

# The Future of Employee Engagement 2022-23



Engagement in the era of remote work and quiet quitting



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## About the Survey

The Future of Employee Engagement survey ran in the third quarter of 2022. We gathered 275 complete and partial responses from HR professionals in virtually every industry vertical. Respondents are located all over the world, but most of them reside in North America, especially the United States.

The participants represent a broad cross section of employers by number of employees, ranging from small businesses with fewer than 100 employees to enterprises with 20,000+ employees. One-fifths of responses were from organizations with over 500 employees.

# Executive Summary

Anxiety about employee engagement has gone mainstream, with even major news outlets weighing in on the issue. Not only are employers still grappling with the repercussions of the 2021 “Great Resignation,” they are now having to contend with a potentially even worse problem popularly called “quiet quitting.”<sup>1</sup> When an employee quits their job, it is often expensive but the problem is visible, easy to identify and relatively straightforward to remedy. The problem of disengaged employees, however, is not so easy to identify or remedy.

With the changes in economy and rising inflation, employees might be less likely to outright quit their jobs. But that doesn’t mean that, when faced with a role that is not rewarding, they are going to give their all to it. The term “quiet quitting,” though often poorly defined, implies that many employees are doing only the basic requirements of the job rather than putting forth the discretionary efforts that signal greater engagement.<sup>2</sup>

Coupled with the fact that remote work is more prevalent than ever before, it may become even more challenging to connect with employees and to monitor their work. Remote work itself is complicated to manage, with the potential for more employee distractions, stressors and miscommunications that lead to reduced engagement.

<sup>1</sup> Klotz, A. C. & Bolino, M. C. (2022, September 15). When quiet quitting is worse than the real thing. *Harvard Business Review*. Retrieved from <https://hbr.org/2022/09/when-quiet-quitting-is-worse-than-the-real-thing>

<sup>2</sup> Armano, D. (2021, June 16). Emerging data suggests remote employees are less engaged. *Forbes*. Retrieved from <https://www.forbes.com/sites/davidarmano/2021/06/15/emerging-data-suggests-remote-employees-are-less-engaged/?sh=3d5f60f24460>

Organizations today must focus on developing and nurturing corporate cultures, systems and processes that maximize employee engagement. To increase understanding of this topic, this report will focus on:

- the extent to which company workforces are engaged, and whether engagement levels have changed over the last two years
- who is responsible for engagement, and the extent to which engagement initiatives are funded, supported and measured
- what organizations perceive to be the primary benefits of engagement and the extent to which key benefits are realized
- the extent to which companies incorporate specific talent management initiatives that may influence engagement
- how common it is for employers to use engagement surveys tools and specific communication, training and development practices
- the practices that seem most closely associated with engagement success



Below are some key findings from the study:

Major Finding **1**

**Employee engagement levels have declined when compared to last year, and many organizations continue to suffer low levels of engagement**

- When we asked HR professionals how the level of employee engagement in their organizations had changed over the last year, we found that:
  - ▶ Just over a quarter (27%) say their engagement levels have risen, but 41% say engagement is down
  - ▶ Only a third say engagement has stayed about the same
- Only 23% indicate that the engagement level of the average employee is high on a 10-point scale: that is, being an 8, 9 or 10
- Just 11% indicate that the large majority (that is, 81% to 100%) of their workforce is well engaged
- Nearly three-fourths say only 60% or less of their employees are highly engaged

Major Finding **2**

**Companies recognize there is value in employee engagement and recognize its impact on organizational outcomes**

- A majority of participants say employee engagement positively impacts the following areas to a high or very high degree:
  - ▶ customer service (72%)
  - ▶ productivity (71%)
  - ▶ retention (70%)
  - ▶ well-being (69%)
  - ▶ company brand (64%)
  - ▶ product quality (64%)
- More than three-fifths (62%) of HR professionals view employee engagement as a crucial concern at or near the top of their list of priorities
- Fully 96% believe there is solid evidence linking engagement to performance



Major Finding **3**

**Only half measure engagement in their organizations, and most do not engage in continuous assessments**

- Although 87% say there are reliable ways to measure engagement, only 53% actually measure it. Large organizations with 1,000 or more employees (67%) are far more likely to measure it than are small organizations (40%)
- Among those that measure engagement, there is no consensus about which metrics to use. Methods used by more than half of organizations are:
  - ▶ Exit interviews (64%)
  - ▶ Annual surveys (58%)
  - ▶ Retention rates (53%)
- Among organizations that measure engagement, three-fifths share results at department/division level with individual leaders
- Only two-fifths communicate all data to the entire organization
- After collecting data, only about half take specific actions to improve engagement to a high/very high degree

Major Finding **4**

**There are many factors that affect employment engagement, but the most widely cited this year are:**

- Opportunities for career growth
- Growth and development conversations
- Compensation levels
- Organizational culture
- Relationship with immediate supervisor
- Job flexibility

Major Finding **5**

**When asked about leadership behaviors, a factor that can strongly influence engagement, we found that, to a high or very high extent, only:**

- 45% foster collaboration
- 40% recognize superior contributions
- 37% build trust
- 36% take time to listen to feedback or to communicate clear expectations to employees
- 33% remove barriers to good performance
- 24% spend time coaching employees to develop strengths

Major Finding **6**

**Compared to those organizations with lower employee engagement levels, those with high levels are:**

- five times more likely to say senior leaders prioritize employee engagement
- five times more likely to have leaders who build trust to a high extent
- almost four times as likely to maintain a positive work culture
- three times more likely to communicate all employee engagement data to the entire organization
- three times more likely to listen carefully to employee feedback
- three times more likely to say they have leaders who foster employee collaboration and recognize superior contributions to a high extent
- more than twice as likely to take specific actions to increase engagement based on the data
- more than twice as likely to give employee the chance to do meaningful work well
- considerably more likely to say that more than 80% of their workforce is highly engaged
- considerably more likely to utilize one-on-ones with managers to measure employee engagement and employ continuous real-time data collection of engagement data
- considerably more likely to hold immediate supervisors, top leadership and employees themselves responsible for improving employee engagement

Please note that the findings and recommendations contained in this report are informational only. Nothing in this report should be construed as constituting legal opinions or advice. Please consult an attorney if you have questions about the legal requirements, rules or regulations associated with any content discussed in this report.

# Defining Employee Engagement

Based on prior research we conducted, we define employee engagement in our survey and in the context of this study as having two primary characteristics:

- employees' willingness to give their best at work, and
- employees' emotional commitment to the organization and its goals

## Employee Engagement Is Declining and Worrisomely Weak

Although not all companies are suffering from low employee engagement as of late 2022, there is a general trend toward reduced engagement levels, with a plurality of organizations indicating the engagement levels of the average employee are relatively low.

### Finding: About two-fifths of organizations say employee engagement levels are lower over the last year

Disengagement is on the rise. Although over a quarter (27%) say employee engagement levels in their organizations are higher than they were last year, fully 41% say they are lower. Only a third say employee engagement levels are about the same as last year.

#### Differences based on size of organization

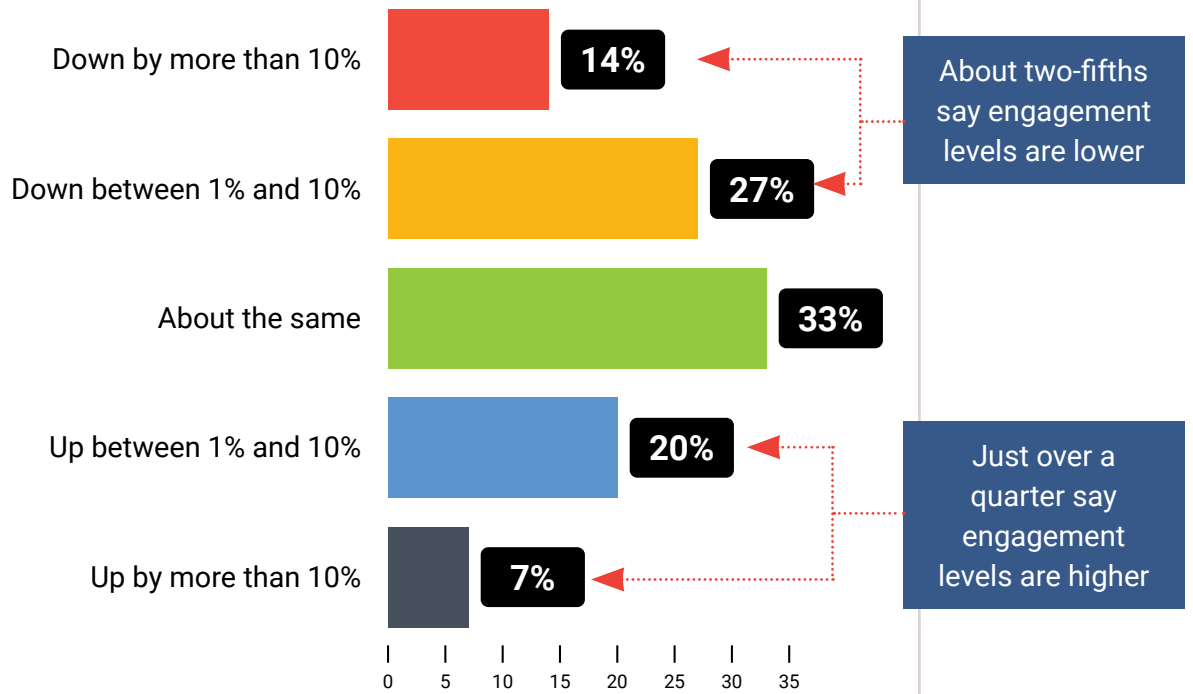
Larger organizations report a larger drop in engagement levels, with 21% reporting a drop by more than 10% compared to 13% of mid-size organizations and none of the smaller organizations.



For the purpose of this report, large organizations have 1,000 or more employees, mid-sized organizations have 100 to 999 employees, and small organizations have 99 or fewer employees.



**Survey Question:** How has the level of employee engagement changed in your organization over the last year?



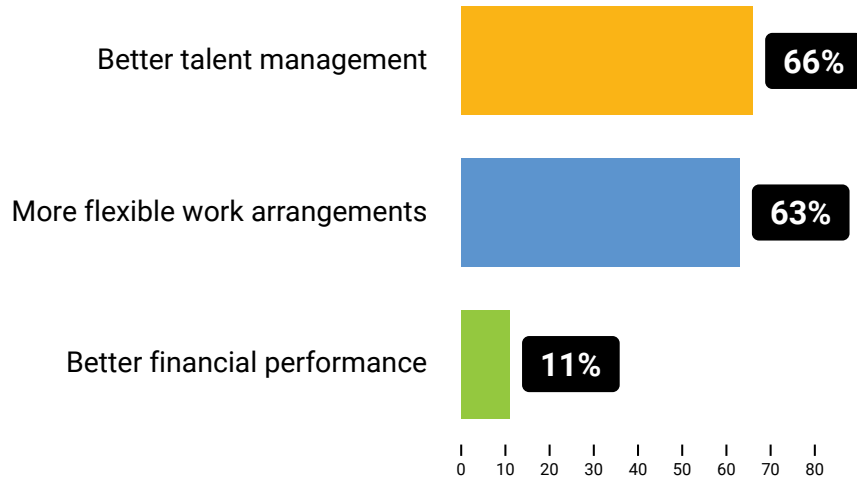


## Finding: Talent management practices make or break employee engagement

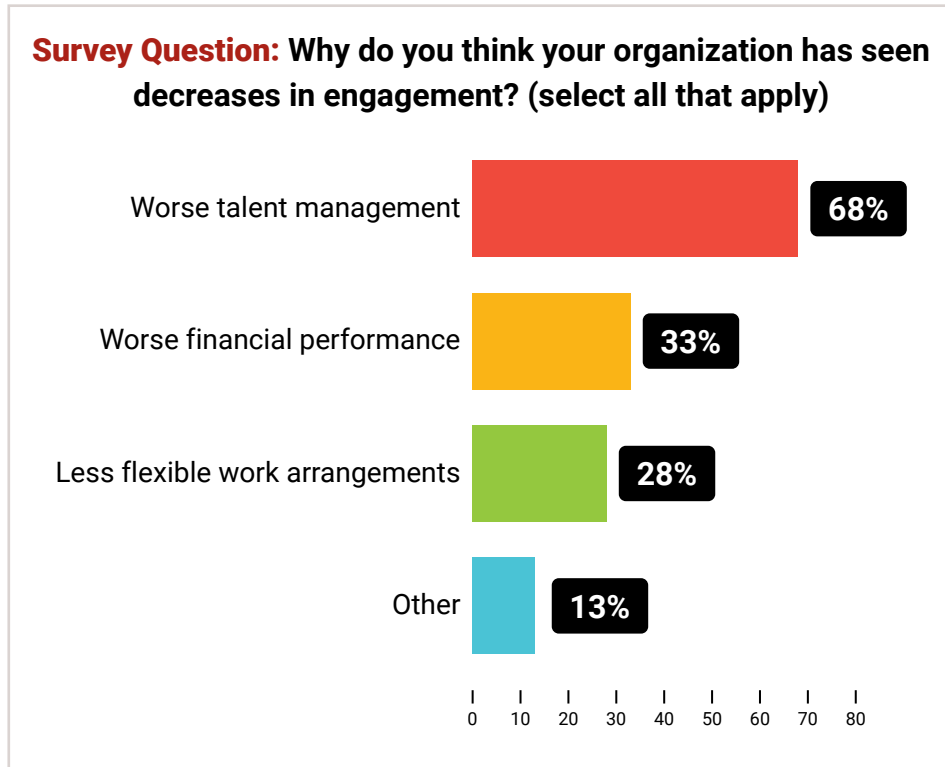
The state of talent management in an organization tends to be key both to improved engagement levels and to declining ones.

Of those who said engagement levels are higher, two-thirds attribute it to better talent management (66%) and more flexible work arrangements (63%). Just one in ten attribute it to better financial performance.

**Survey Question:** Why do you think your organization has seen increases in engagement? (select all that apply)



On the other hand, of those who said engagement levels are *lower*, more than two-thirds attribute it to *worse* talent management (68%), one-third to worse financial performance (33%) and more than a quarter to less flexible work arrangements. About 13% chose to write-in answers such as inflation, COVID-19, and burnout.

