



# 3 Pillars for Increasing Employee Engagement

## Research Summary



February 2018

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## Demographics - 2018 Employee Engagement Study

**302** Total Responses

 **32** Countries

- **80%** US/Canada
- **14%** EMEA
- **4%** APAC
- **2%** Carribean/South America

 **37** Industries

Top 5: Technology/software, Consulting/Business Services, Healthcare, Education, Government/Non-Profit

## Small, Mid-Size, and Large Organizations



**39%**

Less than 500 employees



**23%**

500-4,999 employees



**38%**

5,000+ employees

- 19%** Executive/Senior Leaders
- 16%** Learning/Leadership Development professional
- 16%** Head of Learning/Leadership Development
- 15%** HR/Talent Management/Talent Acquisition professional
- 14%** Head of HR/Talent Management/Talent Acquisition
- 8%** Business Unit/Operations Manager
- 8%** Individual Contributor
- 4%** Technical/Production

## Key Statistics

➤ Engagement is most frequently assessed through:

**68%** *Engagement surveys*

**50%** *Exit interviews*

**48%** *Performance reviews*

But other practices – often enabled by technology – are gaining traction.

➤ Organizations with a greater concentration of **Baby Boomers** consider:

- career development
  - coaching
  - work/life balance supports
  - and wellness/well-being initiatives
- as highly valuable for engagement.

➤ Organizations with a **predominantly younger** workforce consider:

- team-building activities
  - recognition programs
- as highly valuable for engagement.

➤ Remote workers are at the low end of the engagement scale, with only 15% of organizations indicating that most remote workers participate in engagement activities and promote the organization internally and externally.

## Overview

Employee engagement is a strategic priority for the majority of organizations (70%), and 90% of high-performance organizations<sup>1</sup>, according to Brandon Hall Group's 2018 Employee Engagement Study. The top drivers of engagement efforts are to enhance the corporate culture and improve overall organizational performance, but organizations cited many other motivators as well.

