



**Navrachana University**  
**End Semester Examination**  
**May – 2017**  
**SYMBA – Sem IV**

**Subject Code : HR213**  
**Date: 10/05/2017**

**Subject Name : Employee Engagement**  
**Time: 8.00 AM to 10.00 AM**

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**Instructions:**

- Write new answer on a new page.
  - Demonstrate the diagrams and give appropriate examples (if applicable)
  - All Questions are compulsory.
  - Total marks: 40
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**Q-1) Case Study- Employee Engagement at CSAA**

Employee engagement is a pillar of the CSAA Insurance Group business strategy. The engagement numbers of the California-based auto and home insurer are stellar: In 2013, CSAA Insurance Group scored 81% on Towers Watson's employee engagement index. That's seven points higher than the industry average (74%) and higher than the average engagement score of high-performing companies across all industries (80%).

"We work hard to empower our employees to perform at their best," said Melissa Jones, vice president of human resources at CSAA Insurance Group. "Through our employees, we've maintained our position as a leader in the Northern California auto insurance market and achieved growth rates well above the industry average outside of California."

Towers Watson research supports CSAA Insurance Group's experience. According to Towers Watson's Global Normative Database, organizations with the type of sustained employee engagement that Jones described have operating margins three times higher than those of companies with the lowest levels of engagement.

**Separation Brings New Business Strategy**

CSAA Insurance Group's commitment to employee engagement helped it immensely three years ago, when the company built a new insurance-focused business strategy.

The group had long been connected with the auto club, now called AAA Northern California, Nevada & Utah. In 2011, the insurance company separated from the auto club to focus solely on providing auto and home insurance to AAA members through AAA partner clubs around the U.S. The 100-year-old company's leaders had to align the workforce with a new business model and engage employees in meeting new goals.

"Since the separation, our job has been clear: to concentrate on being the best insurance provider we can be for all of our 22 AAA club partners across the country," Jones said.

## **Employee Survey Lays Foundation**

Building employee engagement was a critical early step in the transition to the new business model. "When we separated, employees needed clarity on how they fit into the picture," Jones said. "We had to act quickly to develop and communicate our new strategy, and make sure all employees understood their role in carrying it out. Fortunately, the employee engagement work we'd launched two years prior with Towers Watson gave us a fantastic foundation."

That work had begun in 2009 with the arrival of Marie Anel, CSAA Insurance Group's chief administrative officer. Anel was concerned that employees were disconnected from the company and its work. She asked Towers Watson to help the leadership assess employee engagement through a comprehensive employee survey. "I needed strong, relevant data to understand the health of the organization," Anel said.

The results confirmed what Anel had suspected: Employee engagement, at 70%, was six points below the industry norm. "Because we had two business strategies — one focused on the auto club, the other on insurance — engagement wasn't as strong as it could have been. It's very hard to keep employees engaged when they're unclear about the organization's strategic focus."

## **Action Plans Build Engagement**

Anel and her team quickly developed a strategy and tactics to increase engagement. "With Towers Watson's help, we trained managers and leaders to analyze the employee survey results, work with their teams to develop action plans for improvement, carry out those plans and measure their success. We then reinforced our commitment to maintaining a high level of employee engagement by tying incentive pay to the achievement of specific gains." The role of leaders throughout the organization was critical.

"Melissa's vision and her commitment to the excellent implementation of our engagement work have made that work an integral part of our employee experience," Anel said. "By linking engagement to foundational processes — such as performance management and incentives — we've created a truly integrated, enduring approach to engagement."

Mike Randall, CSAA Insurance Group's head of claims, said these tactics have been pivotal in increasing engagement across the company. "Action planning gave our managers a consistent framework for conversations with their frontline employees about the survey results," Randall said. "Managers heard workers' suggestions for change, and enlisted them in making and executing plans for improvement. Employees saw that their attitudes and recommendations were being taken seriously. And giving them a say regarding what would happen next helped to boost their engagement."

The company's survey findings bear this out: Between 2009 and 2013, the percentage of employees who agreed that the annual survey leads to constructive changes went from 35% to 65%.

