**IMPROVING EMPLOYEE ENGAGEMENT AND PERFORMANCE:**

**A SELF-EFFICACY BASED INTERVENTION**

*Richard Carter, Macquarie Graduate School of Management, Macquarie University, Sydney,*

*New South Wales, AUSTRALIA 2109, +61-414-782-182,* *richard.carter@students.mq.edu.au*

**ABSTRACT**

Self-efficacy is an important psychological construct that is defined as one’s belief in their competence to undertake specific tasks. Due to its malleable and triadic reciprocal nature, self-efficacy is both an individual characteristic and process. Given its potential to guide individual motivation and performance and influence organizational outcomes, it is an important area of study. In this controlled field experiment, a structured intervention was designed and implemented to improve employee self-efficacy and assess the impact on performance and engagement. Pre-intervention (n=104) & post-intervention (n=53) surveys were undertaken, five quarters of employee performance data were analyzed and mystery shopping comparisons collected for pilot, control and comparator groups.

**INTRODUCTION**

Why are some people more engaged at work than others? The current high level of interest in employee engagement highlights management’s preoccupation with this question. Academically, the topic of work motivation is one of the most investigated topics within organization behavior. A consistent finding to emerge is the importance of self-efficacy in motivating better performance. Self-efficacy refers to people’s judgment in their capabilities to mobilize the motivation, cognitive resources, and courses of action needed to meet given situational demands. Self-efficacy based interventions are associated with a 28% performance improvement, which is at least double the effect size of related interventions like goal setting or feedback and coaching.

Nevertheless, despite a great deal of attention to the concept of self-efficacy, several limitations of this research have been noted. On the whole, experimental designs have been set in classrooms rather than organizational settings; simulated rather than work-related tasks have been used; students are the main participants instead of employees; training outcomes have been measured rather than job performance; and very few studies have been longitudinal. The purpose of this research was to test the relationships between self-efficacy, work motivation and engagement on a longitudinal basis in an organizational setting. Specifically, I investigated the effect of an intervention designed to enhance employees’ self-efficacy for customer service, with a particular focus on having proactive customer conversations and on subsequent customer interactions.

***H1 – There is a positive relationship between self-efficacy and performance on a longitudinal basis in workplace settings where employees engage in real work tasks.***

It is likely that employee engagement, with its focus on the vigor, dedication and absorption of employees would also be related to self-efficacy. People with higher levels of self-efficacy are more likely to vigorous, dedicated and absorbed at work.

***H2 – There is a positive relationship between self-efficacy and employee engagement.***

In order to test these hypotheses, an intervention was designed to increase participant self-efficacy and subsequently analyze the impact by comparing changes in performance and engagement on a longitudinal basis against a control group. Forum Theatre, was selected as the core intervention vehicle because its’ creator sought to give (participants) a stronger sense of their personal agency, increased confidence and the belief they could achieve certain outcomes within the social environment they operate within. These outcomes are virtually identical to the 3 core tenets of Self-Efficacy Theory.

**Methodology**

**Organization and study design**

A large Australasian financial services organization agreed to sponsor the research. Twenty “second tier” branches from a large city in Eastern Australia were selected to participate in the field experiment. Another 12 larger ‘Major’ outlets served as a further comparison as they had recently completed a different training initiative to address the business performance issue. Employees from the experimental group participated in 2 half day workshops (4 weeks apart). In order to support employees back in the workplace, 3 short (6 minute) DVD’s were produced and shown over 3 weeks featuring the bank employee characters created during the workshop series.

**RESULTS**

A comparison of the pre and post intervention surveys clearly shows that there has been a relative increase in self-efficacy scores on the target behaviors (See Table 1).

**Table 1: Combined Self Efficacy Measures Pre and Post Intervention**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Measure(Mean 5 items) | Time | Mean | Std Dev. | Std Error | Significance |
| Cross-Check - Pre | Pilot | 89.97 | 10.80 | 1.94 | .131 |
|  | Control | 93.74 | 7.62 | 1.44 |  |
| Cross-Check - Post | Pilot | 85.87 | 11.84 | 2.13 | .172 |
|  | Control | 89.67 | 8.87 | 1.68 |  |
| Target – Pre | Pilot | 84.39 | 13.18 | 2.49 | .009 |
|  | Control | 92.67 | 8.59 | 1.62 |  |
| Target – Post | Pilot | 81.48 | 14.54 | 2.61 | .663 |
|  | Control | 83.07 | 13.90 | 2.50 |  |

\*Significant at .05 level

At a general branch level, mystery shopping results show the overall intervention has made a significant difference to performance (See Table 2).

**Table 2: Mean Mystery Shopping Results for Pilot, Control and Major Groups**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  Branch Group | Pre Intervention | Post Workshops(2-4 weeks later) | Pre DVD  | Post DVD(8 weeks later) |
| **Pilot** | 44.7 | 52.6 | 49.7 | 60.5 |
| **Control** | 51.5 | 37.1 | 47.9 | 51.5 |
| **Major** | 55.2 | 51.9 | 49.1 | 54.6 |
| **Mean** | 50.6 | 47.4 | 48.9 | 55.5 |

With respect to appointments, the Major group initially showed the greatest rise as a result of the traditional training intervention that was introduced but the pilot group has overtaken them.

**Table 3: Mean Number of Appointments Made/Eligible Employee (Quarterly)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Y1Q1** | **Y1Q2** | **Y1Q3** | **Y1Q4** | **Y2Q1** | **Y2Q2** | **Y2Q3\*** | **Y2Q4\*** |
| Pilot | 7.8 | 8.1 | 8.7 | 12.6 | 8.3 | 10.9 | 15.8 | TBC |
| Control | 7.5 | 8.0 | 7.9 | 10.2 | 9.2 | 9.5 | 10.7 | TBC |
| Major | 8.7 | 10.9 | 12.1 | 13.8 | 12.6 | 11.9 | 13.1 | TBC |

Engagement was measured using the short version of the UWES scale (9 items). Overall, engagement went down for both the Pilot and Control groups (See Figure 1) which can be attributed to an announced merger with a larger organization one week before the post intervention survey was undertaken. However the decline in engagement scores for the Pilot group appears to have been buffered to some extent by the workplace intervention as the slope is flatter.

**Figure 1: Overall Engagement Scores – Pre and Post (7 months post)**