### Top Drivers of Employee Engagement Strategies, Programs, Activities

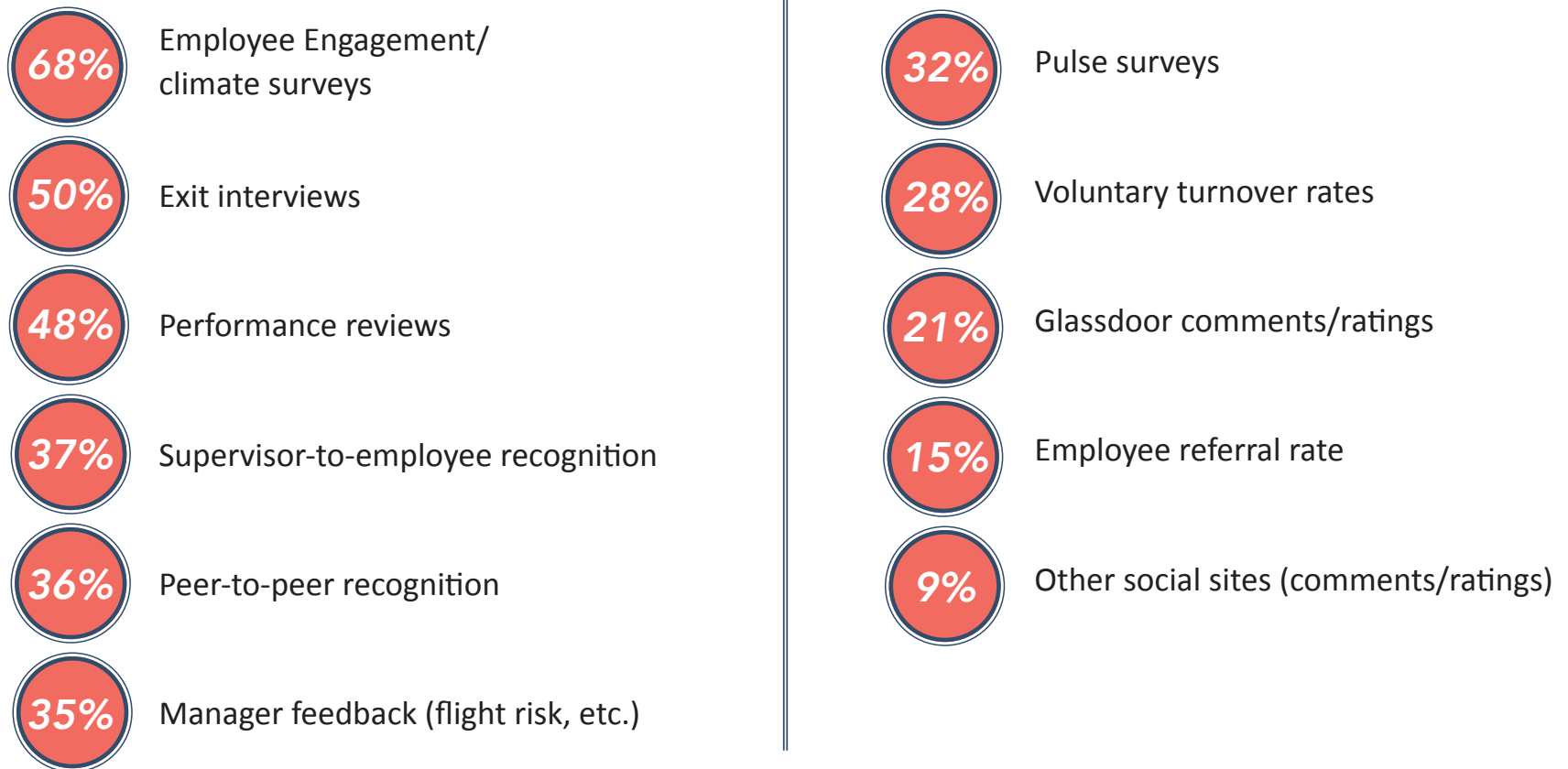


Source: 2018 Brandon Hall Group Employee Engagement Study (n=264)

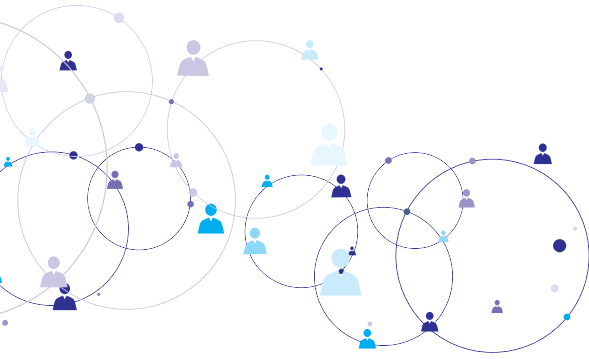
<sup>1</sup>High-performance organizations, for purposes of this research, are defined as organizations that report increases in Key Performance Indicators such as employee engagement and retention, customer satisfaction and retention, organizational revenue, and market penetration/customer base.

The most frequent method of assessing engagement is the engagement/climate survey. There are also additional approaches that contribute to an organization's understanding of their employees' engagement levels:

## How Organizations Assess Employee Engagement



Source: 2018 Brandon Hall Group Employee Engagement Study (n=225)



One trend to keep an eye on is the use of external social sites to assess employee engagement. The survey showed that 25% of organizations are using Glassdoor comments and ratings and/or other social sites. Through these sites, candidates can see how employees and former employees comment about the work experience and interview experience, rate the employer, rate the CEO, and more. This shows that employee engagement is no longer just an internal matter. It is being continuously exposed to external audiences.

Use of social sites is just one way that engagement practices are rapidly evolving. The research focused on how engagement practices are changing, what is most effective, and how generational and technological changes are impacting organizations' approach to engagement. The study revealed three pillars for engagement success, which will be discussed in this report. They are:

- **Assessing engagement in itself has little impact.** The actions organizations take after assessing engagement – such as linking engagement results to employee performance -- are critical to improving organizational key performance indicators and improving employee engagement levels.
- **Diversify engagement practices based on employee preferences.** The formulation of engagement practices should be done in consideration of what is relevant and attractive to different employee groups, such as remote workers, different generations of workers, and other factors.
- **Leverage technology and analytics to improve engagement.** Organizations are evolving in their engagement practices - administering surveys on a more frequent basis and using multiple approaches to assess engagement. From 47% to 56% of organizations indicate that they have seen an increase in engagement levels over the past year in part due to these technology solutions:
  - *Coaching and mentoring*
  - *Rewards and recognition*
  - *Wellness*
  - *Social collaboration*
  - *Onboarding*
  - *Learning management*

## 3 Pillars for Success

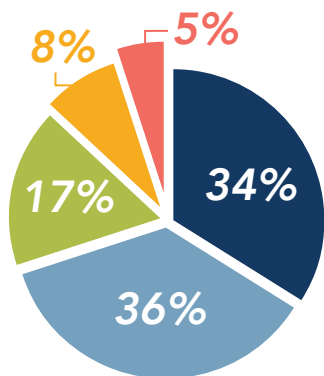
### 1 What You Do *After* Assessing Employee Engagement Determines Performance

The most important take-away of the research is that it is not enough to measure employee engagement levels; it is critical to act on those findings to improve organizational performance.