## **Survey Fills the Gaps**

Jones says this approach has proved invaluable for boosting employee engagement throughout the post-separation period. "We've used the survey to identify engagement gaps. And we've developed communication and action plans at the department, business unit and company levels to quickly improve those areas."

"For example, when the survey found that leadership and line of sight needed attention, speakers at our annual leadership conference addressed those issues," Jones said. "Also, attendees received a strategy playbook that educated leaders about our six strategic priorities, which include offering member-centric insurance products, providing top-tier claim services and building a high-performance culture.

"We directed leaders to cascade the information to their teams, and to develop action plans and individual performance goals aligned with the company's strategic priorities," she said. "We also beefed up employee communications about the strategy on our intranet site and in face-to-face meetings at the department, division and company levels. We're still using this strategy, and our survey results for leadership and line of sight are outstanding."

Andel gives the approach and the results a thumbs-up. "I feel very comfortable saying that if you were to ask anyone in the company to explain our strategic priorities and where the person fits in attaining them, they'd tell you without hesitation," Andel said.

### **Linking Competencies and Business Strategy**

With an employee engagement strategy in place, next came reviewing and updating the company's role competency framework — identifying crucial competencies for each role. Some competencies are shared by all employees, while others are role-specific. All are driven by the company's values.

"It was the logical next step in the evolution of our engagement work," Andel said. "With the change in our business strategy, we needed to make sure we had the right people in the right jobs and that everyone knew what was expected of them. So we needed to take a hard look at employee competencies."

Working with an advisory panel of senior CSAA Insurance Group leaders, Jones and the Towers Watson team reviewed the company's overall business strategy and values, and then identified the competencies needed to support those across the organization.

"Knowing which behaviors and skills are needed in specific roles to ensure our long-term success has helped us enormously," Jones said. "We've integrated the competencies into our hiring, training, career development and performance management processes. Managers and employees know what to look for and what to expect in each role. And we've made it very real for employees by linking merit pay increases directly to the competencies."

"The competency work has fundamentally changed the path to high performance," Andel said. "We now have a framework for conversations with individuals about their performance and skills, and what they need to do to improve or get to the next level. And because we're clear on what we need, we're attracting and retaining the kind of people who want to build a career here."

The latter is critical, she adds, because "we want to grow our leaders from the inside."

### **Looking Ahead**

Their latest project will help them do just that. Leaders are working with Towers Watson to develop tools and resources to support career management. This includes identifying "enabling experiences" — that is, experiences that help employees move to the next career level. Examples are changing job families or departments, becoming a subject matter expert in a particular area and playing an active role in a strategic initiative.

When these career management resources are integrated with the competencies, the result will be a new career management framework that shows each employee their potential career path, including next steps. The company is piloting the framework with its IT developers and insurance product analysts, and Jones says the pilot is going well. "Our biggest worry is that we might not be able to keep up with the demand. People are so eager for this."

When asked to reflect on the past five years and identify what's changed as a result of CSAA Insurance Group's investment in employee engagement, Andel doesn't hesitate. "Engagement is now embedded in our culture as a priority. We have clear competencies that align with our business objectives and, just as important, our values. There's consistency in how we hire, train and reward employees, and we're building a pipeline of potential leaders. Soon, we'll have career paths for most employees, and they'll know what it takes to move around or upward."

"With Towers Watson's help, we've built a culture in which people care about employee engagement as much as they care about customer engagement — and that will go a long way toward ensuring our success."

**Questions-**

**30 Marks**

- 1- **Indicate the Challenge in this case.**
- 2- **Apply Employee Engagement Model to bring the *Approach* CSAA did to solve the Challenge.**
- 3- **Explain the Outcomes of Employee Engagement Initiative at CSAA**

**Q-2) - Justify the Statement**

**10 Marks**

- 1- "Managers need to be empowered to engage employees"- **Tim Clark**
- 2- "Paychecks can't buy passion." **Brad Federman**
- 3- "Some companies don't have an engagement problem, they have a hiring problem." **Bob Kelleher**