick et al. 2014) or government (Halpern 2008), could or should carry out relevant interventions.
- It may surprise some to discover that 51 of the world's largest 100 GDPs belong to corporations rather than governments (Franke 2015: 5), and many employ over 1 million people. That means that large corporations



**Fig. 1.4** The disciplines of engagement and well-being

have similar issues to consider as governments because they are effectively dealing with a ‘population’ as well as resources. Consequently, many of these large corporations are adopting an outlook similar to that of a government, and governments are increasingly looking to business models in order to optimise their economic success as well as the well-being of their citizens. HH Sheikh Mohammed Al Maktoum, ruler of Dubai, treats the country as if it were a business organisation (sometimes referred to as ‘Dubai Inc’) and has created high levels of economic and social success despite relatively low natural resources. A more recent (and certainly unproven!) example of this is the election of Donald Trump as President of the United States of America (USA), who is showing all the signs of running the USA as a large corporation. Whether he manages to engender a general sense of well-being among the population is something which still remains to be seen.

### 1.3 Integrating Well-Being and Engagement

Although well-being and engagement can be connected, one must not assume that one automatically follows the other.

Figure 1.4 above shows that both research and practice in the two fields have largely developed into distinct and apparently unrelated realms.

The next section explores the similarities and differences between the two constructs as well as related research and theory. We also explore how each set of research, practice and solutions can add to the understanding of the other.

The ultimate goal is not merely passive well-being or happiness, but the generation of active committed enthusiasm (ACE).

This will be achieved through:

- Understanding the process for active committed enthusiasm (PACE).
- Targeting individuals.
- The measurement and improvement of individual perceptions within PACE.

## 1.4 The Scope of the Book

For many years, the primary consideration when gauging the state of any nation has been related to economics and measures such as GDP. Unfortunately, although this approach does give an accurate snapshot of the state of an economy through the medium of numbers, it certainly does not assess either the well-being or the engagement of its citizens. In most economies, the wealth (and by implication) the well-being does not necessarily cascade down from the top or equally spread through society. That can mean that, although a government can be justifiably proud of its economic achievements, if these achievements are not being shared or perceived to be being shared by the population, then the levels of economic well-being experienced by the population will not be consistent. In addition, it has been clearly shown that above a certain level of economic development, more economic growth adds very little to overall well-being or ACE.

In fact, an unintended consequence of such a scenario can be the creation of negative social consequences as a large section of the population can be very aware that of the country's increase in wealth whilst also being fully aware that it is not fully participating or engaged in it. In order to be effective, any improvement has to be felt by the population at microlevel in order that individual fulfilment is experienced from the top to the bottom. Obviously, the same principle applies to organisations, and many companies have attempted to increase engagement of their staff by, for instance, communicating excellent financial results. If every individual within that business feels that he is not participating, then, paradoxically, those excellent financial results can unintentionally reduce individual engagement. Similarly, once

individuals achieve a certain (high) level of income, then further increases add little to their ACE. Also, as we shall see, the effects of income on ACE are largely to do with perceptions of income equality or inequality rather than the income level itself.

You can see, therefore, that assessing well-being and engagement accurately is fraught with difficulties, as what appears to management or politicians to be an excellent measurable state of affairs from their perspective can be the opposite to others.

We are going to identify the key areas where the assessment of ACE and its development can be made more effective.

ACE, as an amalgam of well-being, happiness and engagement, is a multifaceted concept, which incorporates constructs ranging from individual health and psychological well-being all the way through to macroeconomic factors affecting the individual. This book is written primarily for those aiming to research, assess and improve well-being and engagement, and we feel that the following scope is appropriate:

- We recognise that well-being incorporates both subjective and objective factors, but as causal factors in the process (PACE). What is defined as objective well-being is no more than a factual state and independent of what the individual may be feeling. For instance, if the population is healthier, well fed with an increasing life expectancy we may assume (objectively) that there will be a certain element of well-being. On the other hand, subjective well-being is a perceptual matter and measured by some kind of assessment of the feelings of individuals or groups.
- We are focusing on improvement of ACE as an amalgam of well-being, happiness and engagement, but are very conscious of the fact that they can only be assessed as part of a general improvement strategy. In the scope of this book, the purpose of measuring well-being and engagement is to improve.
- We will show that it is individuals who are a critical factor in the PACE model and that both governments and organisations have a perfectly legitimate role in helping individuals to maximise their well-being and engagement, but that in order to achieve this, both organisations and governments must be willing to adjust their own perspectives and characteristics.

The function of the PACE model is to determine the most significant factors and times when interventions by 'management' can have a maximum possible impact, and to reinforce this, the final chapter provides a practical toolkit to assist in transforming well-being and engagement.

