

## **Global employee engagement in a COVID 19 pandemic environment**

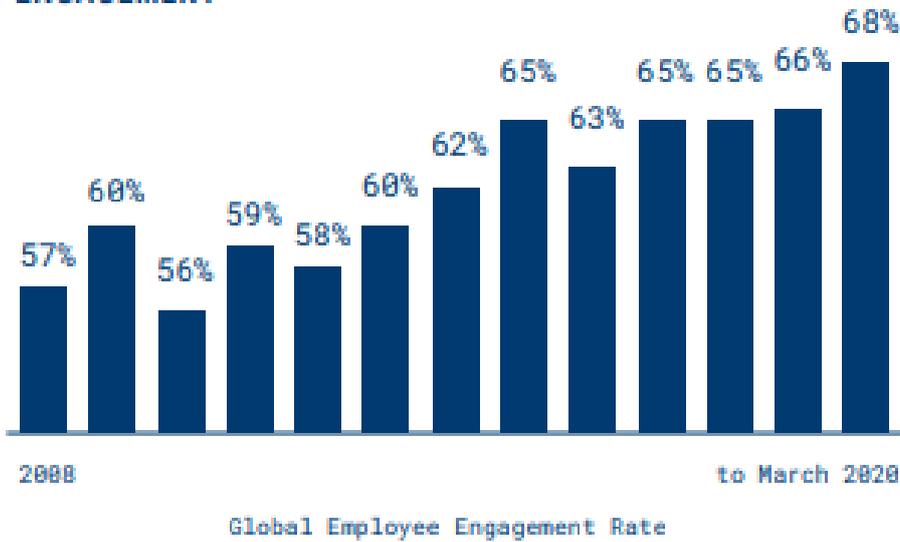
**Author: Fadzai Danha . March 2021**

Over the years, employee engagement has become a major force in the global workforce. It has 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 such a strong relationship with performance and commitment.

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.

Globally, Employee Engagement is at an all-time high. Even in the wake of the challenges brought about by the COVID-19 pandemic, employees become increasingly more engaged with the global employee engagement index being at an all-time high of 68%.

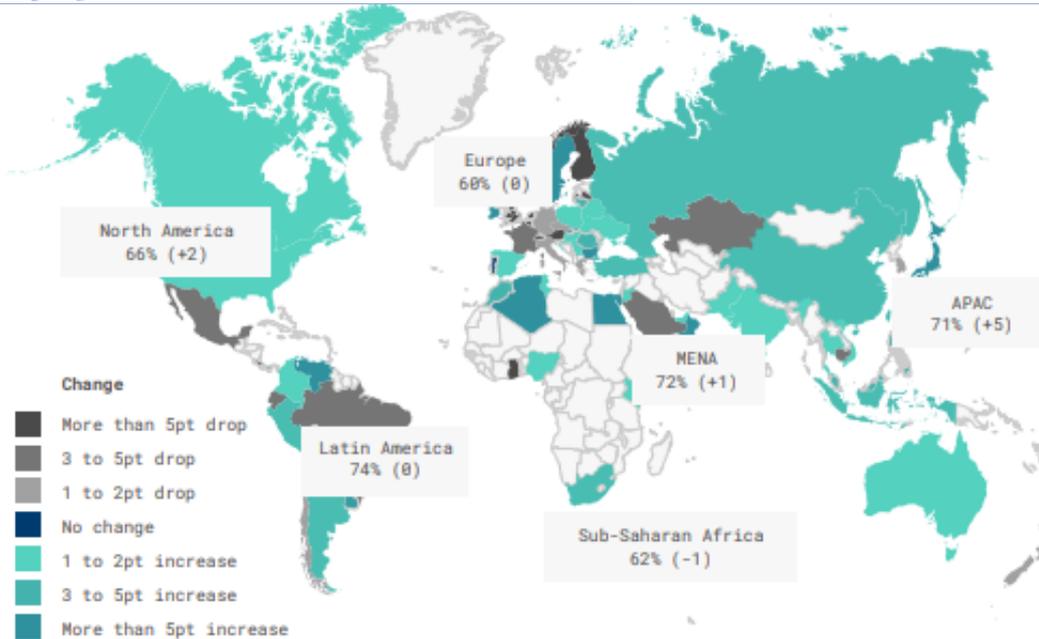
**ENGAGEMENT**



**Source: Kincentric**

Employee engagement in all continents was measured and it was found that:

1. North American employee engagement has gone up 2 points in 2020 to 68%
2. Europe's employee engagement remained at 60%
3. Latin America's employee engagement remained at 74%
4. Middle, east, and northern Africa's employee engagement increased by 1 point from 2019 to 72%,
5. Asia Pacific region employee engagement had the most change, increasing by 5 points from 2019 to 71%
6. Sub-Saharan Africa's employee engagement is the only one that saw a negative change between 2019 and 2020 by 1 percentage point to 62%.



