



2017 State of Employee Engagement

A comprehensive look at employee engagement practices from more than 150 companies around the world.

The State of Employee Engagement

Employee engagement continues to be a top concern for executives around the world. We conducted this study to understand why engagement is important to companies and what they are doing to improve the level of engagement of their workforce.

In the 2017 State of Employee Engagement report, we take a detailed look at:

- The importance of employee engagement
- How organizations are measuring employee engagement
- What is working to improve employee engagement
- A view of how employee engagement is trending from 2016 to 2017

The survey measured:

- Importance of employee engagement
- Perceived outcomes of engagement
- How engagement is measured
- Engagement levels in organizations

Key Findings from this Research

This study provides several insights and actionable take-aways for HR professionals:

- 1. Engagement Drives Retention:** Companies concerned about employee retention show greater success at improving employee engagement. Tie your engagement initiatives to specific business outcomes.
- 2. Implement Engagement Programs:** Companies that have formal employee engagement programs are more successful at increasing employee engagement.
- 3. Consistently measure employee engagement.** Most companies with rising levels of employee engagement have measured it at least every year for the past three years or more. Commit to measuring employee engagement
- 4. Use Benchmarks:** Many companies that have increasing levels of engagement compare engagement survey scores to industry benchmarks. Benchmarks provide context to the results and help guide action planning efforts.

Who Took Our Survey

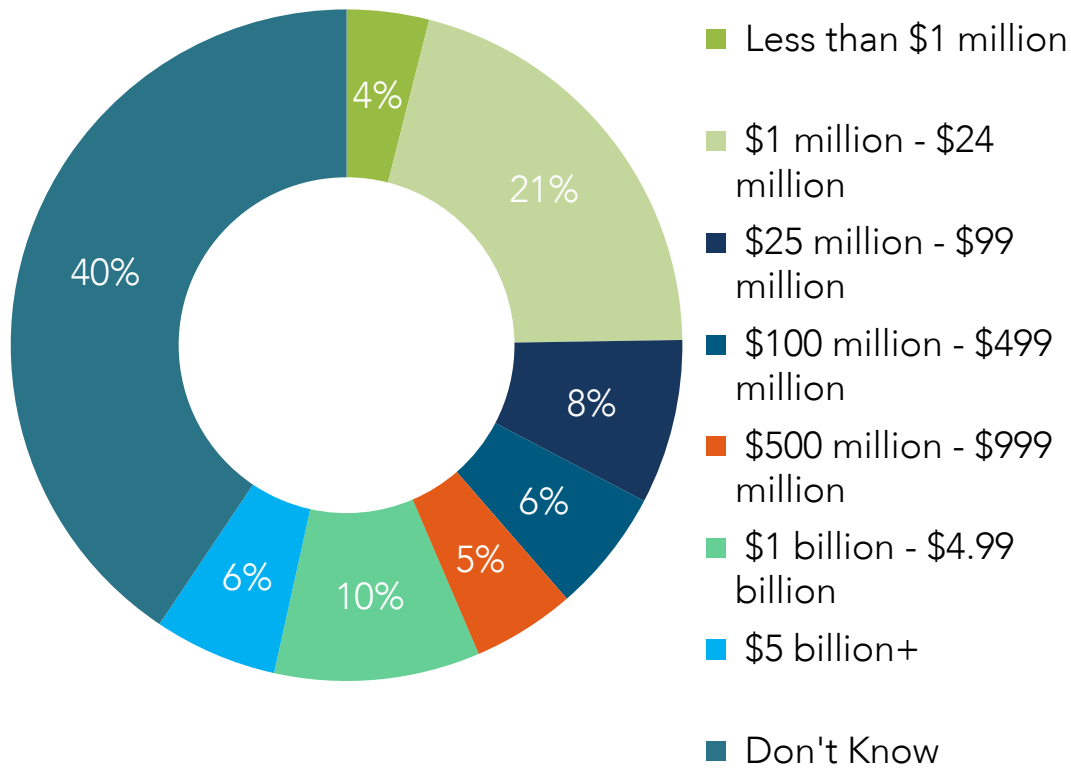
We received 157 responses from around the world from companies of all sizes. Most of the respondents are professionals in Human Resources who work as managers and above.



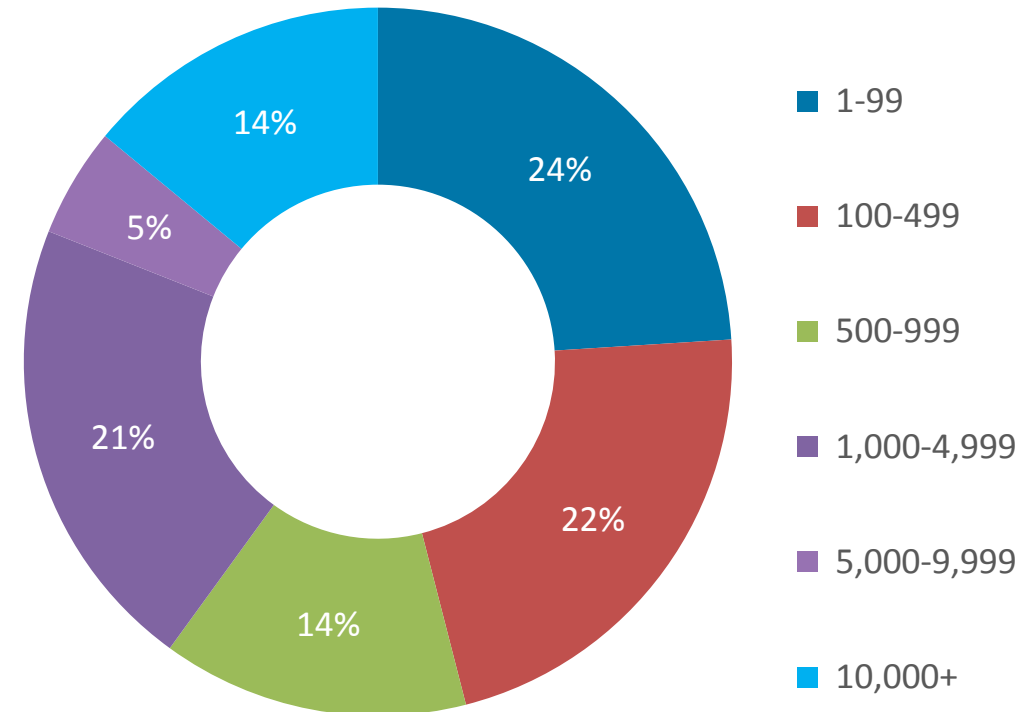
Company Size

Over 150 organizations represented (20+ Industries).

2016 Revenue



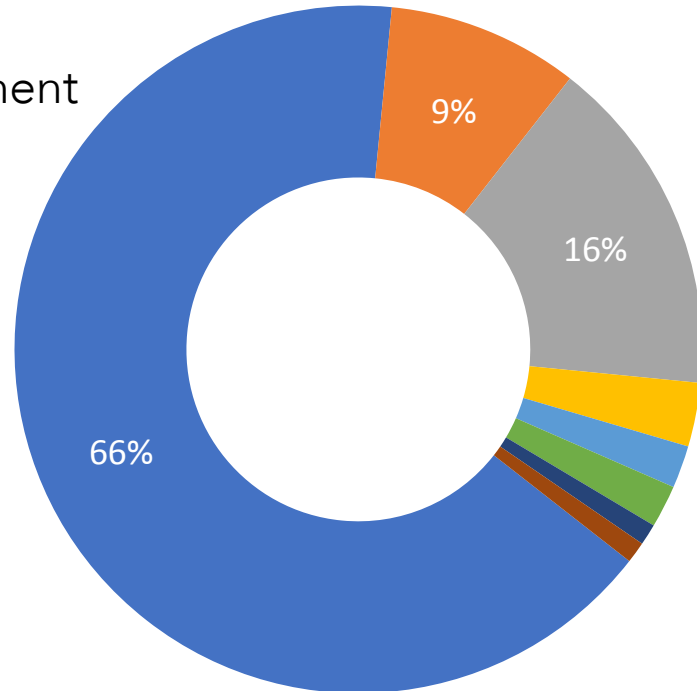
Number of Employees



Department and Title

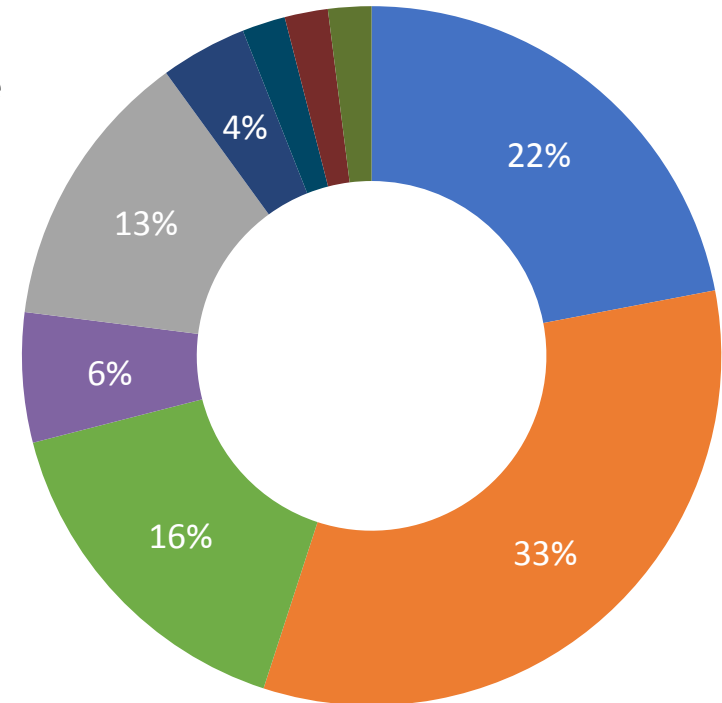
Most respondents are HR managers and above.

Department



- Human Resources
- Other
- Customer Service
- Marketing/Public Relations
- Operations
- Sales/Business Development
- IT
- Finance/Procurement

Job Title



- Individual Contributor
- Director
- Other
- Senior Vice President
- Manager
- Senior Manager
- Vice President
- C-level Executive

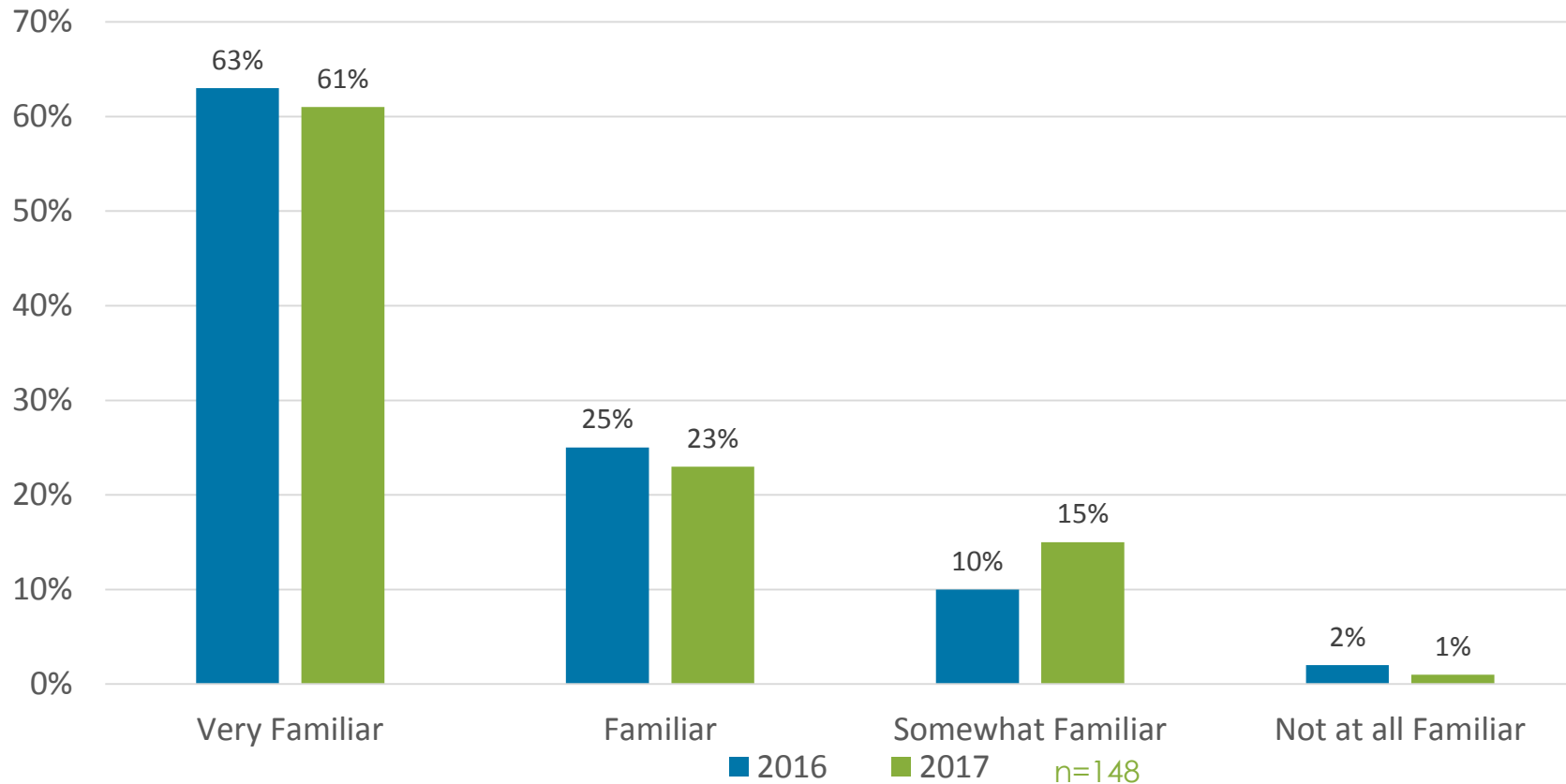
Perceptions of Employee Engagement

This section measured people's understanding of the term "employee engagement," its importance, and perceived benefits to the organization.



Understanding of Employee Engagement

How familiar are you with the term “Employee Engagement?”

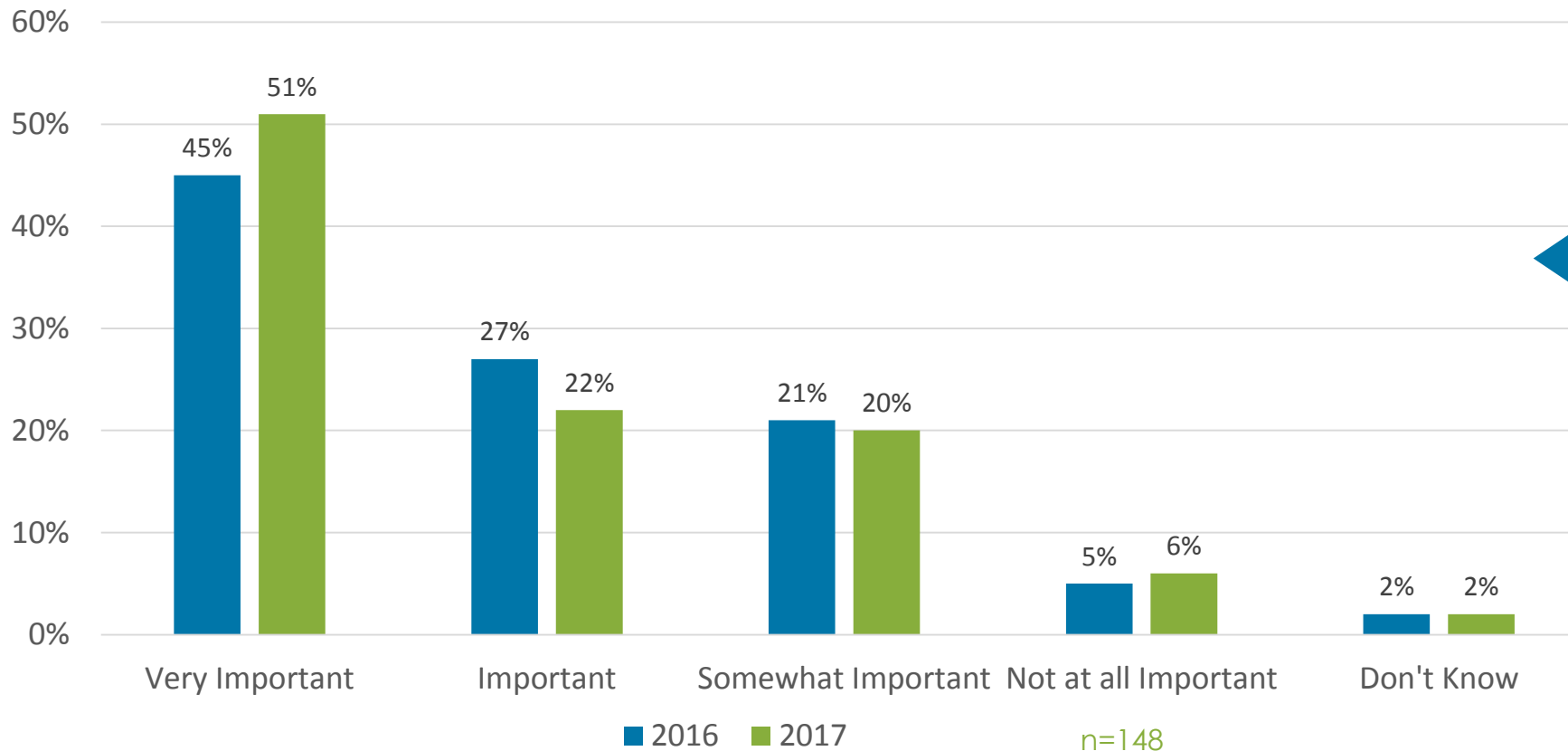


84% of respondents are either very familiar or familiar with employee engagement compared with 88% in 2016.