## 1.5 The Objectives of the Book

The objective of this book is to provide a toolkit and process framework to allow for practitioners and researchers to:

- Identify key areas of improvement of ACE and their likely outcomes.
- The key causal factors in the process and their relative impact.
- Individual and collective responses to specific initiatives.
- Analyse objective factors such as employment levels or pension provision with recommendations for specific functions of government and organisations.

In addition, we aim to:

- Provide a toolkit to help organisational and national leaders to maximise the active committed enthusiasm of their people and achieve the beneficial outcomes.
- Review all historical research on global best practice in order to generate recommendations based on a critique of the fundamental concepts in order not only to improve best practice but also to drive further research.
- Provide recommendations, with reference not only to global research, but to the varied cultural contexts and constraints.

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# 2

## What are Engagement, Happiness and Well-Being?

### 2.1 Engagement

In recent years, both national and organisational leaders have realised the importance of enhancing performance outcomes (such as GDP or productivity), citizenship and satisfaction by improving the engagement of the population of the nation or workforce of an organisation.

The concept of engagement has developed over a long period from work such as Douglas McGregor's (1960) theory in which he postulated that many people enjoy meaningful and stimulating work and if engaged will work harder than the bare minimum. Certainly, in developed societies, the idea that the best performance from people is obtained through coercion is largely dead, as many jobs and roles are less procedural and where performance depends on active committed enthusiasm.

Engagement increases discretionary effort and is certainly the antithesis of the industrial relations view of a shifting balance and conflict of interest between management and workers.

The continued interest in engagement since the 1990s reflects the changing perception of management/worker relations. This has been augmented by the gradual disappearance of the traditional hierarchical management structures towards 'modern organisations' (Schaufeli 2013), which require much more flexible, responsible and self-managed workers and where discretionary effort is a major component of productivity. The modern informality of relationships between management and workers has accelerated these trends and increased the importance of engagement.

These changes require greater personal investment and motivation by the individual, rather than simply following instructions.

Ulrich (1997) suggested that these changes result from organisations needing to produce more with fewer human resources, but they may also reflect the wider social change towards individual freedom and expression which may itself result in greater productivity. So, both the new informality and the social change towards individual freedom result in a far greater potential for more engaged workers and citizens to exert more discretionary effort, resulting in greater productivity.

There are at least 50 different definitions of engagement as noted by MacLeod and Clarke (even back in 2011!). Some of the more widely accepted definitions follow:

- Engagement is about creating opportunities for employees to connect with their colleagues, managers and organisations. It is also about creating an environment where employees are motivated to want to connect with their work and really care about doing a good job. It is a concept that places flexibility, change and continuous improvement at the heart of what it means to be an employee and an employer in the twenty-first-century workplace (Gatenby et al. 2009).
- A positive attitude held by the employee towards the organisation and its values. An engaged employee is aware of the business context and works with colleagues to improve performance within the job for the benefit of the organisation. The organisation must work to develop and nurture engagement, which requires a two-way relationship between employee and employer (Robinson et al. 2004).
- Employee engagement, also called commitment or motivation, refers to a psychological state where employees feel a vested interest in the company success and perform to a high standard that may exceed the stated requirements of the role (see <http://www.mercer.com>).

Of course, people can be ‘engaged’ within any kind of organisation, from a football club to a nation, and can be directed at any role identity within the person’s life, from their work–life to charitable activities to their role as a citizen. In an occupational context, engagement can be directed at:

- The organisation.
- The work.
- The profession.
- The social environment.



Engagement is not viewed as a valuable and desirable state purely for the individual's benefit. In management terms, it is viewed as something to be 'harnessed', and as a potential cause of valuable outcomes, ranging from increased productivity to reduced absenteeism and attrition. Engagement becomes a node in a process which can be measured, not just of the level of engagement itself, but also of its outcomes. Therefore, engagement differs from well-being, where well-being itself has tended to be seen as a beneficial outcome in its own right and where the antecedents and outcomes of well-being are often contemplated within the construct itself.

Academically, the interest in engagement has paralleled developments in positive psychology, originally described by Seligman (see Seligman and Csikszentmihalyi 2000). They suggested that individuals would lead better and more fulfilling lives by adopting optimistic views of the world and by modifying their world, including their working lives, to be more positive. Global interest in engagement has risen dramatically since the 1990s and continues to be a much discussed and researched topic.

The whole idea of engagement has been developed from two very different but highly relevant perspectives: the first is organisations wishing to harness more discretionary effort from their staff; and secondly, psychologists wishing to help people become more positive. This divergence is useful in providing perspectives but as with research into well-being, engagement research has been plagued by inconsistent construct definitions and operationalisations (Christian et al. 2011).