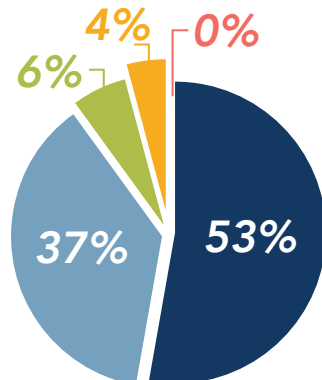
The most significant action you can take is linking engagement efforts to employee performance. This basically means understanding the reasons behind changes in engagement scores and taking action. For example, by uncovering the reasons for a dip in engagement, an organization can improve their learning and development programs, enhance career paths, and/or provide coaching.

Linking engagement efforts to employee performance may sound obvious, but only 34% of organizations overall do it. The percentage jumps to 53% for high-performance organizations. And high-performance organizations are almost three times *less* likely than other organizations to take an ad hoc approach to engagement.

**Levels of Commitment to Employee Engagement**



**All Organizations Surveyed**



**High-Performance Organizations**

- Strategic priority, linked to employee performance
- Strategic priority, not linked to employee performance
- Conducted on ad hoc basis
- Not currently a priority, but will be in 12 months
- Not a priority, no plans to make a priority

Source: 2018 Brandon Hall Group Employee Engagement Study (n=264)



This data shows the percentage of organizations that take specific actions based on engagement survey results.



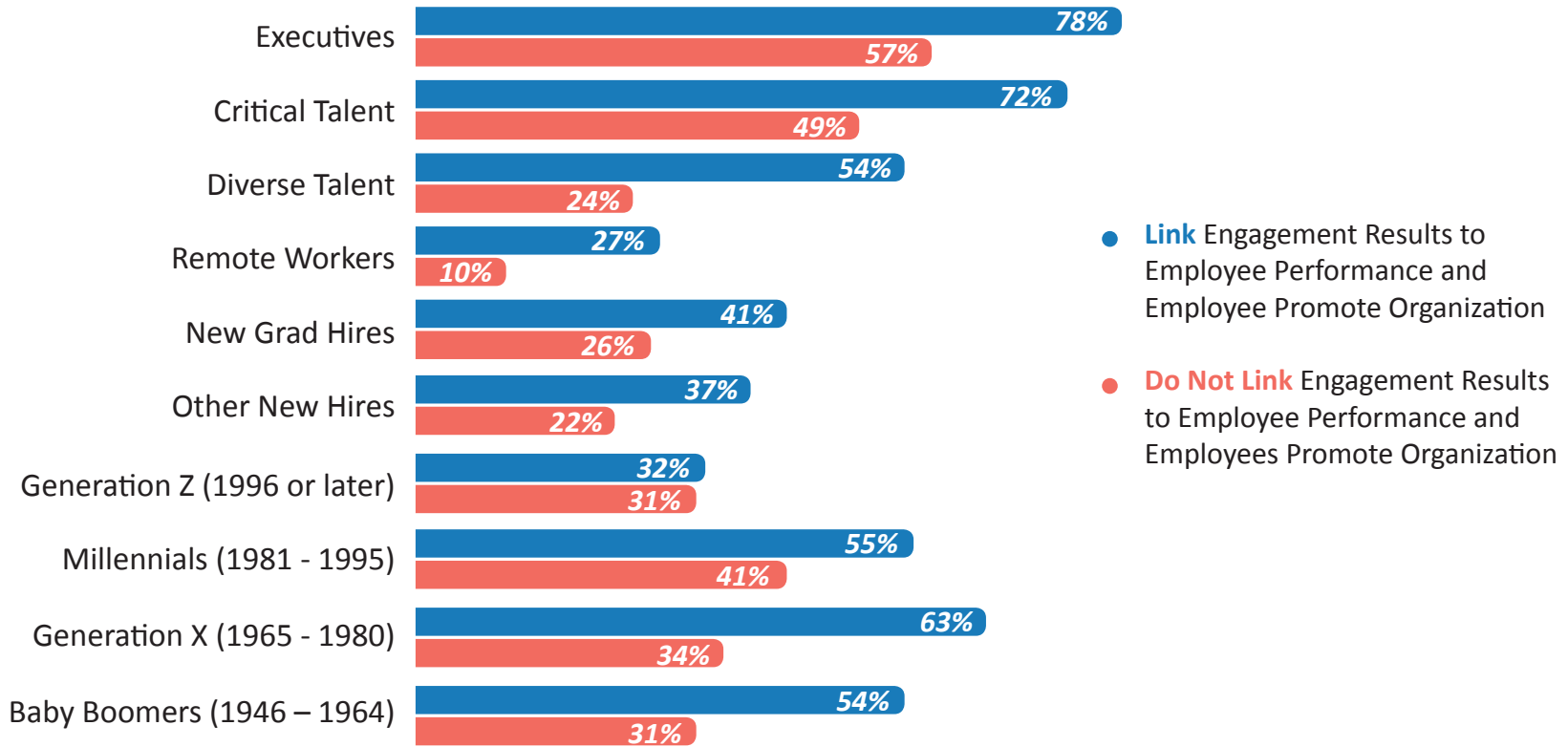
Source: Brandon Hall Group 2018 Engagement Practices Survey (n=209)