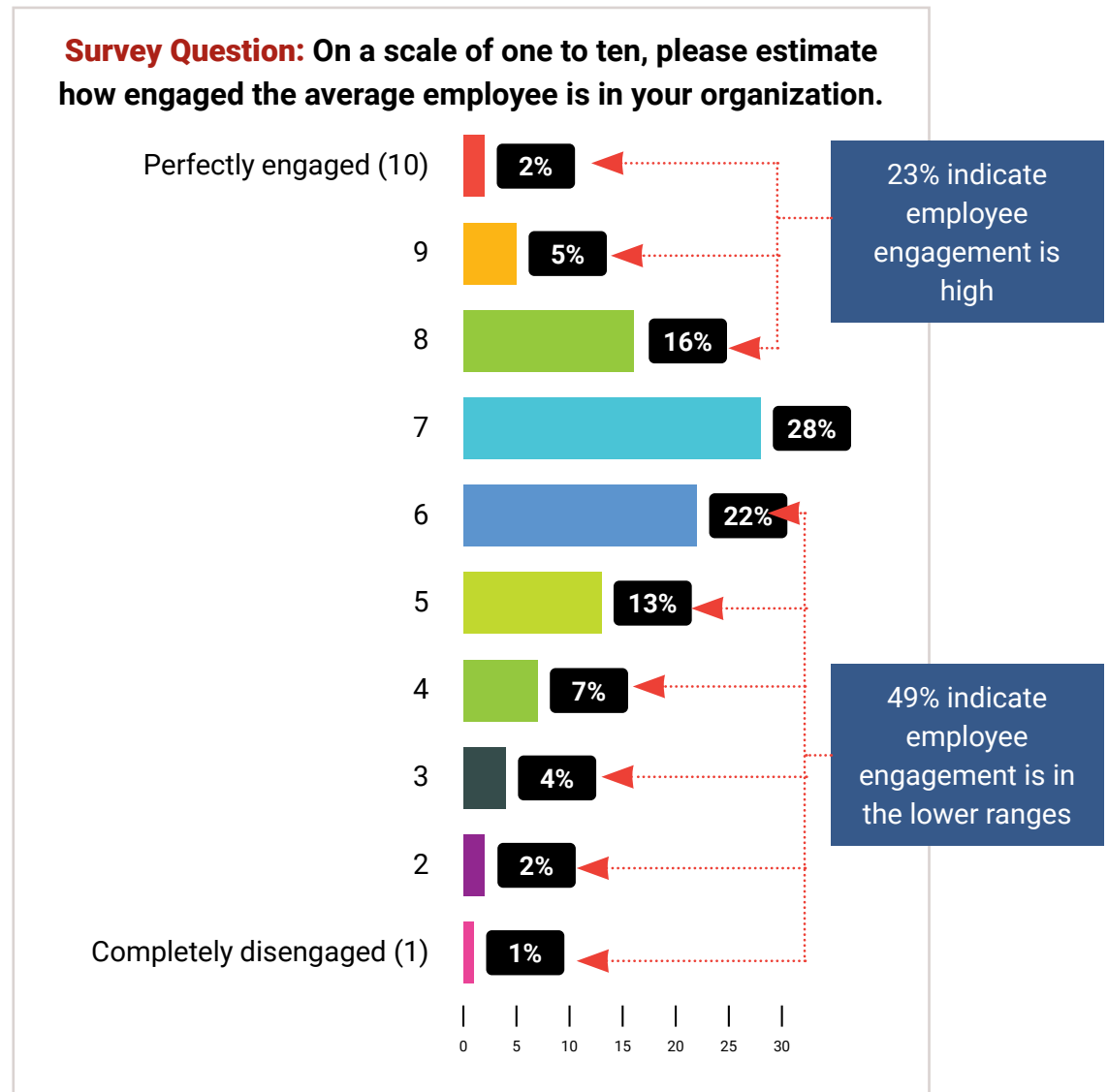




## Finding: Only 23% say their average employee engagement level is high

We asked respondents to rate how engaged the average employee is in their organization on a scale of 1 (completely disengaged) to 10 (perfectly engaged). Just under a quarter (23%) say the average employee in their organization has a high engagement level of 8 or above.

Meanwhile, almost half say the engagement levels are at 6 or below, scores that we believe indicate overall weak levels of engagement. Later in the report we will delve more deeply into what differentiates highly engaged organizations from others.

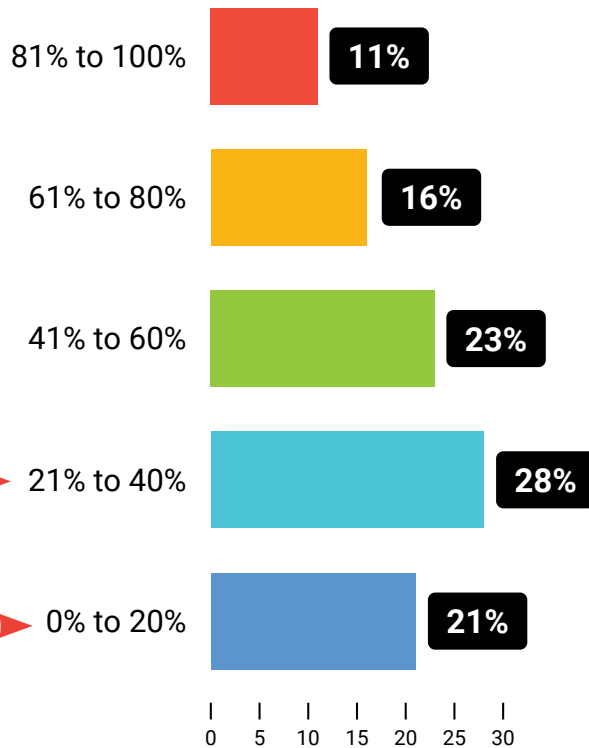




## Finding: Just over a quarter say more than 60% of their workforce is highly engaged

We wanted to estimate what proportion of the organization's workforce is highly engaged. Results indicate that just 1 in 10 organizations say that more than 80% of their workforce is highly engaged. Further, about half say just 40% or less of their workforce is highly engaged. This is another indication that engagements are a significant problem for a large swath of organizations.

### Survey Question: About what percentage of your organization's workforce is highly engaged?



About three-fourths say only 60% or less of their workforce is highly engaged



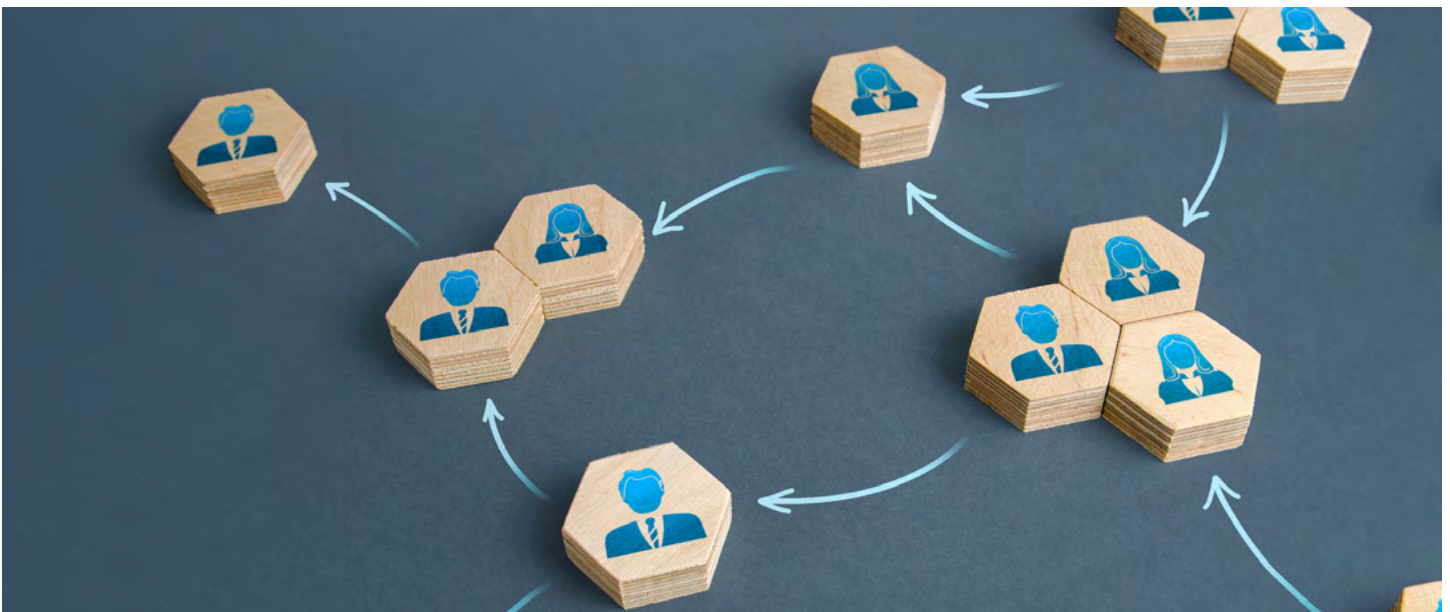
# The Responsibility for Engagement Falls on Multiple Parties



**Finding: The burden of employee engagements falls equally on Human Resources and immediate supervisors, but top leadership usually bears responsibility as well**

We asked about the degree to which different groups are responsible for improving employee engagement in organization. In two-thirds of organizations, the onus to improve employee engagement falls on the human resources and immediate supervisors to a high or very high extent. About three-fifths say the responsibility is on the top leaders to a high and very high extent.

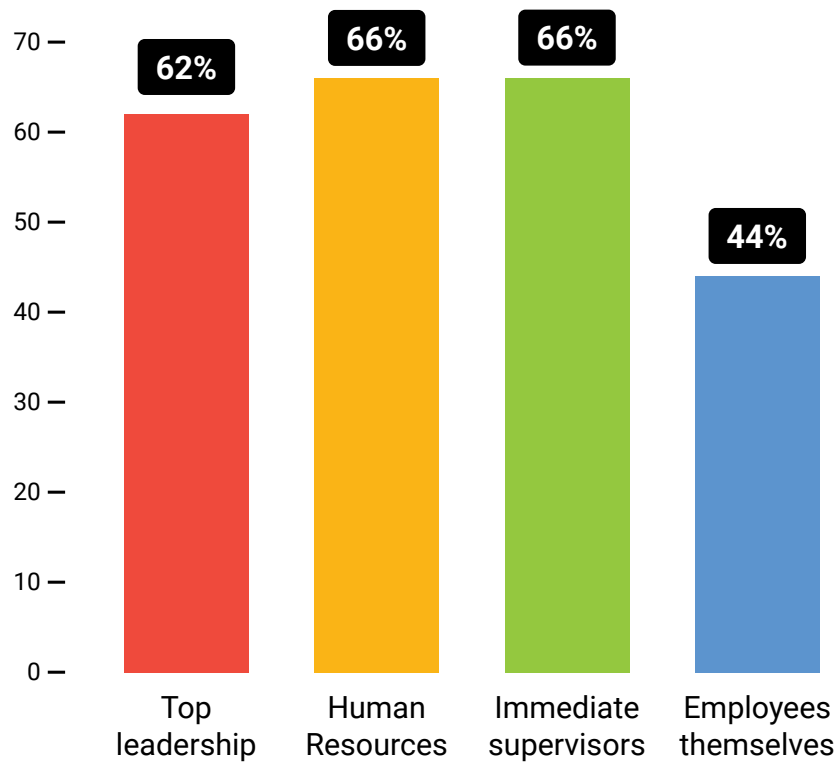
This is understandable since HR professionals are often tasked with developing policies to improve engagement and supervisors are critical in determining the employee experience. Further, no engagement related initiative will be successful without top management's support.





**Survey Question:** To what degree are the following groups responsible for improving employee engagement in your organization?

[Percent responding high or very high degree]



# Six Key Factors Drive Employee Engagement

We asked respondents two related questions to discover the factors that currently seem to have the greatest impact on employee engagement. Together, they suggest that the six most impactful factors are:

- Opportunities for career growth
- Growth and development conversations
- Compensation levels
- Organizational culture
- Relationship with immediate supervisor
- Job flexibility

The following two findings shed further light on these factors.