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Importance of Employee Engagement, Executive Team

Based on what they both say and do, how important is Employee Engagement to the executive team of your organization?

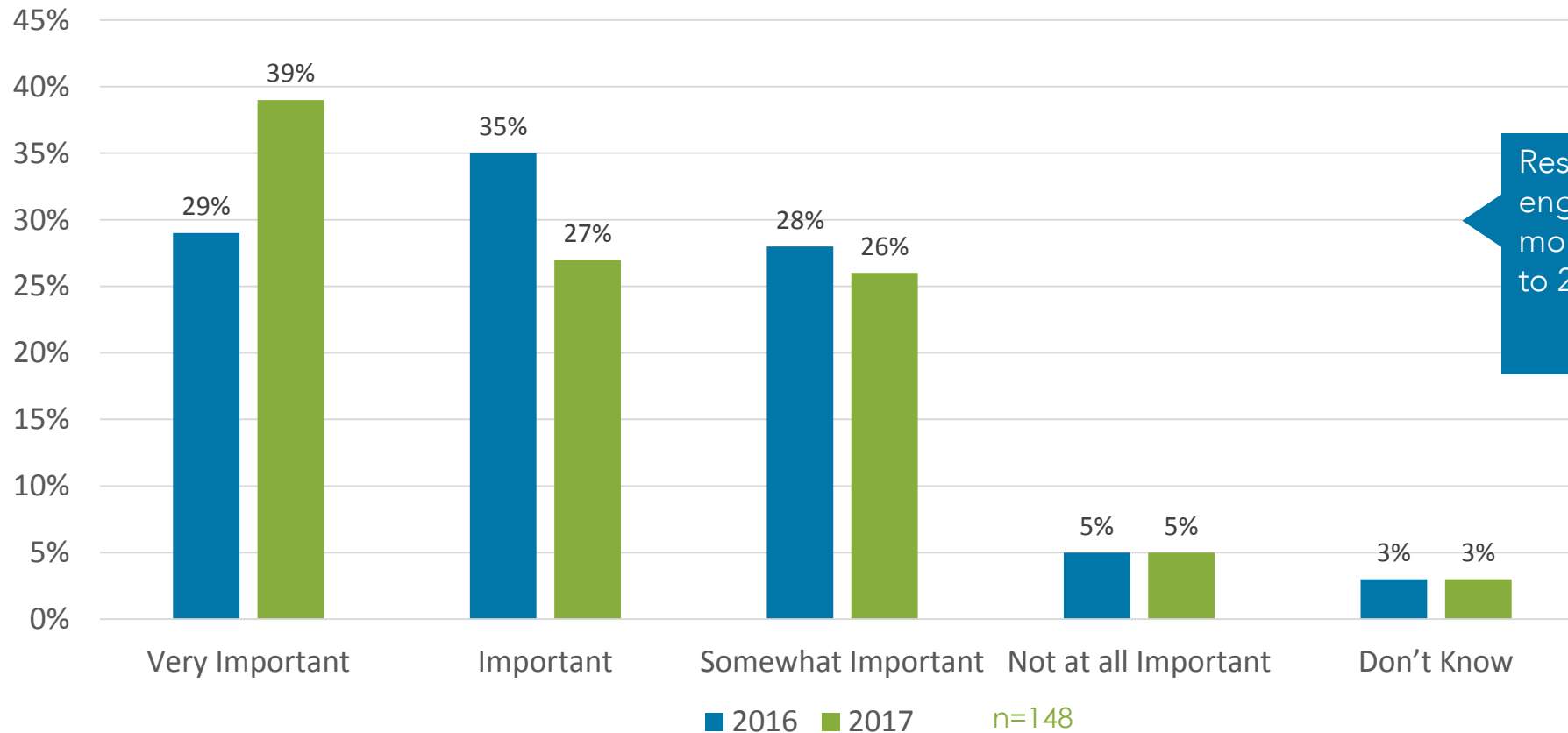


73% of respondents say their executive team feels employee engagement is either very important or important compared with 72% in 2016.



Importance of Employee Engagement, Managers

How important is Employee Engagement to **managers** in your organization?



Respondents report that employee engagement is very important to more managers in 2017 compared to 2016.

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Benefits of Employee Engagement

In your opinion, in what ways does Employee Engagement benefit organizations in general?

Benefit	Rank 2016	Rank 2017
Increases employee performance	1	1
Increases employee retention	2	2
Increases quality	4	3
Increases customer satisfaction	3	4
Attracts talent to the company	7	5
Increases profitability	5	6
Improves company/brand image	8	7
Increases innovation	6	8
Decreases employee absence	9	9

HR professionals name Increased Performance and Retention as the most important benefits of employee engagement for the past two years.

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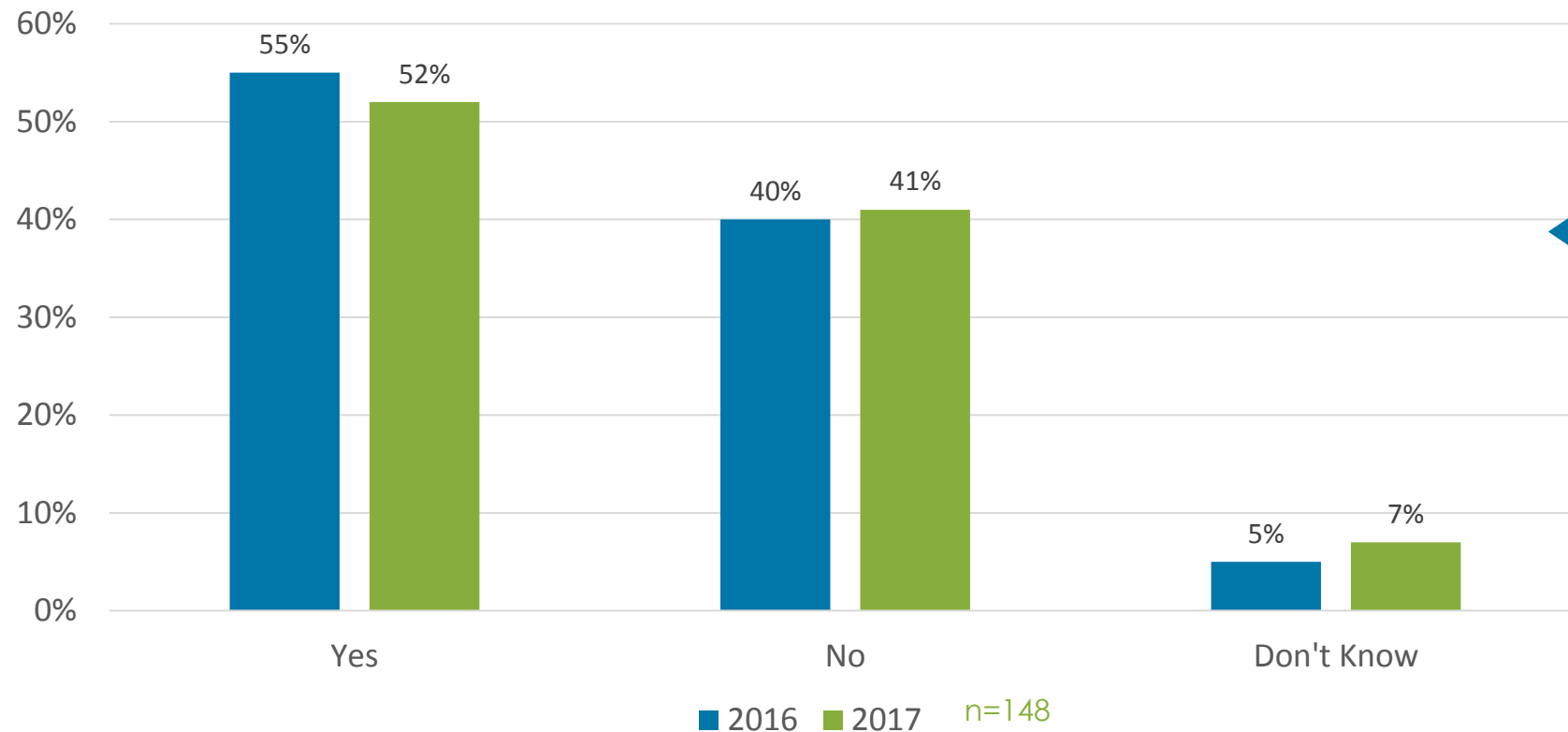
Employee Engagement Programs

What are organizations doing to improve employee engagement? We asked about programs and initiatives that are being used to increase employee engagement, their effectiveness, future plans, partnering with external providers, and expenditures.



Use of Formal Employee Engagement Programs

Does your organization have a formal program (or programs) currently in place specifically aimed at enhancing Employee Engagement?

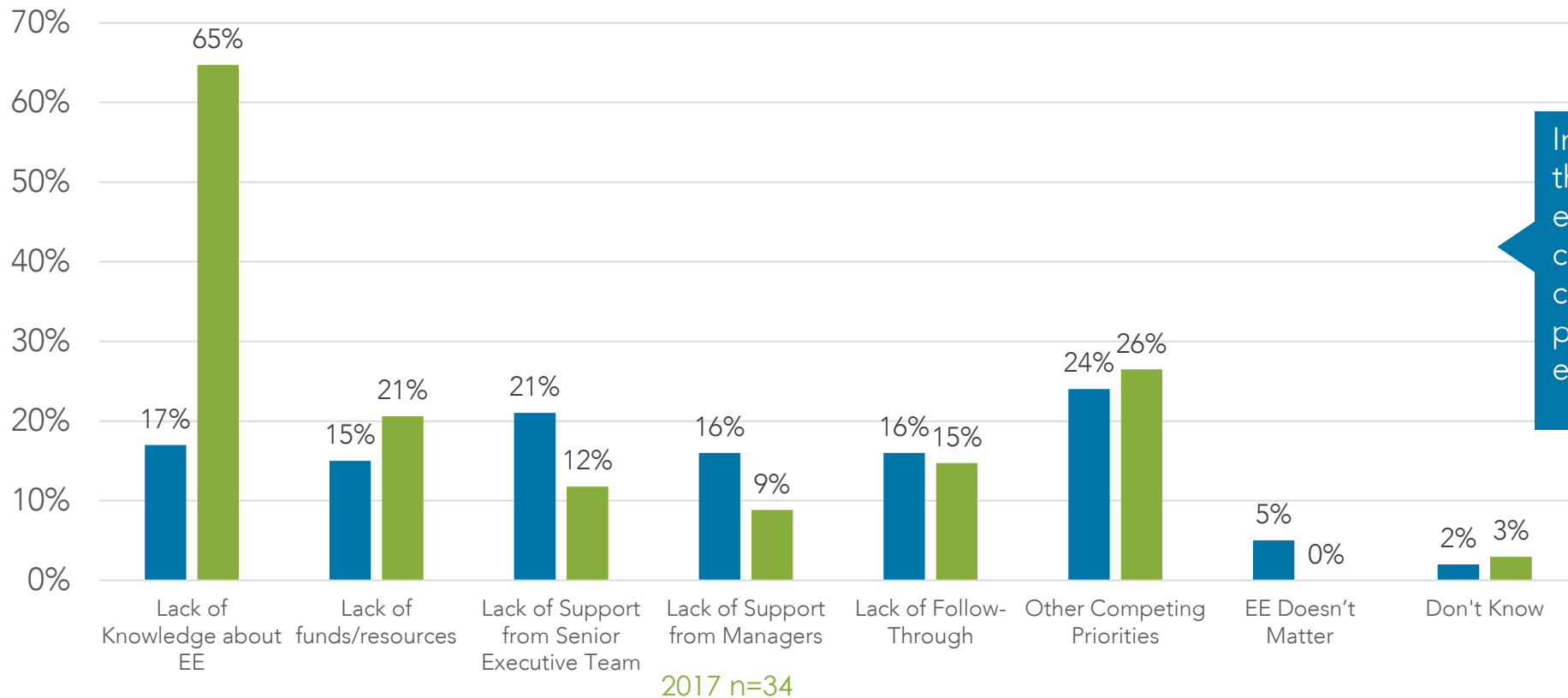


About 40% of companies still do not have formal programs in place to enhance employee engagement.

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Reasons for Not Having an Employee Engagement Program

Why does your organization **not** have any programs in place to enhance Employee Engagement? (check all that apply)

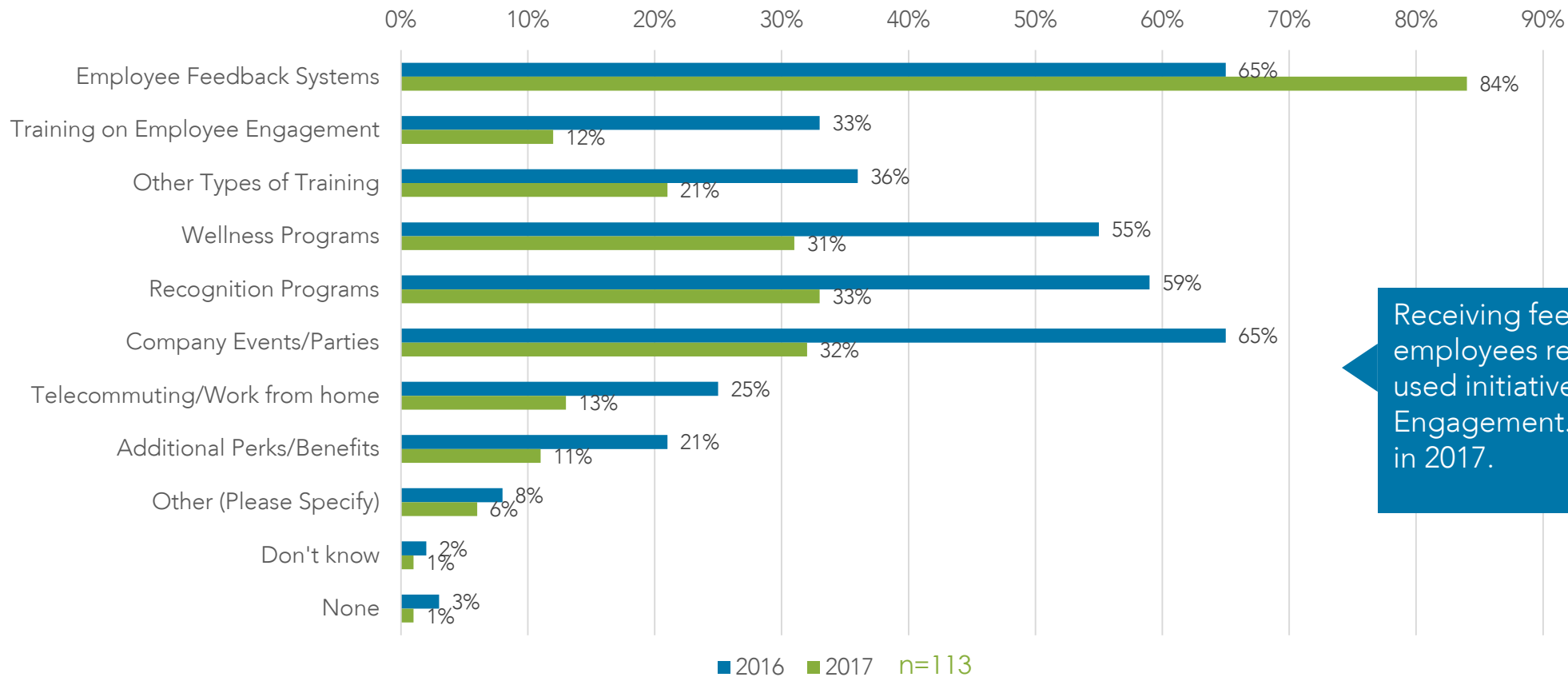


In 2017, a lack of knowledge of the benefits of employee engagement is the most common reason why companies don't have programs to enhance employee engagement.



Top Employee Engagement Initiatives

What types of Employee Engagement-specific initiatives has your organization implemented in the past three years? Please mark all that apply.