The impact of these actions can be significant.

One of the most important engagement metrics is the percentage of employees who promote the organization both internally and externally. Internal promotion by employees can impact the engagement of other employees and improve retention rates. External promotion by employees can help in attracting candidates and fortify the organization's employer brand, especially through comments on social sites such as Glassdoor.

Among organizations that prioritize engagement, those that *link their engagement results* to employee performance are more likely than those that *do not link engagement to performance* to have most employee segments participate in engagement efforts and promote the organization, both internally and externally.

## Percentage of Organizations with Most Employees Promoting Them Internally/Externally (By Employee Segment)



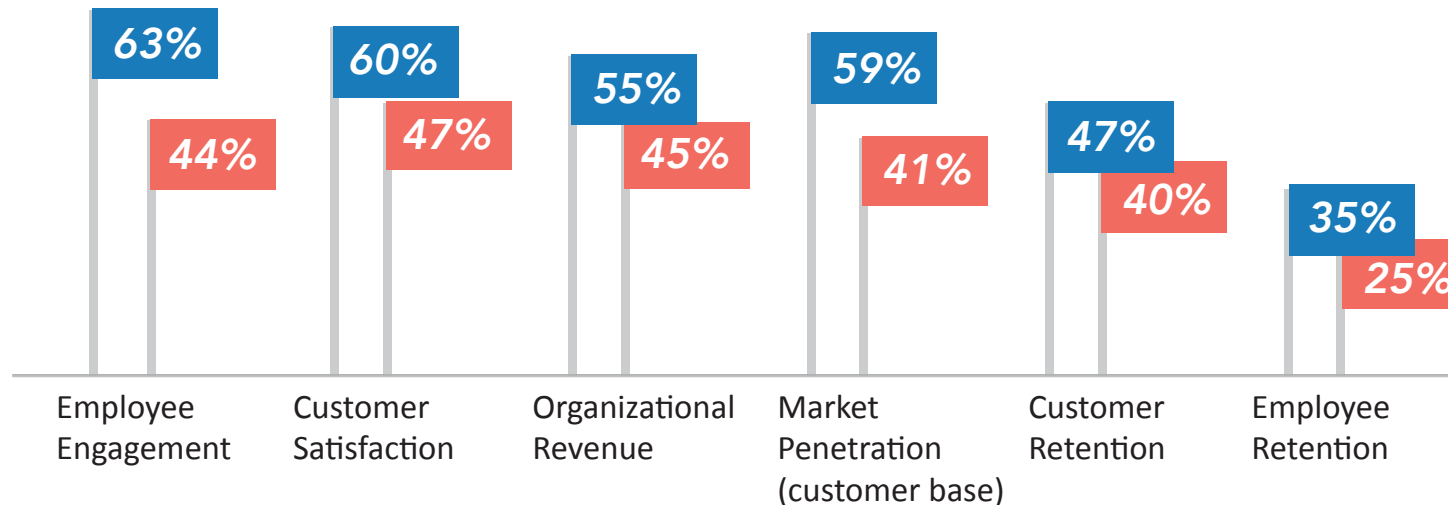
Source: 2018 Brandon Hall Group Employee Engagement Survey (n= from 70 to 77)  
\*Among Organizations Prioritizing Employee Engagement

It is important to highlight that remote workers -- whose numbers are growing significantly -- are the least engaged employee segment. It takes a concerted effort on the part of organizations to maintain a strong connection with their remote employees. One way to do that is linking engagement and performance. Though the percentage is still low, organizations that link engagement efforts to employee performance are more than 2½ times more likely to have most remote employees promoting the organization.