## Finding: Three factors are tied for being most highly linked to engagement

Engagement is an issue that's influenced by a range of talent-management factors. We first asked, "Which five of the following factors are most highly linked to employee engagement in your organization?" Organizations are faced with a plethora of options when looking to improve employee engagement. We wanted to discern which factors respondents believe to be most influential while improving employee engagement. Three factors are tied for first place:

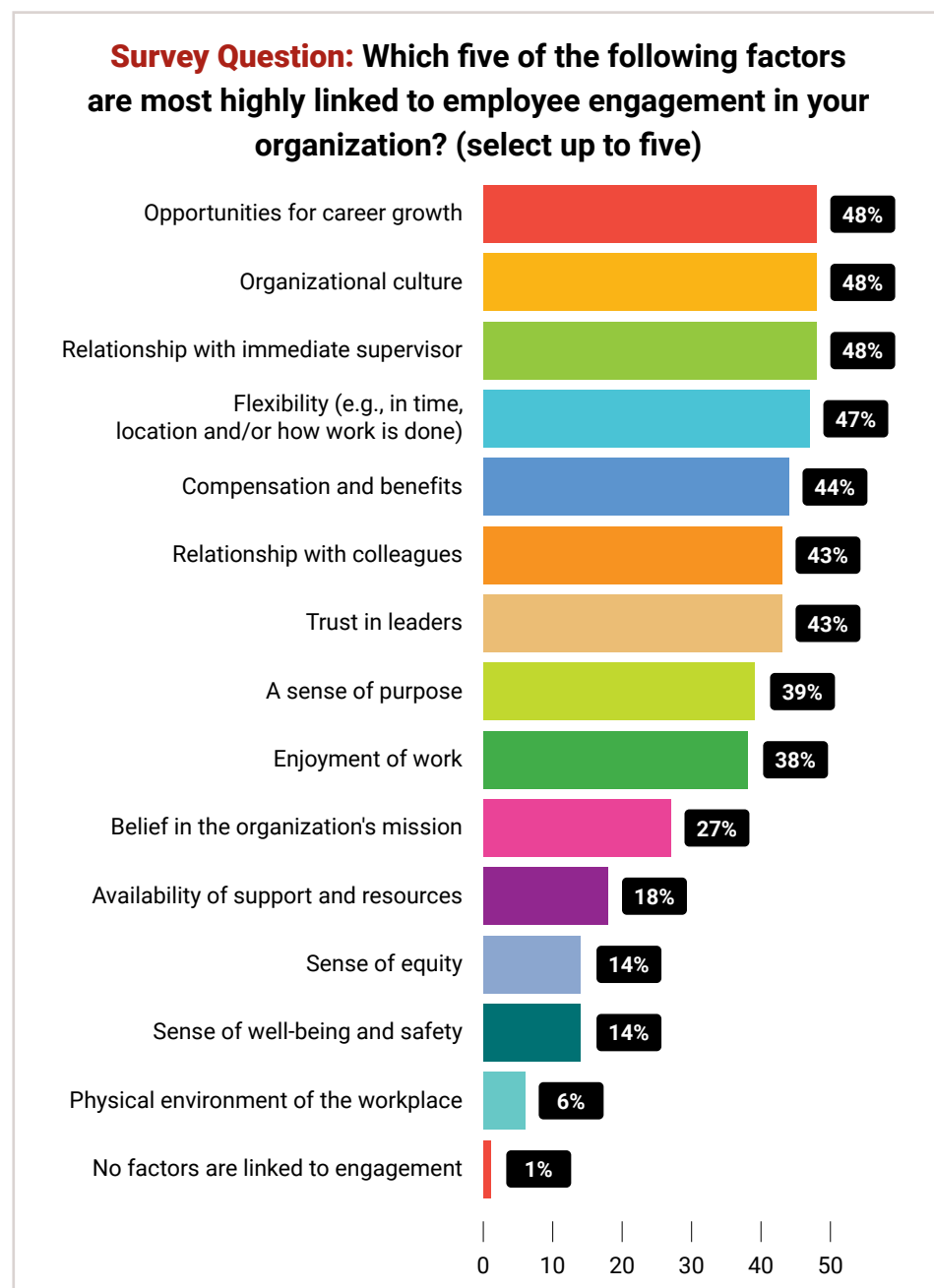
- Opportunities for career growth
- Organization culture
- Relationship with immediate supervisor

Two others are close behind:

- Flexibility (e.g., in time, location and/or how work is done)
- Compensation and benefits

### Differences based on size of organization

Differences exist in factors influencing engagement based on size of organization. Respondents in large organizations choose flexibility to be the most linked factor to engagement, compared to organization culture in mid-size organizations and enjoyment of work in small organizations.





## Finding: Compensation levels are seen as most strongly linked to engagement, closely followed by growth and development conversations

We also asked survey participants to rate a series of items in terms of the *degree* to which they drive employee engagement. Among these drivers, the ones with the strongest impact are compensation levels (62%) and growth and development conversations (61%). In other words, employees are likely to be engaged when they are paid enough and have opportunities for growth.

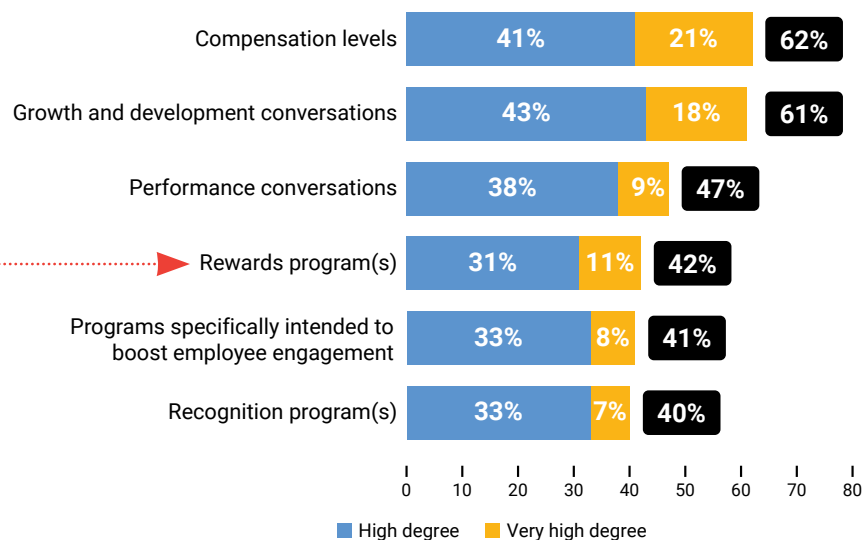
This data indicates, even if compensation is not the most *widely* cited factor in the previous finding, the attitudes about it are the most strongly held.

Of course, high inflation rates also play into this. Job seekers want to keep ahead of inflation, which has become a global and not just U.S. concern.<sup>3</sup>



Two-fifths believe rewards programs drive engagement

### Survey Question: To what degree do the following factors drive employee engagement in your organization? (please provide your best guess)



<sup>3</sup> International Monetary Fund (2022, October). Countering the cost of living crisis. Retrieved from <https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022#:~:text=Global%20inflation%20is%20forecast%20to,to%204.1%20percent%20by%202024.>

# Some Metrics Are Problematic, Others Just Nonexistent

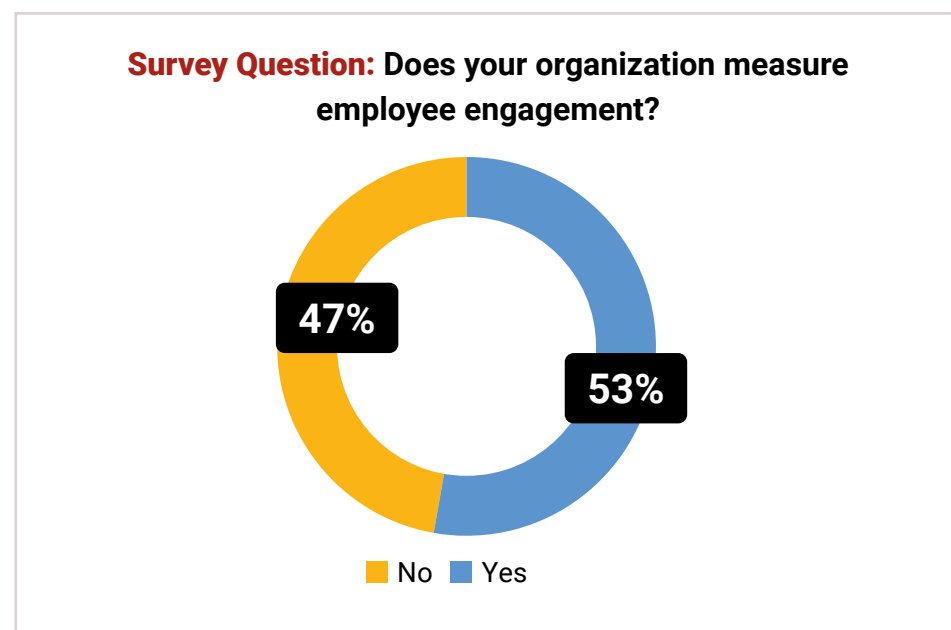


## Finding: Just over half of organizations measure employee engagement

We believe that, as a starting point, most organizations should measure employee engagement if they are serious about making improvements to it. Organizations that fail to measure do not have any benchmarks, cannot show measurable improvements, and lose the ability to employ analytics or set up tangible goals. Therefore, we find it discouraging that almost half of organizations (47%) aren't measuring employee engagement. It is true that smaller organizations may be better able than others to "intuit" the level of employee engagement, but even those organizations may draw the wrong conclusions at times.

### Differences based on size of organization

Larger organizations are more likely to measure employee engagement, with more than two-thirds (67%) saying they do so compared to under half of mid-size organizations (46%) and two-fifths of small organizations (40%).





## Finding: Exit interviews are the most popular ways to measure employee engagement

The respondents who *do* measure employee engagement were asked to choose which methods their organizations use. More than three-fifths (64%) of organizations employ exit interviews and over half use annual survey (58%) and retention rates (53%).

Many organizations seem to equating, or at least strongly relating, an employees' engagement levels with their turnover intentions. Moreover, tools such as exit interviews, while helpful, can also be viewed as more reactive than proactive in nature.

While employee turnover is linked to engagement, it is obviously not the only driver of turnover. Further, with the increase in phenomena such as "silent quitting," organizations may want to pay more attention to other metrics of employee engagement.

Annual surveys may also suffer from several drawbacks such as employees not being forthcoming with honest answers, varying definitions of employee engagement, and data becoming quickly outdated.

More than a third of organizations utilize one-on-ones with managers (46%), surveys conducted multiple times in a year (42%) and performance management systems (33%). We think that, if done well, these are likely to provide more continuous and holistic estimates of employee engagement levels, allowing organizations the opportunity to identify issues early and intervene with appropriate initiatives.

### Differences based on size of organization

Smaller organizations (74%) employ one-on-ones with managers to measure employee engagement more than mid-size (43%) and larger organizations (40%). The smaller size may allow for a more personal atmosphere in addition to the smaller number of subordinates which may allow managers more time to spend with each employee. Large organizations are most likely to rely on exit interviews, retention rates and annual surveys.

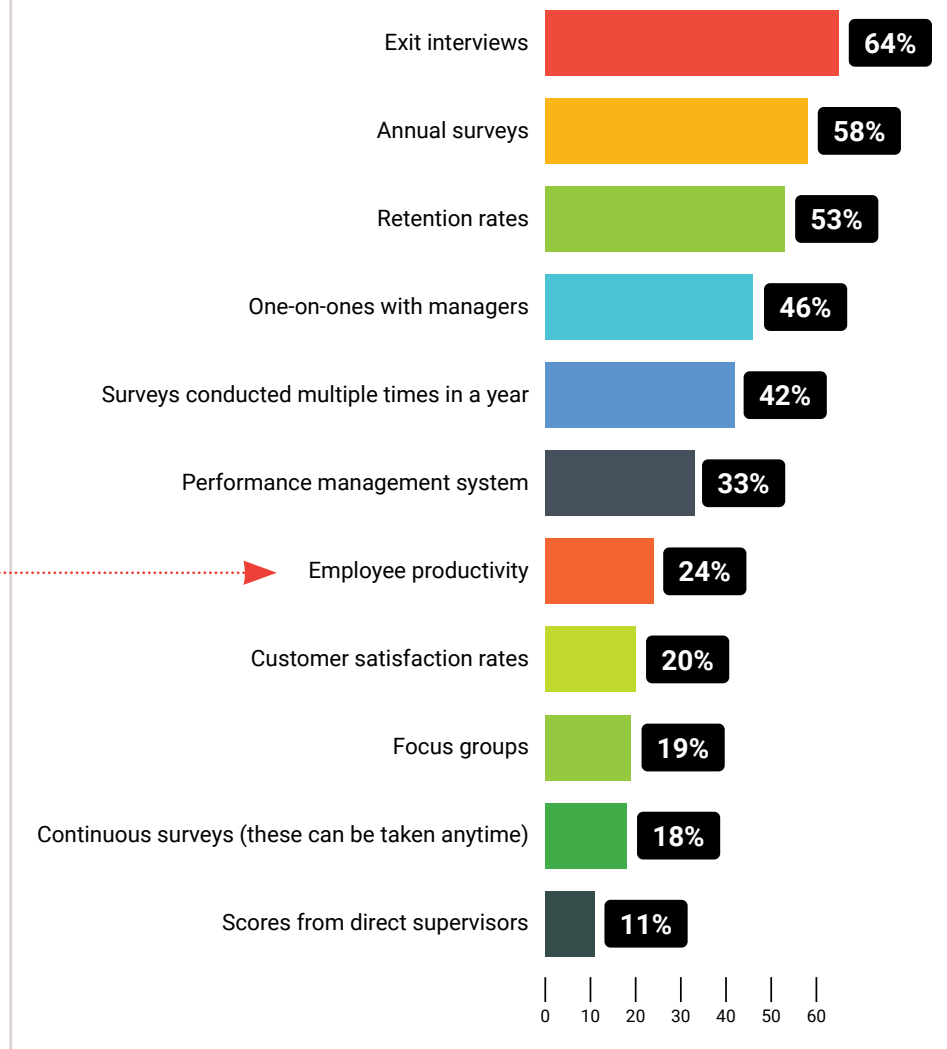
<sup>4</sup> Klotz, A. C. & Bolino, M. C. (2019, May). Where measuring engagement goes wrong. *Harvard Business Review*. Retrieved from <https://hbr.org/2019/05/where-measuring-engagement-goes-wrong>





**Under a quarter (24%) rely on employee productivity as an estimate of employee engagement**

**Survey Question: How does your organization measure employee engagement? (select all that apply)**



Editor's Note: this chart only lists methods that were chosen by over 10% of respondents

# Most Measure Engagement More Often Than Once a Year

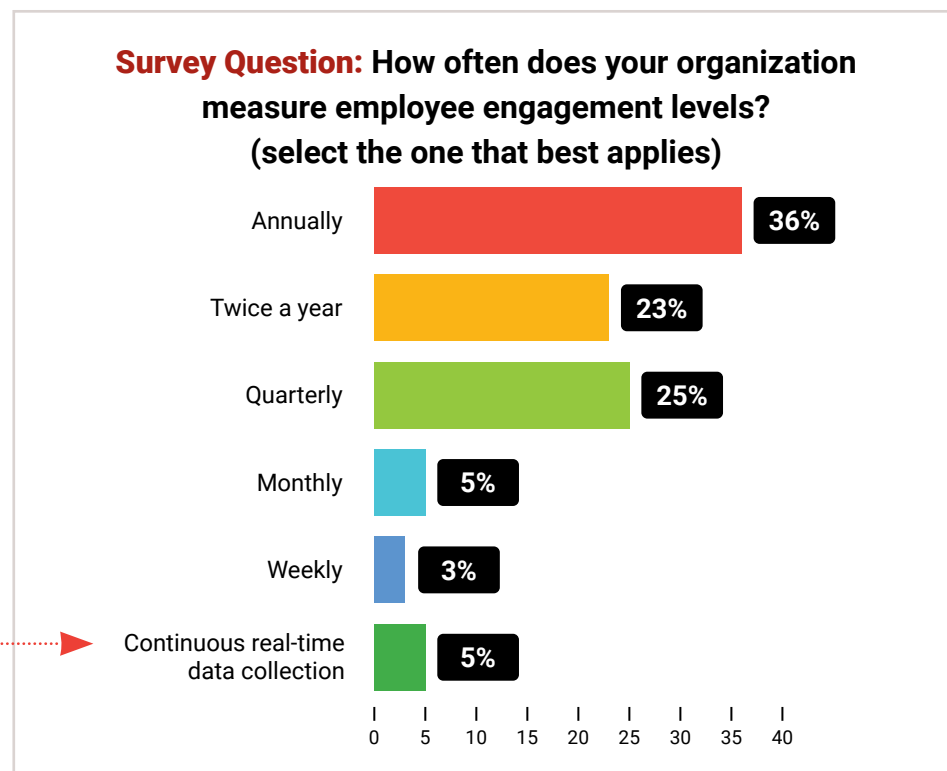


## Finding: Over one-third measure employee engagement levels just once a year

The accuracy of employee engagement measures can benefit from close, continuous monitoring. A more frequent and holistic measurement of engagement provides more current feedback and helps organizations keep a pulse on employee sentiments.<sup>5</sup>

The good news is that annual surveys have become the exception rather than the rule. Only 36% only measure once a year. However, about three-fifths (59%) of organizations measure employee engagement either annually (36%) or twice a year (23%).

