The Worldwide Employee Engagement Crisis

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Story Highlights

- Employee engagement has barely budged in years
- Measuring engagement isn't sufficient to improve it
- Five proven strategies can improve employee engagement

The world has an employee engagement crisis, with serious and potentially lasting repercussions for the global economy.

Though companies and leaders worldwide recognize the advantages of <u>engaging employees</u> -- and many have instituted surveys to measure engagement -- employee engagement has barely budged in well over a decade.

Gallup has been tracking <u>employee engagement in the U.S. since 2000</u>. Though there have been some slight ebbs and flows, less than one-third of U.S. employees have been engaged in their jobs and workplaces during these 15 years. According to Gallup Daily tracking, <u>32% of employees</u> in the U.S. are engaged -- meaning they are involved in, enthusiastic about and committed to their work and workplace. Worldwide, only <u>13% of employees</u> working for an organization are engaged.

PERCENT OF ENGAGED EMPLOYEES

U.S.
32%

WORLDWIDE
13%

GALLUP

Why Aren't the Numbers Moving?

With so many organizations focusing on engaging their employees, the question is: *"Why aren't engagement levels across the world increasing?"*

Many different factors can lead to stagnant levels of engagement. Executives can find clues to answer this question for their company among the various ways organizations provide employee engagement data.

Gallup sees a clear divide emerging within the engagement industry. On one end of the spectrum are scientifically and experientially validated approaches that lead to changes in individual and business performance, supported by strategic and tactical development and performance solutions that transform organizational cultures. Though these approaches require more intentionality and investment, companies that use them are more likely to see increases in employee engagement.

At the other end of the spectrum are invalidated, unfocused annual surveys. Much like a traditional employee satisfaction survey, this type of survey usually measures a multitude of workplace dimensions that often have limited alignment with other business objectives and can be difficult to take action upon after receiving results.

Technology also makes it easy to create an "employee survey" and call it an engagement program, which allows a company to fulfill an apparent organizational need and "check a box." But metrics on their own don't drive change or increase performance. Many of these survey-only approaches measure employee perceptions and provide metrics instead of improving workplaces and business outcomes.

In reality, when companies focus exclusively on *measuring* engagement rather than on *improving* engagement, they often fail to make necessary changes that will engage employees or meet employees' workplace needs. These shortcomings include:

- viewing engagement as a survey or program instead of as an ongoing, disciplined method to achieve higher performance
- focusing more heavily on survey data or reports than on developing managers and employees
- defining engagement as a percentage of employees who are not dissatisfied or are merely content with their employer instead of a state of strong employee involvement, commitment and enthusiasm
- relying on measures that tell leaders and managers what they want to hear -- "We're doing great!" -- rather than research-based metrics that set a high bar and uncover organizational

or management problems that are hindering engagement and performance

- "<u>feeding the bears</u>," or measuring workers' satisfaction or happiness levels and catering to their wants, instead of treating employees as stakeholders of their future and their company's future

Though most approaches are well-intended, with an ultimate goal of improving the workplace and performance, too many contribute to a status quo that is not helping the business. Businesses must choose among these different approaches, and procurement departments often make decisions based on cost and proposed deliverables rather than on a close evaluation of the end-game deliverable of an improved workplace and performance.

These flawed approaches pose significant barriers to improving engagement, increasing performance, promoting manager development and achieving lasting change. Companies that base their engagement strategy on a survey or metrics-only solution can find themselves caught in a "rinse and repeat" pattern, focusing on engagement periodically -- usually around survey time. The result is that these companies make false promises to employees, pledging change through intensive communication campaigns but providing little actual follow-through.

Ways to Improve Engagement

By studying and working with highly engaging and high-performing organizations, Gallup has identified five best practices that improve engagement and performance:

Integrate engagement into the company's human capital strategy. <u>High-growth companies</u> have a clear purpose behind their strategy for engaging employees, Gallup research shows. This approach includes <u>leadership involvement and commitment</u>, a communication strategy, systems that hold leaders and managers accountable for follow-up and for using engagement data, and learning and development that align with the engagement elements. The most effective approach to engagement isn't "start and stop" -- instead, it's an ongoing process that works alongside regular business activities.

Use a scientifically validated instrument to measure engagement. Since the engagement industry began in the late 1990s, it has taken on a life of its own. Almost every employee survey, regardless of its purpose, is referred to as an "engagement" survey. But few instruments have been <u>validated</u> or subjected to academic peer review. As a result, many companies are attempting to increase engagement by focusing on problems that may not affect engagement or by tackling problems in the wrong order.

Understand where the company is today, and where it wants to be in the future. Many businesses seek to chart the same one-, two- or three-year journey to improved engagement. But every company's starting point is different, as is its internal capabilities and how fast it can change. After a company takes a baseline measurement, a three-year road map is a recommended strategy; however, it should be based on the company's needs for improving engagement. This approach will help create realistic milestones and actions.

Look beyond engagement as a single construct. Some companies focus on moving the overall engagement number while overlooking the tactical elements that drive improved performance. Engagement isn't determined by an abstract feeling; it's the result of concrete performance management activities, such as clarifying work expectations, getting people what they need to do their work, providing development or promoting positive coworker relationships. For example, "expectations" are more than a job description. And "doing what you do best" has more to do with productively applying individual strengths than with general competencies.

Align engagement with other workplace priorities. Engagement shouldn't be "something else" an employee, manager or leader has to do -- instead, it should be how work gets done. Engagement is about investing in everyday working moments and incorporating engagement concepts into the workflow, even as businesses change and adopt new initiatives. When leaders prioritize new initiatives, managers may need to reset employee expectations, provide workers with new resources and ensure employees have opportunities to do what they do best.

Creating a culture of engagement requires more than completing an annual employee survey and then leaving managers on their own, hoping they will learn something from the survey results that will change their daily behavior. It requires a company to take a close look at the critical engagement elements that align with performance and with the organization's human capital strategy. Managers and leaders should keep employee engagement top of mind -- because every interaction with employees can have an impact on engagement and organizational performance.