

MEASURING ENGAGEMENT

TO UNLOCK YOUR COMPANY'S
COMPETITIVE ADVANTAGE



Engage²Excel™

Employee engagement is the extent to which employees are motivated to contribute to organizational success and are willing to apply **discretionary effort** to accomplishing tasks important to the achievement of organizational goals.

– *STRATEGIC EMPLOYEE SURVEYS, DR. JACK WILEY*

INTRODUCTION

Few business leaders would consider investing in an asset or changing a critical business process without first reviewing relevant and objective data. However, many CEOs today lack objective data on the variables that influence the performance of their most valuable asset: the employees whose discretionary efforts determine business success on a daily basis.

This eBook is a primer for HR leaders who understand the value of employee engagement, but need help in making the business case for measuring employee engagement to unlock competitive advantage. Contents are organized around seven key questions:

- **What factors influence employee engagement?**
- **What perceptions impact employee engagement levels?**
- **Why should our company invest in measuring employee engagement?**
- **How is employee experience different from employee engagement?**
- **What can we learn from benchmark comparisons?**
- **How can we turn survey results into a competitive advantage?**
- **How can engagement improve our recruiting success?**

This eBook is for HR leaders who need help making the business case for measuring employee engagement and translating survey results into action.



WHAT FACTORS INFLUENCE EMPLOYEE ENGAGEMENT?

Part of the challenge associated with driving employee engagement to higher levels stems from the fact that a precise definition of the concept remains elusive. Also inconsistent are the differing perceptions—often advanced by competing practitioners—about what drives employee engagement and how to measure it.

Despite these varying points of view, the scientific research definitively identifies four key drivers in a pragmatic and proven blueprint for creating an engaged workforce in any organization.

First, senior leaders must inspire trust and confidence in employees by consistently establishing, communicating, and supporting the achievement of organizational objectives. Second, managers must demonstrate respect and show appreciation for valuable employee contributions to team and company success. Third, employees must enjoy and believe in the work that they do, and find it intrinsically meaningful, challenging and satisfying. Lastly, employees must perceive viable career development, growth and learning opportunities within the organization in order to feel motivated to actively participate in an engaged workforce.

“Organizations that invest in practices that produce high levels of employee engagement enjoy significantly higher levels of success as measured by the satisfaction of their customers, the earnings they deliver to shareholders, and return on assets.”¹

– *Using Employee Opinions about Organizational Performance to Enhance Employee Engagement Surveys*

Four “musts” for creating an engaged workforce:



1. Senior leaders **must** inspire trust and confidence
2. Managers **must** recognize employees for their contributions
3. Employees **must** enjoy and believe in the work they do
4. Employees **must** perceive valuable opportunities for career growth

WHAT PERCEPTIONS IMPACT EMPLOYEE ENGAGEMENT LEVELS?

Over the past 30 years, we've surveyed over 200,000 employees around the world, asking them, "What is the most important thing you want from your employer?" Time and again, the answers are the same. Across different countries, industries, and job roles, our research shows that there are seven things that employees really want from their organizations. Employees want exciting work, a chance to shine, to be paid fairly, a clear path for their working future, positive working conditions and to be told the truth.

The Engage2Excel employee engagement survey methodology, developed by leading engagement expert Dr. Jack Wiley, is summarized by the acronym RESPECT, which stands for Recognition, Exciting Work, Security, Pay, Education & Career Growth, Conditions, and Truth. Across all industries, 98% of our survey responses fall into one of these seven categories.

Our research shows that companies in the top quartile of being able to fulfill their employees' values enjoy the following competitive advantages²:

- **Customer Satisfaction Ratings:** 6.4 percentage points higher
- **Operating Margins:** 5.5 percentage points higher
- **Shareholder Return:** 23 percentage points higher

The Seven Dimensions of the RESPECT Framework:

R	RECOGNITION: A pat on the back—acknowledgment for a job well done—from managers and the organization at large
E	EXCITING WORK: A job that's interesting, challenging and fun
S	SECURITY: Confidence that solid work and a well-managed organization lead to job security
P	PAY: Fair compensation for a day's work
E	EDUCATION AND CAREER GROWTH: Opportunities to develop skills over the course of a productive career
C	CONDITIONS: A well-equipped workplace that is physically comfortable and socially inviting
T	TRUTH: Frank, honest and transparent communication from managers and senior leaders

2. Based on analysis of 236 organizations representing 22% of the Fortune 500 in manufacturing, retail, financial services, high-tech manufacturing and healthcare.

WHY SHOULD OUR COMPANY INVEST IN MEASURING EMPLOYEE ENGAGEMENT?

When you research the business impact of employee engagement, you'll find an ocean of statistics. For example, PwC reports that companies with highly engaged employees report:

- 33% higher profits
- 51% lower voluntary turnover
- 2.5X higher performance-related business outcomes

While these statistics are compelling, they don't answer a more fundamental question: will your company benefit from investing in employee engagement?

As with all forms of research, the real value in employee research lies not just in the survey results, but in the actions your company takes as a result of the research.

Your HR department may be convinced of the need for measuring engagement, but it is vital that you get the support of your senior leadership team before fielding a survey. This table provides a framework for evaluating your company's readiness for investing in a formal employee engagement survey.