About a quarter measure engagement level about four times a year.



**Just 5% of organizations do continuous real-time data collection**

Editor's Note: The data above does not include some who selected "Other" and wrote in responses. Some of those respondents indicated they measure less frequently than once one a year.

<sup>5</sup> Klinghoffer, D. & McCune, E. (2022, June 24). Why Microsoft measures employee thriving, not engagement. *Harvard Business Review*. Retrieved from <https://hbr.org/2022/06/why-microsoft-measures-employee-thriving-not-engagement>

# There's No Consensus About Sharing Engagement Data



## Finding: Three-fifths share results at department/division level with individual leaders

How organizations share engagement data varies widely. Most share the results at department/division level with individual leaders (59%) and communicate select results with entire departments and/or division teams (55%). Other arrangements are less common, and it is the exception rather than the rule to communicate all data to the whole organization or share at least parts of it externally.

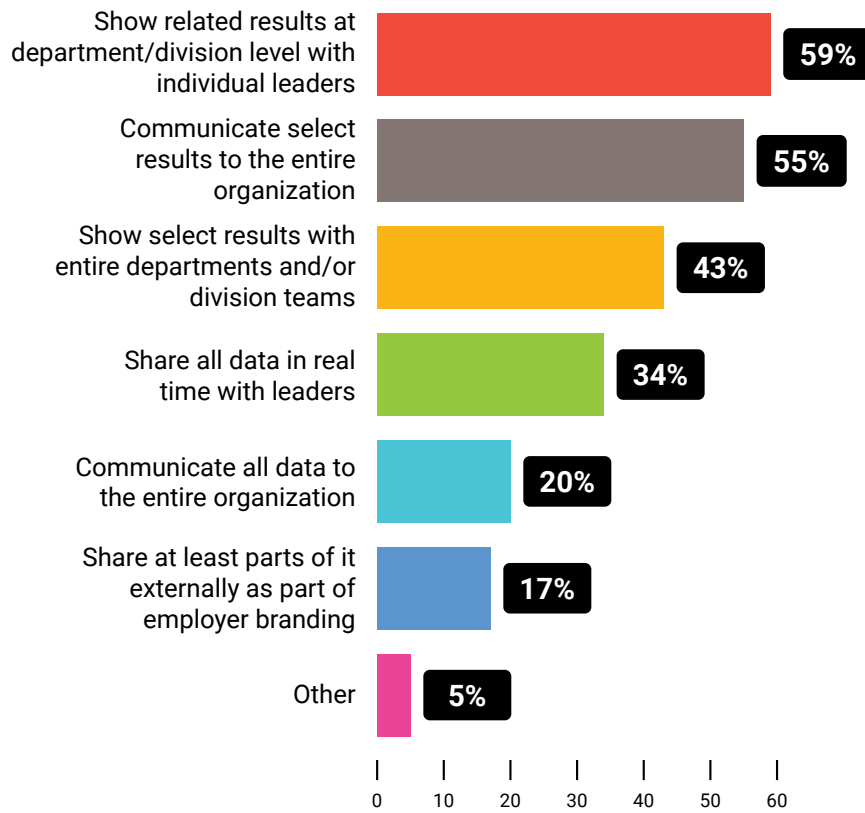
We believe that sharing engagement information with managers, when done correctly, has particular utility because they are most likely to be able to take specific actions to address engagement issues. But we also believe that managers and executives need to have the proper skills and training to do this well.

### Differences based on size of organization

Smaller organizations are more likely to communicate all data to the entire organization, with almost a third (32%) saying they do so compared to 17% of mid-size and 12% of larger organizations. They are also more likely to share this data in real time with leaders—small (47%) versus large (33%).

Large organizations are, however, considerably more likely than small organizations to show related results at department/division level with individual leaders (69% for large and 53% for small), communicate select results to the entire organization (61% for large and 47% for small), and show select results with entire departments and/or division teams (61% for large and 47% for small).

**Survey Question: How do you share employee engagement data? (select all that apply)**

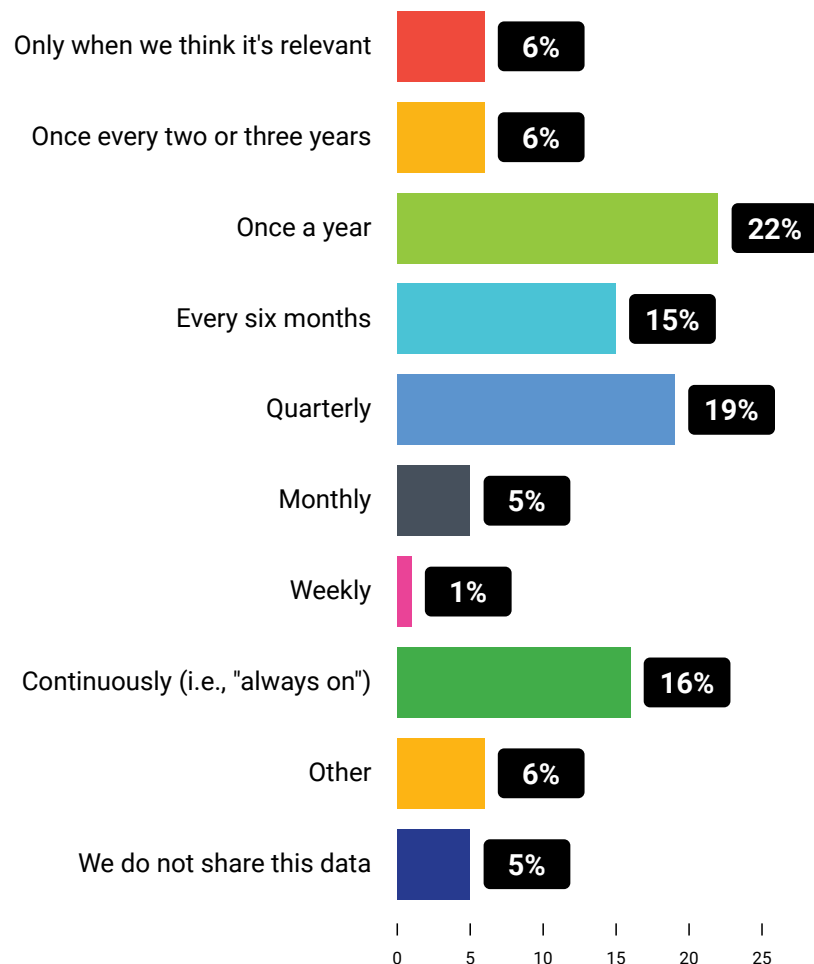




## Finding: Most share data with immediate supervisors, but the frequency varies widely

Among organizations that share engagement data, 95% share it with immediate supervisors to some extent. Of course, the frequency often depends on how frequently engagement data is collected, but 41% say it is shared at least quarterly. We believe that, in general, more often is better because it can lead to more timely data-based decision making.

### Survey Question: How do you share employee engagement data? (select all that apply)

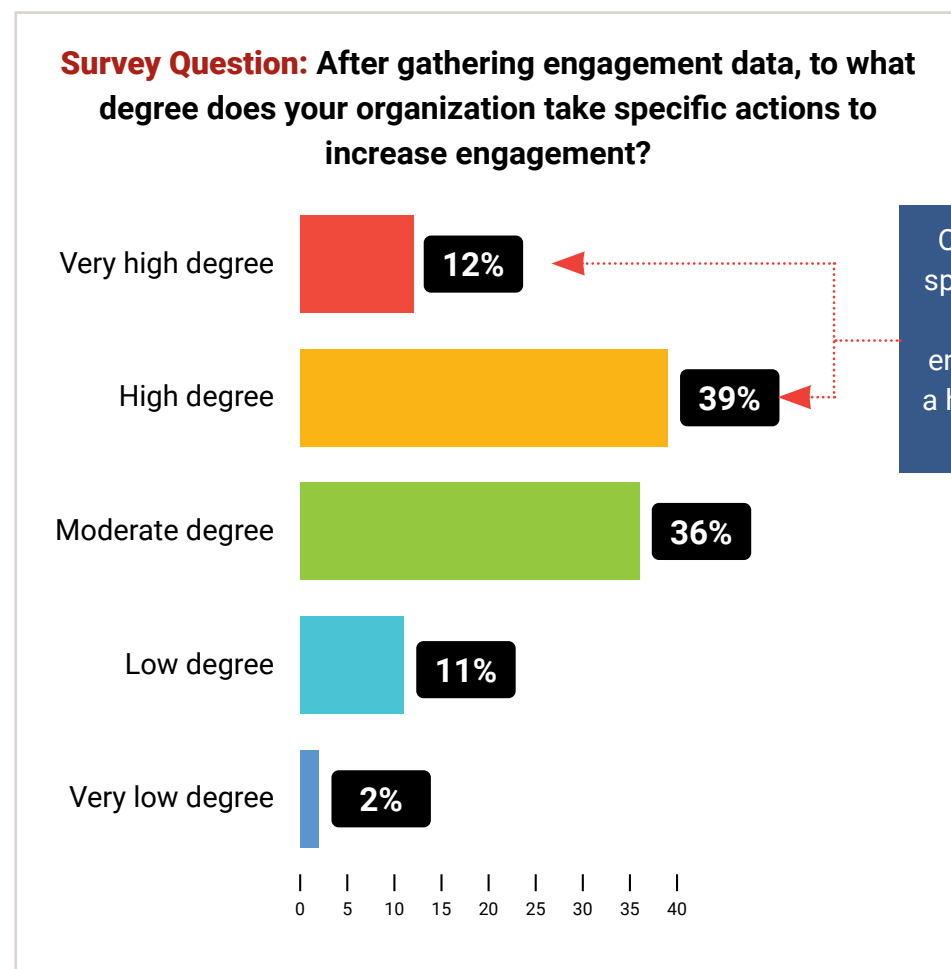


# Most Take Action Based on Engagement Data, But the Degree Varies



**Finding: Just half of organizations take specific actions to increase engagement to a high or very high degree**

The objective of gathering engagement data is to benchmark, identify gaps and use the information to make constructive improvements. Most (87%) take action to at least a moderate degree, but only about half take it to a high or very high degree.





# Few Organizations Excel at a Wide Range of Talent Management Practices

The findings in this section are based on questions that are *not* about employee engagement per se, even where they mention engagement. Rather, the questions are designed to gain insights into the general talent management practices of responding organizations so we could later correlate practices with engagement levels. You will see some of those comparisons in the next section of the report.



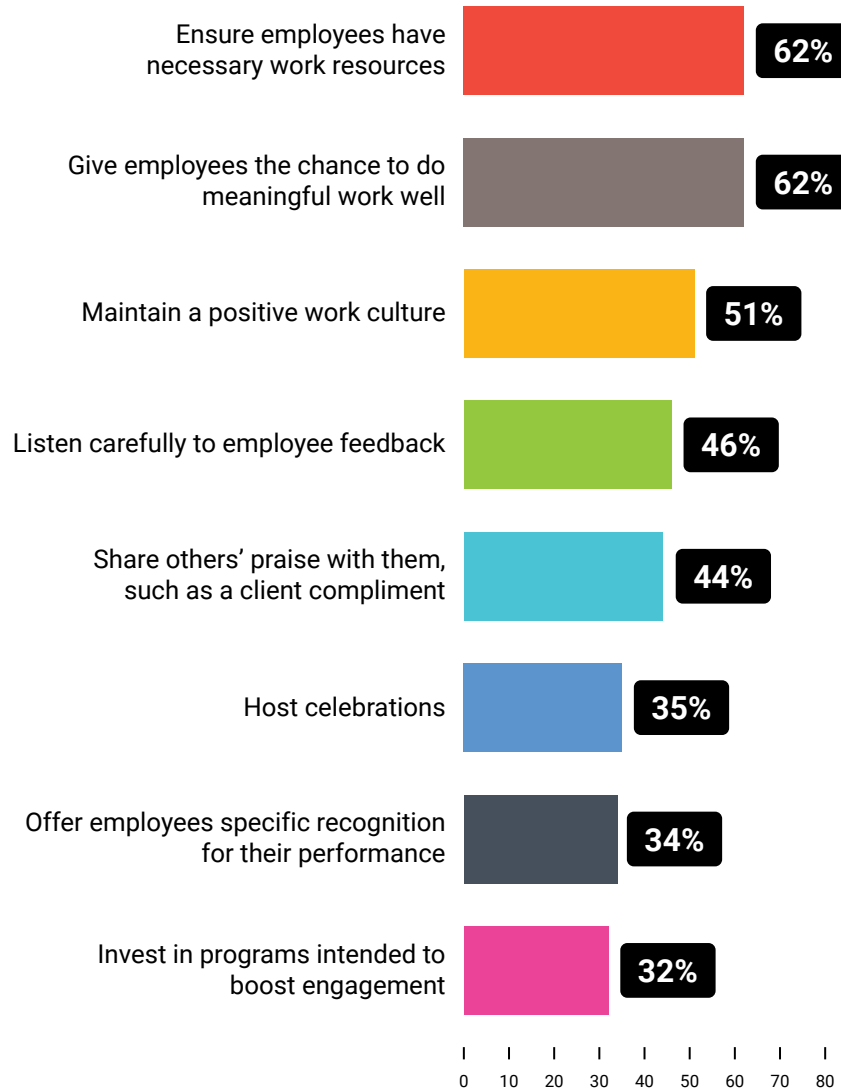
## Finding: Most organizations focus on ensuring employees have necessary work resources and give employees the chance to do meaningful work

To increase engagement levels, more than three-fifths (62%) of organizations prioritize creating the atmosphere for employees to do work without hindrances by providing necessary work resources and giving them the chance to do meaningful work. This is useful because an important aspect of what makes a “good job” is doing tasks that one feels passionate about and receiving help navigating challenges.<sup>6</sup> Other important aspects include positive work culture, which was chosen by over half of respondents. More than two-fifths also focus on making employees feel valued through listening carefully to employee feedback (46%) and sharing others’ praise with them, such as a client compliment (44%).

