Strategies to Improve Employee Engagement

(and How to Measure It)

Introduction

Every year Gallup assembles data from millions of respondents to compile employee engagement statistics in the "State of the American Workplace Report."

The most recent study revealed—well, what it always reveals: that the American workforce is largely disengaged. The statistics have hardly changed in the past few years.

Today, a mere one-third of all employees say they are engaged in their work (33 percent); that leaves the remaining

67 percent disengaged, punching the time clock but not really showing up. They're not creative, innovative, excited, or motivated. From the CEO and CFO perspective, this equals financial waste and carelessness; the company's return on investment decreases significantly when disengaged employees are on the payroll. Considering how much of an operating budget goes toward human capital, executives need to start looking at employee engagement as a strategic lever. If an organization can "out-engage" its competitors, it will see better productivity, more innovation, and lower turnover, and it will attract better employees. This is a tremendous opportunity to improve return on (human) capital.

Disengaged employees are often being paid to complain, look for other work, and put forth less effort (and achieve poorer results) than their engaged counterparts. Additionally, these disengaged employees are creating poor customer experiences and putting their stamp on an organization's client-facing products and services, potentially impacting repeat business and revenue.

All things considered, organizations can't continue to approach engagement in the same way they've addressed it in the past. Engagement is about better leveraging today's employees for better business performance.

Incorporate the 5 key drivers of engagement into your strategy

New York Times bestselling author and human behavior expert Daniel Pink describes the secret to creating a motivating experience for employees in his book *Drive: The Surprising Truth About What Motivates Us*. Relying on rigorous research performed with MIT combined with historical intelligence, Pink concludes that engagement is directly related to factors other than compensation and benefits, namely "the deeply human need to direct our own lives, to learn and create things, and to do better by ourselves and our world."

That employees are motivated by non-monetary rewards is common knowledge, but employers and leaders often assume that people are then motivated to produce better work by both non-monetary and monetary rewards, and that both are effective in changing behavior.

This is particularly important for knowledge workers because cognitive, creative, right-brain thinking drives the majority of the US economy. In experiments, even a substantial extrinsic reward, like a large sum of cash or several weeks off work, doesn't motivate employees doing cognitive work to perform any differently.

Perhaps the most surprising discovery about motivation is that monetary gain doesn't motivate employees to achieve different results when cognitive work is involved.

Having established the importance of intrinsic rewards in driving behavior and engagement, Pink explores which components actually do drive engagement with knowledge workers.

Organizations that shift their focus away from extrinsic motivation like compensation and benefits (keeping in mind that paying enough to be competitive is still important) and focus on mastery of these five components of engagement are most likely to succeed in their efforts to improvement engagement companywide.

Equipped with a clearer understanding of the problems that influence the employee experience in companies throughout the world and the truth about employee motivation and engagement revealed by independent studies, it's time to begin developing an engagement strategy that solves these problems by speaking to the intrinsic needs of employees today. These strategies are designed to directly impact engagement in a positive way, but all require investment and commitment from executive, midlevel, and frontline leaders.

The Primary Drivers Include:

Autonomy, or the desire to be self-directed

Mastery, or the urge to become better at something

Purpose, or the desire to make a difference

Today's leaders can make a real and lasting difference in their companies and teams by understanding what drives employees and incorporating these factors into engagement strategies. Two other engagement factors are worth considering:

Community, or a sense of belonging at work

Work-life balance, or the ability to prioritize personal and professional needs and wants

1

Focus on what collaboration means for your company

The setting in which team members are expected to collaborate is expanding and changing every day; they're no longer working in adjoining cubes, in a traditional office, or over a morning cup of coffee in the conference room. With a combination of on-site, remote, and flex employees, most organizations are finding that collaboration has become increasingly difficult for their teams. These numbers help explain the change in communication and collaboration that has to occur.

While these trends provide many benefits for companies and workers, they also pose new challenges related to keeping employees connected, aligned, and engaged.