Organizations that link engagement to performance are also more likely to have seen improvement over the past year in their key performance indicators – revenue, customer base, employee retention, customer satisfaction and retention, engagement – than their counterparts.

### Percentage of Organizations Seeing Increase in KPIs over Past 12 Months\*

- Organizations with Increased KPI that **Link** Engagement to Employee Performance
- Organizations with Increased KPI that **Do Not Link** Engagement to Employee Performance



Source: 2018 Brandon Hall Group Employee Engagement Survey (n=63 to 67)  
 \*Among Organizations Prioritizing Employee Engagement

The key take-away here is that assessing engagement is only the first step toward improving engagement at all levels, and in all segments, of the organization. You must make concerted efforts to use the engagement data to determine specific action. As we will see, those actions should vary based on the employee group.

## 2 Diversify Engagement Practices Based on Employee Preferences

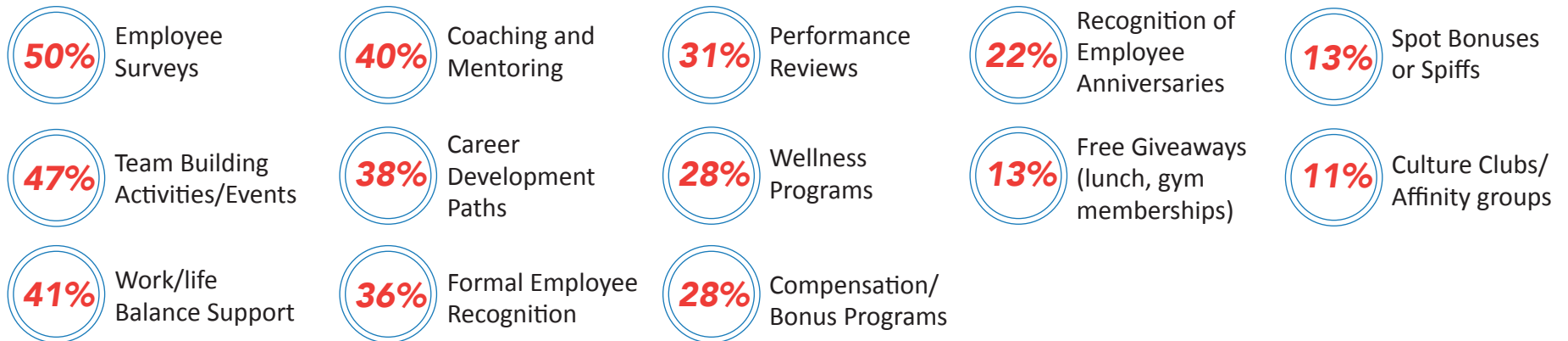
The workforce is evolving at a rapid pace, with the increase of remote workers and the change in generational composition. Employees in different locations, in different job roles, and in different generations may have distinct preferences for engagement efforts, and therefore may respond very differently to them.

If you don't understand the preferences, and vary your tactics accordingly, your initiatives could backfire. For example, one healthcare provider told us that providing free healthy snacks to office employees, which is a recent trend in many organizations, might actually be a cause for disengagement among remote workers because they cannot partake in those free snacks.

Overall, employee surveys, team-building activities and work-life balance supports are considered the most highly valuable activities for employee engagement.



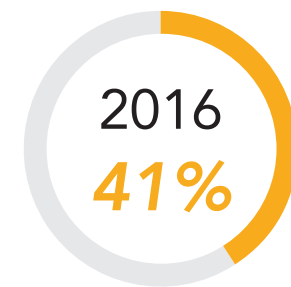
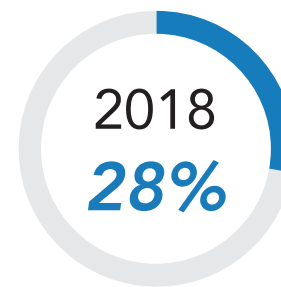
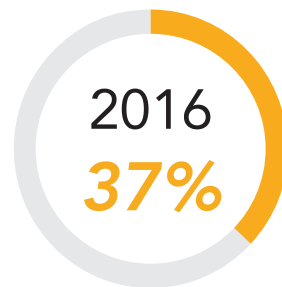
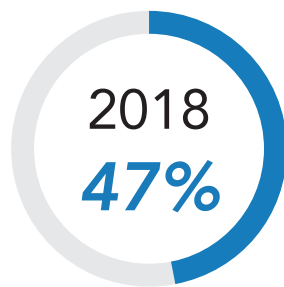
### Highly Valuable Activities for Employee Engagement