<sup>6</sup> Buckingham, M. (2022, September 19). What is a good job? *Harvard Business Review*. Retrieved from <https://hbr.org/2022/09/what-is-a-good-job>

**Survey Question: To what degree does your organization do the following?**

**[Percent responding high or very high degree]**





## Finding: Three-fifths provide employees with learning opportunities

Employee engagement begins from recruitment and is influenced by the entire range of interactions that make up the employee experience. Apart from providing resources to do the actual job, it involves supporting people in their careers, making them feel safe and included, providing opportunities for growth, and even helping them navigate their life outside work.

We wanted to see which factors are most prevalent in organizations while designing work systems and structures to improve engagement. Results show that organizations predominantly focus on providing employees with learning opportunities (61%), activities intended to nurture a positive corporate culture (52%), providing employees with career growth advice (41%) and encouraging employees to manage their own engagement levels (40%).



**Survey Question: Which of the following is true in your organization? (select all that apply)**

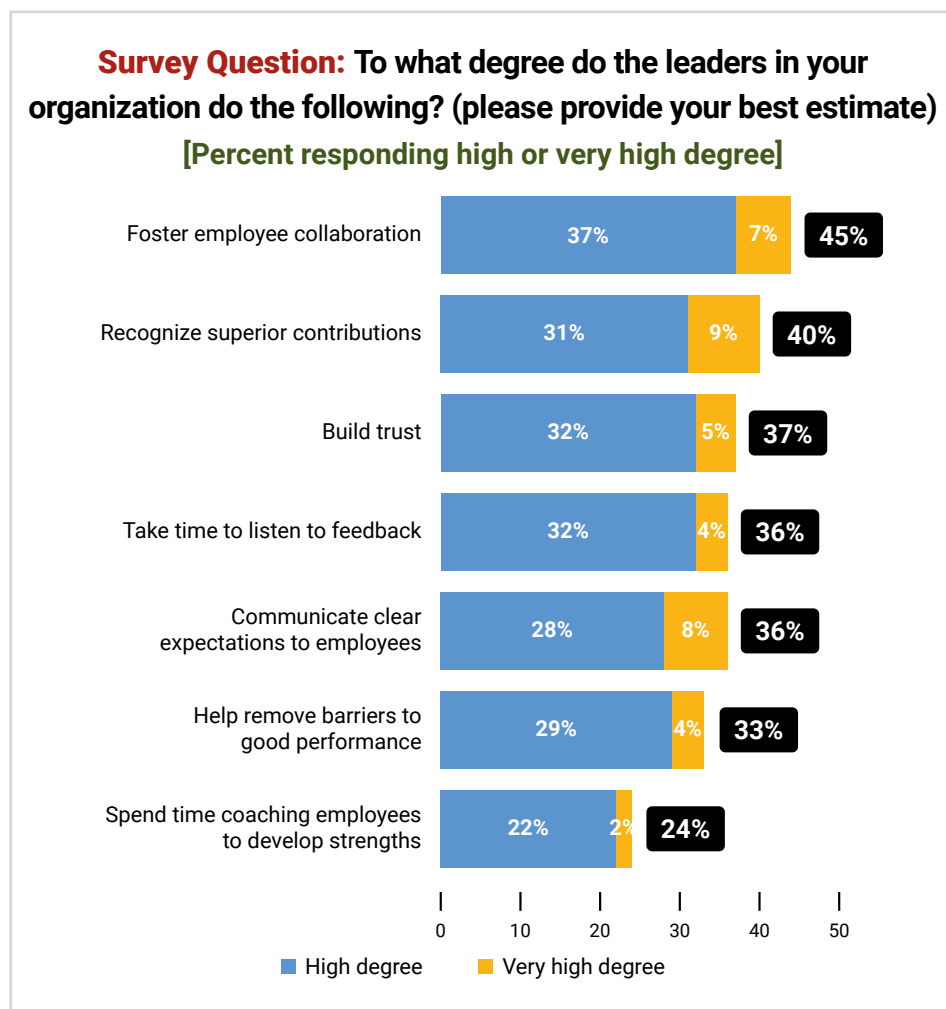


**Just 22% believe their senior leaders prioritize engagement, and just 10% believe most of their managers are skilled at fostering engaged employees**



## Finding: Leaders most commonly foster employee collaboration to a high extent and least commonly spend time coaching so as to develop employee strengths

Top leaders can influence employee engagement in numerous ways. Results indicate that top leaders engage in these activities to a much lesser degree than expected. Perhaps if they consider the financial costs of a disengaged workforce, these actions may seem more of a priority.<sup>7</sup> Just over two-fifths foster employee collaboration and recognize superior contributions and just over a third work on building trust, take time to listen to feedback and communicate clear expectations to employees to a high or very high degree.



<sup>7</sup> Borysenko, K. (2019, May 2). How much are your disengaged employees costing you? *Forbes*. Retrieved from <https://www.forbes.com/sites/karlynborysenko/2019/05/02/how-much-are-your-disengaged-employees-costing-you/?sh=21829c603437>

# Employee Engagement Has a Positive Impact in Multiple Areas



## Finding: Engagement rates help improve customer service, productivity and retention

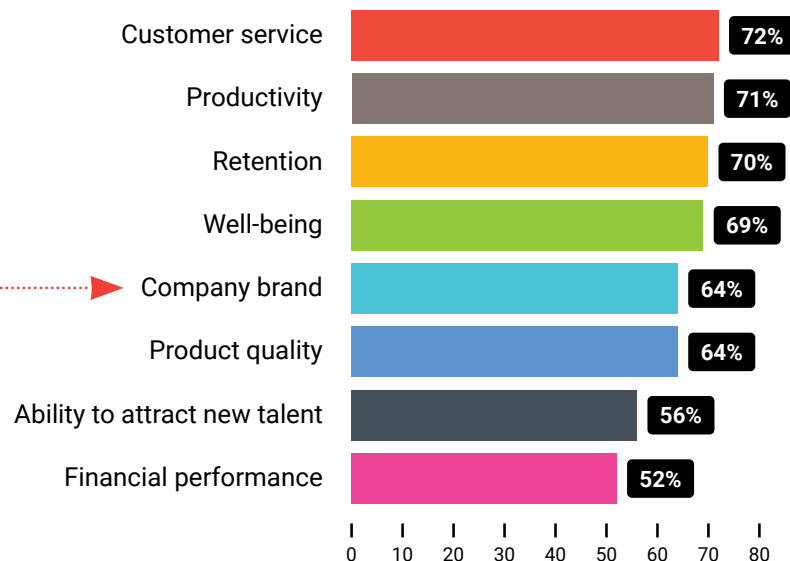
Amid fierce competition and economic upheaval, organizations today are looking to gain competitive advantage through their employees. Engaged employees perform better, experience less burnout and stay in organizations longer.<sup>8</sup> In addition, our survey finds that employee engagement has a positive impact on a number of organizational outcomes, with almost three-fourths saying it improves customer service (72%) and over two-thirds saying it improves productivity (71%), retention (70%) and well-being (69%).



More than three-fifths say employee engagement has a positive impact on company brand

### Survey Question: In your organization, to what degree do higher rates of engagement have a positive impact on the following areas?

[Percent responding high or very high degree]



<sup>8</sup> Stein, D., Hobson, N., Jachimowicz, J. M., & Whillans, A. (2021, October 13). How companies can improve employee engagement right now. *Harvard Business Review*. Retrieved from <https://hbr.org/2021/10/how-companies-can-improve-employee-engagement-right-now>



## Finding: A majority (62%) of respondents believe employee engagement is crucial and should be a top priority

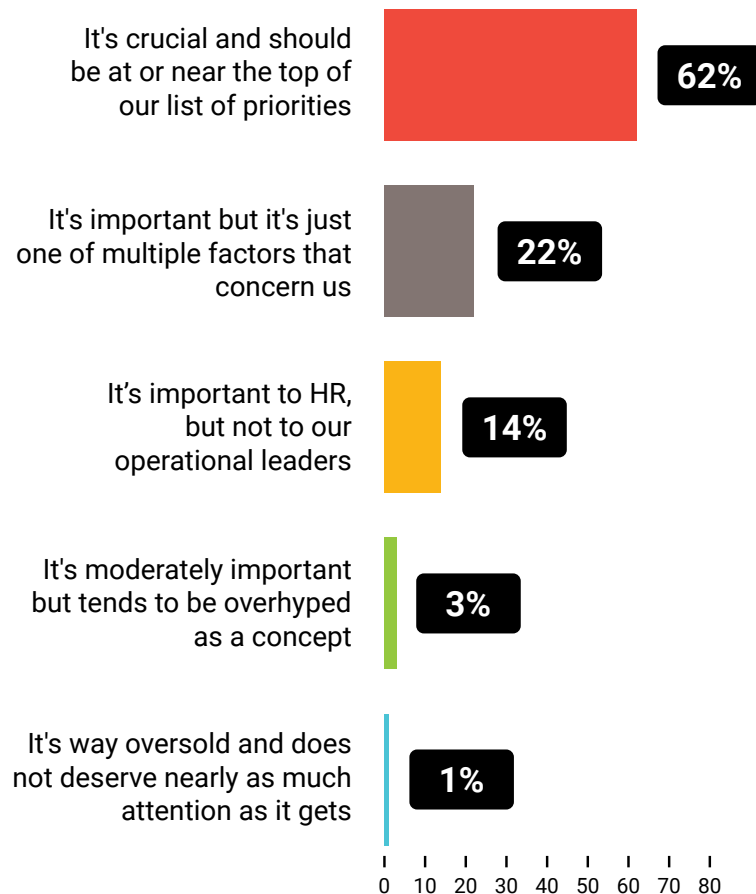
Employee engagement has become a top concern for many organizations. More than three-fifths (62%) believe it is crucial and should be at or near the top of our list of priorities.

However, more than one in ten (14%) believe that while engagement is an important issue for HR professionals, it is not important to their operational leaders.



About one-fifth (22%) say employee engagement is important but it's just one of multiple factors that concern us

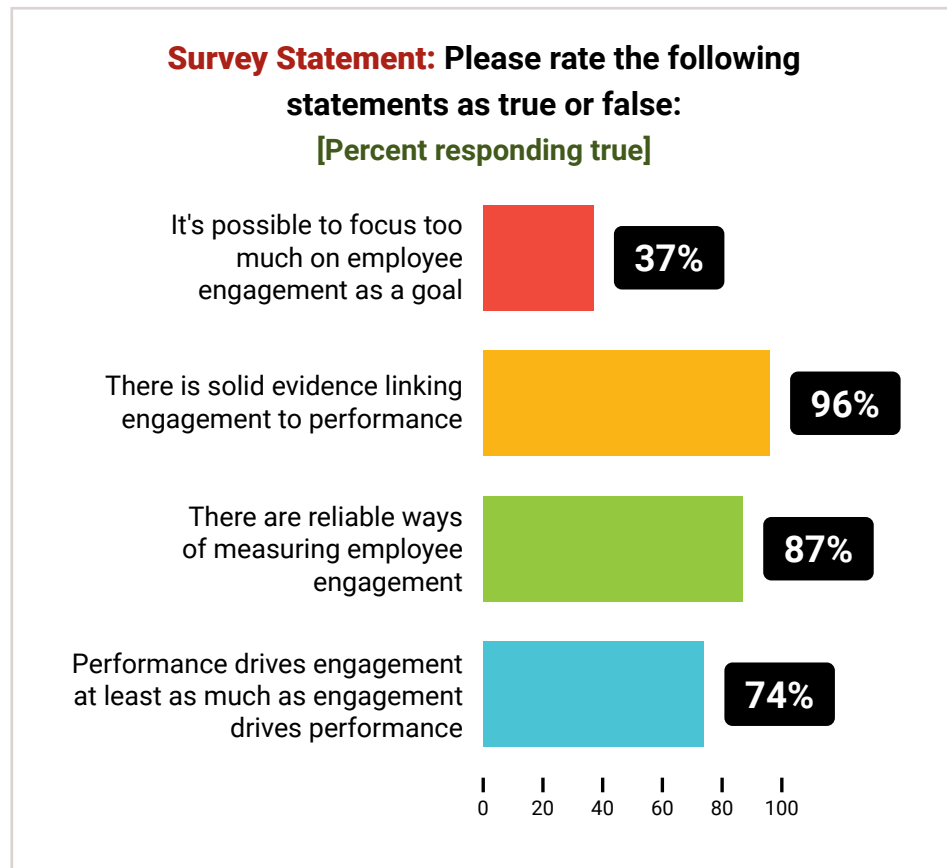
### Survey Question: Which of the following best describes the way you feel about the subject of employee engagement? (select the one that best applies)





## Finding: Almost all respondents believe that employee engagement is linked to performance

We asked respondents to indicate if they felt statements regarding employee engagement were true or false. An overwhelming majority (96%) believe that there is solid evidence linking engagement to performance. Almost 9 in 10 (87%) also say that there are reliable ways to measure employee engagement. Further, three-fourths believe engagement and performance have a reciprocal relationship, with performance driving engagement at least as much as engagement drives performance. On the other hand, almost two-fifths (37%) of respondents say it's possible to focus too much on employee engagement as a goal.





# Practices Linked to a Greater Chance of Engagement Success

## How We Classify Highly Engaged Organizations

For this report, we conducted various analyses to gain insights into which practices are most widely used by organizations with higher levels of engagement. Specifically, we analyzed responses and segmented the data into two groups:

- **Highly engaged organizations:** These represent respondents who rank the engagement for the average employee as an 8, 9, or 10 on a scale of 1 to 10.
- **Less engaged organizations:** These represent respondents who rank the engagement for the average employee as 1, 2, 3, 4, 5 or 6 on a scale of 1 to 10.