Source: Kincentric

This increase however in the context of COVID-19 may be difficult to sustain and likely to drop, following a similar pattern to what we saw in 2010 following the 2008/2009 financial crisis

### Benefits of engaged employees

Research has shown that 70% of fewer safety incidents occur in highly engaged workplaces. Instead of worrying about whether there's room for advancement or whether their boss likes them, engaged employees can focus on the task at hand.

- The American Psychological Association estimates that more than \$500 billion is lost every year due to workplace stress.
- Engaged employees are firmly committed to their organization's mission, and they are going to arrive every day to make sure it gets done. Highly engaged workplaces saw 41% lower absenteeism.
- Research shows that engaged employees are 17% more productive than their peers. Engaged employees are more likely to work diligently and expend discretionary effort in their jobs, supercharging productivity and innovation.
- One in five employees is not confident their manager will provide regular, constructive feedback.
- Highly engaged organizations see an average of 20% higher sales than their disengaged counterparts
- The latest research shows that highly engaged organizations have 21% higher profitability than their peers.

Gallup found that in this COVID 19 impacted workplace:

- Remote workers can have higher engagement than in-office workers -- when they receive frequent feedback from their manager.
- **Employee engagement is an even stronger predictor of performance during tough economic times**
- Management has a stronger influence on burnout than hours worked.
  
- Before 2020, 76% of employees said they experienced burnout at least sometimes at work
- **Although leaders may fear being micromanagers, most employees receive far too little feedback -- and even those who receive negative feedback would prefer to get more.**

In Kincentric's Global Employee eXperience (eX) research, it was found that 8 out of 10 employees felt positive about their employee eXperience during the initial stages of COVID, similarly to the 2008/09 financial crisis a sustained steady decline can be expected in eX and employee engagement in the coming months. 50% of participating companies view COVID as an accelerant for culture, talent, eX and leadership

The report showed that many organizations will need to close gaps in their approach to realize the full power of their employee experience. The report concluded that the highest priority employee segments right now are high performers, high potentials and those in the leadership pipeline. It also found that emerging segments to monitor are virtual workers, essential workers, diverse workforce segments with emerging moments being inclusion, well-being work/life integration and the virtual work technology experience.

Highlights from the report are listed below:

- Only 36% of organizations say their leaders are ready to create a great employee eXperience
- 49% of organizations intend to invest in leadership development in the next 12 months
- 91% of HR professionals see a neutral to a positive impact on work/life balance and productivity from virtual work
- 51% of organizations are accelerating digital solutions
- 40% of HR professionals see a negative impact on a personal connection to colleagues, their manager and senior leadership vision
- 37% of plan to invest in enabling HR infrastructure in the next 12 months
- 32% intend to revisit HR capability building
- Over 50% of organizations intend to measure targeted lifecycle events multiple times a year in the future
- 38% of organizations believe that their employee surveys trigger clear action interventions
- 10% of Kincentric's clients are 10% improving employee engagement by 11% points or more, year on year by adopting agile listening and action strategies

### **More statistics on employee engagement in 2020**

- A 2020 study conducted by Harvard Business Review Analytic Services in association with Quantum Workplace<sup>3</sup> found that 46% of organizations have changed their performance

management processes and systems in the past year. Companies like Facebook, Adobe, Deloitte, Accenture, KPMG, and General Electric have all dramatically shifted and experimented with their approach to performance in recent years. This is in line with the changes in the work environment.

