IMPROVING EMPLOYEE ENGAGEMENT AND PERFORMANCE: A SELF-EFFICACY BASED INTERVENTION

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MGSM WP 2008 - 8  
September 2008
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Abstract

Self-efficacy is a social psychological construct that is conceptualized from an agentic perspective. It refers to people’s beliefs about their capabilities to perform designated tasks. Numerous studies have shown a strong positive relationship between an individual’s self-efficacy and their performance. However, there is a paucity of studies examining the longitudinal effect of self-efficacy-based interventions, their impact on self-efficacy and subsequent individual and organizational performance. This paper reports on the results of a field experiment conducted within an Australasian financial services organization that assessed the effect of an intervention on participants’ self-efficacy and customer service skills. Two sets of workshops were designed and delivered using Forum Theatre, a technique traditionally used as a catalyst for political action amongst oppressed groups, as the principle vehicle to increase employee self efficacy. A specifically-designed measure of employee self-efficacy and a range of workplace customer service measures were used for evaluation purposes. Preliminary results indicate a positive change in customer service, in part due to enhanced self-efficacy.

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INTRODUCTION
What motivates people to work effectively? The current high level of interest in employee engagement (Saks, 2006) highlights management’s preoccupation with this question. Academically, the topic of work motivation is one of the most investigated topics within organizational behavior research (Locke & Latham, 2004; Steers, Mowday, & Shapiro, 2004). A consistent finding to emerge from this literature 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 (Bandura, 1986). It has been identified as a key motivational force within organizations (Gist & Mitchell, 1992) and is a core component of Locke and Latham’s (2004) model of work motivation. Within sociology, Marx (1844) viewed human nature as a process of self-creation through efficacious action in the context of work (Gecas, 1991). Indeed, a key feature of Marx’s concept of alienation is powerlessness - or a lack of self-efficacy.

There is a great deal of evidence regarding the importance of self-efficacy for performance. Stajkovic & Luthans (1997), for example, found in a meta-analysis that 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. Self-efficacy motivates better performance in several ways (Bandura, 1986, 1991). For example, people who believe they do not have the requisite skill will be unlikely to demonstrate persistence on a given task because the likelihood of success is perceived to be low.

The importance of the concept of self-efficacy is such that, in recent times, it has been identified as a core component of several higher-order motivational concepts, including empowerment (Spreitzer, 1996), core confidence (Stajkovic, 2006) and positive psychological capital (Luthans, Avolio, Avey, & Norman, 2007). These higher-order motivational states are proposed to be important in generating outcomes such as performance, subjective well-being, and job satisfaction. Self-efficacy is also increasingly recognised as a determinant of employee engagement (Christian & Slaughter, 2007).
Nevertheless, despite a great deal of attention to the concept of self-efficacy, several limitations of this research have been noted. There are very few longitudinal studies showing the effects of organizationally-based interventions for enhancing self-efficacy and performance. 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 (Saks, 1995). More empirical work is needed to investigate the link between self-efficacy, work motivation, and job performance within organizational settings, especially longitudinally. In particular, it is important to investigate how self-efficacy can be enhanced within organizational settings.

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, we investigate the effect of an intervention designed to enhance employees’ self-efficacy for customer service, with a primary focus on having proactive customer conversations and on subsequent customer interactions.

The intervention involved workshops designed to enhance employee self-efficacy with respect to proactive customer conversations. The workshops used a technique called Forum Theatre (or Theatre of the Oppressed) (Boal, 2000); a form of simultaneous dramaturgy where participants (spect-actors) watch a scripted performance illustrating proactive customer conversation issues. We expected the workshop to enhance the four principal sources of self-efficacy information (Bandura, 1997): enactive mastery experiences; vicarious experiences; verbal persuasion and allied types of social influences; and physiological and affective states. Vicarious experiences are likely to occur because participants watched actors demonstrate both how and how not to have effective customer conversations, and how to deal with setbacks. Enactive mastery is likely to occur because participants were involved in personal action planning and role playing. Verbal persuasion is likely to be because the facilitator encouraged participants to believe they could learn to be effective. Finally, physiological and affective states were enhanced due to the ‘live’ environment the workshops were conducted. In combination, we proposed that the
intervention would enhance employees’ self-efficacy through multiple mechanisms, and thereby increase their performance.