Note that we did not include those who gave a ranking of 7 in either cohort.

Of course, correlation is not the same as causation. While we cannot state that any particular practice will definitely lead to high engagement, we do see intriguing relationships that may, if used judiciously, result in greater success.



### Results of Chi-squared Test

A chi-squared test of independence shows that highly engaged organizations are significantly more likely to say that more than 80% of their workforce is highly engaged.

## Highly Engaged Organizations Differ from Others in Key Ways

### Finding: Almost half of highly engaged organizations say more than 80% of their workforce is highly engaged

About three-fourths of respondents in highly engaged organizations say that more than 60% of their workforce is highly engaged, compared to just 6% of respondents in less engaged organizations. In fact, none of the respondents in less engaged organizations say that more than 80% of their workforce is highly engaged.

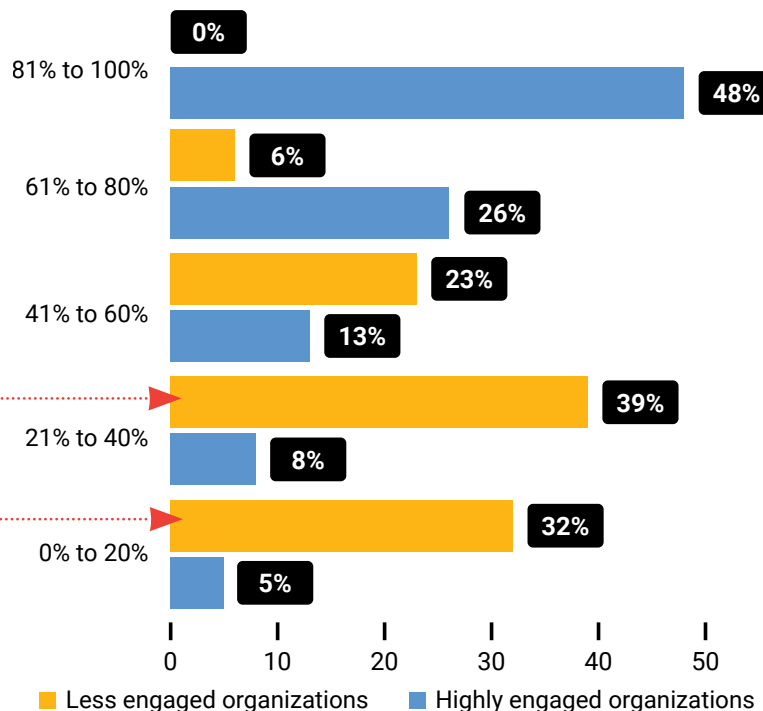
On the other hand, almost a third (32%) of respondents in less engaged organizations say 20% or less of their workforce is highly engaged compared to just 5% of highly engaged organizations.

These findings lend support to our designations of highly engaged and less engaged organizations.



7 out of 10 respondents in less engaged organizations say 40% or fewer of their employees are highly engaged

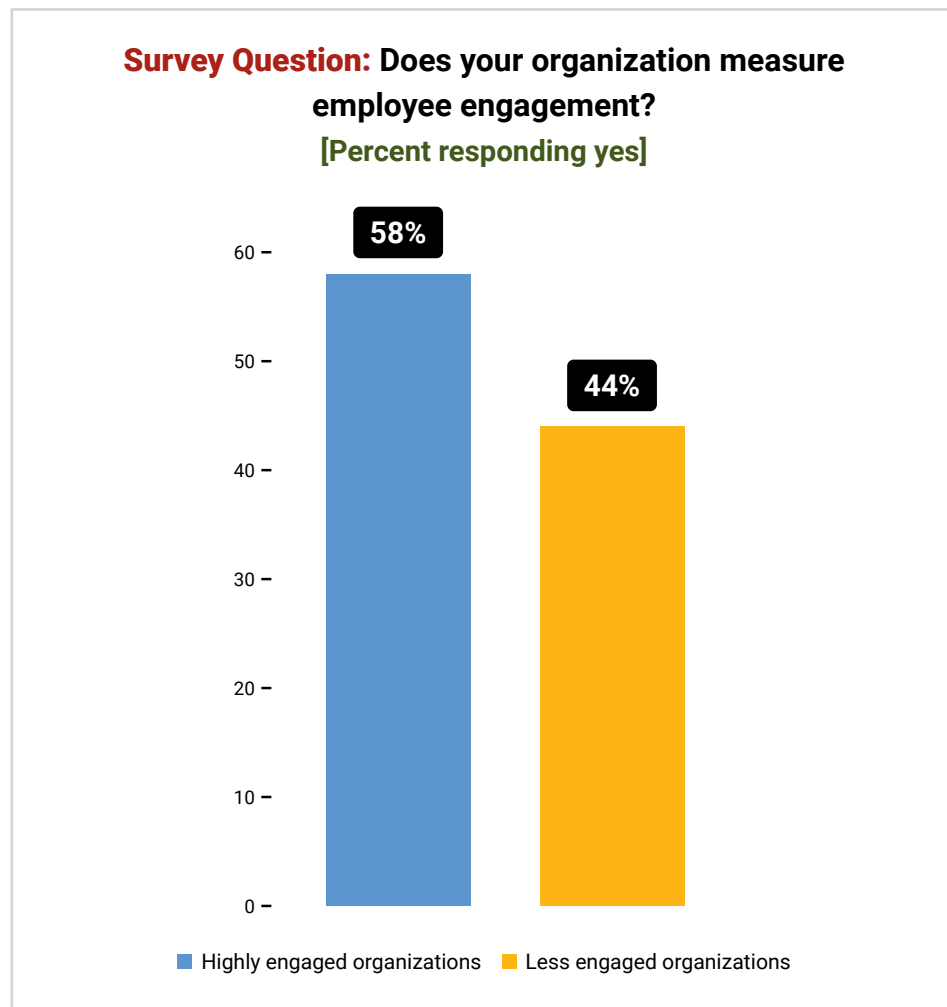
#### Survey Question: About what percentage of your organization's workforce is highly engaged?





## Finding: Highly engaged organizations are more likely to employ multifaceted and continuous measurement of employee engagement

Almost three-fifths of highly engaged organizations measure employee engagement, compared to just 44% of less engaged organizations. Therefore, we see that measurement, although not *ensuring* high employee engagement, is positively correlated with organizations that have more success in this area.



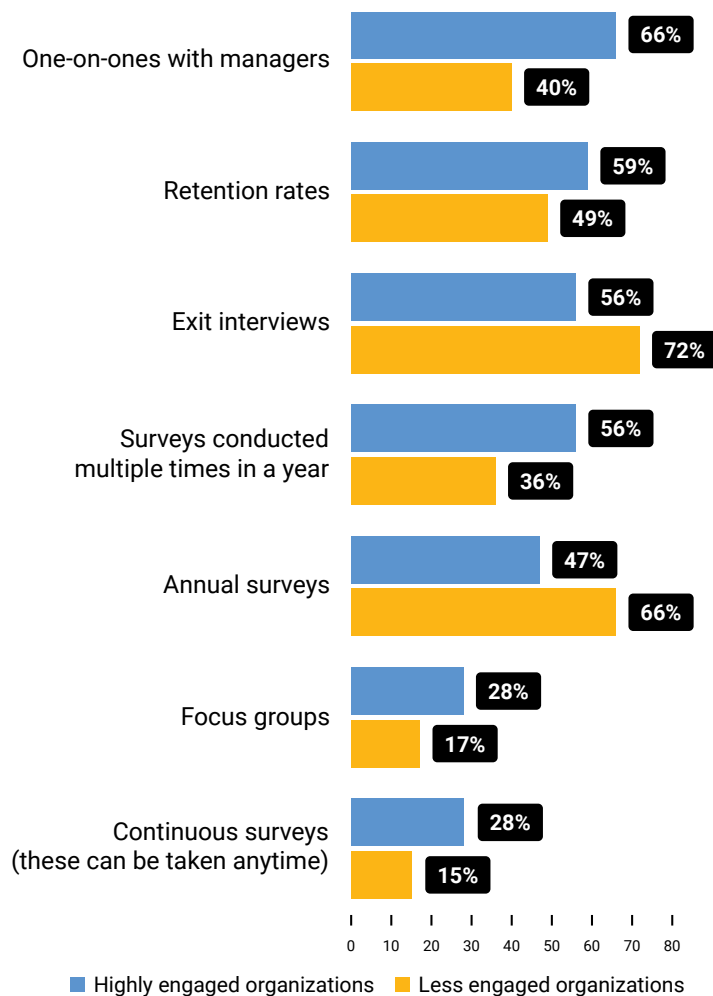
## Results of Chi-squared Test

A chi-squared test of independence shows that highly engaged organizations are significantly more likely to utilize one-on-ones with managers to measure employee engagement and employ continuous real-time data collection of engagement data than less engaged organizations.

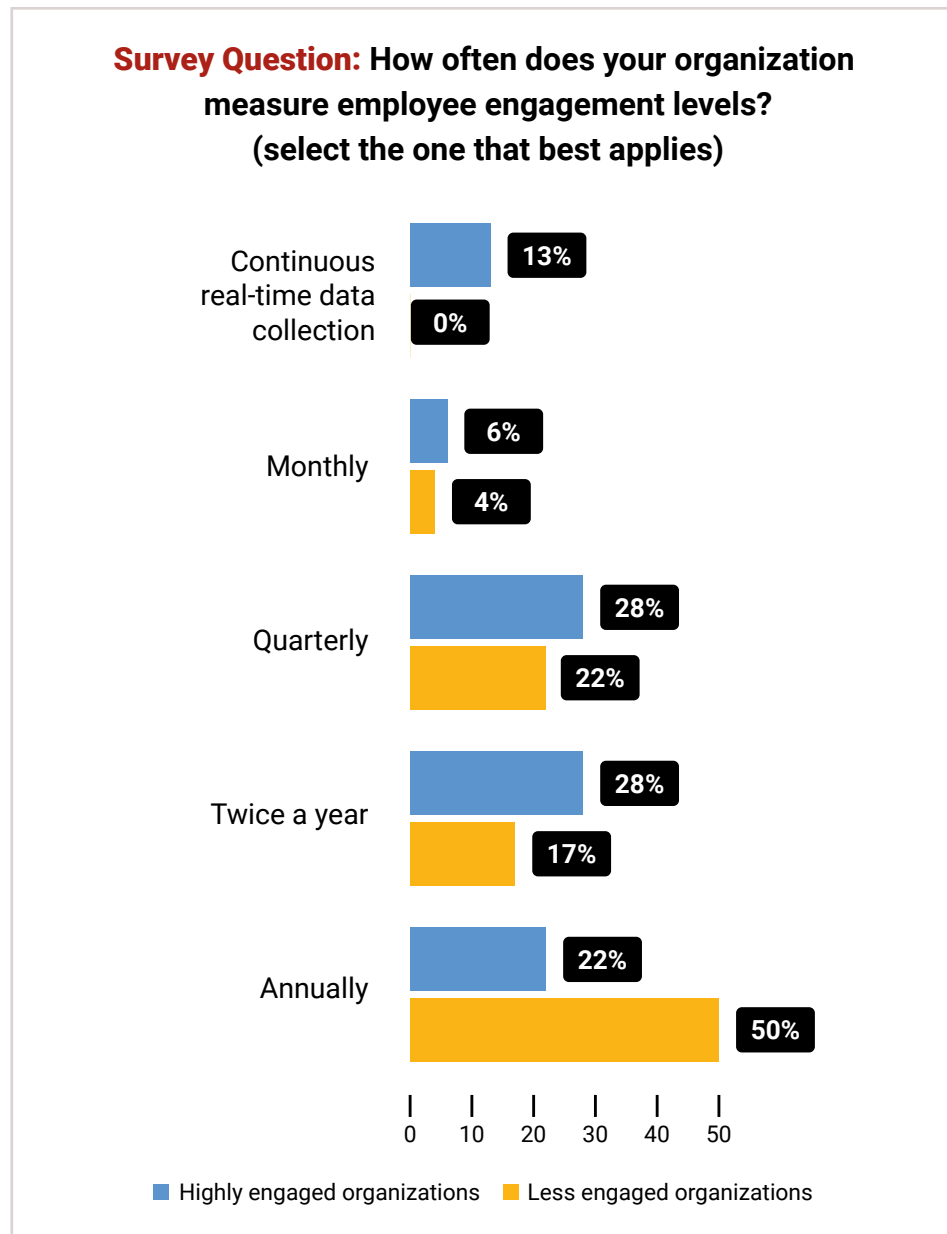
Highly engaged organizations are also more likely to rely on managerial interactions to assess engagement, with two-thirds saying they measure employee engagement through one-on-ones with managers. This is beneficial since it allows for a more continuous assessment of engagement levels, even while building good relationship between managers and employees. By placing the onus on assessing engagement levels on managers, it makes them more conscious of the decisions they take that might adversely affect the engagement levels of their subordinates.

Less engaged organizations are more likely to rely on an annual or one-off measurements of engagement levels, with such as exit interviews (72%) and annual survey (66%).

### Survey Question: How does your organization measure employee engagement? (select all that apply)



Highly engaged organizations are also more likely to engage in continuous real-time data collection, with 13% saying they do so compared to *none* of the less engaged organizations. Half of the less engaged organizations collect engagement data annually while almost three-fifths (56%) of highly engaged organizations collect engagement data at least twice a year (28%) or quarterly (28%).