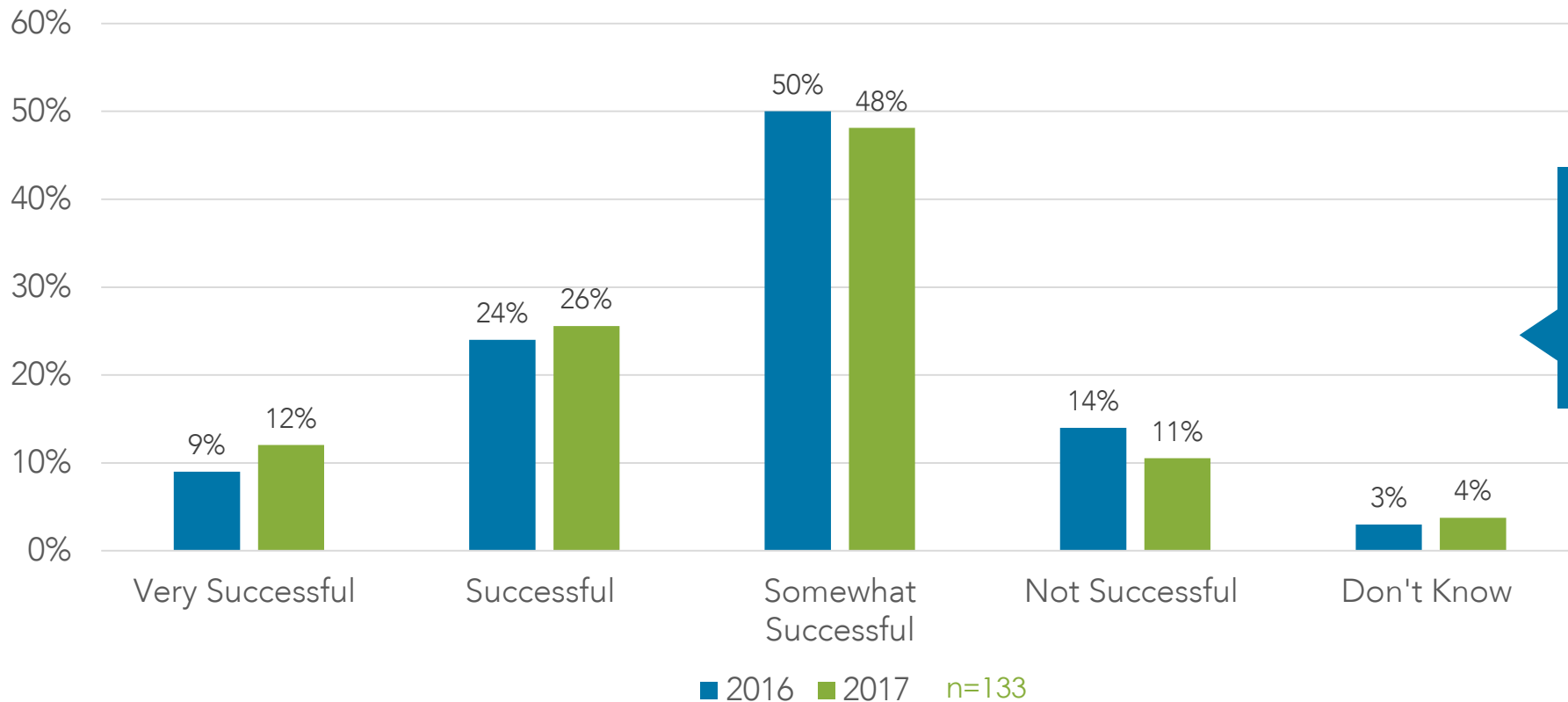


Receiving feedback from employees remains to be the most used initiative to address Employee Engagement. Others have declined in 2017.

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Success of Employee Engagement Programs

Overall, how successful do you feel these programs have been over the past three years in increasing Employee Engagement?

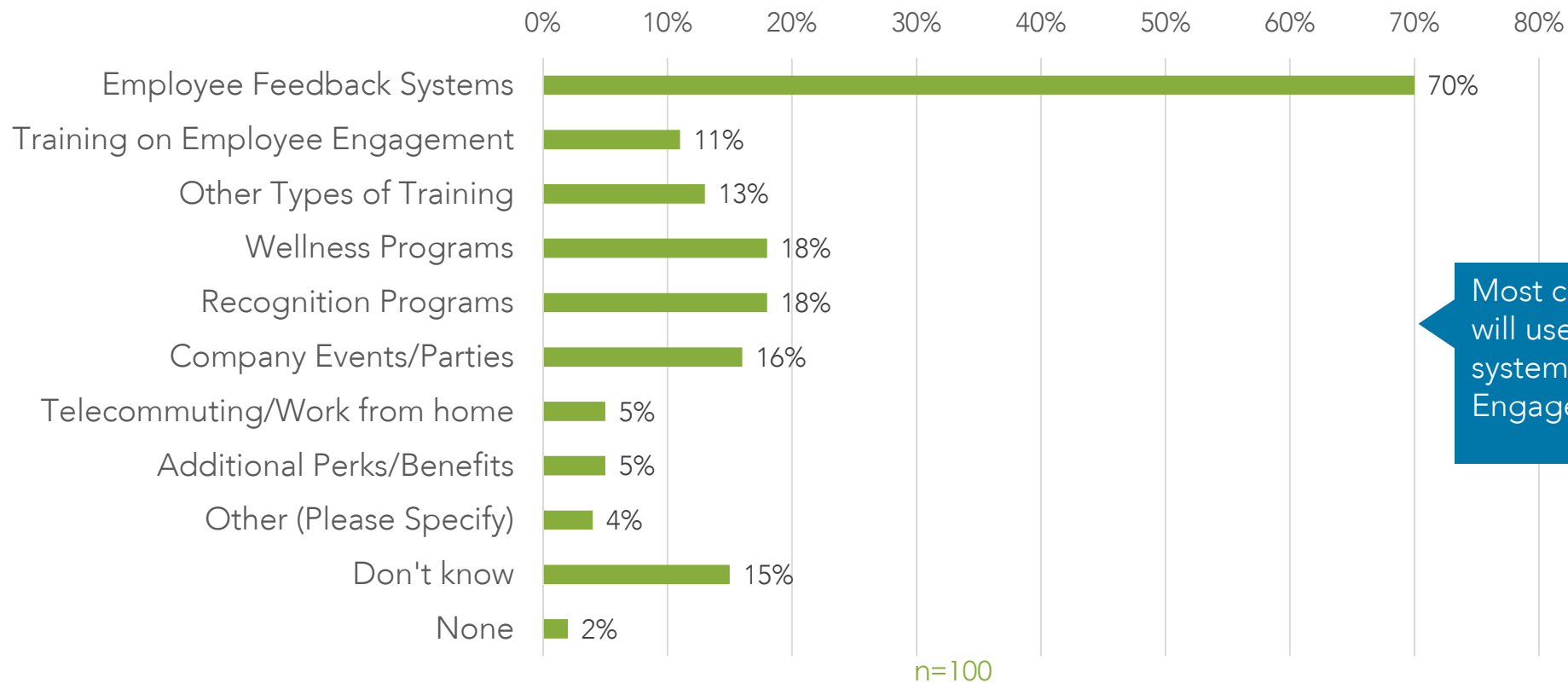


38% of companies report that their Employee Engagement programs are successful or very successful compared to 33% in 2016.

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Future Employee Engagement Plans

What types of Employee Engagement initiatives does your organization plan on implementing in the future? Please mark all that apply.

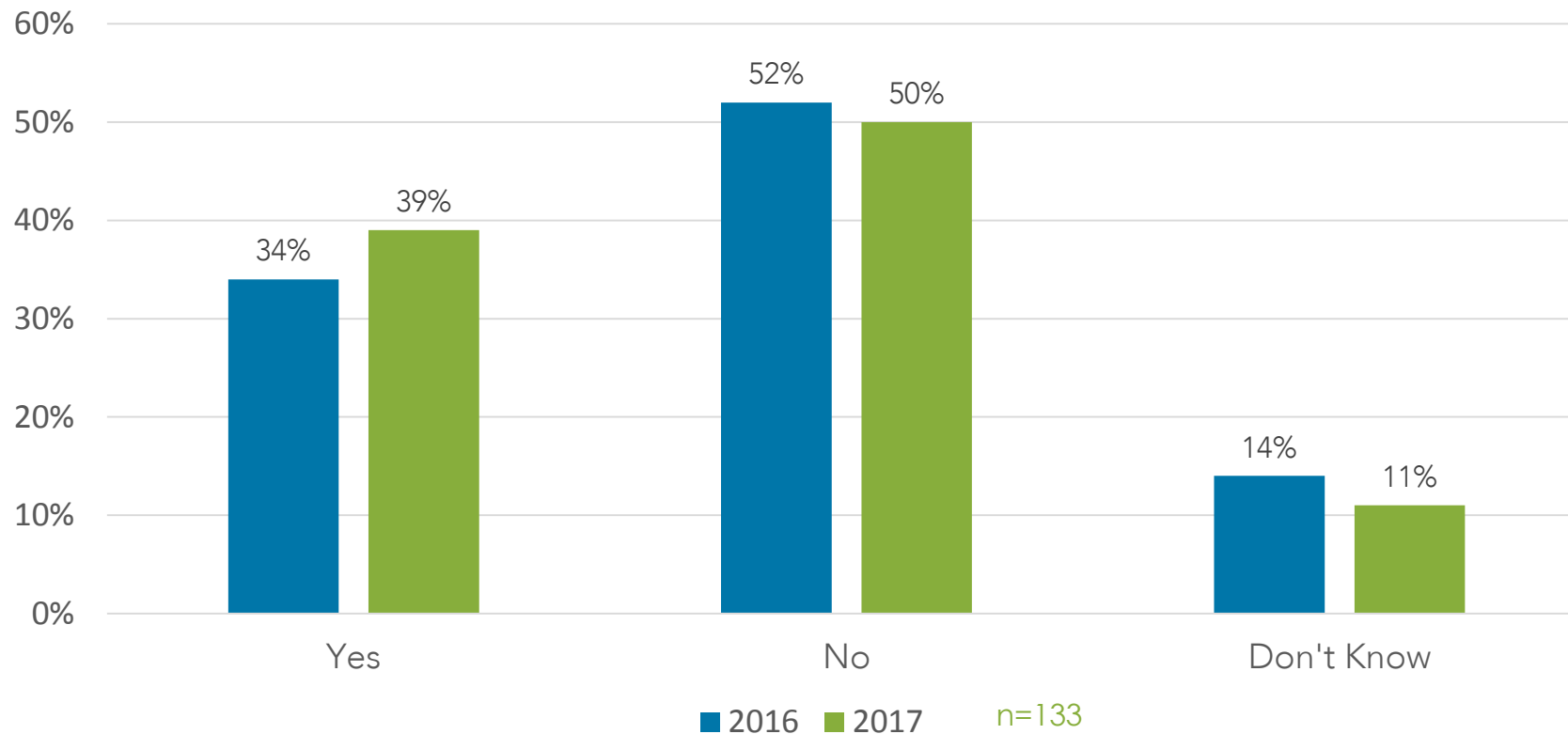


Most companies report that they will use employee feedback systems to address Employee Engagement in 2017.



Working with External Providers on Employee Engagement

Do you work with outside providers to enhance Employee Engagement? Outside providers may include training companies, consultants, coaches, universities, survey companies, etc. (but not do-it-yourself software tools).



39% of companies report using an outside provider to enhance employee engagement compared to 34% in 2016. [Tweet this](#)

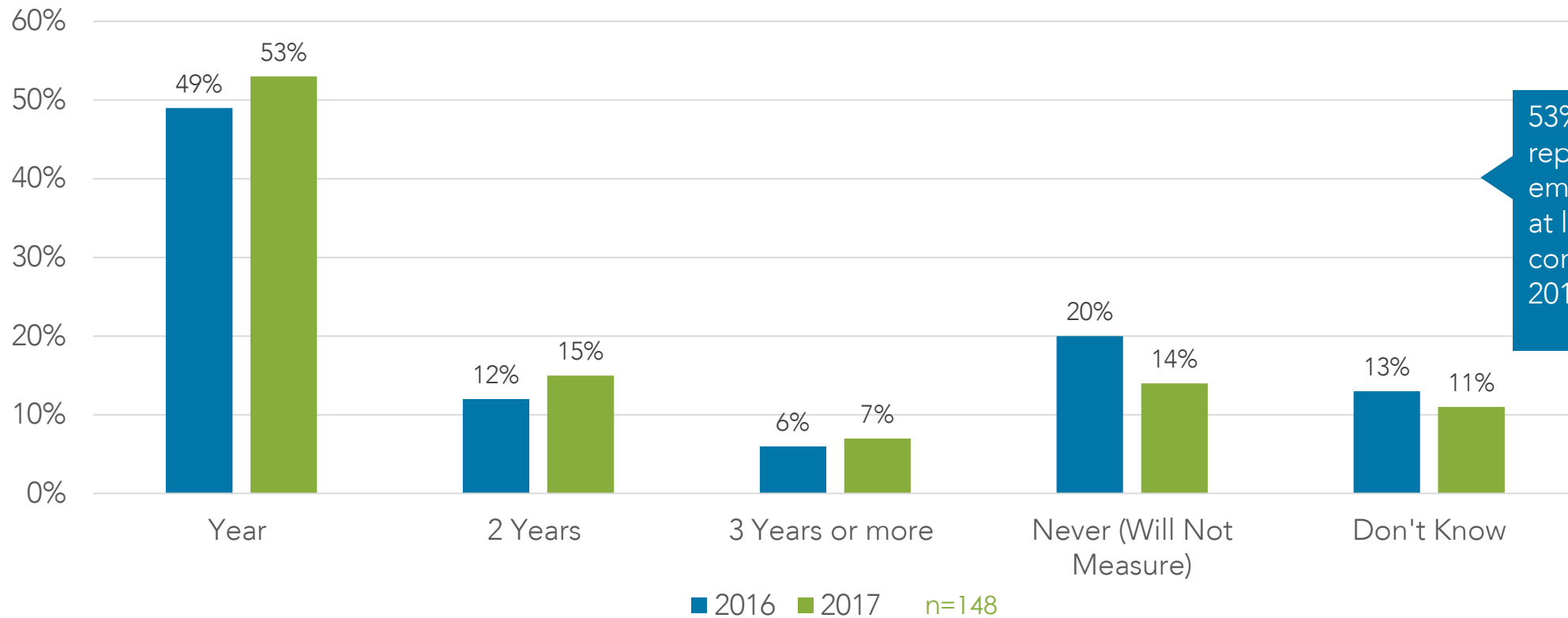
Measuring Employee Engagement

We got down into the details to find out the frequency and consistency of surveying, survey methods, participation rates, use of benchmarks, and the average level of engagement.



Last Employee Engagement Survey

When was the most recent survey conducted to measure Employee Engagement in your organization? Was it in the past...

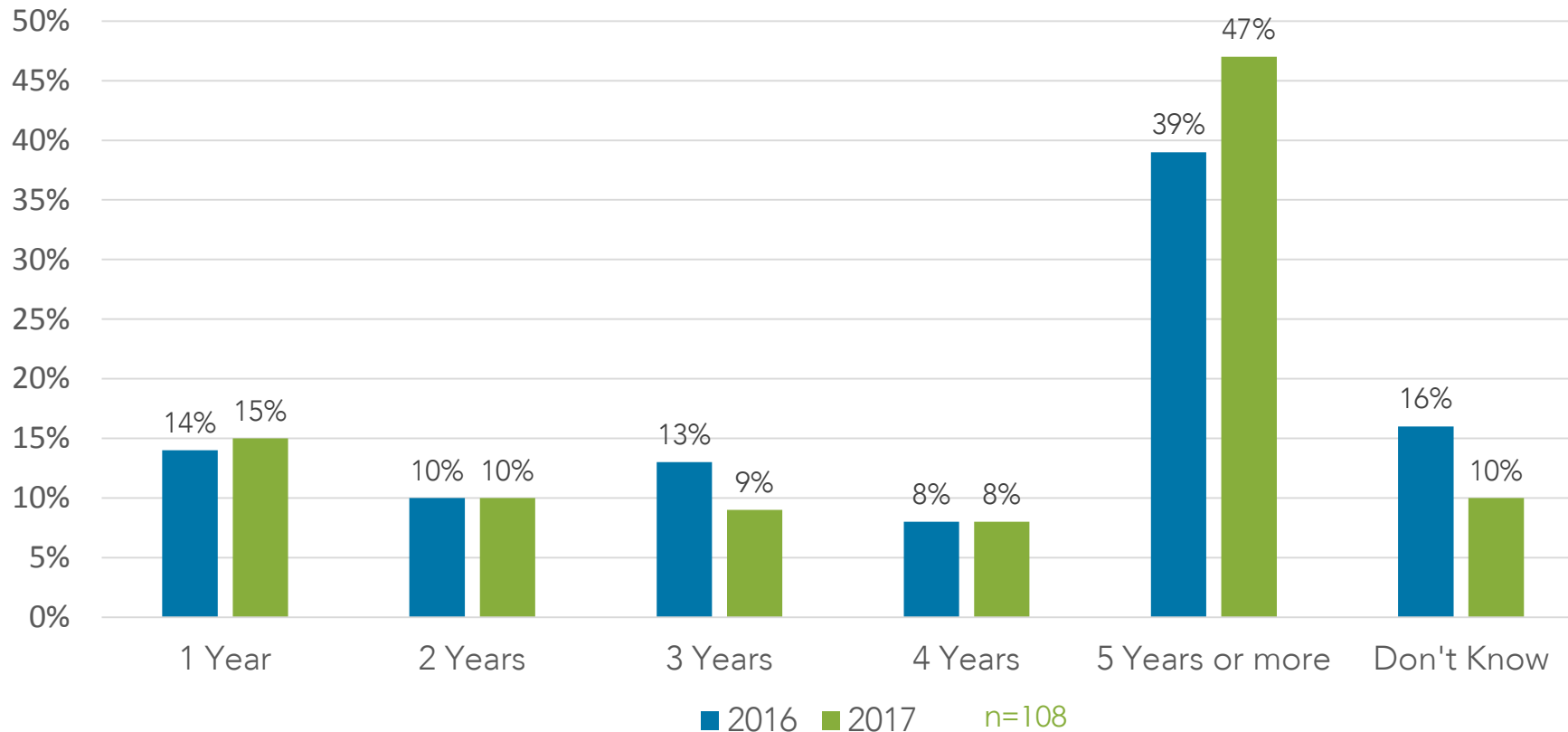


53% of companies report measuring employee engagement at least once a year compared to 49% in 2016.