In order to accommodate changes in the American workforce and work setting, leaders need to implement solutions and processes that connect employees across department, physical, and geographical lines. Even more important, leaders must invest in and commit to effective communication using the tools and processes they've implemented. Clear communication and a coaching culture are keys to encouraging and supporting collaboration among teams. When this strategy is successfully launched, employees are connected, knowledgeable, productive, innovative, and engaged.

→ **The average 500-employee company now has over 12 office locations (census data).**

→ **Almost half of all Americans (43 percent) do some of their work remotely.**

→ **According to a Gallup report, 30 percent of employees telecommute four or five days a week.**

→ **30 percent said that telecommuting allowed employees to accomplish more in less time.**

2

Focus your leaders on culture building

Successful employee engagement starts at the top—the very top. Once leaders acknowledge the importance of engagement as a return-on-capital calculation, they quickly need to recognize that culture and engagement should be high on their priority list. Organizations that delegate employee engagement to human resources often fail quickly and painfully. Instead, the effort should start with executive sponsorship and, even more important, real-time executive engagement. Employees constantly look to leadership to lead by example, bring clarity and focus, and reinforce the company's higher purpose. Executives can demonstrate their own engagement by:

→ **Establishing recurring communications that share strategy and goals to keep employees focused on what's important**

→ **Encouraging middle management to focus on cultural norms and promoting autonomy, mastery, connections, and purpose throughout the workforce**

→ **Having an open-door policy to discuss strategy, challenges, feedback, and ideas**

→ **Actively posting on the intranet, opening the door for discussion with and comments from staff**

→ **Responding in real time to staff celebrations, posts, and questions**

→ **Participating in the same initiatives the employee is expected to participate in, such as volunteer activities, picnics, etc.**

The success of the leadership team hinges on leadership understanding of employee motivation, rewards, and needs as well as the science behind employee engagement and the barriers to improvement. An engagement strategy with the potential to produce change is developed with leadership involvement and input. It addresses the needs of the leaders in the organization, including training and resources, along with the tools to collaborate, communicate, and connect.

3

Middle management must lead by example

Just as the role of executive leadership is integral to culture and engagement, no organization leads the way without middle managers who are dedicated to the cause. Organizations must invest in training for middle managers to ensure that they understand the drivers of engagement and human motivation in the workplace.

This requires some work from senior leadership. Managers should be empowered and supported in providing honest, real-time feedback to their employees to promote mastery and autonomy. Furthermore, middle managers need trust and autonomy themselves in order to address the drivers of engagement. Managers who are micromanaged are at risk of becoming paralyzed by a stifling leadership style that doesn't give them the permission they need to create meaningful jobs for their team members.

When a middle manager fails to cultivate engagement in his or her team members, solid senior leaders reflect on their own leadership style, asking, "Have I trained this manager adequately? Have I given this manager permission to be creative? Have I supported this manager? Have I given this manager meaningful feedback in real time?"

When managers provide meaningful feedback to employees, those employees are 3.5 times more likely to be engaged.

Gallup

4

Understand and speak to the values of your team

Employees' needs and values differ; today's workers are more motivated by intrinsic factors (like meaningful work and challenge) than by extrinsic factors (like pay and benefits). Millennials make up a larger share of the US workforce than any other generation, according to Pew Research Center, and their share of the labor pool will continue to grow.

Because more millennials are alive today than either baby boomers or Gen Xers, many believe millennials will soon make up 50 to 75 percent of the US workforce. Furthermore, according to Deloitte research, millennials prioritize work-life balance above other factors and more than previous generations.

Organizations looking to improve engagement across the board and maintain employees in the long term will need to consider the values and demands of millennials in their strategy. We recommend the following:

→ **Provide opportunities for flexible work.**
Leverage technology to give your team members the ability to work from anywhere, take a call whenever the need arises, and stay in touch while working remotely and on differing schedules.

→ **Invest in leadership development.**
Consistent with the mastery principle, Millennials value personal growth and development, and are more likely to work for organizations that are invested in their growth.