Source: 2018 Brandon Hall Group Engagement Practices Survey (n=186)

These preferences are generally similar to our 2016 research with two notable exceptions:

- A greater percentage of organizations currently view team-building activities as highly valuable
- A lower percentage of organizations consider compensation and bonus programs to be highly valuable

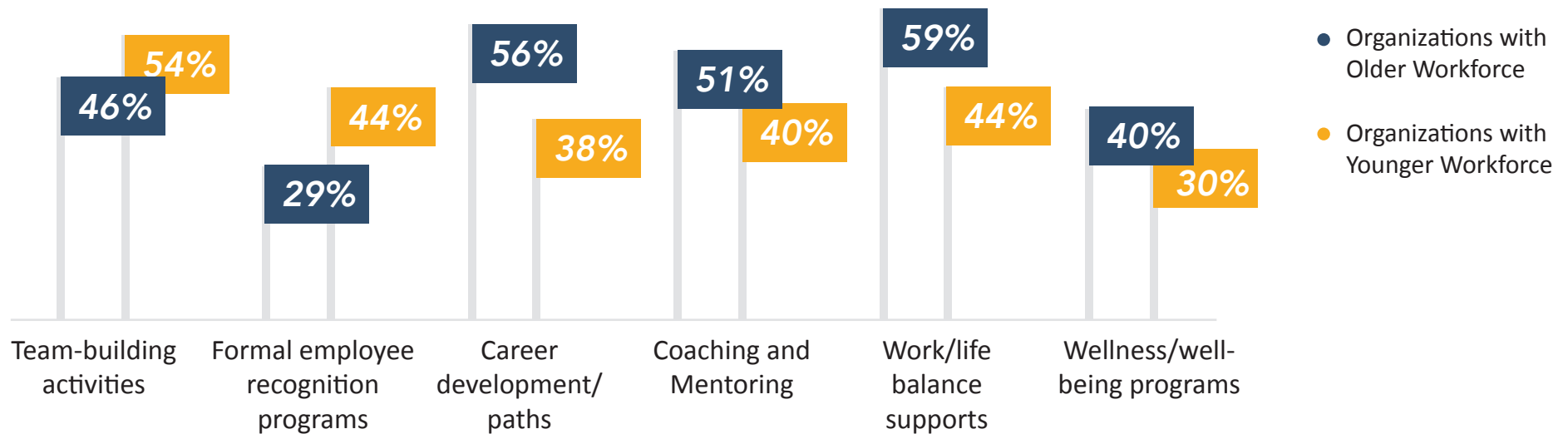


But the generational mix of the workforce can significantly impact the perceived value of different activities. In order to assess this impact, two segments were analyzed – **organizations with workforces that have 25% or less Baby Boomers** (younger workforce mix) and **organizations with 26% or more of Baby Boomers** (older workforce mix).

Overall, as one might expect, the majority of the organizations responding to this survey (64%) have a workforce consisting of mostly employees from the younger generations (Generation Z, Millennials, and Generation X). About one-third (36%) have a workforce comprised of 26% or more Baby Boomers.

While the value attributed to many activities are somewhat similar for both workforce types, there are some notable differences.

Engagement Activities Rated Highly Valuable (By Workforce Generational Mix)



Older workforce = 26% or more Baby Boomers (n=63); Younger workforce 25% or less Baby Boomers  
 Source: 2018 Brandon Hall Group Employee Engagement Study (n=110)

These generational insights imply that organizations need to consider multiple factors, including generational preferences, when deciding on engagement strategies. This impacts communication and marketing for your engagement program. It's important to target different generational groups – and other employee groups -- with specific messaging in order get a better response to your engagement efforts.

### 3 Leverage Technology to Improve Engagement

The mechanics of measuring and delivering on engagement practices are evolving at a rapid pace. This is occurring in part because organizational cultures are becoming more transparent, and in part because there are more HCM technology solutions that enable the assessment of engagement and ways to improve it.