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History of Measuring Employee Engagement

Over how many years has your organization been measuring Employee Engagement using an employee survey?

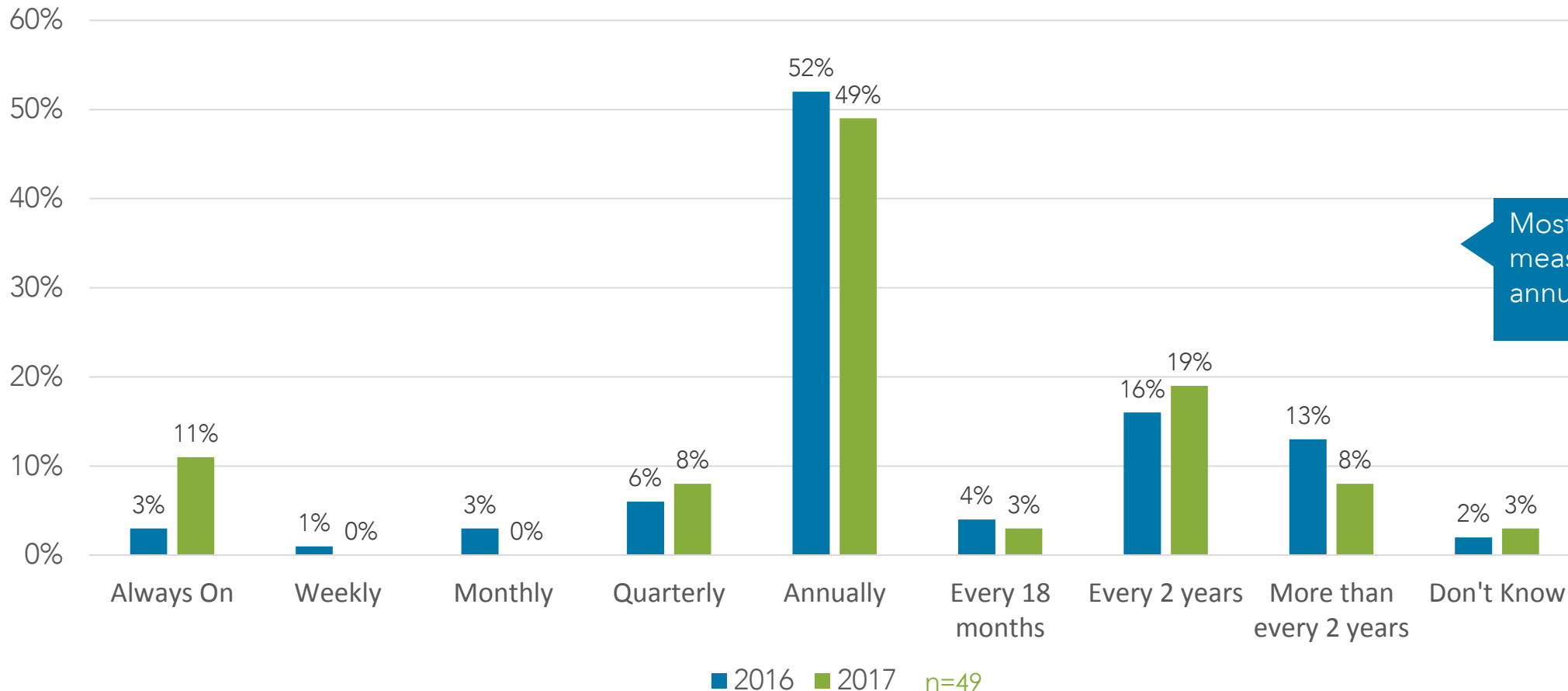


64% of companies report measuring employee engagement for 3 years or more compared to 60% in 2016.

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Frequency of Measuring Employee Engagement

How frequently does your organization conduct a formal employee survey or collect employee feedback? (Multiple answers allowed if your company surveys multiple times)

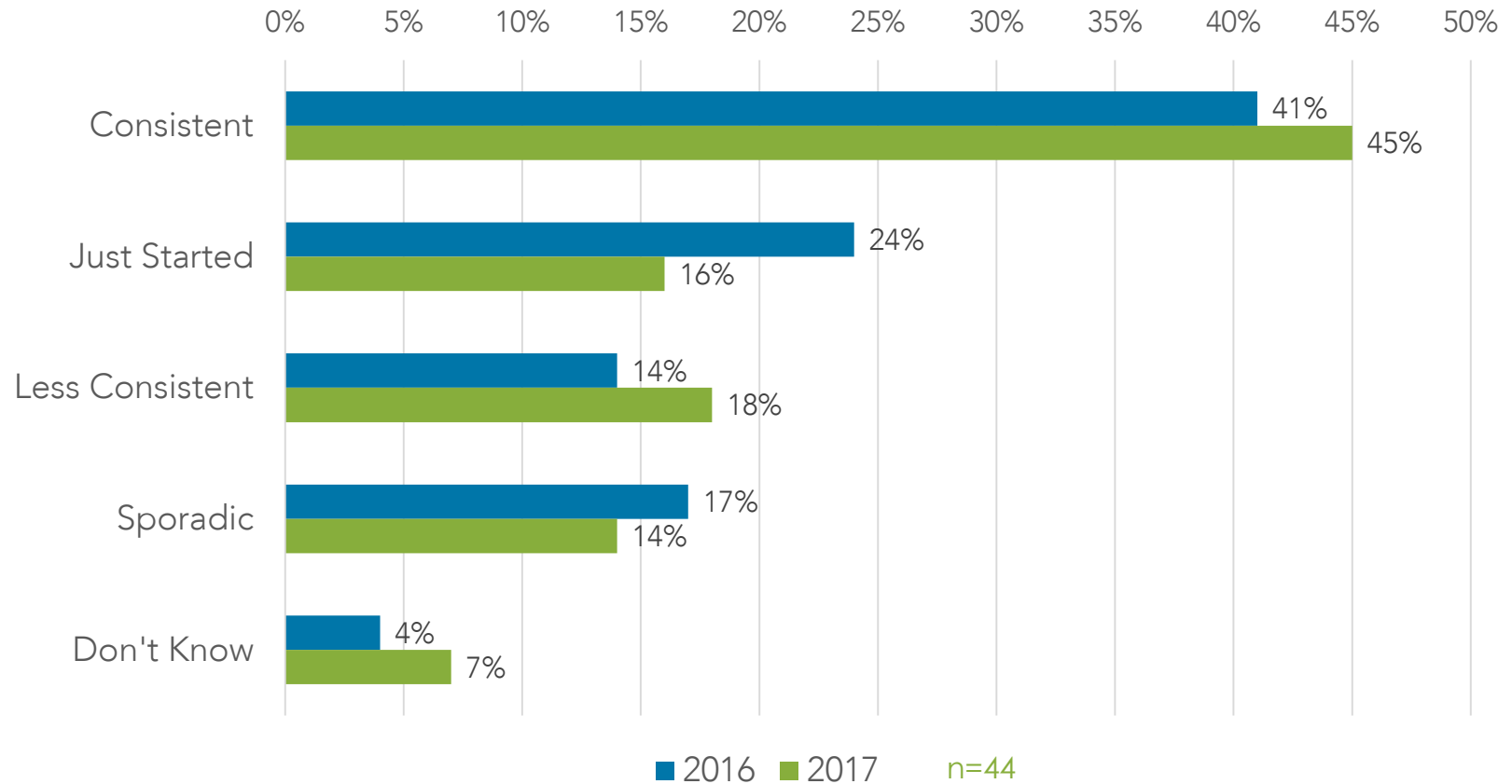


Most companies measure engagement annually. [Tweet this](#)

Consistency of Measuring Employee Engagement

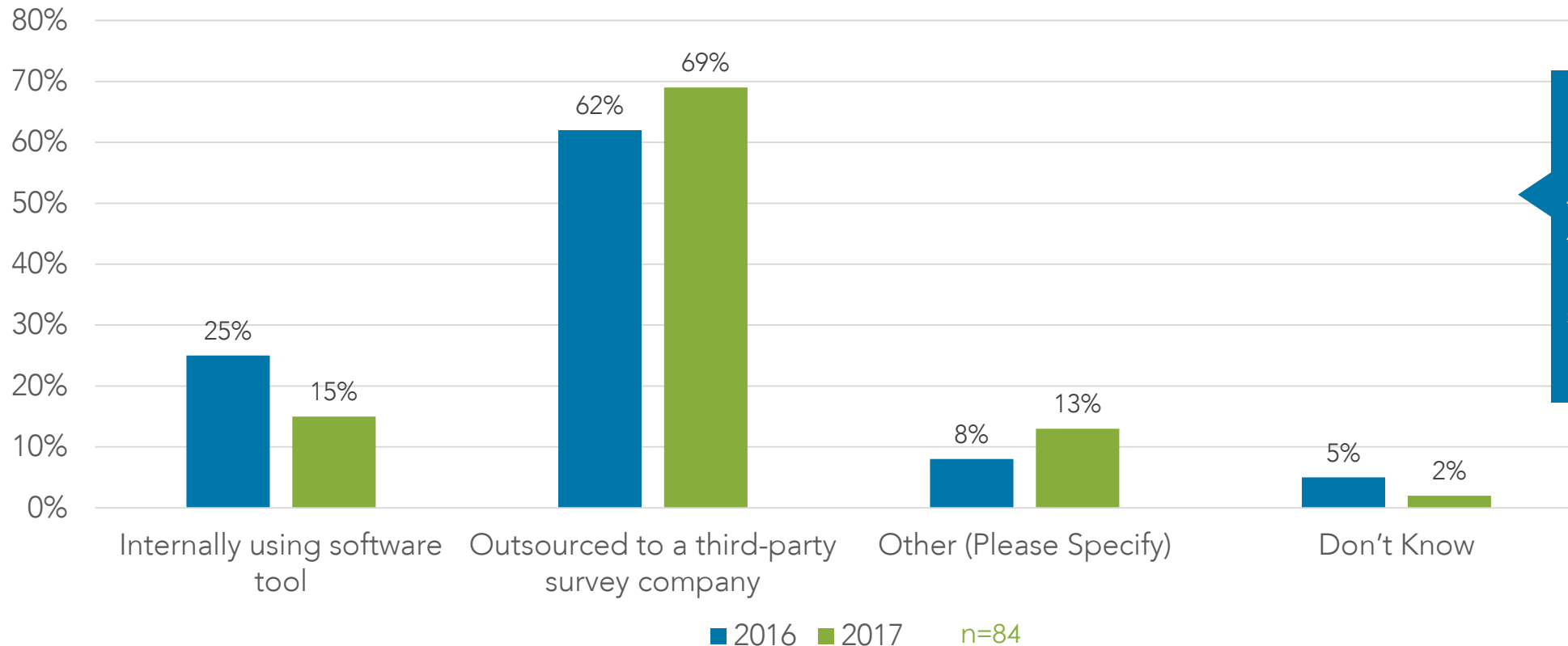
Which statement best describes your organization?

- CONSISTENT: My organization has measured employee engagement each year for at least the past three years.
- JUST STARTED: My organization just started measuring employee engagement within the last two years.
- LESS CONSISTENT: My organization measures employee engagement every 18 months to 2 years.
- SPORADIC: My organization has measured employee engagement sporadically over the past five years.



Internal vs. Outsourced Employee Engagement Surveys

For your organization's most recent survey to measure employee engagement, how did you administer the survey?

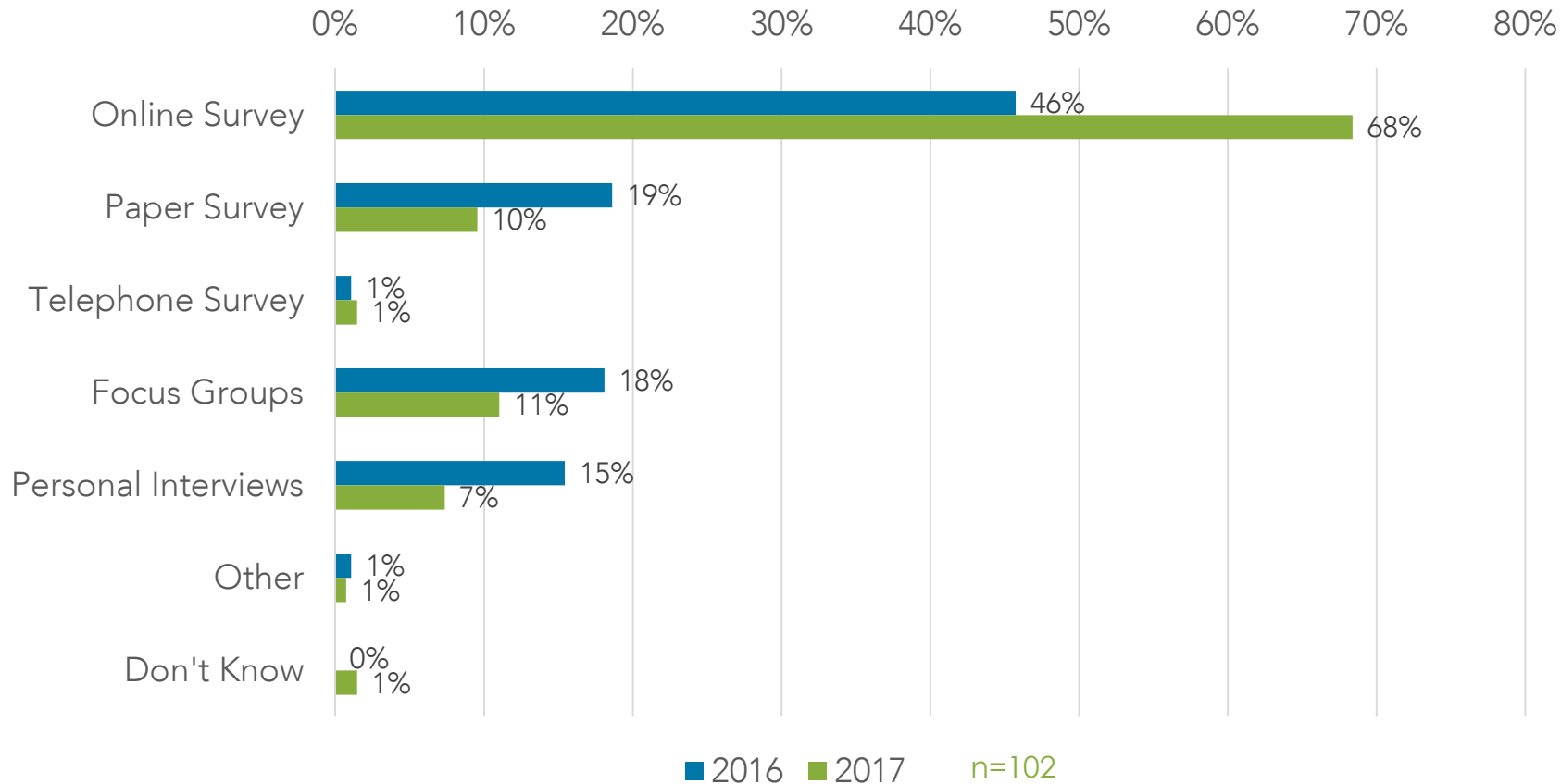


More companies reported using outsourced third-parties than internal software tools to administer employee engagement surveys in 2017.