→ **Keep up with technology trends.**
Millennials are accustomed to the instant gratification and convenience of up-to-date technology and are more satisfied when they have the digital tools they need to work both effectively and efficiently.

→ **Invest in solutions that encourage collaboration.**
Millennials want to feel as if they're part of a team. Intranets have transformed the way team members connect, get to know one another, and work together.

When leaders know what their employees need, employees feel motivated and valued. And when employees feel motivated and valued, they deliver at an unprecedented level. Employee engagement tools like intranets show a high return on investment for this reason.

The Modern Intranet Buyer's Guide

A step-by-step playbook for IT, Communications, and HR executives

(DOWNLOAD NOW)

5

Take change seriously

Entrepreneurs and senior leaders typically thrive on change, but the best leaders know that a portion of their workforce doesn't accept change with open arms and may even associate it with anxiety, fear, and anger.

These workers' resistance isn't necessarily to change itself, but to certain elements that accompany change, according to the Harvard Business Review, such as uncertainty, surprise, worry about competence, increased workload, and real or seemingly real threats.

The "Do's" of change management, which directly address many of the reasons employees resist change, from *Forbes*:

Use data to build a business case that would make sense to anyone.
Leverage technology to track and measure metrics in real time makes building a case a piece of cake.

Ensure that employees feel involved in the process.
Provide a platform for two-way communication (allowing them to comment, discuss, and share questions and ideas) and include them in planning and implementation.

Communicate changes systematically.
Share the right things at the right time with the right people.

Celebrate small triumphs along the way.
Acknowledge the completion of a product phase with intranet kudos to the team responsible, team pizza parties, or a round of lattes.

Organizations that understand employees' need to know about change well in advance, have a say in the change, and feel a responsibility for the outcome of the change can keep evolving and watch their engagement continue to grow.

6

Use technology to improve the employee experience

Technology is nothing short of critical in the engagement puzzle, but technology alone doesn't drive engagement. You need people who are invested, committed, and working toward a highly-engaged workforce with intention and purpose to produce real change.

As technology has evolved to solve a wide variety of personal and professional problems, a lot of industries have taken a stab at the employee engagement problem. No employer can avoid integrating technology into a successful engagement strategy; employees expect it, and the return on investment is too high to overlook. It's important to note that while each available software program or platform has pros and cons, none of them have solved the whole equation yet.

Software programs to consider in your engagement strategy include:

→ **Engagement survey software programs,**
which generally come preloaded with standard engagement questions and can often be customized. These platforms usually provide a user-friendly employee survey, assurances of anonymity that can come only from a third party, and visually appealing results. However, they can only diagnose a problem; their capabilities run out when the time comes to fix it.

→ **Performance management platforms,**
which allow for ongoing, real-time feedback from leaders, peers, and colleagues. Feedback is necessary for mastery, but the system does little to impact engagement as a whole.

→ **Training management and delivery systems,**
which provide ongoing instruction and development to employees, usually in an easy-to-use format with automatic documentation. These programs assist with one aspect of engagement—mastery—but fail to deliver on measuring engagement, building community, and more.

→ **Incentive management systems,**
which help provide rewards, perks, and benefits for employees. While this solution is helpful in appropriate circumstances, organizations need to be careful not to rely to heavily on monetary-style rewards that typically have short-term effects.

→ **Modern intranets (with social collaboration capabilities),**
which serve as a robust system of engagement that facilitates connection and alignment rather than simply diagnosing or documenting the current state. They also provide a platform for management to focus the workforce on what's important and to reiterate cultural norms.

7

Know your metrics in real time, all the time

Most organizations that are interested in driving engagement measure the current state through an annual employee survey. While these surveys are valuable and can provide information that's both accurate and usable, measuring once a year isn't adequate.

Consider the value of brief, one- or two-question surveys delivered weekly. They can help an organization evaluate the impact of every decision instead of the sum of everything that occurred over an extended period.