HCM technology solutions can foster employee engagement by:

- Helping employees improve their personal and professional development
- Strengthen peer-to-peer and supervisor-to-employee collaboration
- Improve communication
- Improve their ability to navigate and adhere to all the organizational policies.

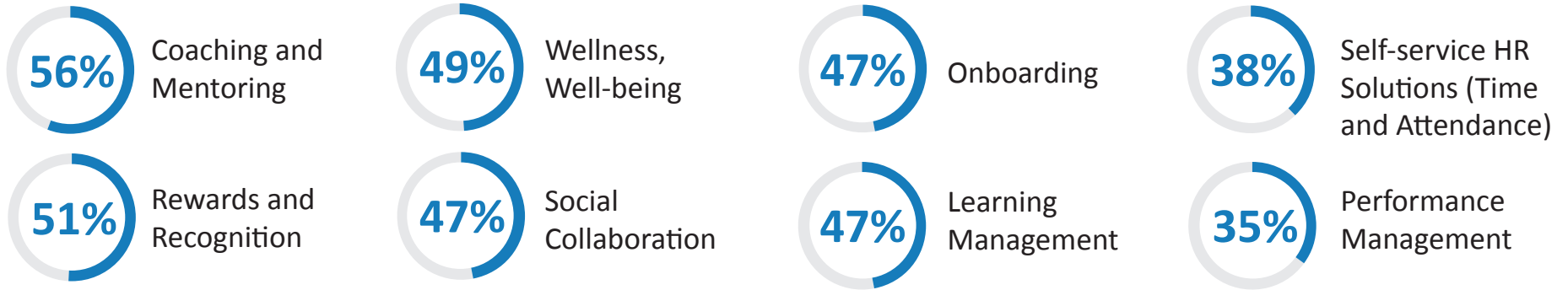
**Organizations are most likely to see increases in engagement due to these two solutions, according to the research:**



For example, depending on the metrics provided in the rewards and recognition solution, organizations can assess the extent to which employees are connected to and appreciated by others in the organization. They do this by viewing the number of supervisor/manager/peer recognitions received and given by each employee. Those recognitions can be tied to the organization’s core values. About half of organizations are using these recognition metrics to assess the extent to which employees are engaged and connected.

A slightly lower percentage of research respondents (from 47% to 49%) have seen improvement in engagement due to their wellness, social collaboration, onboarding, and learning management solutions. Of course, for all this to work, the solution has to be easy to use, provide a great user experience, and provide for self-service.

## Organizations Seeing an Increase in Engagement Levels Due to HCM Technology\*



Source: Brandon Hall Group 2018, 2016 Engagement Practices Survey (n= 184)  
\*Excludes organizations that don't have the technology solution or said not sure.

The research shows that organizations should be able to keep up the pace of evolution in engagement practices because the outlook for spending looks healthy. On average, among organizations with a specific budget allocation for engagement, 10% of their talent management budget is dedicated to employee engagement.

Organizations do tend to have different budgets depending on their size. Overall, 34% of organizations expect their engagement budget to increase next year.