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Employee Feedback Collection Methods

What methods has your organization used to collect employee feedback? (Mark all that apply)

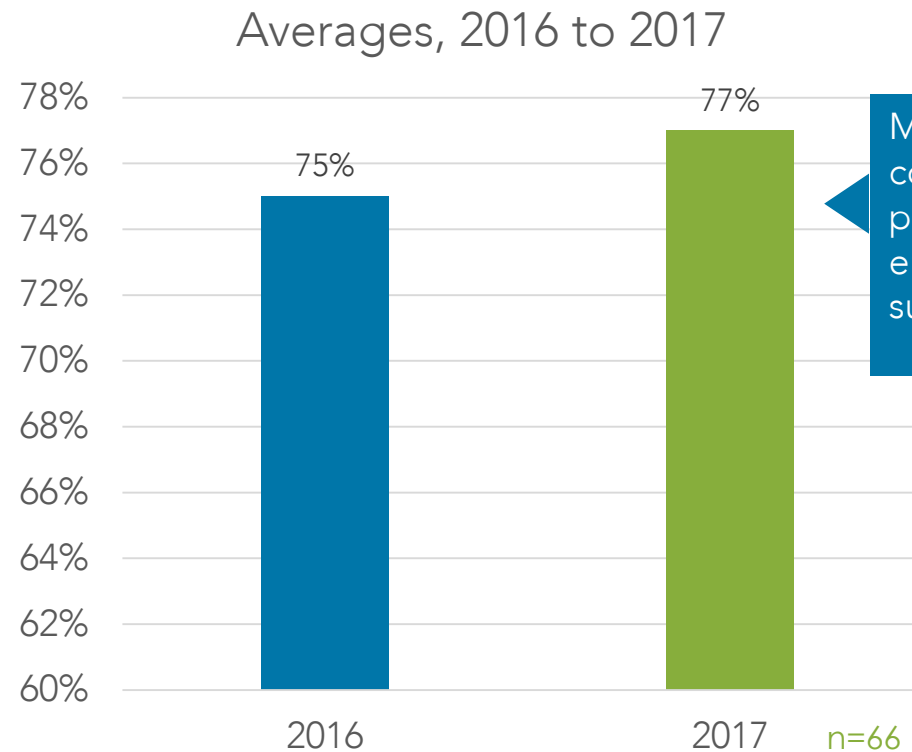
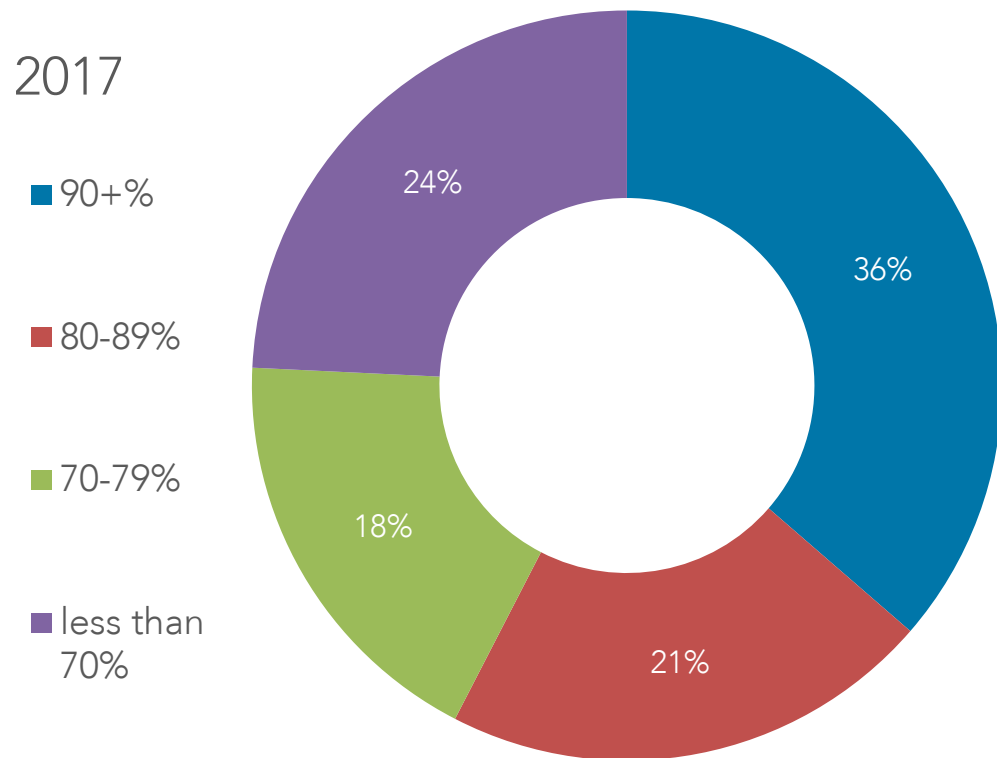


The reported use of online employee engagement surveys increased from 46% in 2016 to 68% in 2017.

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Average Employee Engagement Survey Participation

What percentage of your employees provided feedback to your most recent employee survey?

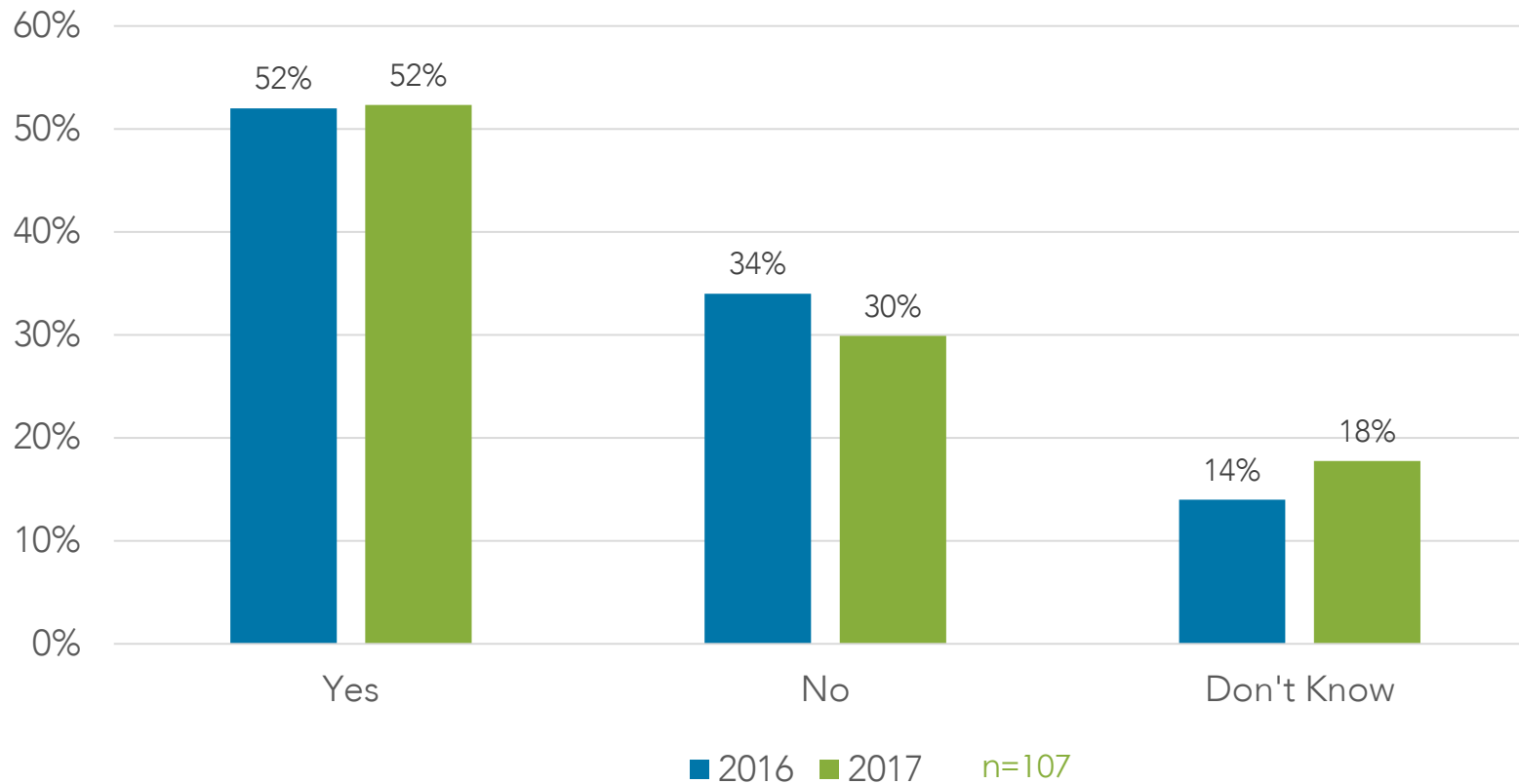


More than a third of companies report 90+% participation on their last employee engagement survey.

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Use of Employee Engagement Benchmarks

Do you compare your engagement scores to an overall benchmark or to others in your industry? (benchmarking)

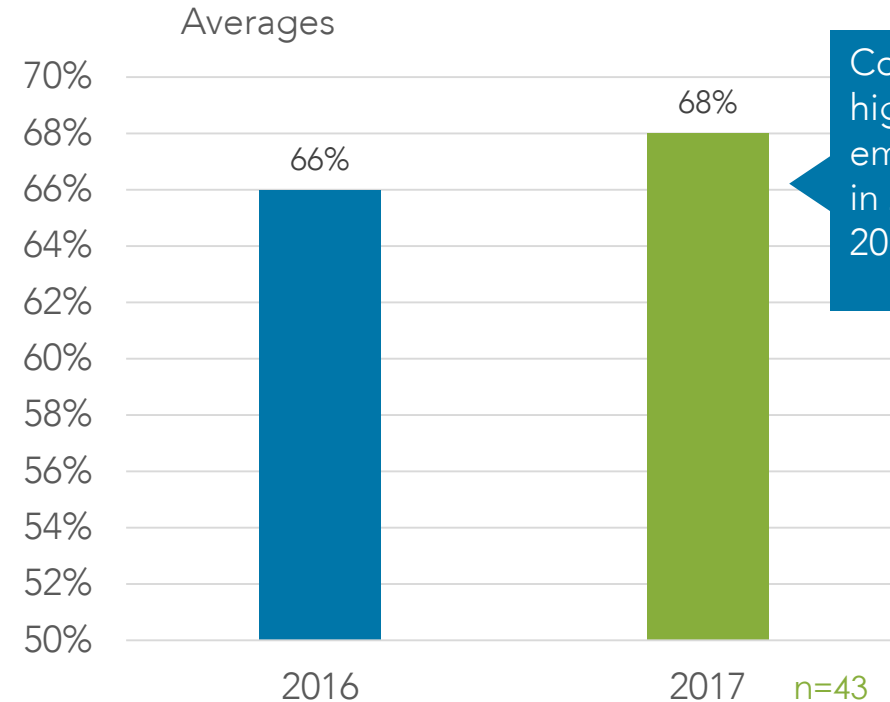
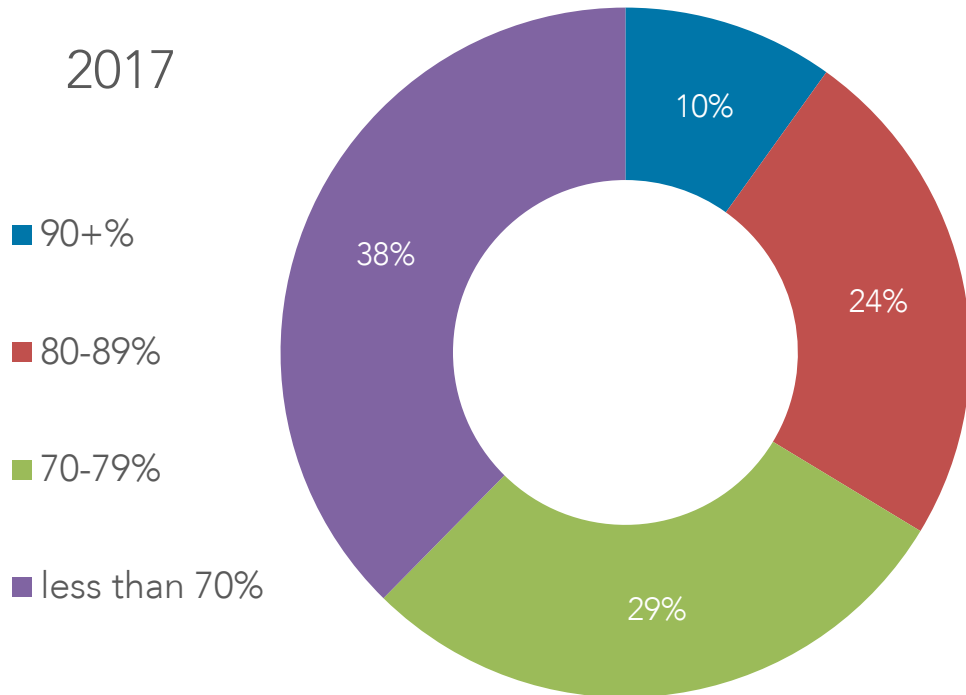


52% of companies report using industry benchmarks to compare engagement survey results.

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Average Level of Employee Engagement

According to your most recent survey results, what percentage of employees are engaged at your company? This includes employees you consider to be fully engaged, engaged, or somewhat engaged.

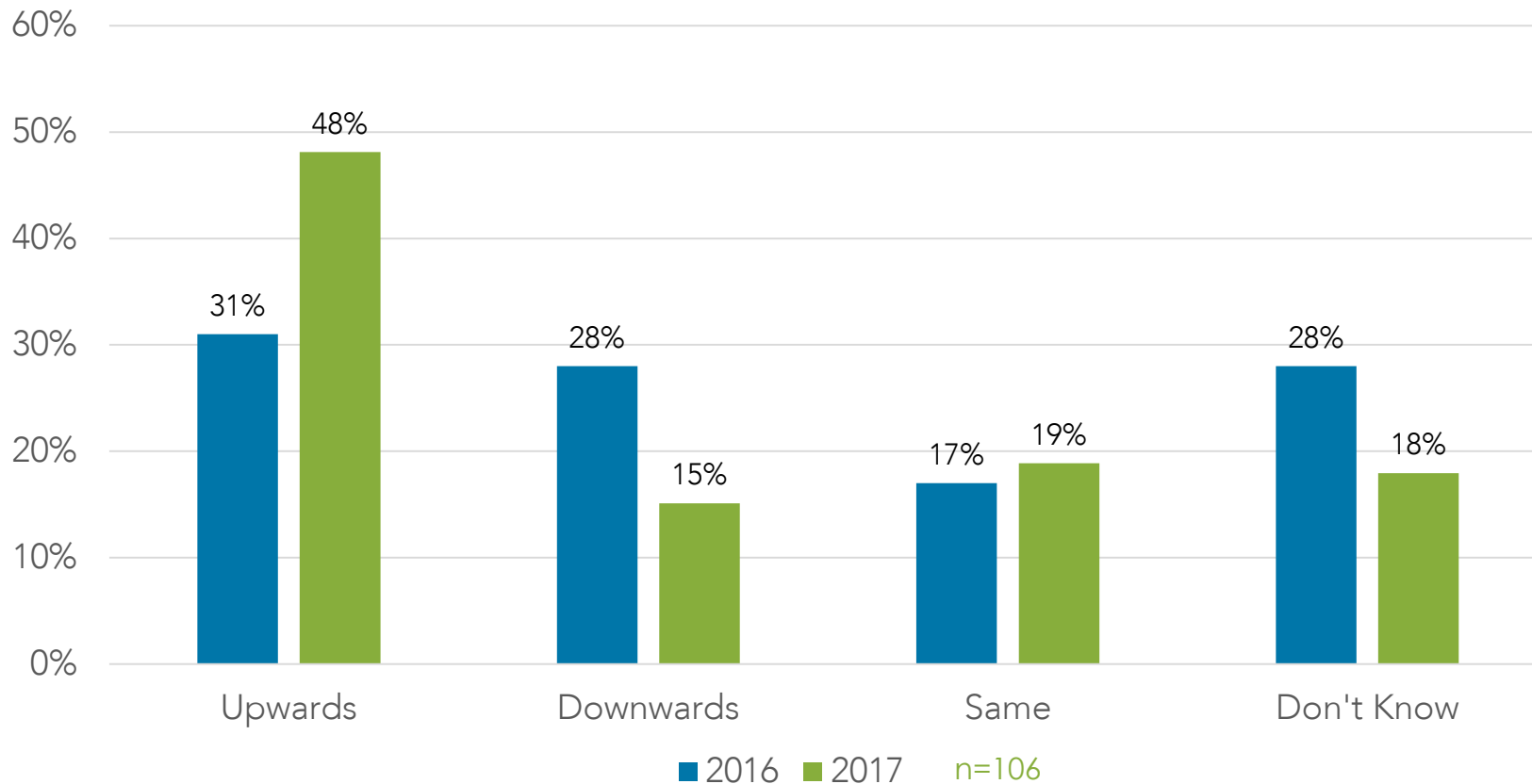


Companies report higher levels of employee engagement in 2017: 68% vs. 66% in 2016.

