

Employee Engagement analytics

Author: Benjamin Sombi . August 2020

Over the years, employee engagement has become a major force in the global workforce. It has since established itself as a key component in the success and growth of a business. Most organisations in the past focused on traditional human resources activities such as compensation and performance appraisals but the present and future of work have been determined to evolve around the job performers themselves. This is part of the reason why employee engagement has become so important. But do HR professional and business leaders know how to measure employee engagement and keep employees engaged?

[Employee Engagement](#) is defined as a heightened emotional connection that an employee feels for his or her organisation that influences him or her to exert greater discretionary effort to his or her work. Employee engagement is rooted in how emotionally connected employees are with their organization and, in turn, how this connection translates into effective practices to work toward the organization's goals.

The value of having highly engaged employees is that they have a stronger organisational commitment, and put more effort into their work thereby boosting productivity. The days of receiving a gift for motivation after serving for long periods at one company are gone. Employees are now driven by a feeling of relevance, daily goals and achieving both personal and professional growth in their organisations.

The ability to measure employee engagement outcomes is essential in order to justify the investment of resources and to know whether your HR technology is working effectively.

Why you need to measure employee engagement

Every organisation needs to measure employee engagement. A research by Gallup indicated that companies with highly engaged workplaces at the 99th percentile have four times the success rate compared with those at the first percentile. The same study also proved that companies with highly engaged employees are 21% more profitable and 20% more productive.

There's no single perfect way to measure employee engagement. As indicated above, employee engagement is a complex combination of human emotions. However, when you use some combination of the following methods, you can acquire a fairly persuasive overview of how well you're succeeding with aligning and motivating your staff.

How to measure Employee Engagement

1. Use Pulse Surveys

Short, frequent surveys are a great way to maintain a consistent pulse on the vibe in your organisation. There's no need to make this process complex. You just want to find a regular way to ask anywhere from 5-10 questions about how people are feeling at work and what (if anything) they would change.

1. Direct face to face interviews

Another great way to measure engagement is through face to face meetings with each of the employees. Having regularly scheduled, hour-long meetings where you can have an informal chat with each member of your team is a great way to get a real sense of what's going on with them.

The advantage of this method of collecting feedback is that it's in person, and because it's a private, safe conversation, you can get much more detail about each issue that's brought up. The key for managers is to remove that fear from employees so they feel safe opening up.

1. Stay or Exit interviews

Using structured interviews for employees is a great way to collect feedback and find out what makes them engaged or what holds them back from being engaged.

Exit interviews are fairly common in most organizations, but one great idea that should be done more often are stay interviews. This is where you ask employees that are clearly happy at work what makes them want to stay.

Exit interviews can be great, but the only issue with them is that it might be too late by the time you get to that process. Ideally, you use both inside your organization.

The goal with an exit interview is to find out what you could have done better to improve engagement, and the goal of a stay interview is to find out what you're already doing well (and what you could improve on).

1. Use an external consultant

This is one of the best methods to measure your employee engagement. Some skip this option because it's relatively expensive. Consultants use specialised and validated survey tools to collect data from your employees. Employees are most likely to be more open to independent external people especially if the culture within the organisation does not allow employees to speak freely.

Employee engagement data analysis

Here we will discuss some of the steps and tips to understand employee engagement data analysis.

1. Analyse the employee engagement drivers or dimensions

Engagement drivers are survey items that are actionable, as opposed to survey items which purely

diagnose the level of engagement. All survey drivers impact engagement; however, some make a larger impact on engagement than others for your unique situation.

Engagement drivers vary from organization to organization and from year to year, from department to department, from age group to another, and from person to person within an organization. A driver's analysis identifies which survey items have the biggest impact on engagement in your organization right now. A natural response to survey results is to look at your lowest performing items and work on improving them. But, what if your lowest performing items don't show a comparatively high correlation with overall engagement?