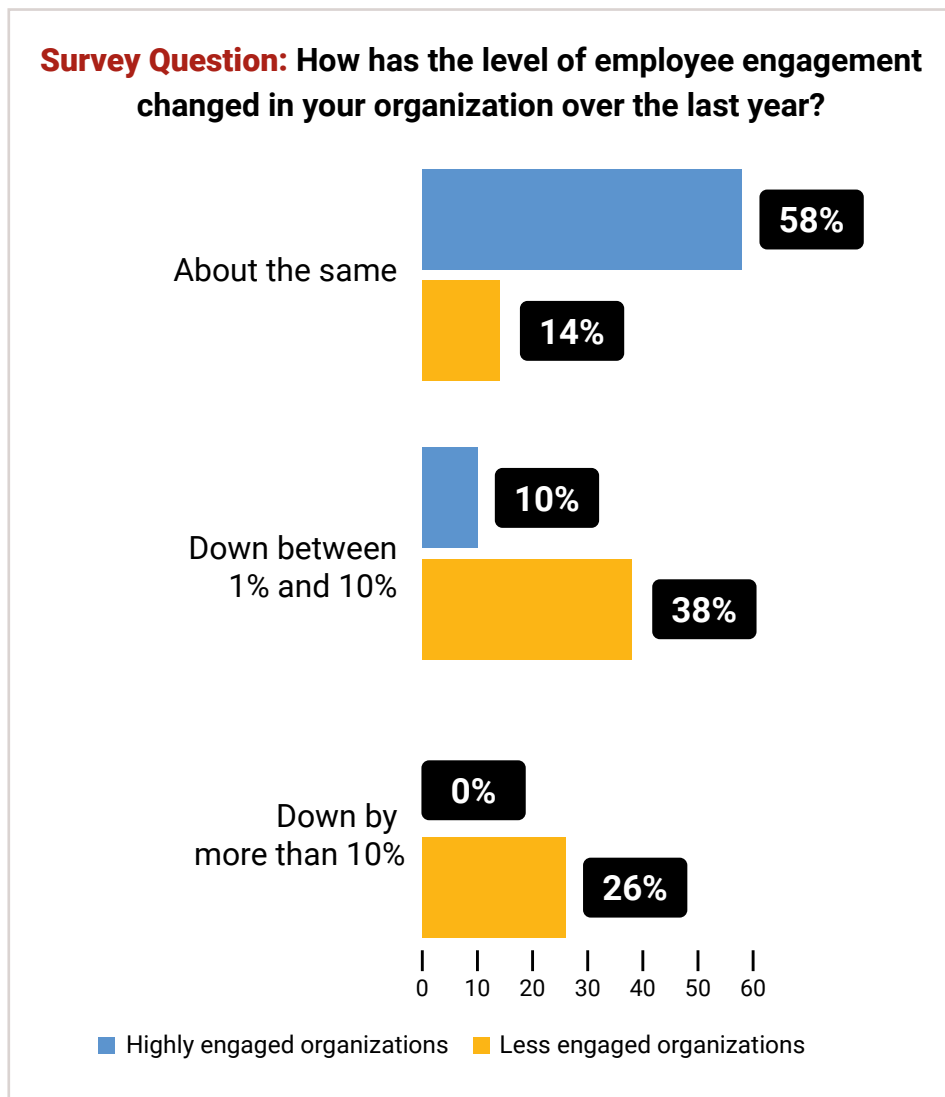


### Results of Chi-squared Test

A chi-squared test of independence shows that less engaged organizations are significantly more likely to report a drop in employee engagement over the last year compared to highly engaged organizations.

## Finding: Less engaged organizations are more likely to report a decrease in employee engagement over the last year

Less engaged organizations report a higher drop in engagement levels when compared to highly engaged organizations, with more than half (54%) reporting a decrease in engagement. None of the highly engaged organizations saw a drop in engagement of more than 10%, compared to over a quarter of less engaged organizations. Further, three-fifths of highly engaged organizations say engagement levels remained about the same, compared to just 14% of less engaged organizations.



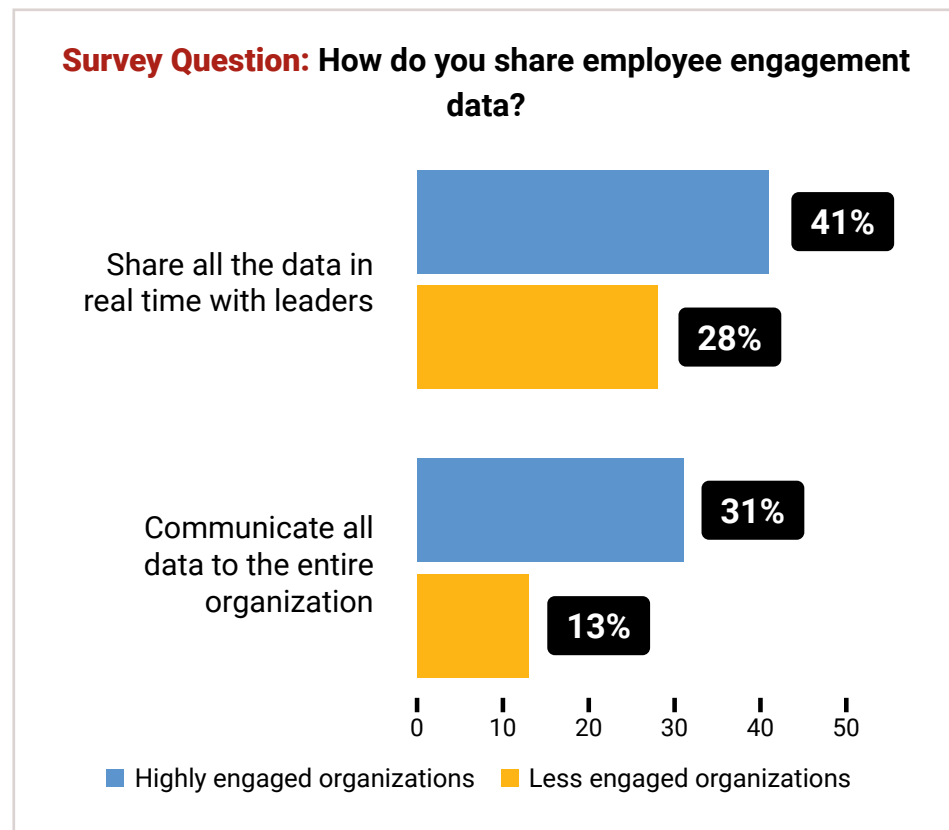
### Results of Chi-squared Test

A chi-squared test of independence shows that highly engaged organizations are significantly more likely than less engaged organizations to communicate all employee engagement data to the entire organization and take specific actions to increase engagement based on the data.

## Finding: Highly engaged organizations are more likely to share and take action based on engagement data

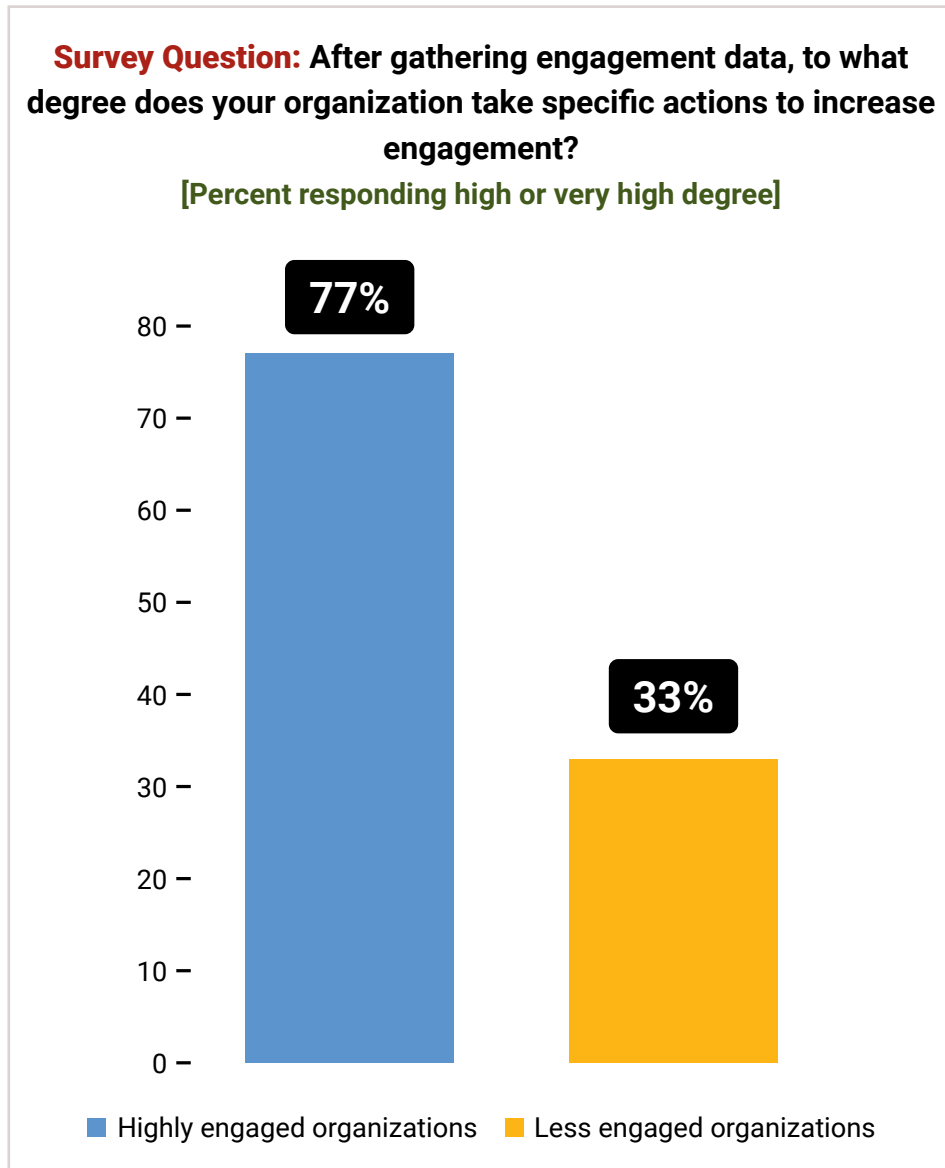
Engagement data has potential utility for all stakeholders of the organization and serves to inform and devise initiatives that improve employee engagement. It gives everyone a sense of what's working and what's not, and it helps everyone get on the same page.

Highly engaged organizations are more likely to share this information, with two-fifths sharing all data in real time with leaders, compared to just over a quarter (28%) of less engaged organizations. They are also more than twice as likely as less engaged organizations to communicate all data to the entire organization (31% vs. 13%).





It is also important for organizations to take specific action based on the engagement data. Not only does this tend to improve engagement initiatives, but also communicates to employees that their feedback and input into the process is valued. More than three-fourths (77%) of highly engaged organizations take specific actions based on engagement data to a high or very high degree, versus just one-third of less engaged organizations.



### Results of Chi-squared Test

A chi-squared test of independence shows that highly engaged organizations are significantly more likely to hold immediate supervisors, top leadership and employees themselves responsible for improving employee engagement.

## Finding: Highly engaged organizations are more likely to involve all stakeholders in improving employee engagement

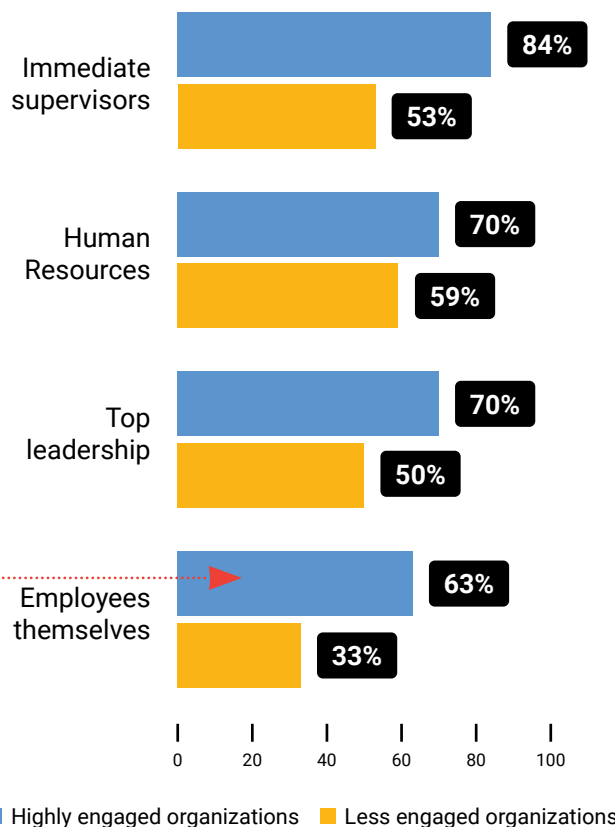
We believe that employee engagement involves a concerted effort from top management, human resources, immediate supervisors and employee themselves. Highly engaged organizations are most likely to place the responsibility for improving employee engagement on immediate supervisors (84%), compared to only about half of less engaged organizations (53%). Further, two-thirds (63%) of highly engaged organizations place this responsibility on employees themselves, versus just one-third of less engaged organizations.



Highly engaged organizations are twice as likely to say employees themselves are responsible for their engagement to a high or very high degree

### Survey Question: To what degree are the following groups responsible for improving employee engagement in your organization?