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Companies with Engagement Trending Upward

Based on any employee survey results over the past 3 years, has the overall level of Employee Engagement in your organization trended....



48% of companies report Employee Engagement is trending upwards compared to 31% in 2016.

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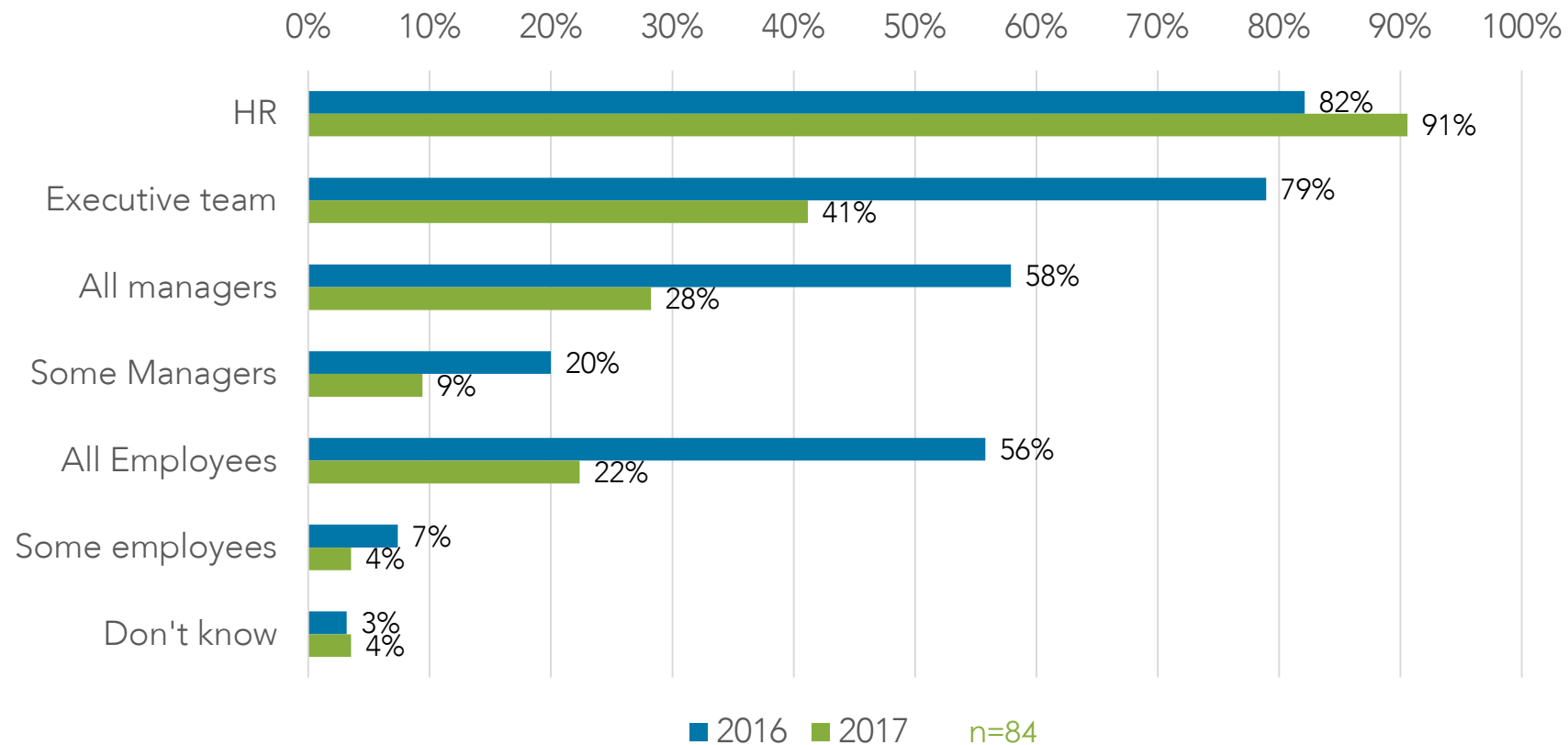
Use of Employee Engagement Results

Conducting a survey is just the beginning of a process. This section highlights what happens after the results are tallied. We asked about how broadly results are shared, who conducts action plans using the results, and if training is provided on employee engagement.



Sharing of Employee Engagement Results

Which groups receive the results of the survey (summary or detailed results)? Please check all that apply.

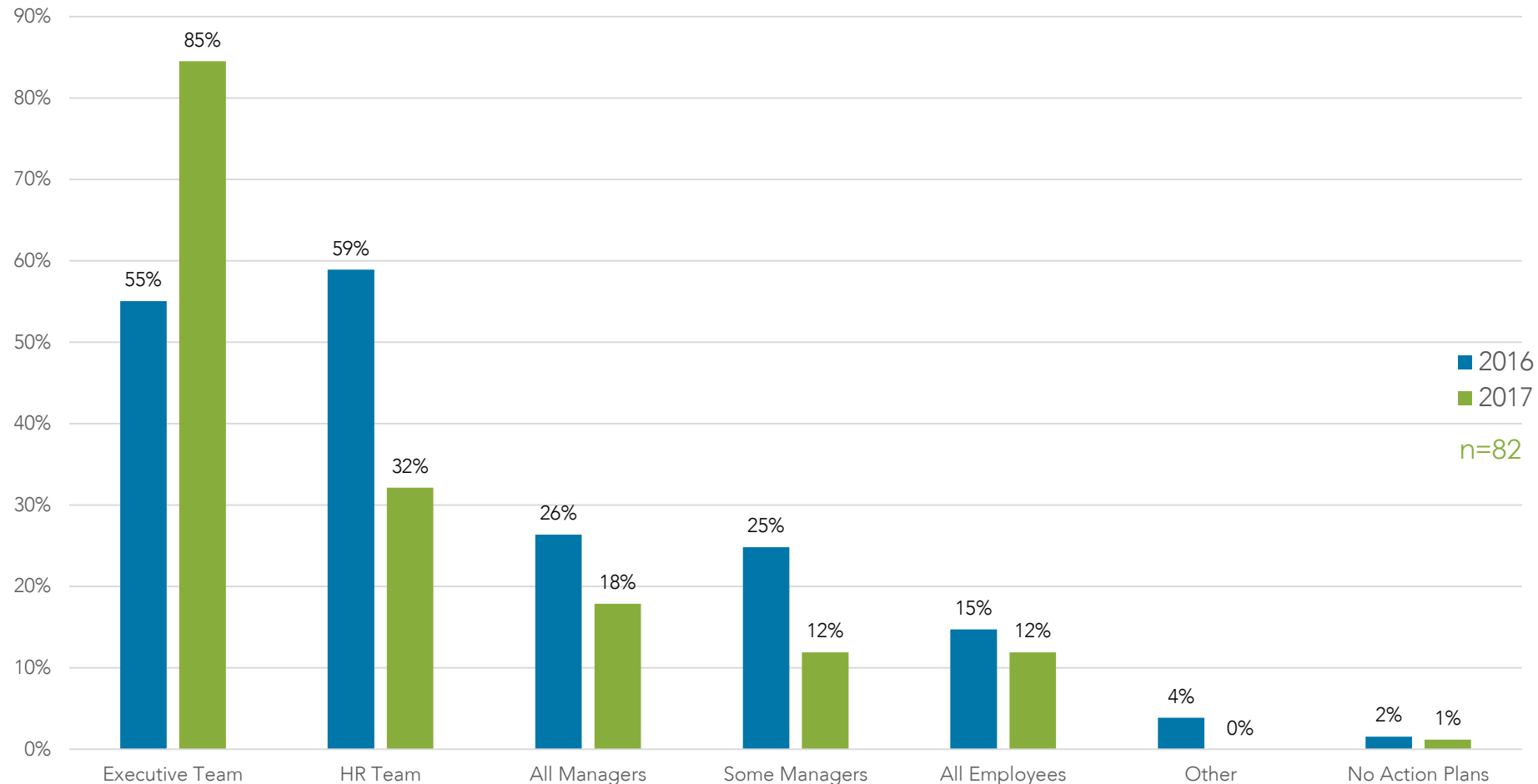


Companies report that there is less sharing of employee engagement survey results throughout the organization compared to the previous year.

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Creation of Employee Engagement Survey Action Plans

Who is involved in action planning based on the survey results?

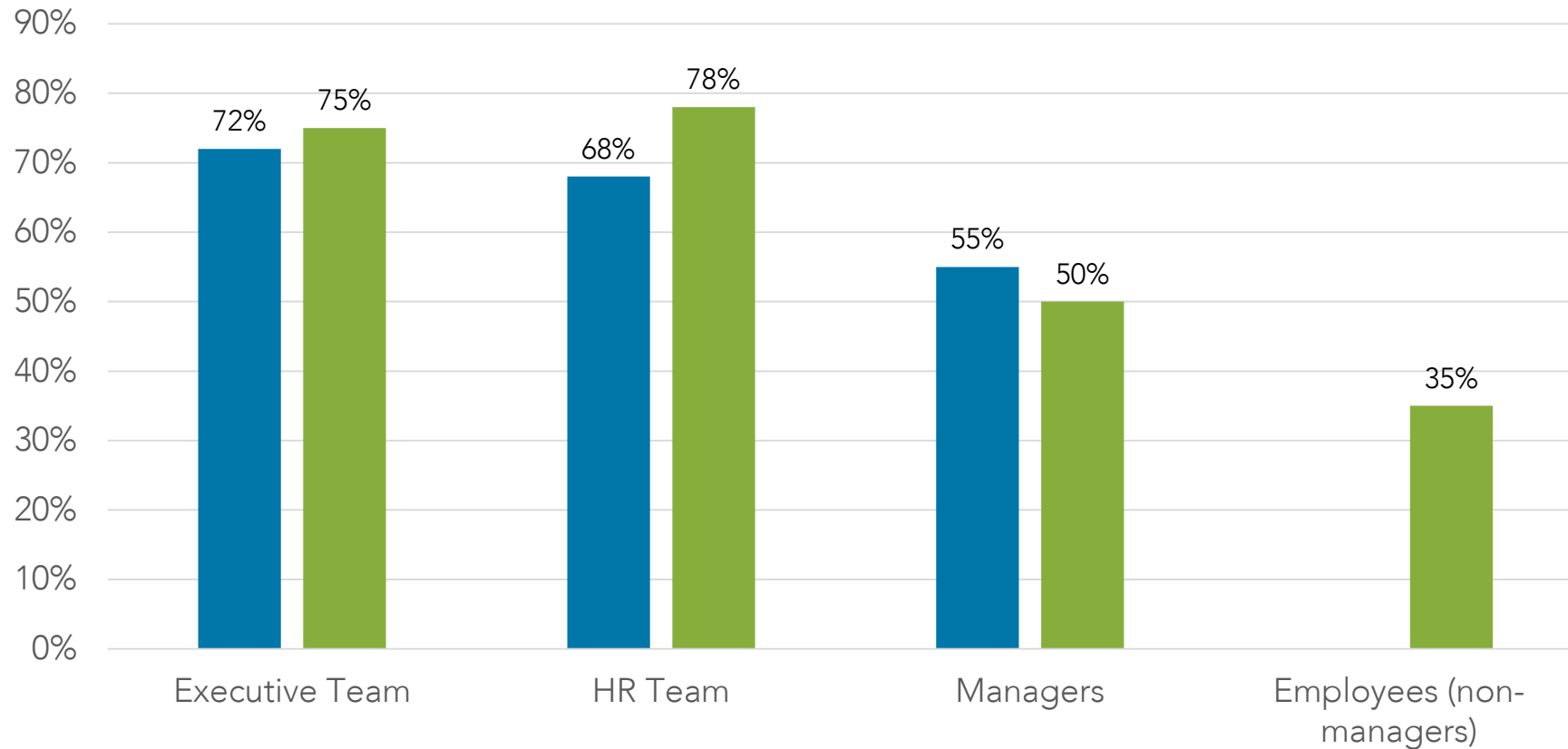


Companies report that the executive team is more involved in action planning in 2017 compared to the previous year: 85% vs. 55% participation.

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Creation of Employee Engagement Survey Action Plans

What percent of the following groups actually create an action plan?
(Employees were not included in the 2016 survey)



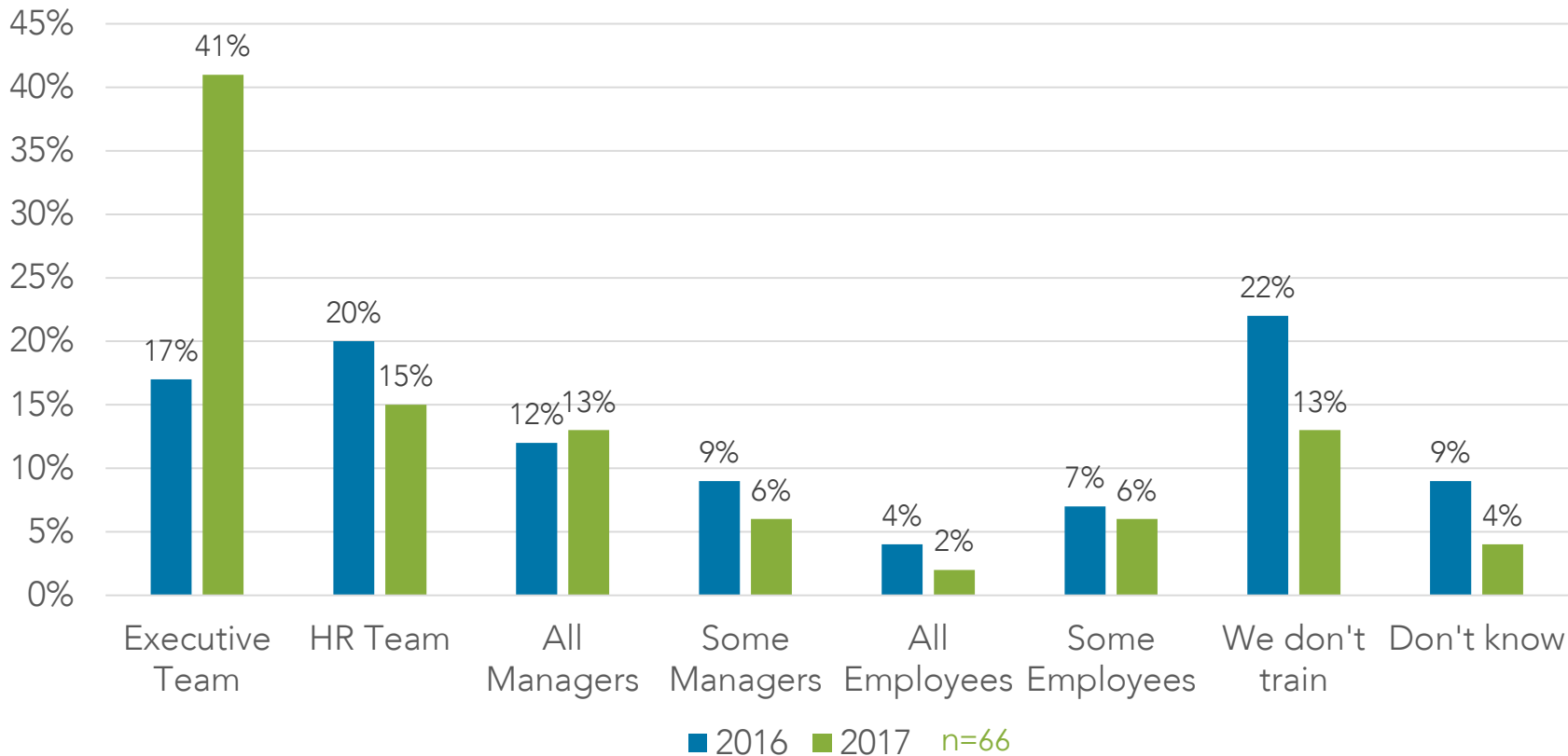
■ 2016
■ 2017
n=47

Managers and employees are less involved in the creation of engagement survey action plans compared to the Executive and HR teams.

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Training on Employee Engagement

Which of the following groups have received training on Employee Engagement in your organization? By training, we mean a formal session on what employee engagement is and how to increase it in the organization. Please check all that apply.