Truss et al. (2014: 1) identified that there was an 'increasing divergence between an academic focus on engagement as a psychological state and practitioner focus on engagement as a workforce strategy'.

For example, Heger (2007) found that there was a body of literature from business academics which focuses on engagement as a workforce strategy in contrast to practitioners for whom engagement was an aspect of individual psychology (Bridger 2015).

Towers Watson (2014: 3) defines engagement as '*employee's willingness to expand discretionary effort on their job*'... with the main causal factors being leadership, clear goals and objectives, workload and work/life balance, organisational image and empowerment.

Meanwhile, 'engagement for success' is a well-known and widely applauded UK initiative to encourage and facilitate engagement in the workplace. Its definition of employee engagement is 'a workplace approach designed to ensure that employees are committed to their organisation's goals and values, motivated to contribute to organisational success and are able at the same time to enhance their own sense of well-being'.

It is interesting that this definition encompasses employee's well-being in the same way that many definitions of subjective well-being (SWB) incorporate engagement.

The Chartered Institute of Personnel and Development (CIPD) defines engagement as: 'being positively present during the performance of work by willingly contributing intellectual effort, experiencing positive emotions and meaningful connections to others'. Once again, the definition of engagement includes SWB in the form of experiencing positive emotions and meaningfulness.

Shuck (2011) identified four types of definition of engagement:

- Needs satisfying—the person is engaged in expressing themselves and their needs.
- Burnout antithesis—where engagement is seen as a positive opposite to burnout.
- Satisfaction engagement—one of the most widely used engagement instruments, within organisations is the Gallup Q<sup>12</sup>, which has been the subject of considerable analysis and testing. It is based on this definition of engagement, combining satisfaction with enthusiasm and involvement.
- Multidimensional—consisting of cognitive, emotional and behavioural components associated with role performance, as well as distinguishing between different objects of engagement. For example, job engagement or organisational engagement (Saks 2006).

Guest (2014) and others have criticised academic and practitioner interest in engagement as a fashionable fad or a concept developed in order to sell consultancy (Keenoy 2013).

Although there is little doubt that various models and theories of management and administration do tend to arrive in waves and many disappear over time, but as far as engagement is concerned, there is little doubt that 'one of the attractions of engagement is that it is clearly a good thing' (Guest 2014).

It is recognised that there are some potential issues with engagement:

- It could be perceived that only 'engaged' people are valuable and possibly that only engageable people should be recruited.
- Engagement is a panacea and is all that management needs to focus on.
- People have a duty to be engaged and that discretionary effort is the expected (and ever-increasing) norm.
- If managers are assessed and targeted on the amount of 'engagement' they can instil in their subordinates, there is a danger of that particular aspect of

management becoming a KPI or focus, leading to apparent compliance with no substance.

Guest also criticised engagement as lacking practices or a method. In other words: What do you do about it? What does a manager do in order to engage people? He also pointed out that there could be a dark side to engagement. The increased discretionary effort could be to such a high level as to possibly create burnout. That is, assuming that burnout is linked to engagement or *extreme* engagement.

If a certain level of engagement is achieved among staff, this quickly becomes the norm. In order to 'stretch' the staff, the expected levels of engagement will be increased with new exceptional levels being demanded. That could quite easily produce a medium- to long-term self-amplifying problem.

The focus of this book is to define well-being and engagement in terms of process, comprising causal factors, the construct and its outcome, with the addition of some strategies on how to engender well-being, commitment and engagement.

Schaufeli (2013) proposed a basic model in which job resources and personal resources impact on the experience of any engagement, which in turn results in organisational consequences.

Christian et al. (2011) define work engagement operationally, in order to carry out a study of antecedents and consequences, as 'a relatively enduring state of mind', referring to the simultaneous investment of personal energies in the experience of performance of work'. In a process framework, they described consequences of engagement (including performance); antecedents of engagement (e.g. autonomy); and proximal factors (e.g. job satisfaction). This approach helps to clarify the various concepts involved and their interrelationships and is developed within our PACE model.

Is engagement the same as job satisfaction, organisational commitment, job involvement or organisational citizenship?

This is not simply a question of semantics, but in order to be useful, engagement has to be distinct from the other similar concepts, and it needs to be measurable.

Some have suggested that engagement is simply a redefinition of job satisfaction, organisational commitment or job involvement. For instance, Newman et al. (2010) demonstrated correlations between these factors and engagement, but the correlations only suggest an overlap of around 15–29%, which may well suggest some kind of causal relationship, rather than identical nature.