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How to move the needle with better employee engagement analysis

As economies grow and markets expand, employee retention and engagement has become a top priority for organizations. Finding and hiring good people is tough, particularly as more organizations invest in enticing benefits, culture and training initiatives to lure and lock in employees for the long haul.
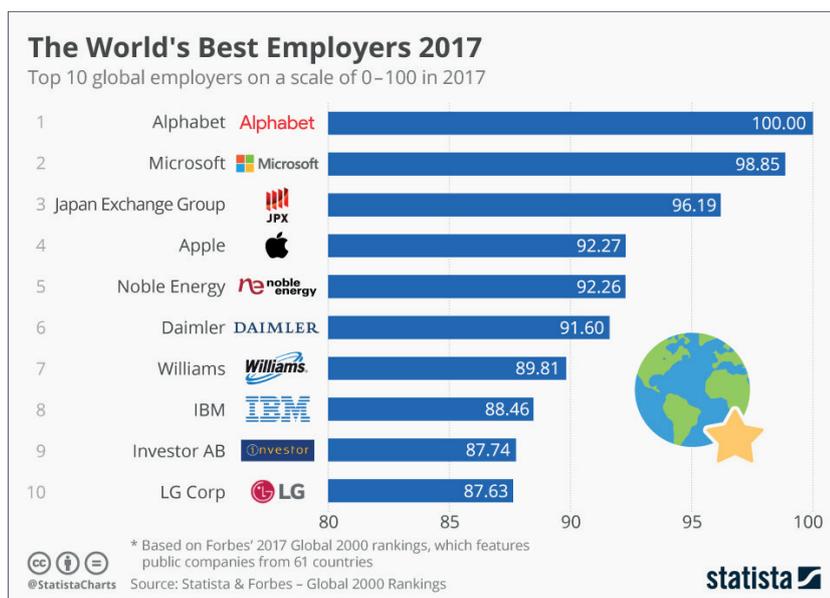
The world's best at retaining employees get the important stuff right

You only have to look at the top of Forbes' latest World's Best Employers list [1] to see the importance leading organizations place on creating an engaged workplace. While perks such as massages, catered meals and sleep pods can appeal to some, most employees place emphasis on work flexibility, acknowledgement and culture.

Google parent company Alphabet tops the World's Best Employers list [1] for its image, great working conditions, generous salaries, extended parental leave and strong support of diversity. Microsoft and Japan Exchange Group rank second and third for similar reasons, including offering excellent career development opportunities, work-life balance and benefits.

Interestingly, the number one reason why people are most engaged is also what causes more people to quit their job than any other – recognition, or the lack thereof.

A global study by Aon Hewitt of 1,000 organizations found that for the 65% of employees who are engaged, reward and recognition was the leading driver [2]. Likewise, in a ten-year study by O.C. Tanner / HealthStream Research involving 200,000 interviews, 79% of people globally who quit their job cited a lack of appreciation as their main reason for leaving [3].

The World's Best Employers 2017
Top 10 global employers on a scale of 0–100 in 2017

1	Alphabet	Alphabet	100.00
2	Microsoft	Microsoft	98.85
3	Japan Exchange Group	JPX	96.19
4	Apple	Apple	92.27
5	Noble Energy	noble energy	92.26
6	Daimler	DAIMLER	91.60
7	Williams	Williams.	89.81
8	IBM	IBM	88.46
9	Investor AB	investor	87.74
10	LG Corp	LG	87.63

* Based on Forbes' 2017 Global 2000 rankings, which features public companies from 61 countries
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statista

World's best employers

QSR International

Employee engagement is directly linked to the bottom line

Losing employees is expensive business. Employees are an investment of a company's time and money. What's more, replacing an employee can cost as much as one fifth of their annual salary.

People are an organization's biggest asset, with salaries making up one of the largest line items in the annual budget. The impact of employee engagement is now even being quantified by researchers, with retention and engagement found to be a major competitive advantage in improving the overall customer experience.

A survey by Dale Carnegie revealed that companies with engaged employees outperform those without by up to 202 percent [4]. On the flip side, disengaged employees reportedly cost U.S. businesses up to $500 billion a year [5].

Recognizing the impact of employee engagement on profitability, organizations are now placing increasing importance on protecting their investment in people. By retaining a happy, motivated workforce, organizations can cut costs, improve productivity, create a stronger work culture and develop a reputation as a top employer – attracting fresh talent. They can also better compete with other companies offering strong financial incentives.

Starting with a workplace health check

In order to create a great workplace, you have to start somewhere. And that means finding out what you're doing well, what needs to improve, and how urgently that needs to happen. To assess the health of a workplace, most organizations turn to employee engagement surveys to gauge the extent to which employees feel valued and invested in the company's mission and strategy.

Engaged employees are not just happy – they are emotionally committed to the organization's success. These employees don't just work for a paycheck; they take on additional responsibilities to see the organization succeed. They are fans of the brand, encourage others and are actively invested in the company's growth.

An employee engagement survey delves into the root causes of employee engagement: job satisfaction (e.g. benefits, training, career development, recognition, work/life balance), managerial relationships (e.g. trust in management, whether they feel valued, communication) and company culture (e.g. working environment, teamwork, customer service and safety.)

There is much discussion by People and Culture and Communications professionals around whether employee engagement surveys capture a true snapshot of the health of a workforce. One issue is the process in which some collect data in a situation that ironically, calls for engagement. Surveys which rely too heavily on closed-ended, tick-the-box survey questions leave no real room for discussion, let alone for employees to raise other issues that the HR manager may not have thought – or known – to ask via the survey.

