

Excerpts From the New Work Order Proposal to the International Organization for Standardization (ISO) for the Creation of Employee Engagement Standards

Below is the information provided in the proposal submitted to the International Organization for Standardization that was recently approved by the international committee. The next step is the creation of a working group that will be formally established at the ISO meeting in Bali in September 2017.

English title:

Standards for the implementation of engagement strategies and tactics to foster the proactive involvement of the employees critical to achieving key organizational goals on a sustainable basis.

French title:

Normes pour la mise en œuvre de stratégies et tactiques d'engagement pour encourager la participation proactive des employés, essentielle à la réalisation des objectifs organisationnels clés sur une base durable.

Scope

Based on extensive research and information already in the public domain, this initiative seeks to create a set of standards which can be used as a model for organizations to formally integrate current practices for engagement, such as leadership development, employee and engagement assessment, recruitment, learning, communications, rewards and recognition, return on investment measures, etc., along with analytics, into a set of practices to achieve measurable goals and insights.

For the purposes of this proposal, we define employee engagement as the proactive involvement of employees in the actions, behaviors, and values needed to achieve overall and specific organizational objectives in a way that can be sustained and measured over time.

Purpose and justification of the proposal*

The purpose of employee engagement standards is to provide organizations a clear framework, implementation process, and nomenclature to design and implement formal engagement strategies in a manner similar to any other business process such that the key components are strategically designed and implemented to achieve clear, measurable results based on the latest research and best practices.

Justification:

Extensive research confirms the potential economic benefits of engaging employees in a sustainable way to proactively focus on those actions, behaviors, and values that will contribute to success.

- A study of the publicly held “Best Companies to Work for” by London Business School Professor Alex Edmans found that these companies outperformed the stock market by about 3% per year over 28 years. <https://hbr.org/2016/03/28-years-of-stock-market-data-shows-a-link-between-employee-satisfaction-and-long-term-value>
- A stock market index of Engaged Companies has outperformed the S&P 500 by nearly 7% per year over nearly four years. www.TheEEA.org
- A leading coalition of U.S. pension and trust funds with a combined \$2.6 billion in assets specifically now ask public companies to disclose their practices related to human capital management, employee engagement, and incentives. <http://enterpriseengagement.org/articles/content/8472962/26-trillion-investor-coalition-sees-link-between-human-capital-management-and-shareholder-return/>
- A leading U.S. bank has found that engagement strategies can help achieve key diversity and inclusion goals: <http://enterpriseengagement.org/Diversity-and-Inclusion-Power-Engagement-at-Fifth-Third-Bank/>

Challenges for Investors and Organizations:

- While the concept of employee engagement has been discussed for nearly a decade, the level of engagement of employees has barely budged over that period, according to surveys by Gallup and others.
- The reason is that engagement management is not taught in any business schools, most human resources managers and other areas of business management are not aware of those information resources that do exist, and many people do not even agree on the definition.
- What is lacking is a widely accepted, formal, research-based definition, framework, and implementation process upon which businesses can agree that defines the parameters for success.
- Investors seek objective ways to compare the engagement of employees and its impact within specific industries or marketplaces.

A statement from the proposer as to how the proposed work may relate to or impact on existing work, especially existing ISO and IEC deliverables. The proposer should explain how the work differs from apparently similar work, or explain how duplication and conflict will be minimized.

It is our understanding that ISO 260 is undertaking human capital management standards for practices that can help organizations achieve key goals. Based on the above research, such goals often can be achieved by fostering the proactive involvement of critical talent in a sustainable way. It is our understanding that at the current time no standards specifically address the issue of employee engagement in a formal way.

In light of the substantial research that supports the economic rationale for formal engagement, and the lack of agreed-upon definitions and nomenclature, it seems almost vital that these standards be included in any human capital standards and metrics.

A good example of the successful application of standards in the area of human capital management is the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA), which has created "national consensus standards" for safety practices. Workplace safety has improved in the U.S. over the decades in part as the result of such standards.

These employee engagement standards could have significant application for current ISO 9000 quality management standards, as well as those envisaged for healthcare cost management practices, and potentially customer experience management, sales management, and other related practices.

A listing of relevant existing documents at the international, regional and national levels.

1. **Harvard Business Review**: Manage Your Human Sigma. <https://hbr.org/2005/07/manage-your-human-sigma>
2. **Deloitte**: Employee Engagement Culture, Human Capital Trends. <http://www2.deloitte.com/global/en/pages/human-capital/articles/employee-engagement-culture-human-capital-trends-2015.html>
3. **Hay Group**: Why Does Employee Engagement Matter to CEOs?
4. https://www.haygroup.com/downloads/fi/thought_paper_why_does_employee_engagement_matter_to_ceos.pdf
5. **Aon Hewitt 2016 Trends in Global Employee Engagement**: <http://www.aon.com/human-capital-consulting/thought-leadership/talent/2016-Trends-in-Global-Employee-Engagement.jsp>
6. **Incentives, Rewards, and Workplace Motivation**, Dr. Harold Stolovich, PhD., University of Southern California. <http://theirf.org/research/incentives-motivation-and-workplace-performance-research-and-best-practices/147/>
7. **Enterprise Engagement: The Roadmap**, published by the Enterprise Engagement Alliance: <http://www.theeea.org/learning/engagement-textbook/>
8. **Good Company Index Company Assessment Tool**. <http://gca.mcbassi.com/s3/self/?srp=gcrp>
9. **The Enterprise Engagement Alliance Benchmark Indicator**, created by the Enterprise Engagement Alliance to help organizations benchmark their engagement strategies and tactics against best practices. <http://www.eewidget.com/eebenchmark/>
10. **Principles of Results-Based Incentive Program Design**, published by the Incentive Marketing Association: <http://www.incentivemarketing.org/?page=Principles>
11. **Engagement Institute, Conference Board** study on Employee Engagement (summarized on Engagement Strategies Media because it is not available to non-members): <http://blog.enterpriseengagement.com/blog/2015/02/conference-board-dna-of-engagement-report-tracks-with-eea-enterprise-framework-with-critical-exceptions/>
12. **Concept of Employee Engagement: An Analysis Based on the Workplace Employment Relations Study**, David MacLeod, Nita Clark, Engageforsuccess.org, the U.K. government-sponsored organization. <http://www.acas.org.uk/media/pdf/7/6/08140-MacLeod-Clarkes-Concept-of-Employee-Engagement.pdf>

A simple and concise statement identifying and describing relevant affected stakeholder categories (including small and medium-sized enterprises) and how they will each benefit from or be impacted by the proposed deliverable(s)

These standards can benefit investors in publicly- and privately-held organizations seeking effective metrics related to employee engagement practices and outcomes; management in such organizations seeking a formal basis on which to design, undertake, and measure employee engagement efforts; and those employees who are affected by such efforts.