More executive teams received training on employee engagement in 2017 compared to 2016: 41% vs. 17%



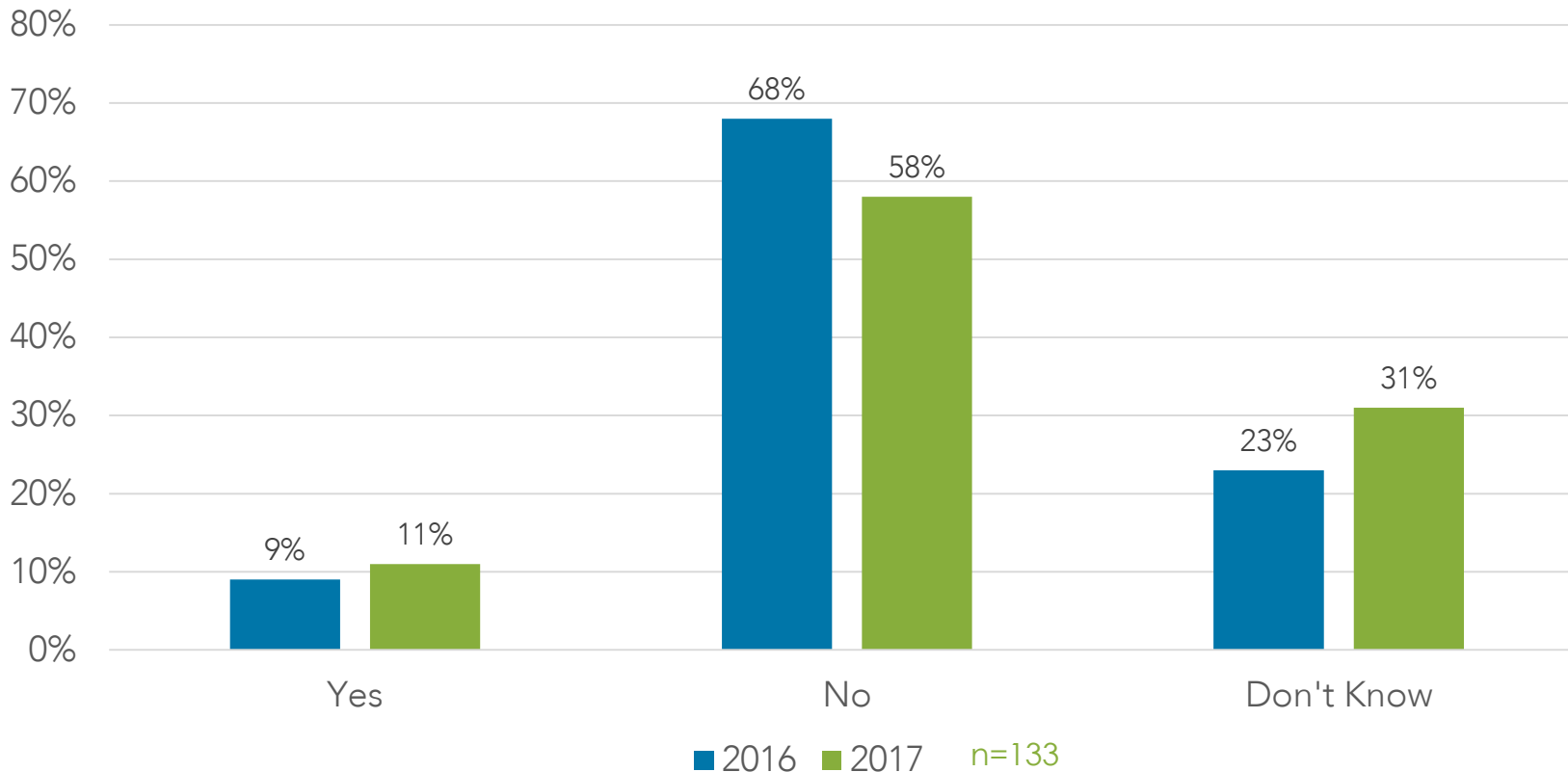
ROI and Employee Engagement

Does employee engagement really work?
We asked about the return on investment from employee engagement initiatives and other impacts it has on the organization.



Measuring the ROI of Employee Engagement

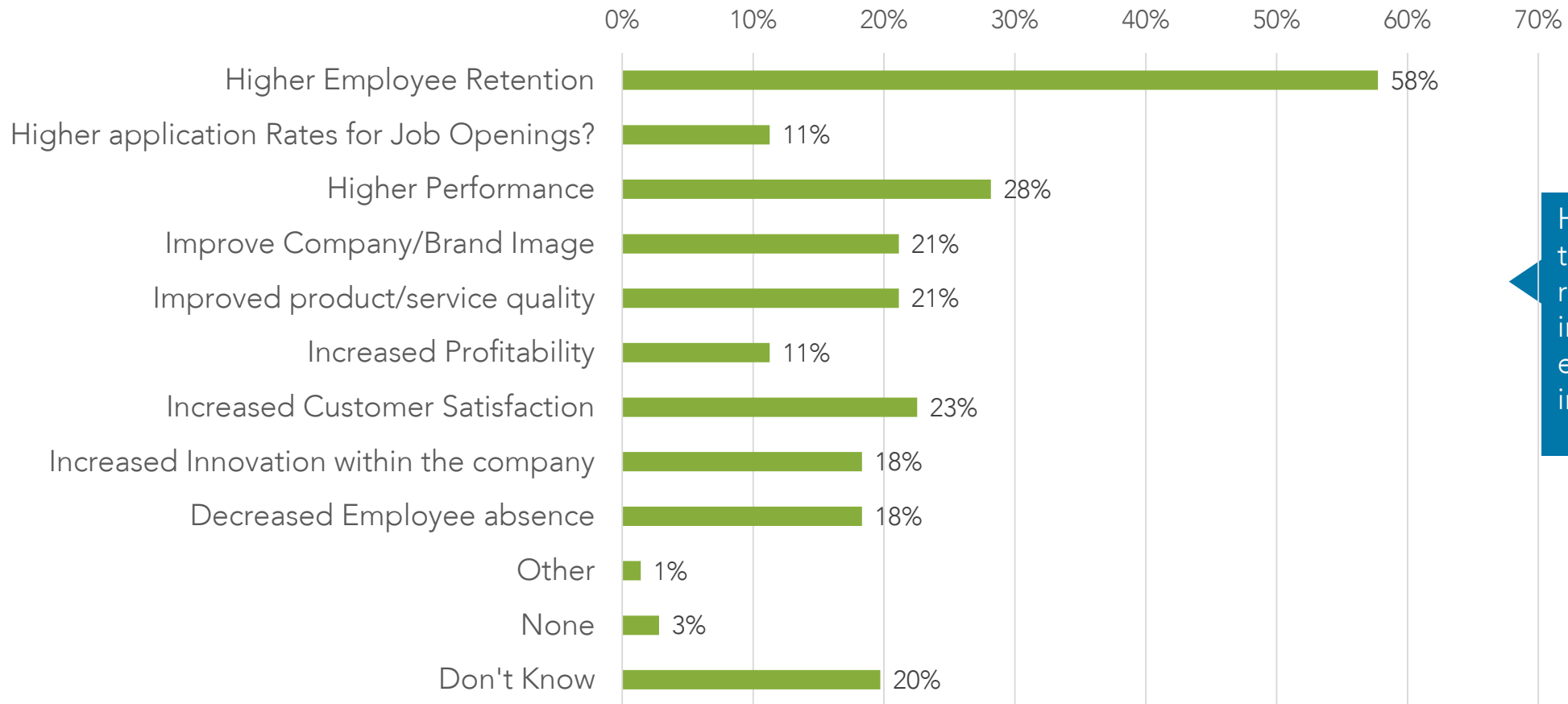
Does your organization measure its return on investment (ROI) for Employee Engagement programs?



Only about 10% of companies measure the return on investment for employee engagement programs. [Tweet this](#)

What ROI have you seen?

In what ways have you seen a return on the organization's investment in Employee Engagement?

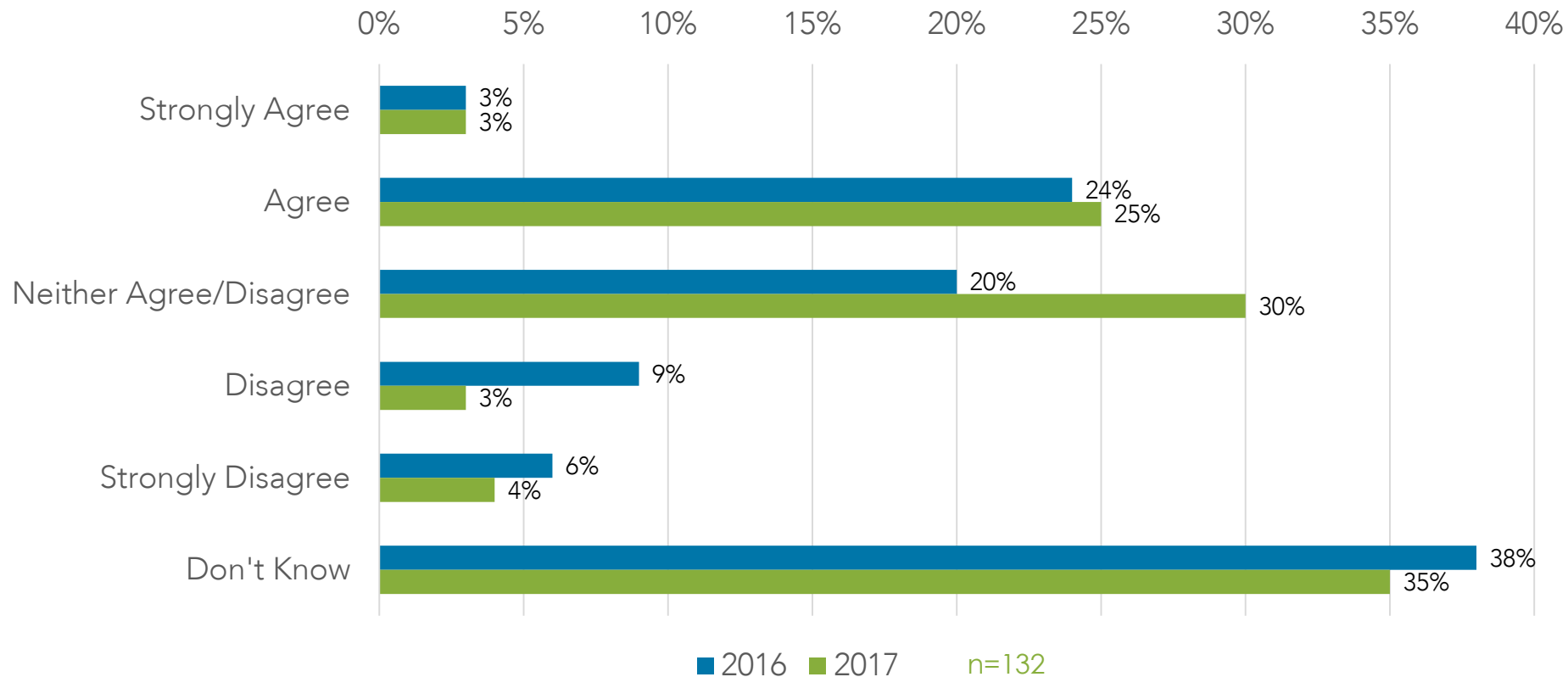


Higher retention tops the list as the most reported return on investment from employee engagement initiatives. [Tweet this](#)

n=70

Belief in Employee Engagement ROI

How strongly do you agree with the following statement: "Our program(s) to improve Employee Engagement has (have) given us the ROI/results we hoped for."



Only about a quarter of all companies agree that engagement programs give the results hoped for. Most still are unsure.

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Comments about the Impact of Employee Engagement

How would you describe the impact of Employee Engagement on your organization overall?



“Positive”

“Huge impact”

“Getting better but can always be improved”

“Lacks metric”

“We need to do more”

“It is a relatively new concept”

Most companies reported that engagement has a positive impact. Some responded that engagement is hard to measure.

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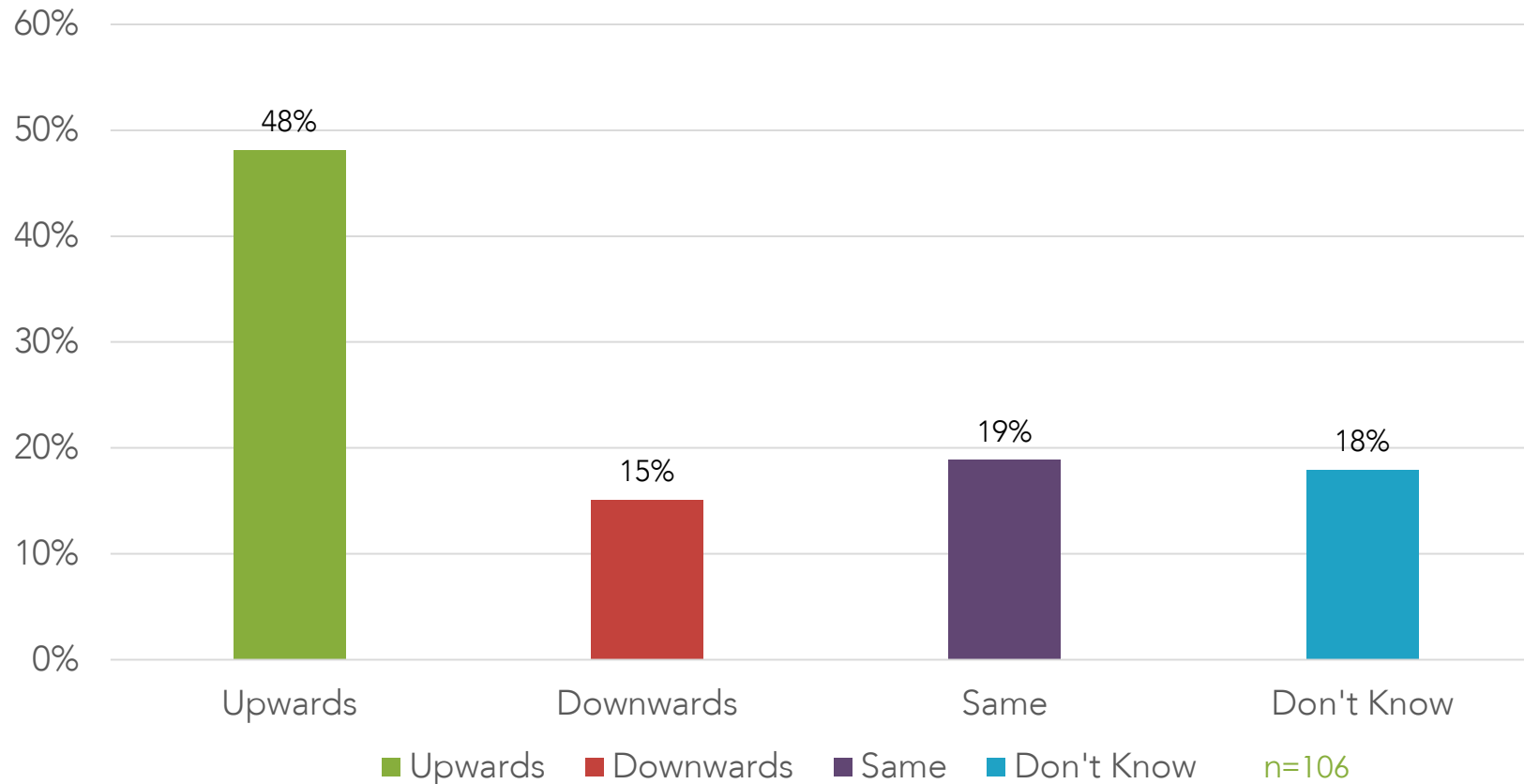
Best Practices

We take a look at trends of companies that have upward trending employee engagement, and how they differ from others.



Companies with Engagement Trending Upwards...

