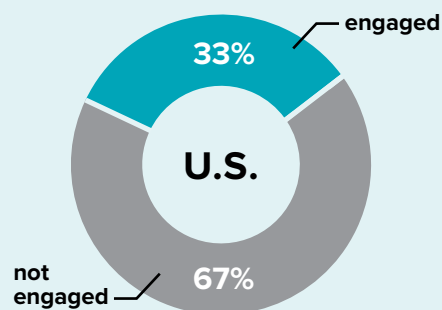
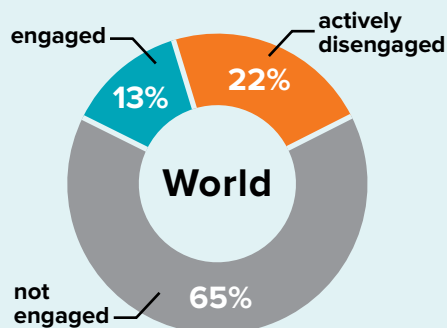


Why Employee Engagement Matters

(and five ways to improve it)

You might be surprised to learn that, on average, **only 13% of employees are engaged at work worldwide**. The rest of the workforce is either not engaged (65%) or actively disengaged (22%). As for the United States, only 33% of employed US residents are engaged at work.ⁱ



Employee engagement is a challenge for many organizations. Fortunately, there are some proven strategies to address it. However, before you can effectively address the issue of engagement, it's important to define it.

What is Employee Engagement?

The Society for Human Resource Management defines engagement as “the level of an employee’s commitment and connection to an organization.”ⁱⁱ In the simplest terms, engaged employees are generally happy to be at work, believe their work has purpose, and are motivated to do the job well.

Engaged employees may perceive the work environment to be:

- Purposeful
- Inclusive
- Transparent
- Collaborative
- Organized
- Safe
- Supportive

Meanwhile, nonengaged employees may perceive their work environment to be:

- Lacking purpose
- Cliques
- Opaque
- Non-collaborative
- Disorganized
- Unsafe
- Monotonous

One problem organizations face is that nonengaged staff members can be difficult to spot. They may not be explicitly hostile or disruptive, and they may do just enough to fulfill their job requirements and fly under the radar. These employees often have little or no concern about customer satisfaction, work productivity, company profitability, or quality control.

Why It Matters

Not surprisingly, less engagement often equates to less overall productivity, lower quality of work, and less innovation in the workplace. Unhappy and disengaged employees are more likely to criticize the organization when speaking with people both inside and outside of work. Over time, an organization's ratings on sites like Glassdoor, LinkedIn, and Indeed may decline, potentially making it harder to recruit top talent. In more extreme cases, the marginalization of employees can result in harmful behavior like theft, verbal confrontations, and possibly even physical altercations.

If enough employees become dissatisfied with their work environment, this disengagement can begin to spread throughout an organization. If left unchecked, declining morale will likely result in increased turnover. If there is significant turnover in a short period of time, this places additional pressure on remaining employees, especially in smaller organizations, potentially creating a domino effect.

Working to increase employee engagement should be a strategic priority for all organizations because it can impact:

- **employee retention**
- **productivity**
- **quality of work**
- **profitability**
- **sales**
- **customer satisfaction**

Up to **33%** of a worker's annual salary is what it costs to hire a replacement.ⁱⁱⁱ

If an organization loses six valuable employees in a year with a combined salary of \$250,000, the cost of that turnover could be more than \$80,000.

This is about how we create the conditions in which employees offer more of their capability and potential.^{iv}

— David MacLeod, cofounder of Engage for Success



Highly engaged employees are about five times less likely than nonengaged employees to have a safety incident.^v

How to Improve

So, how can organizations start boosting employee engagement? Below are five key strategies to consider.

1 Carefully Vet New Hires

Employee engagement starts before an employee is even hired. Candidates should clearly understand the organizational structure, goals, objectives, rules, and culture before accepting a job offer. There should be no surprises. During the interview process, it's critical to determine whether candidates understand and value your organizational purposes and objectives. It's also important to determine if the culture and environment is likely to be a good fit for each new prospect.

2 Select the Right Managers

Great managers care about their team members' success. They seek to understand the strengths and weaknesses of their individual employees, and will provide them with tools to use their strengths more effectively. Successful managers empower their employees, recognize and value their contributions, and actively seek their ideas and opinions.

Whether hiring from outside or promoting from within, organizations that scientifically select managers for the unique talents it takes to effectively manage other people greatly increase the likelihood of engaging their employees. Conversely, poor managers will cause employee engagement to diminish.

3 Acknowledge Employees

Recognition

It is important to recognize both individuals and teams when they are engaged and successful at work. Positively reinforce teams that work collaboratively and support one another. Show appreciation for employees that demonstrate good leadership, proactivity, creativity, ingenuity, and work ethic.