Will your company benefit from an employee engagement survey?

REASONS TO INVEST	REASONS TO RECONSIDER
Your leadership team believes employee engagement is a critical enabler of organizational performance	Improving employee engagement is not viewed as a top priority
Your company seeks a scientifically validated method for measuring engagement that includes statistically relevant data for benchmarking	You're interested in engagement research but not concerned about statistical reliability
Your company is prepared to take action based on the survey results to drive organizational change	There is a high likelihood that our company would conduct the survey and not act on any of the results

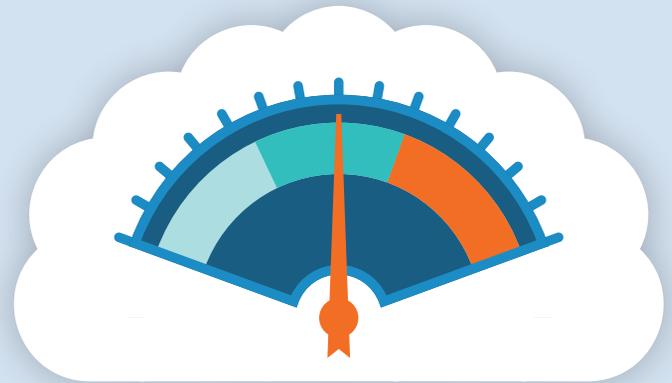
HOW IS EMPLOYEE EXPERIENCE DIFFERENT FROM EMPLOYEE ENGAGEMENT?

There is a significant increase in discussion within the HR community concerning the topic of Employee Experience. However, many HR professionals are confused and wondering what the difference is between Employee Engagement and Employee Experience.

While precise definitions of Employee Experience are still taking shape, most of the activity in this area focuses on making employee interactions more positive through pulse surveys, wellness programs, perks and self-service tools, to name a few.

These tools provide useful inputs for improving employee experiences but lack the rigor, scientific validity and benchmarking data of a formal employee engagement survey. Such rigor, supported by decades of peer-reviewed research, is essential in order to provide your leadership team with the statistically relevant insights they need to drive action plans and organization-wide change.

Cautionary Note: Ask potential engagement survey partners to provide evidence on the statistical validity of their methodologies before making a final selection decision.



Measuring employee engagement provides a predictable, repeatable and statistically relevant basis for making strategic business decisions.

WHAT CAN WE LEARN FROM BENCHMARK COMPARISONS?

Business leaders today have access to an overwhelming amount of research, information and data that can be used to influence decision making. The problem is determining what data is actionable.

Benchmark reports provide an objective context for evaluating your company's engagement strengths and weaknesses, and they help senior leaders prioritize objectives for organizational change. The following reports are vital for extracting strategic value from your investment in employee engagement research:

Best-in-Class Companies: See how your company's engagement scores compare to the highest performing companies across all industries.

Industry Competitors: Engagement metrics vary widely by sector. Industry benchmarks help leaders see how your company stacks up against its peers.

Internal Benchmarks: Identify and compare levels of excellence and opportunities for improvement for individual departments or groups within your organization.



HOW CAN WE TURN SURVEY RESULTS INTO COMPETITIVE ADVANTAGE?



Discover
your strengths
& weaknesses

Establish priorities
and evaluate
root causes

Hold managers
accountable for
improvement

Benchmark comparisons reveal how your engagement levels stack up against industry peers and best-in-class companies. This provides insights into your competitive advantages and highlights opportunities for improvement.

Structured feedback sessions let employees know their opinions matter, enable managers to focus on key priorities for improvement and help your leadership team understand root causes for why employees feel the way they do.

Survey results and feedback sessions provide managers with detailed insights for building action plans. This enables leadership to hold managers accountable and drive organization-wide change to increase competitive advantage.

HOW CAN ENGAGEMENT HELP US IMPROVE RECRUITING SUCCESS?

Your company's ability to attract and retain highly engaged employees is vital to building and sustaining competitive advantage. In today's war for talent, engagement plays a powerful role that is often overlooked.

Redesigning your recruitment processes and onboarding programs to foster greater engagement can significantly impact acceptance rates, quality of hire, hiring manager satisfaction and first-year retention rates. Consider the following research findings from our survey of nearly 1,500 job seekers³:

Recruitment: The number-one reason cited by job seekers for accepting a job offer is "being treated with dignity and respect during the hiring process."

Onboarding: More than two-thirds of job seekers say that their experience on the first day of the job will impact their decision to stay with the organization for more than a month.

Retention: Nearly one quarter (24%) of job seekers say that "lack of recognition, appreciation, or respect" is the most important reason that would cause them to leave their current employer.



**If engagement
begins on day one,
it's too late.**

3. *Trendicators 2017 Report* by Engage2Excel

Strengthen your competitive advantage by increasing engagement through a unique candidate and employee experience.



Employee
Recognition



Talent
Acquisition



Employee
Surveys

How can your company translate employee engagement into competitive advantage? Engage2Excel helps you create a unique and engaging experience for employees from pre-hire to retirement to improve talent acquisition, performance and retention.

Learn more about industry-leading employee engagement solutions from Engage2Excel. Call 800.688.3024 or visit [Engage2Excel.com](https://www.engage2excel.com).

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