[Percent responding high or very high degree]



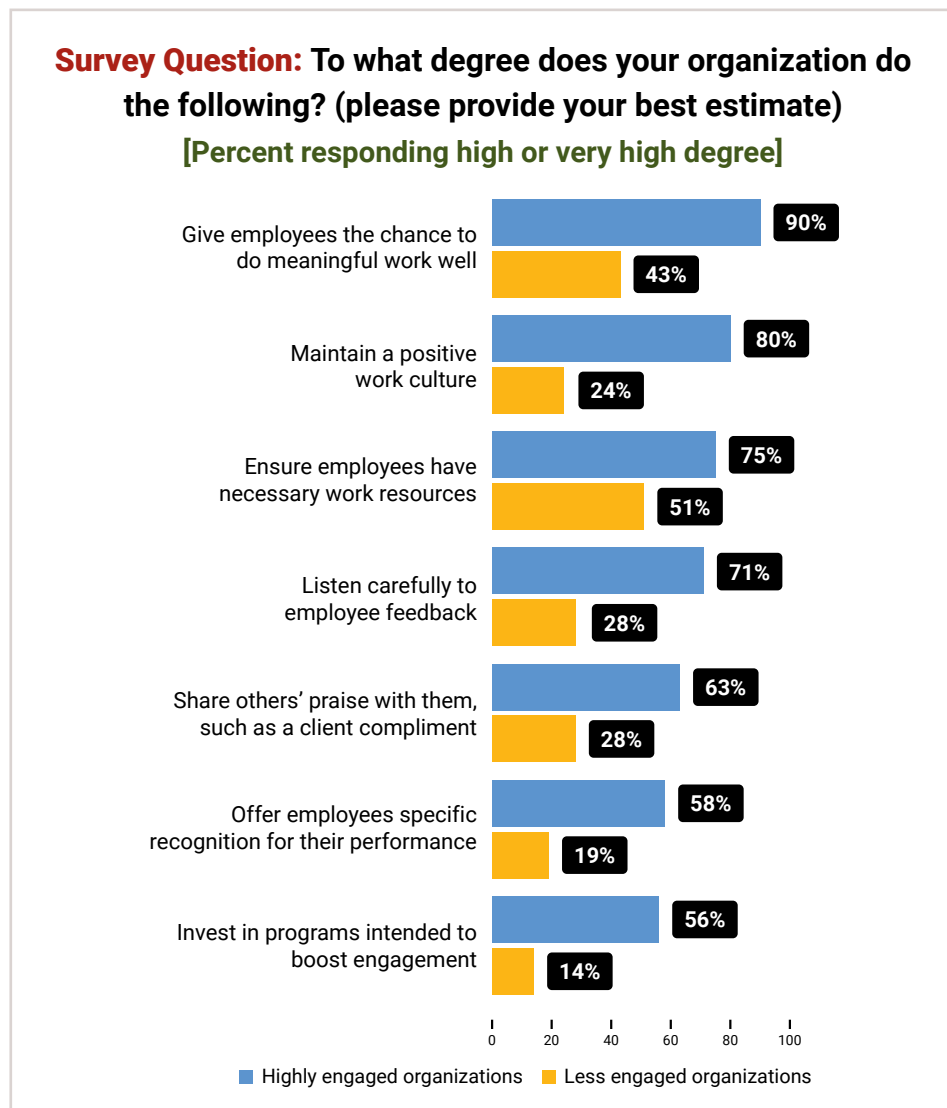
### Results of Chi-squared Test

A chi-squared test of independence shows that highly engaged organizations are significantly more likely to employ all listed engagement related practices compared to less engaged organizations.

## Finding: Highly engaged organizations are more likely to take numerous actions to improve employee engagement

Highly engaged organizations are more than twice as likely to give employees the chance to do meaningful work well (90% vs. 43%), to listen carefully to employee feedback (71% vs. 28%), and to share others' praise with them (such as a client compliment). They are over three times as likely to maintain a positive work culture (80% vs. 24%).

About three-fifths of highly engaged organizations also invest in programs intended to boost engagement, compared to about just one in ten of less engaged organizations (14%).



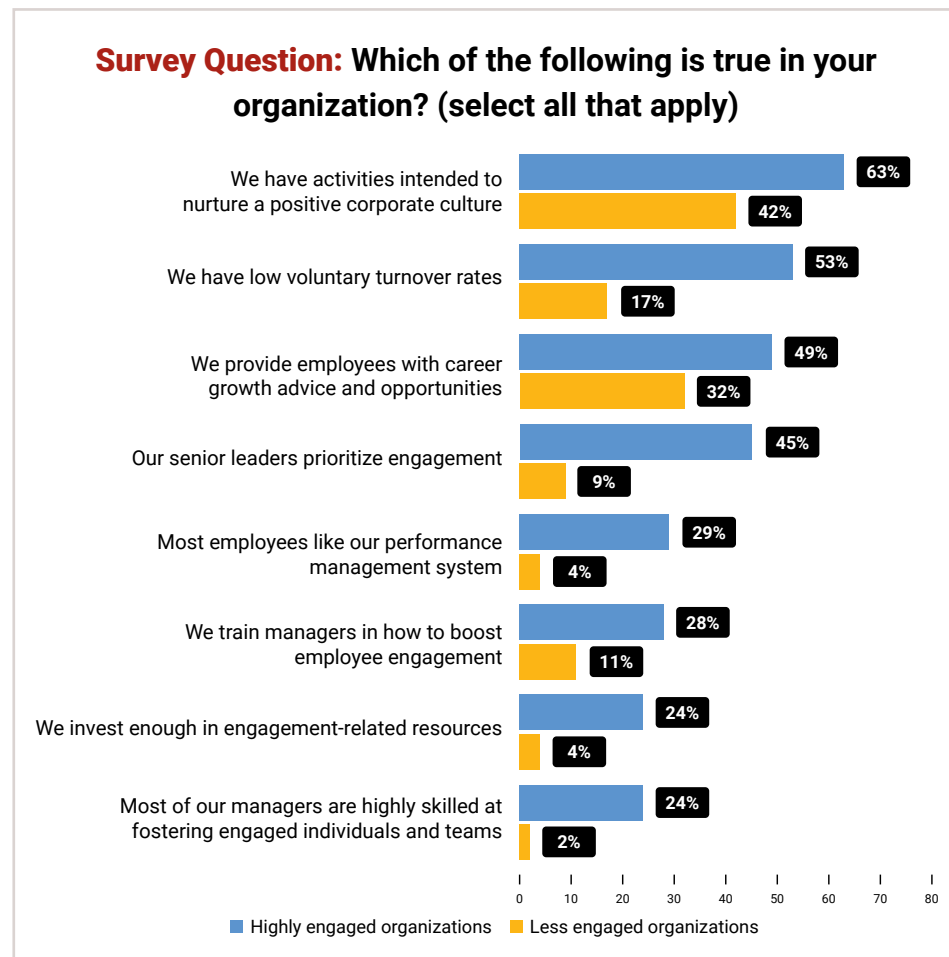
## Results of Chi-squared Test

A chi-squared test of independence shows that highly engaged organizations are likely to have all listed engagement related factors in their organization to a significantly higher degree compared to less engaged organizations.

# Finding: Highly engaged organizations are five times more likely to say senior leaders prioritize employee engagement

More than half of highly engaged organizations have activities to nurture a positive corporate culture (63%) and have low voluntary turnover rates (53%). On the other hand, just two-fifths (42%) of less engaged organizations nurture a positive corporate culture and less than one-fifth (17%) have low voluntary turnover rates.

Almost half (45%) of highly engaged organizations also say their senior leaders prioritize engagement, compared to just one in ten (9%) of less engaged organizations. Highly engaged organizations are also six times more likely to invest enough in engagement related resources (24% vs. 4%) and 12 times more likely to say most of the managers are highly skilled at fostering engaged individuals and teams.



### Results of Chi-squared Test

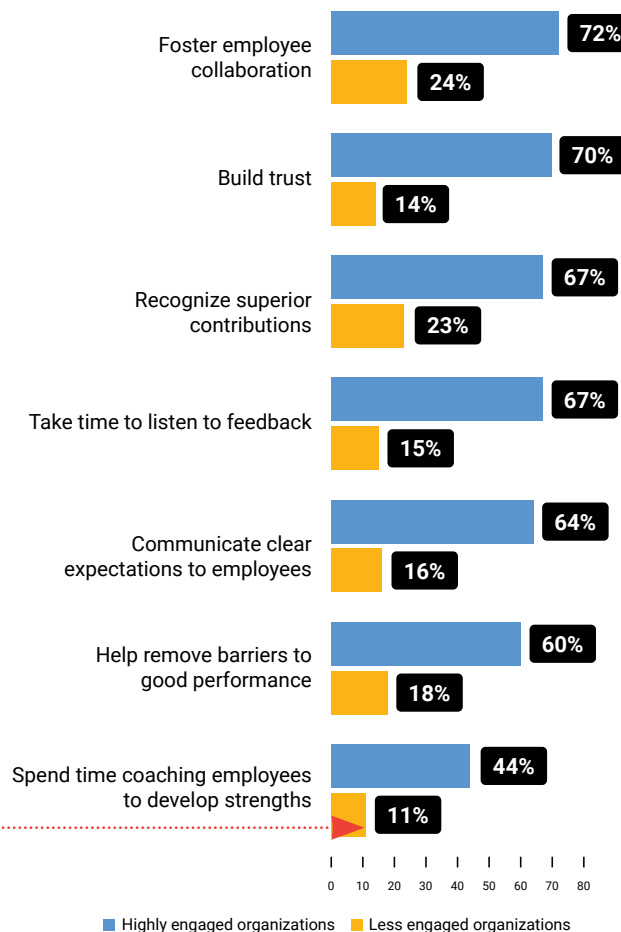
A chi-squared test of independence shows that leaders in highly engaged organizations are likely to engage in all listed engagement boosting activities to a significantly higher degree compared to leaders in less engaged organizations.

## Finding: Leaders in highly engaged organizations tend to be much better at talent management

When top leaders prioritize excellent talent management, it is often correlated with a more highly engaged workforce. For example, leaders in highly engaged organizations are three times as likely to foster employee collaboration (72% vs. 24%), five times as likely to build trust (70% vs. 14%), almost three times as likely to recognize superior contributions (67% vs. 23%), more than four times as likely to take time to listen to feedback (67% vs. 15%) and four times as likely to communicate clear expectations to employees (64% vs. 16%).

### Survey Question: To what degree do the leaders in your organization do the following?

[Percent responding high or very high degree]



Just one in ten leaders in less engaged organizations spend time coaching employees to develop strengths



# Key Takeaways

## Key Takeaway 1

**Help employees cope with work-from-home fatigue.** While many employees prefer remote work and the allure of flexibility that it offers, it also comes with a host of new stressors that can cause disengagement from work. Work from home increases employees' propensity to engage in multi-tasking, skip breaks and not have a routine work time. With organizations expecting employees to be always "on" when working from home, it increases chances of burnout and reduces engagement with work. Organizations must work with employees in managing expectations regarding remote and hybrid work. Training must be given on healthy work habits and scheduling that improves engagement and reduces stress. Further, instead of tracking average time worked, evaluating employees on goals achieved could increase engagement levels while providing much needed flexibility. Reducing work fragmentation and allowing meaningful time to focus on a task till completion also helps improve engagement.

## Key Takeaway 2

**Measure employee engagement and follow-up with action.** Measuring employee engagement requires organizations to listen to employees and collect quantitative and qualitative data. With solid metrics, it becomes possible to detect early signs disengagement and to take remedial action quickly. However, some measurement tools such as surveys necessitate that employees have enough trust in the process to frankly communicate their true feelings. Further, an engagement survey that is not followed up with action signals to employees that what they say does not matter. In addition to surveys, there are also other ways of acquiring data about engagement, such as through interviews or sentiment analysis. The latter refers to analyzing text to gain insights in the subjective state of employees.

## Key Takeaway 3

**Monitor engagement more frequently, perhaps even continuously.** Considering the ever-changing business landscape, we think it's important to evaluate engagement levels more regularly than just once a year. This requires organizations to assess engagement through a multifaceted approach. This could be done through methods such as more frequent pulse surveys, assessments of the discretionary efforts put in by employees, management quality and time invested with employee (such as time spent on one-on-one meetings with manager), the number of strong relationships the employee has within the organization, and more.

Key  
Takeaway **4**

**Optimize collaboration for remote work.** Remote employees sometimes face more distractions and interruptions than do employees in traditional work places. In the absence of in-person cues about when someone is busy, employees are more likely to unintentionally disrupt each other or miss opportunities for collaboration, both of which can potentially reduce engagement. Providing data about colleagues' focus times and schedule preferences can help employees collaborate more effectively, thereby increasing engagement levels.

Key  
Takeaway **5**

**Focus on managerial relationships to build engagement.** While managerial relationships have always been highly influential in determining the employee experience, the role of the manager has arguably become even more pivotal. With employees cut off from the actual office space, social isolation and a lack of engagement potentially increase. In this scenario, managers play a key role in making sure all members of their team are seen and heard. They are also instrumental in making employees feel valued through appreciation and meaningful feedback. And managers may be able to remove obstacles to work. However, organizations must recognize that these increasing responsibilities may burn out managers and so must invest in providing managers with the time and resources to manage their team members effectively and build engagement levels. This may be done by providing them with relevant training, manuals, tools and technologies.

Key  
Takeaway **6**

**Cultivate and reinforce an organizational culture that maximizes engagement.** Cultures where employees feel valued, appreciated and safe are likely to increase employee engagement. Engagement feeds on trust and autonomy. Empowerment is often key to developing proactive and engaged employees. Further, organizations that create an inclusive and safe atmosphere for all employees increase belongingness and employees' engagement levels.

Key  
Takeaway **7**

**Focus on creating engaging jobs.** In addition to nurturing a culture that supports employee engagement, organizations should also consider the job itself. It helps if the jobs themselves are engaging. Designing engaging jobs involves assessing if jobs are leveraging employees' strengths, matching their interests and allowing for autonomy. In some cases, tasks can even be made more "fun" through gamification. Further, getting regular feedback allows employees to continuously improve and develop skills. In addition, employees today want to do purposeful jobs that make a difference. Communicating to employees how their jobs contribute to the organization's purpose can drive engagement.



## Key Takeaway 8

**Personalize compensation and rewards.** While compensation itself can be a major driver of employee engagement, organizations must recognize that different employees value different things. One employee may focus more on pay while another may want more flexible work arrangements or better career development opportunities. Personalizing total rewards allows for targeted use of resources to provide things that *actually* matter and that work better to increase engagement levels.

## Key Takeaway 9

**Increase leadership involvement in engagement initiatives.** An organization that maximizes employee engagement not only focuses on the benefits of high engagement (such as improved productivity, customer service and brand reputation) but on issues such as employee well-being. Organizations that merely pay lip service to taking care of their employees and do not follow through with action will be met with “quiet quitting” and disengaged employees. There must be integrity between the message from the top leadership and initiatives that promote engagement. This requires the right behaviors and communications from top leaders, who must set the tone for a healthy and positive organizational culture where employees are engaged and willing to go the extra mile.

## Key Takeaway 10

**Build social relationships to improve engagement levels.** Employees with close social connections at work are more engaged, collaborative and creative.<sup>9</sup> This is even more important today when employees are increasingly working from home. Organizations can offer a variety of ERGs based on special interests and/or wellness programs to improve social connections. Managers can help build social connections within their teams by helping members bond over similar interests, holding meetings to talk about non-work interests, and creating fun virtual celebrations of team goals.

<sup>9</sup> Shih, C. (2022, August 11). Don't let employee engagement wither in a hybrid office. *Harvard Business Review*. Retrieved from <https://hbr.org/2022/08/dont-let-employee-engagement-wither-in-a-hybrid-office>



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