1. Categorise results

Undoubtedly, your organization is not exactly the same from location to location, department to department, or team to team. Different types of employees experience your workplace differently, due to a variety of factors, such as who their manager is, what kind of work they're doing, and who they interact with. This is why it's important to dig deeper than aggregate organizational survey results and segment your results based on demographics that make sense to your organization.

By segmenting your engagement results, you might discover some that areas are more engaged than others. Use these differences to your advantage as you create your follow-up plan. You can also apply the same drivers' analysis to targeted demographics like department, location, age group, etc. You might discover that one department is more driven by recognition than another or that your younger employees are more driven by professional development opportunities.

1. Combine all the engagement results you have.

Who ever said your engagement survey should only be an engagement survey? Sometimes it makes sense to broaden your scope to tackle more survey topics at once or to include other topics you'd like to compare to engagement. What other surveys does your organization conduct over the course of the year?

1. Conduct focus groups

One of the ways to get more deep insights from employees is through focus groups. This is done after analysis of the dimensions is done are reports are produced. Here you will be seeking more insights under the areas employees rated the lowest to find out what's going on.

The business case for employee engagement

1. Return on engagement

When work is exciting and motivational, people thrive and organizations flourish. This is not just my belief. This is reality. The persuasive financial evidence is below. Results from stock price done in America showed that a Glassdoor's Best Places to Work gave much better returns than investing in the average S&P500.

1. Increased performance

A Gallup meta-study highlights the positive influences on organizational success. Workplaces with high employee engagement seriously outperform those with lower scores. Engaging workplaces enjoy higher profitability, productivity and customer ratings. They also have lower turnover, absenteeism, accidents and quality defects.

Gallup's study clearly reveals the correlation between engagement and business performance. Moreover, the findings are highly consistent across different organizations, industries and parts of the world.

1. Replacement costs

But wait, there's more. What about the costs of people leaving because they dislike their workplace?

Well, these are probably higher than we imagine. Think of the replacement costs: recruiting, interviewing, new equipment, on-boarding and training. Plus, there's a lost opportunity cost—the cost to an organization when it can't grasp opportunities that appear, because roles are vacant or understaffed.

1. Cost of absenteeism

Earlier we showed the connection between engagement and sick leave, burnout rates, and so on. Now, let's look at other associated costs.

Various studies cite absenteeism as accounting for around 15% to 20% costs (direct and indirect). Some of these are: wages paid to absent employees, wages paid to temporary employees and wages paid for overtime. Oh, and don't forget the admin expense of managing all this absenteeism.

Then there are other indirect costs: "reduced productivity, poor goods or services because of understaffing or overtime fatigue, safety issues from inadequately trained employees, poor morale from employees who had to do extra work and managers' time spent on discipline and finding replacements."

1. Toxic workers or Aligned Skeptics

Take the cost of so-called toxic colleagues. Aligned skeptics are low on commitment but generally have a strong line of sight. These employees are more likely to speak negatively about the organisation. Research by Northwestern University's Prof. Dylan Minor tries to uncover the cost of toxic workers. With colleagues, he examined worker behaviour. They assessed if they were benefiting the organisation (top performers) or harming it (the toxic workers). They then compared the value of hiring top performers versus parting with toxic ones.

They found that engaged top performers boosted the performance of colleagues. Indeed, the top 1% of these colleagues earned an extra \$5,300 for the organization: merely by doing above average. Then the research gets very interesting. Typically, the cost of a toxic colleague was estimated at \$12,800! The

cost of being surrounded by toxic colleagues is much greater than the benefit of working with top performers.

In short, this is how you can measure employee engagement within your organisation and the benefits of measuring engagement. It is your choice to do it internally or use an experienced external consultant.

Benjamin Sombi is a Data Scientist, Entrepreneur, & Business Analytics Manager at Industrial Psychology Consultants (Pvt) Ltd a management and human resources consulting firm.

<https://thehumancapitalhub.com/articles/Employee-Engagement-Analytics>