Another issue is timing. For example, if a survey is deployed soon after bonuses are received, scores are highly likely to be skewed when compared to other times of the year. Similarly, if the survey is sent out right after an organizational restructure, the results are highly likely to be impacted.

However, organizations still need temperature gauges. And, having a full health check once a year definitely has its merits. Despite these challenges, employee engagement surveys allow you to go through all areas of the business and analyze problems according to different groups, be they age, gender, managerial level or department.

The need to find out 'why'

Engagement is about a lot more than just the numbers. Surveys must include more qualitative feedback if real issues are to truly be uncovered. While surveys may do well in picking up what the issues are, they are often much less effective at identifying why they are issues, making it difficult for companies to address the root of the problem successfully.

The real issue with relying too heavily statistics and numbers is whether or not people answer these truthfully. For instance, an employee may check the "I'm engaged" box for most questions, but is it because that's genuinely how they feel, or is it because they don't care, don't want to be bothersome or don't want to get into trouble? Make sure that the survey is built with an actionable outcome in mind, and that you have the ability to dive deeper into certain response areas.

The richest insights are contained within the open ended responses – the anecdotes, stories, opinions and the words people use to express their feelings. Verbatim comments provide a more accurate reflection of an employee's point of view that's grounded in their experiences beyond what the numbers say. This is why many top employers are now not only adding more open-ended questions to their survey, but also running workshops and one-on-one meetings in tandem to gain deeper insights into how they can address problems and give their workplace an edge.

A new approach: People analytics

Sounds reasonable enough, but what about the amount of open-ended data you have to wade through? What HR manager has days and days of uninterrupted time to read each line, one by one, and then somehow sort these into themes to discover insights? Surely only a mythical one.

Those really dedicated to the cause often outsource the job to consultants to help make sense of the data from enormous Excel documents, although it's an expensive process and still takes weeks to analyze. What's more, by the time the analysis is complete and recommendations are made back to the company, the survey data is already beginning to date.

Some organizations use basic survey analysis software which provides charts and tables for analyzing close-ended data and word clouds for visualizing open-ended responses. Although helpful, it's often limited in its ability to analyze qualitative data more deeply. For instance, most cannot identify key themes or link qualitative and quantitative responses – the part of the analysis that takes the longest.

Fortunately, people analytics is evolving to address both the issue of data quality and data analysis for employee engagement. People analytics are allowing People and Culture professionals to gain greater insights from their surveys by understanding not just the 'what', by also the 'why' in the feedback they receive from employees.

See more, know more, do more

People analytics is driving a new standard in employee engagement surveys, allowing HR professionals to produce robust, evidence-based findings and create more targeted action plans for improving engagement.

In a nutshell, it harnesses the advantages that more information offers – that is, the ability to paint a complete picture of the effectiveness of your organization to allow you to take action and make improvements. The more data, the more accurate the picture.

For example, you may want to find out what your high performers have in common. By digging into your data, such as analyzing their attitudes and behaviors, you may find a key trait, value or incentive that drives them to succeed each day. This positive characteristic could then be a focus for employee development, or used as a profile type in the recruitment process. This demonstrates a direct link between the survey its ability to impact the bottom line.

People analytics also allows HR managers to immediately understand the root cause of poorer performing areas by being able to see the comments and themes that came from those who checked the "strongly disagreed" boxes.

Google for example has been using people analytics with its employee surveys to gain a deeper understanding of company culture and create action plans in order to continuously improve [6]. As a result, Google on average gains 90% participation rates in its surveys – people want to take part because they know it delivers results.

Five tips for better employee engagement surveys

Before you embark on your next survey, consider these important tips:

1 **Develop a communication plan.**

Before starting the survey, create a communications plan that supports each stage of the survey – before (your objectives), during (to maximize participation rates) and after (the action plan). One of the biggest issues employees have with engagement surveys is that companies aren't upfront about what they're doing with the information. As a result, employees feel they haven't been listened to, making them less likely to participate in future surveys. Communicating well and often – minimum quarterly, ideally monthly or more – is crucial.

2 **Appoint survey champions.**

To obtain more qualitative data, it is a good idea to run workshops or interviews in conjunction with your survey. To support this process, create a network of survey champions to encourage their department or office to complete the survey and help run workshops, collect data and support follow-up actions.

3 **Ask more open-ended questions.**

This will allow you to dig deeper into key areas impacting engagement and encourage employees to come up with solutions to problems. Not only does this help with your action plan, it is also deeply empowering for employees knowing their suggestions are being heard and acted upon.

4 **Report back with data visualizations.**

This provides a simple and effective way of communicating your findings with the company. Visualizations also help you get a sense of the larger trends happening, as well as a deeper understanding of the context surrounding words or phrases used by employees.

5 **Take action.**

The engagement survey will raise many issues, but it is important not to try and fix everything at once. Targeting too many issues will dilute the effectiveness of your action plan by spreading resources too thinly. Ensure staff have a clear understanding of the target areas and measures. Consider using SMART goals – i.e. ones that are Specific, Measurable, Achievable, Relevant and Time bound – and report on progress regularly.

Conclusion

As competition grows and organizations increasingly recognize the need to create desirable workplaces, the growing trend will be for HR professionals to turn to more sophisticated and automated methods for analyzing employee engagement to support decision making and profitable growth. People analytic techniques and qualitative analysis tools are reshaping the way organizations survey and analyze their employee bases. By performing deeper analysis of the root causes of engagement issues through greater open-ended feedback, organizations have a far greater chance of improving engagement and the bottom line.

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