Here's an example: An organization that planned for months to manage culture in the wake of an upcoming layoff can determine how effective its strategy was in maintaining positive culture and employee engagement despite the need for the layoff. Job cuts can cause diminished job security, increased fear, a decline in loyalty, and a decrease in engagement. Understanding how employees respond to the event enables the organization to better prepare, communicate, or act in the future.

Knowing metrics in real time makes identifying the cause of a peak or a dip in engagement simple, which makes taking action a breeze. Some key metrics to track and know include:

→ **Ratio of work time during business hours to work time after hours**

→ **Average employee professional network size**

→ **Average one-on-one time between employees and their supervisors**

→ **Average one-on-one time between employees and senior leadership**

→ **Ratio of highly engaged to disengaged employees in the organization**

→ **Engaged vs. disengaged ratio for each team or department**

→ **Percentage of time employees spend in meetings**

→ **Short-term turnover and retention rates**

It's critical that the items being measured reflect meaningful data; when metrics don't reveal something new and useful, they become busywork that bogs down leaders and distracts them from what really matters. One way to ensure that metrics are useful is to compare them to the five key drivers of engagement discussed earlier. Do they directly or indirectly measure one of these components? If not, select something more meaningful.

Once you know your metrics, it's imperative that you dive deeper into them to drive change in the organization. This is called continuous improvement. Just as an organization would evaluate why it isn't meeting their productivity goals, it's critical to understand how a single action, comment, or decision impacts the "pulse" of your organization.

When engagement is measured frequently, it becomes easier to identify the culprit when engagement plummets. However, without working to determine the root cause, we still may just be looking at the tip of the iceberg.

Consider how the metrics listed above might help explain a surge or drop in employee engagement. If engagement decreases and the data show that employees are working after hours more than ever before but the rest of the metrics haven't changed, it's easy to pinpoint the culprit and begin brainstorming potential solutions.

8

Measure the results of your efforts and focus on continous improvement

While it's important to start the engagement strategy with a baseline, it's perhaps even more important to remeasure after each effort to improve, and then use that data to design a plan for continuous improvement.

The well-known Deming Cycle, also called the plando-check-act (PDCA) cycle, outlines the process for continuous improvement. It includes planning your strategy, implementing that strategy beginning from the top down, analyzing the results of your work, and then planning for improvement based on facts.

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Conclusion

Employee engagement efforts require a combination of smart technology and smart leaders. Leaders who approach engagement with innovation and creativity are most likely to succeed when it comes to achieving real results.

Innovative ideas might include using a recurring "Ask Me Anything" video series with executives or using video signage to promote strategic initiatives throughout the organization. A modern intranet is especially helpful when cross-departmental collaboration is needed to undertake a project or initiative.

A mere one in three employees in today's workforce are invested in their work and committed to their organizations, but executives and leaders can change that dismal number by delivering opportunity for autonomy, mastery, purpose, community, and work-life balance through intentional strategies:

1. Focus on what collaboration means for your company
2. Focus your leaders on culture-building
3. Middle management must lead by example
4. Understand and speak to the values of your team
5. Take change seriously
6. Use technology to improve the employee experience
7. Know your metrics in real time, all the time
8. Measure the results of your efforts and focus on continuous improvement

Employee engagement requires a substantial investment but yields a high return: greater innovation, greater return on human capital, and subsequently, an organization that drives change despite its surroundings.

About Simpplr

Who We Are

Simpplr is the leading AI-powered employee experience platform. Organizations use our forward-looking, adaptable products to deliver personalized experiences that inspire and engage their employees. Wherever people work, Simpplr enables them to flourish.

Trusted by more than 500+ leading brands, including Zoom, Snowflake, Moderna, Eurostar, and AAA, our customers are achieving measurable productivity gains, increased employee engagement, and accelerated business performance.

Simpplr is headquartered in Silicon Valley, CA with offices in the UK, Canada, and India, and is backed by Norwest Venture Partners, Salesforce Ventures, and Tola Capital. Learn more at simpplr.com

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