**Small Organizations**  
(1 - 499 employees)  
allocate about **11.5%**  
to engagement



**Mid-Size Organizations**  
(500 - 4,999 employees)  
allocate about **8.2%**  
to engagement

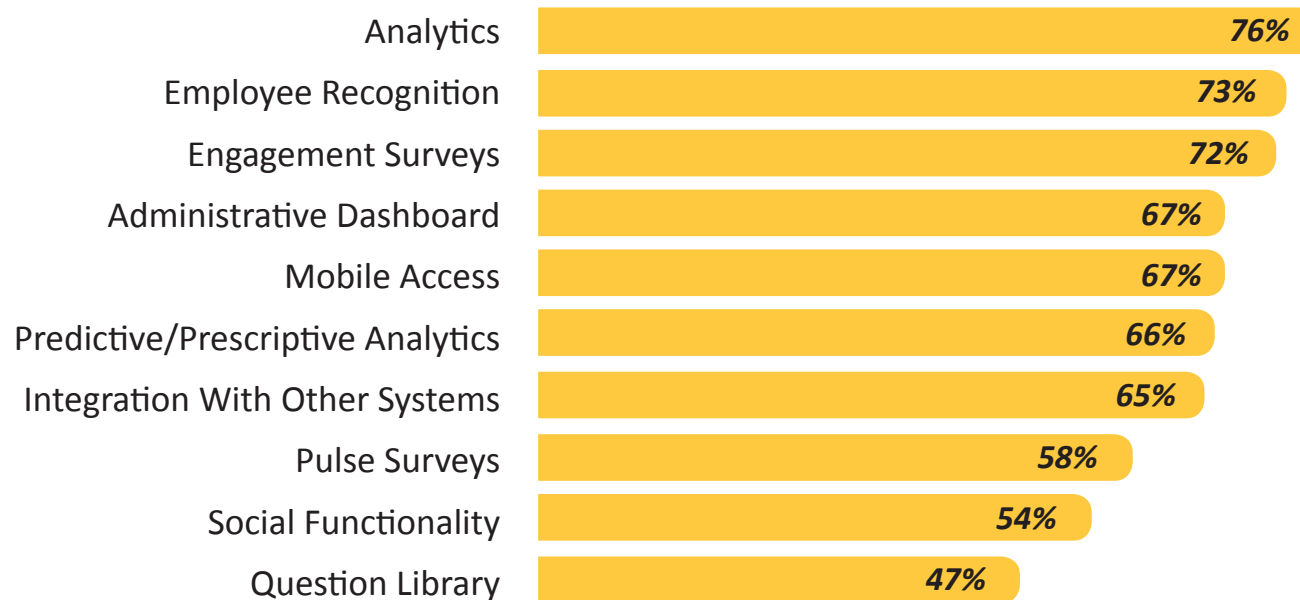


**Large Organizations**  
(5000+ employees)  
allocate about **10%**  
to engagement



When considering the purchase of an engagement technology solution, the majority of organizations consider these functionalities to be important or critical to their businesses:

### Engagement Solution Functionalities Important/Critical to Purchase Decision



Source: 2018 Brandon Hall Group Engagement Practices Survey (n= 181)

With a greater percentage of organizations' employees working remotely, it is critical to have mobile access for any engagement technology solution. As discussed earlier, remote workers are at the lowest end of the engagement scales. They are least likely to participate in engagement efforts and promote the organizational internally and externally. Fostering a connection with a mobile engagement solution is one way that employers can strengthen the connection with their remote employees.

## Conclusion



Engagement practices are a critical part of delivering an excellent employee experience, and assessing the level of engagement is just the beginning. Too many organizations still conduct successful engagement/climate surveys once or twice a year, hoping that disparate steps they take to address engagement leads to a better score.

While the research shows that organizations are becoming more strategic, it also shows that most organizations have a lot of room for improvement. Organizations that take specific action related to individual and organizational performance are seeing better results than those that don't.

Organizations that are even more strategic and target their engagement-improvement actions at specific employee types and generational groups are even further ahead of the game. And, as with all aspects of human capital management, technology is an effective and critical enabler.

The other critical take-away from the research is that improving employee engagement requires an organization-wide commitment. Gone are the days when HR can put on a few events a year and recognize birthdays and anniversaries and hope to improve engagement. Today's workforces are too diverse, too sophisticated, and too specialized for that. More organizations are getting sophisticated in their learning, talent management, talent acquisition, and workforce management practices, and realizing that they are all tied together and require consistent collaboration between functions to succeed. Engagement also touches all parts of the HCM spectrum and requires that same sort of strategic alignment and collaboration as all other aspects of HCM.

## Brandon Hall Group Research Methodology



## About Brandon Hall Group

Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management.

With more than 10,000 clients globally and 20 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

## Authors and Contributors



**Daria Friedman** ([daria.friedman@brandonhall.com](mailto:daria.friedman@brandonhall.com)) wrote this report. She is the Principal Analyst overseeing the talent acquisition practice for Brandon Hall Group. Previously, Daria led the research practice for Bernard Hodes Group, a recruitment solutions agency, and Findly, a talent acquisition software service provider.

**Claude Werder** ([claudio.werder@brandonhall.com](mailto:claudio.werder@brandonhall.com)) edited this report. He is the Vice President of Research Operations and Principal HCM Analyst at Brandon Hall Group. His responsibilities include overseeing Brandon Hall Group's team of analysts, directing research priorities, content quality assurance, and producing the annual HCM Excellence Conference.

**Emma Bui** ([emma.bui@brandonhall.com](mailto:emma.bui@brandonhall.com)) is the Graphic Design Associate at Brandon Hall Group and created the graphics and layout for this report.

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