METHODOLOGY

Organization and study design

A large Australasian financial services organization agreed to sponsor the research. This organization had identified a business performance issue (making appointments with customers to review their finances) where traditional workplace interventions had failed. The proposed intervention, focusing on building employees’ self-efficacy for proactive customer conversations, was seen to be a suitable approach.

Twenty branches from a large city in Eastern Australia were selected to participate in the field experiment. These mid-sized branches were classified as “second tier” within the organization and typically had 6 employees: Manager (1); Supervisor (1); and Frontline (4). These branches were split in half using geographic and customer demographic criteria to create two equivalent groups. The experimental half participated in a self-efficacy based intervention while the other half served as a control group. Another 12 large ‘first tier’ 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), as described above. 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. The DVD’s continued the characters’ journeys and were designed to maintain/increase employee self-efficacy.

Respondents completed a survey before and immediately after the workshop. A final set of questionnaires will be administered to the experimental and control groups one month after the DVD series are completed (6 months after 1st workshop).
Measures

Six employees from different job categories were interviewed to develop a deeper understanding of the issues affecting employees in making appointments with customers. This interview data was used to develop a measure of self-efficacy for proactive customer conversations according to Bandura’s guidelines. Employees were asked to rate how certain they were that they could do each of a series of tasks. They indicated their degree of confidence on a scale of 0-100 in 10 point intervals. Example items included: starting a meaningful conversation with a customer during a routine transaction; asking a customer an open-ended question; and making recommendations based on a customer’s specific needs. The survey also had items relating to potential moderators and mediators of the relationship between self efficacy, motivation and performance.

A range of customer service related factors were measured using self-perceptions of performance. In order to measure behavioural changes, a mystery shopping program was introduced. Evidence from a range of studies all suggest mystery shoppers provide reasonably reliable rating of the performance of retail outlets (Finn & Kayande, 1999) Finally, monthly appointment making data was gathered for a 2 year period for control, experimental and key branch groups.

Sample

There were 109 respondents (61 Experimental and 48 Control). The overall response rate was approximately 85% (95% Experimental and 75% Control).

PRELIMINARY FINDINGS

The intervention has been completed, two surveys have been administered, and considerable organizational customer service data has been collected.

Anecdotal evidence suggests the workshops were very successful. Participant evaluation forms were highly enthusiastic about the difference the workshops had made with respect to their degree of confidence in having proactive customer conversations. Examples of feedback from participants included: “Trust and believe
in myself more”; “Will start one on one role plays with staff to each gain confidence”; “The role plays were a highlight – being taken out of my comfort zone but being able to deliver.” In addition, a midpoint telephone conversation with Branch Managers from the experimental group also suggests that the immediate post workshop feedback had been sustained. Three quotes from branch staff serve to illustrate the intervention’s impact: “More confident in what they’re doing”; “Doing more on their own and being proactive”; “Different outlook on things and breaking habitual patterns of behaviour”.

Importantly, mystery shopping results across all branches suggest the intervention has made a significant difference to performance. The changes in scores before and after the intervention show that mystery shopping scores for both the Tier 1 comparison outlets and the control group had decreased (51% to 45% and 45% to 28% respectively) while the scores for the experimental (intervention) group had increased (37% to 45%). Another mystery shopping round will be conducted at the end of the study period.

Consistent with the mystery shopping results, the number of appointments being made has increased significantly for the experimental group. As an example, one branch reported 98% of the appointment target was achieved during the month when the first workshop was held compared to 48% in the 12 months previous. Comparative data for the control groups is currently being analysed.

In summary, preliminary findings support the effects of the intervention in enhancing organizational performance. More systematic analyses are now being conducted to ascertain whether self-efficacy is one of the mechanisms that explain this enhanced performance. These analyses will additionally draw on follow-up data that is currently being collected. Time series analyses of the customer service data will be conducted to track the changes over time more systematically.

REFERENCES