Celebration

Build a culture that celebrates effort and contributions that employees make by being engaged, proactive, and collaborative team members. Arrange to celebrate the organization's achievements overall, but also the achievements of departments and smaller teams throughout the year.

Rewards

Organizations should strongly consider rewarding engaged, high-performing employees based on effort and achievements with annual salary increases, bonuses, perks (e.g. additional time off), and promotions.

4 Reinforce a Culture of Engagement the Right Way

The wrong way to engage employees

Free food, drinks, and games in the breakroom are nice perks, but will not help create an engaging work environment alone.

The right way to engage employees

Offering ongoing professional development opportunities is an excellent way to boost engagement. Team-building events and activities that forge stronger relationships among coworkers can also increase engagement. Encourage leaders to take the time to get to know employees on an individual basis. Just having monthly or bi-monthly, one-on-one meetings with employees can ensure that people feel valued.

Adding more flexibility into work schedules, when feasible, can also greatly improve engagement, especially for employees with children. According to Terri Williams, writer for the Economist, companies with flexible work arrangements can benefit from larger applicant pools. "By embracing remote work, an organization can select the very best person, regardless of location. Even if a company hasn't reached the point of allowing totally remote work, flexibility can still result in a larger applicant pool."^{vi}

5 Run the Right Employee Engagement Survey

When an organization asks its employees for their opinions, those employees will expect action to follow. But organizations often make the mistake of using employee surveys to collect data that is irrelevant or difficult to act on. Survey data should be specific, relevant, and actionable. For example, don't ask employees: "Do you feel engaged at work: yes or no?" Instead, consider using a Likert scale with more specific questions (examples below):

How satisfied are you with your current work duties?

Very Satisfied | Moderately Satisfied | Slightly Satisfied | Neutral | Slightly Unsatisfied | Moderately Unsatisfied | Very Unsatisfied

How safe do you feel at work?

Very Safe | Moderately Safe | Slightly Safe | Neutral | Slightly Unsafe | Moderately Unsafe | Very Unsafe

Is your current salary adequate or less than adequate?

Very Adequate | Moderately Adequate | Slightly Adequate | Neutral | Slightly Inadequate | Moderately Inadequate | Very Inadequate

If survey results indicate that a high percentage of employees don't feel adequately compensated, human resources should perform an audit of employee salaries. Some employees may, in fact, be underpaid in comparison to industry averages. There could also be gender inequality issues that should be addressed.

Finally, data should be proven to influence key performance indicators. This allows an organization to determine if progress is being made by comparing specific metrics year-over-year. For example, if 12% of employees feel slightly, moderately, or very unsafe at work, consider implementing a strategy to decrease that number by a specific percentage year-over-year. If this goal is met or exceeded, the strategy is working. If the goal is not met, adjust the strategy.

Action Items

1 When creating a plan to improve employee engagement, it's important to address both intrinsic and extrinsic motivations.

Intrinsic motivation comes from within. For example, a person who enjoys solving problems will be more engaged when they can use their problem-solving abilities at work. Placing people into job roles that match their natural talents and proclivities can increase intrinsic motivation. Extrinsic motivation is driven by external factors, such as the desire to earn more money or get a promotion. If a staff member is lacking the intrinsic motivation to perform a specific job or task, increasing extrinsic motivation may help increase that staff member's engagement.

2 Establish clear, achievable goals around increasing engagement.

Set specific objectives or targets, e.g. reducing employee turnover rate by 15% within two years. Next, create a methodology for tracking and evaluating progress over time.

3 Work toward addressing obstacles that negatively influence performance and goal completion.

These obstacles can include poor internal communications, insufficient resources or infrastructure, or deficient leadership.

4 Gather and evaluate employee opinions.

Without understanding staff members' points of view, it will be much harder for leadership to increase employee engagement. If using a survey to gather data, ensure that all staff members are confident that providing feedback is anonymous and that the organization plans to act on survey data.

5 Let employees guide the culture of engagement.

If an organization is truly serious about increasing and maintaining engagement, it should consider creating an employee-led committee to spearhead that improvement rather than using a top-down approach. Alternatively, create a committee that includes both members of the leadership team and staff members from various departments so that the entire organization is well-represented.

What's Next?

Want to expand your depth of knowledge and gain credentials to progress as a business leader? Consider Colorado State University's online **Organizational Learning, Performance, and Change Master's** program. By learning from renowned researchers in change management, performance improvement, and human resources development, you can make an immediate and valuable impact. This online graduate program shows you how to produce viable solutions and become a strategic business partner as you learn to evaluate individuals, teams, systems, and processes.

[Learn More](#)

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