- 57% of new managers feel unprepared to manage people.
- When employees believe they will be recognized, they are 2.7x more likely to be highly engaged.
- In a recent study by Harvard Business Review Analytic Services, executives named managers as the biggest barrier to deriving business value from employee engagement. 42% said their managers don't know how to have effective development conversations with employees.
- A 10% improvement in employee perceptions of mission and purpose leads to:
  1. 13% reduction in safety incidents
  2. 8% decrease in turnover
  3. 4% increase in profitability
- According to the 2019 Best Places to Work data, when employees are confident they will be recognized for contributing to organizational success, they are 2.7x more likely to be highly engaged (88%) than those who are not (33%).
- A 2018 study by SHRM and Globoforce found that a majority of HR professionals said that their recognition programs positively impact retention (68%) and recruitment (56%).
- In a Quantum Workplace and Bamboo HR study about recognition, we found that more than half of respondents (53%) want to receive more recognition from their immediate manager while 4 in 10 respondents (41%) want more recognition from their immediate coworkers.
- According to the 2019 Best Places to Work data, when employees see professional growth and career development opportunities in their organization, they are 2.5x more likely to be highly engaged (89%) than those who do not (36%).
- When employees believe their immediate manager cares about their development, they are 3.1x more likely to be highly engaged (83%) than those who do not (27%).
- In a recent study by LinkedIn, 94% of employees said that they would stay longer at a company that invested in their career development. However, that same study found that lack of time to commit to learning was the primary barrier to employee development.
- According to the 2019 Best Places to Work data, when employees feel that the people they work with treat each other with respect, they are 4x more likely to be highly engaged (82%) than those who do not (21%).
- According to the 2019 Best Places to Work data, when employees believe their workplace supports their health & wellbeing, they are 3.5x more likely to be highly engaged (84%) than those who do not (24%).
- Employees in the United States report some of the highest stress levels in the world. 55% of adults<sup>1</sup> in the United States report feeling stress “a lot of the day.”
- According to a recent study by Harvard Business Review Analytic Services in association with Quantum Workplace, 36% of organizations say they measure employee engagement once a year. However, many organizations are augmenting their annual employee engagement survey with more continuous measurement. For instance, 39% of respondents say that they measure their

employee engagement more often—some even monthly. And only 16% of organizations have no formal method to measure employee engagement.

- 42% of executives say their managers don't know how to have effective development conversations with employees
  - According to research by Harvard Business Review Analytic Services in association with Quantum Workplace, many managers are not doing action planning at all.
  - 31% of respondents disagreed that managers were talking with their teams about engagement results.
  - The 2019 Best Places to Work data shows that 3 in 4 employees say it would take a lot to get them to leave their organizations. This might indicate employees had high intentions to stay at their jobs.
  - Based on the results of multiple academic and industry studies, organizational investments in employee engagement appear to be well spent. That is, there is ample evidence to suggest that employee turnover decreases with improvements in employee engagement.
  - In a large meta-analysis, turnover was reduced from 40-51% between the teams in the top vs. bottom employee engagement quartiles depending upon the organizations' baseline turnover levels.
  - Recent Quantum Workplace research shows a similar trend. They collected turnover information from 26 companies representing more than 600,000 employees that conduct regular employee engagement surveys. They found a strong connection between employee engagement and employee turnover:
  - Disengaged employees were 3.3 times more likely to leave their company within 90 days of the survey compared with highly engaged employees.
1. After 180 days of post-survey, disengaged employees were 2.6 times more likely to leave the organization.
  2. And a year after the survey, disengaged employees were 2.1 times more likely to leave their organization compared with their highly engaged counterparts.
  3. If all employees left the organization at the same rate as highly engaged employees, these companies could collectively save 6,369 employees from leaving their organizations per year, saving millions of dollars in the process.
- According to the Work Institute, 77% of employees who quit their organizations could have been retained by their employers.
  - Additionally, a Gallup study found that more than half (52%) of employees said their team leader or company could have prevented their exit

## Conclusion

Employee engagement is very essential for all organizations during this COVID-19 pandemic situation. In a lockdown, employee engagement practices keep them motivated, committed, satisfied, and contented in this tough time. Employees want to be recognised. They want to feel valued. The better an organisation fosters a culture of employee engagement the greater the benefits

Fadzai Danha is a consultant at Industrial Psychology Consultants (Pvt) Ltd a management and human resources consulting firm. Phone +263 4 481946-48/481950 or email: fadzai@ipcconsultants.com or visit our website at [www.ipcconsultants.com](http://www.ipcconsultants.com)

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