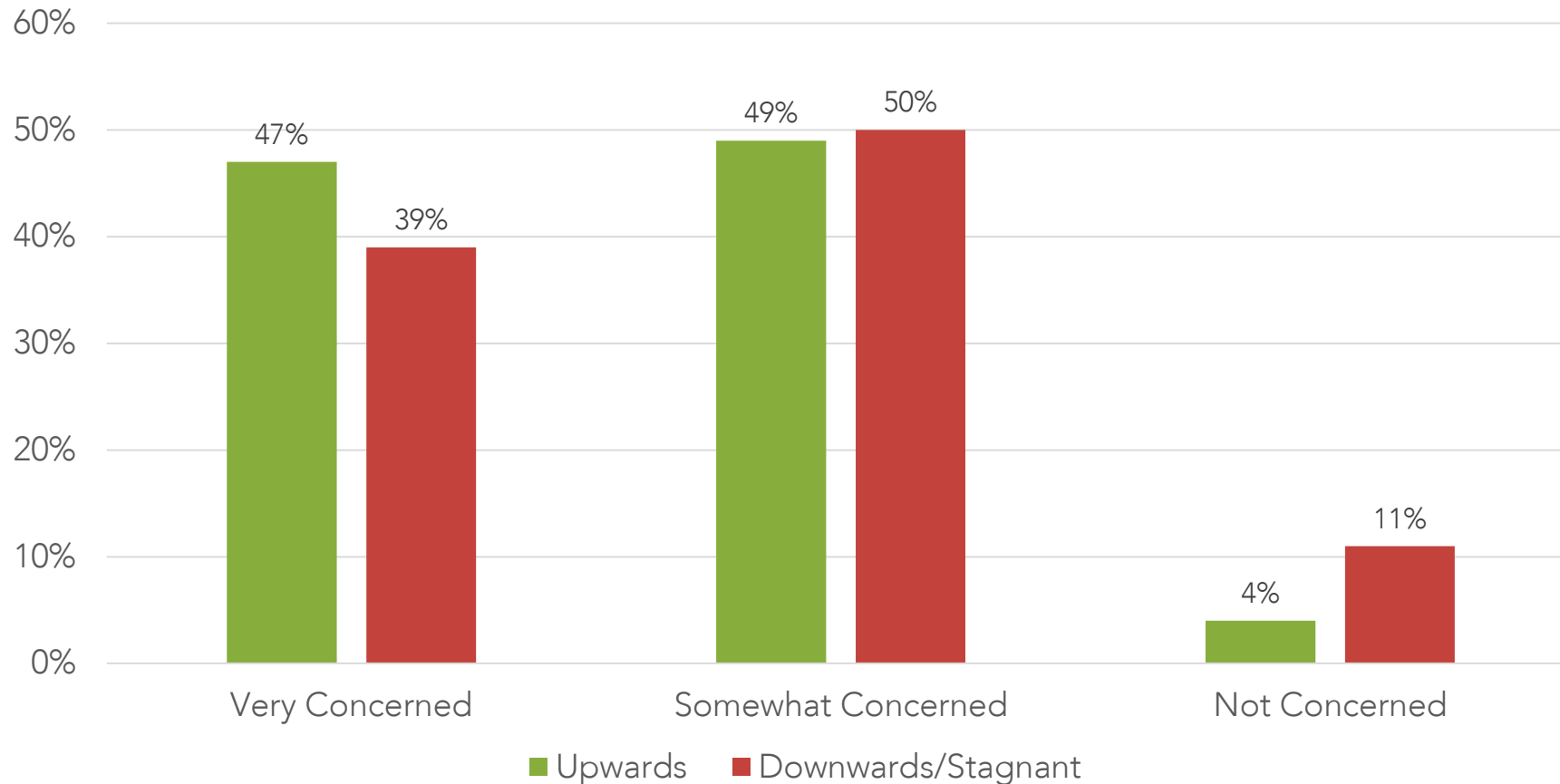
Based on any employee survey results over the past 3 years, has the overall level of Employee Engagement in your organization trended....



Let's take a more detailed look at the specific practices of companies with upwards trending employee engagement.

Companies with Engagement Trending Upwards... Are Concerned about Employee Retention.

How concerned is your organization about employee retention?

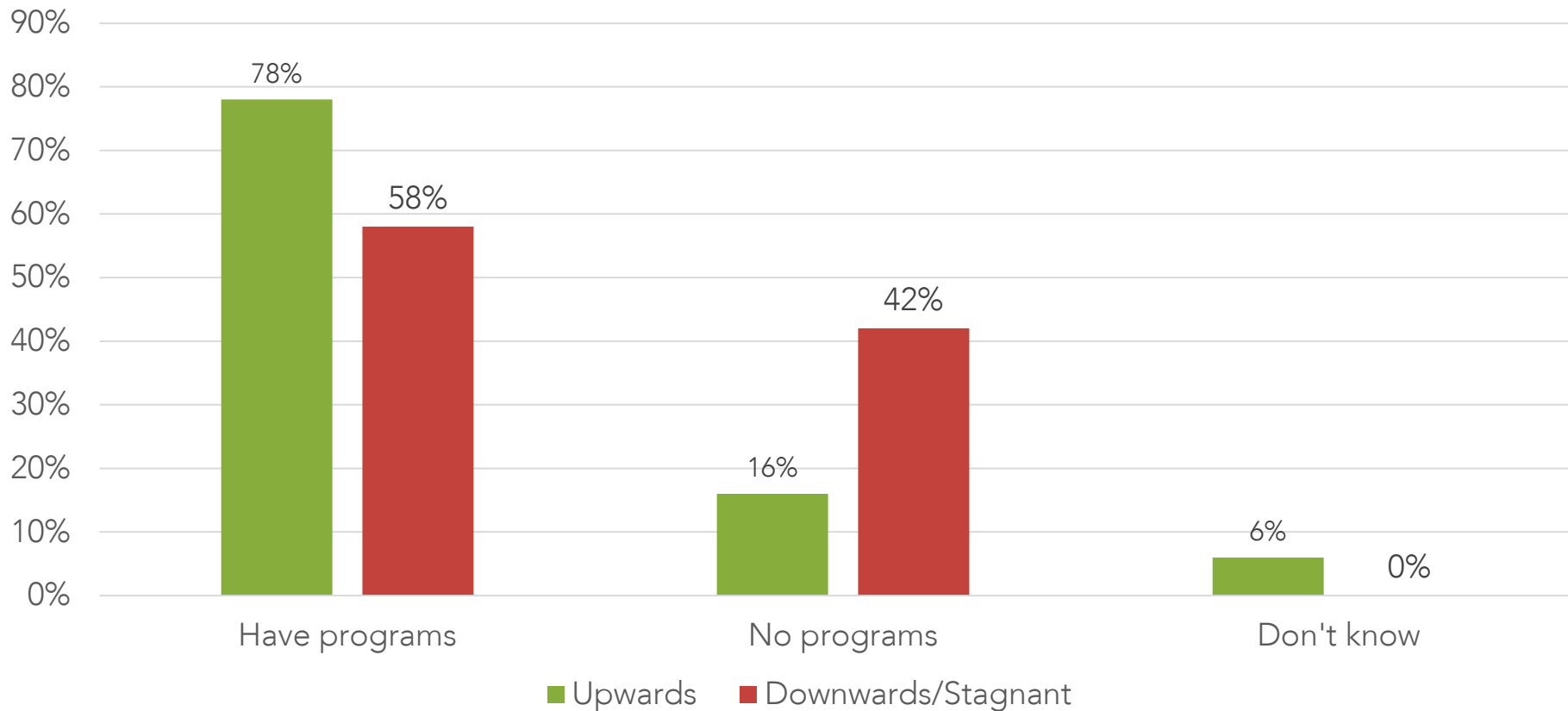


Use employee retention as a motivation to improve employee engagement.

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Companies with Engagement Trending Upwards... Use of Programs to Enhance Engagement.

Does your organization have a formal program (or programs) currently in place specifically aimed at enhancing Employee Engagement?

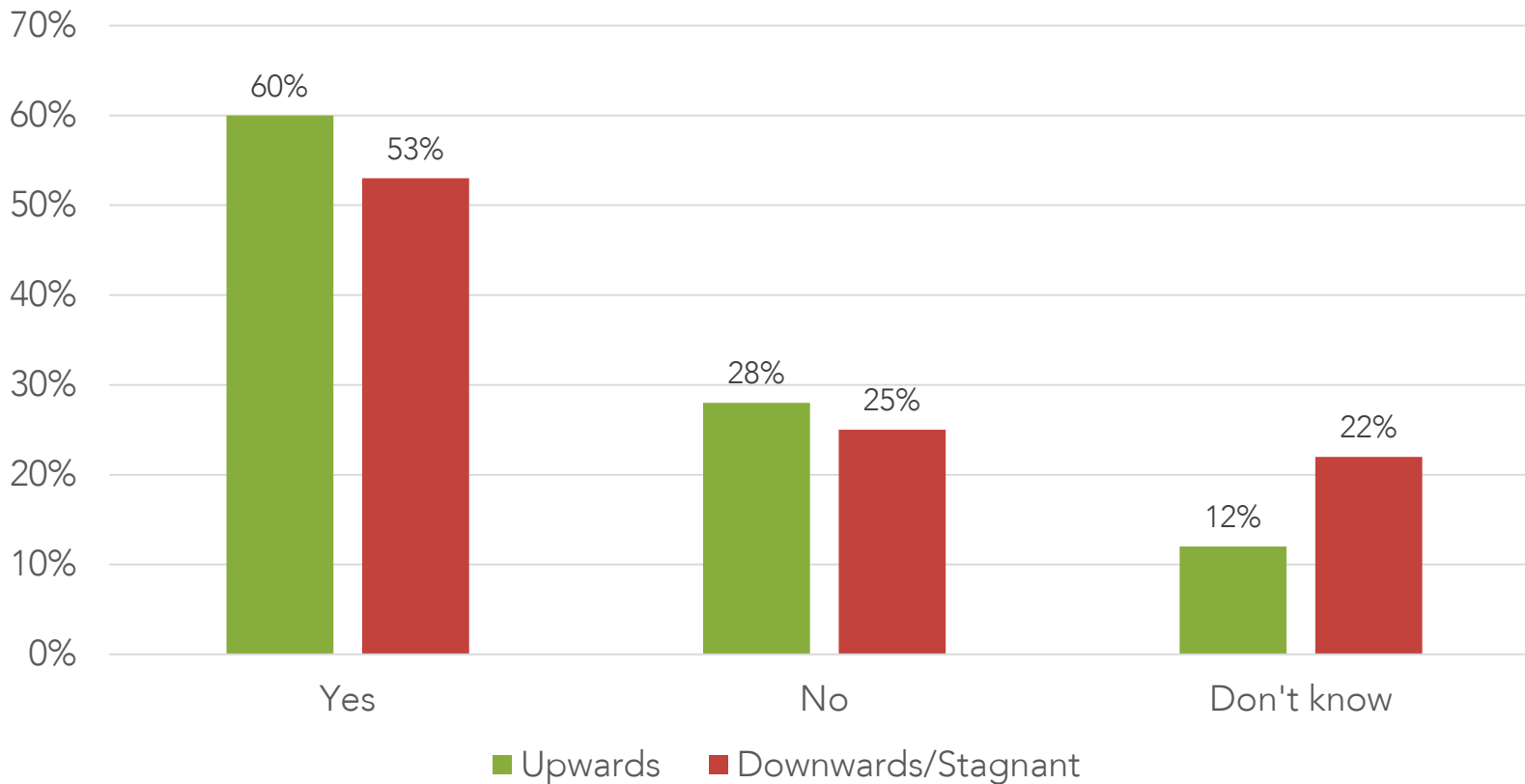


78% of companies with increasing trends in engagement use programs to enhance it.

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Companies with Engagement Trending Upwards... Use Industry Benchmark Comparisons.

Do you compare your engagement scores to an overall benchmark or to others in your industry? (benchmarking)



Companies that compare engagement survey scores to industry benchmarks show slightly more success at increasing employee engagement.

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Companies with Engagement Trending Upwards... Consistently Measure Employee Engagement.

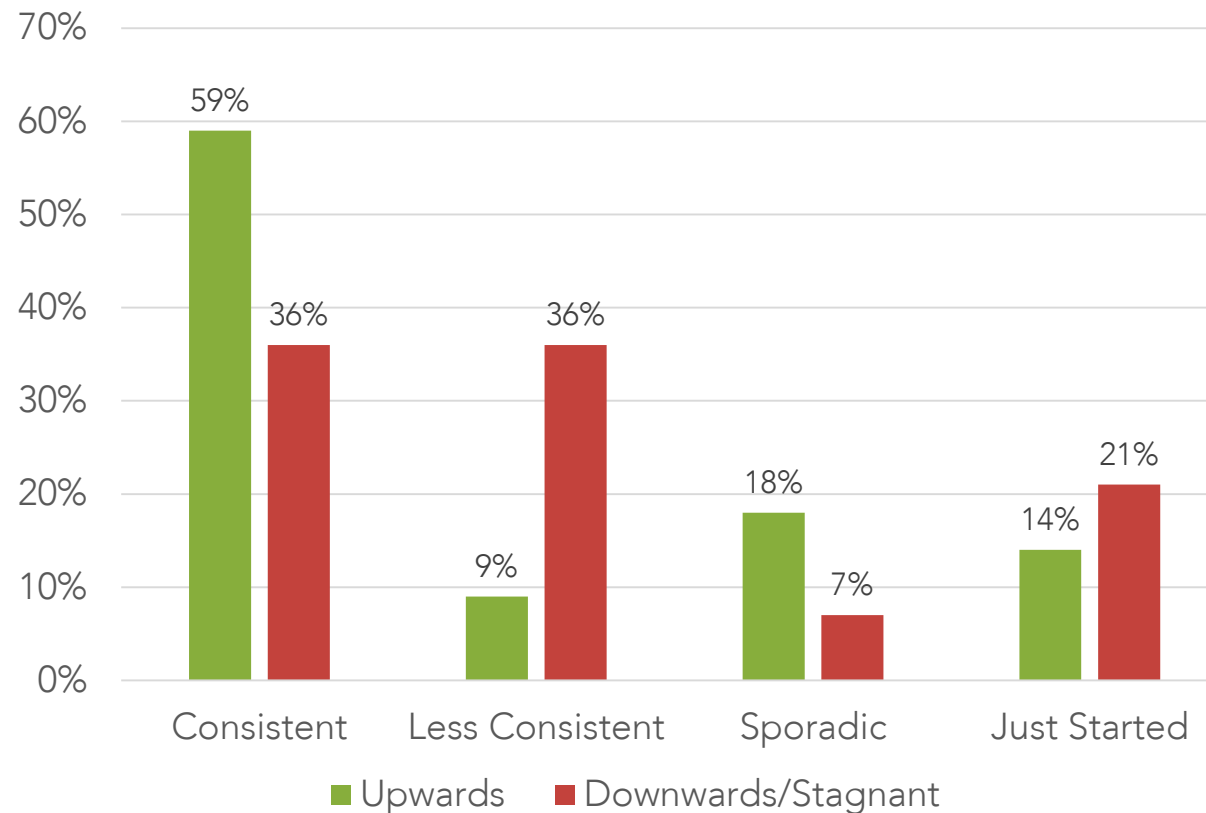
How consistently do you measure employee engagement?

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SPORADIC: My organization has measured employee engagement sporadically over the past five years.



Of companies that measure employee engagement consistently, 59% report engagement trending upwards!

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Key Findings

A summary of the report along with some key take-aways.



Key Findings from this Research

This study provides several insights and actionable take-aways for HR professionals:

- 1. Engagement Drives Retention:** Companies concerned about employee retention show greater success at improving employee engagement. Tie your engagement initiatives to specific business outcomes.
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About DecisionWise

What we do:

We start by understanding your organization and what you need to measure. What is the current culture? What's most important to your organization right now, and in the future?

We understand what matters most to your success.

Our survey experts customize an employee engagement survey based on those needs, and confidentially collect feedback from your employees.

We partner with you to analyze and interpret the results. But it doesn't end there. Our comprehensive action planning process helps ensure that employee survey data is turned into action and results.

<https://www.decision-wise.com/employee-engagement-survey/>



We Wrote the Book on Employee Engagement

MAGIC: Five Keys to Unlock the Power of Employee Engagement

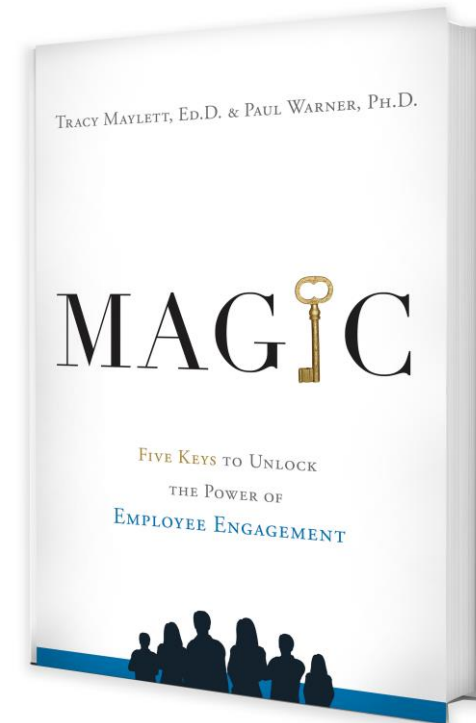
Employees and leaders intuitively know that when we find a place where we can throw our hearts, spirits, minds, and hands into our work, we are happier, healthier, and produce better results. Yet, most struggle to understand exactly why we engage in some environments, and don't in others. *MAGIC* introduces the five *MAGIC* keys of employee engagement—**Meaning, Autonomy, Growth, Impact, and Connection**—and shows how leaders can help employees achieve higher levels of engagement, as well as how employees can be more successful by taking ownership for their own *MAGIC*.

The Research

Based on over 14 million employee survey responses across 70 countries—the most extensive employee engagement survey database of its kind—*MAGIC* combines principles of psychology and motivation with solid business concepts. Written by internationally recognized experts in leadership and employee engagement, Dr. Tracy Maylett and Dr. Paul Warner, *MAGIC* provides actionable advice that will reduce employee attrition, encourage initiative, drive growth and profit, and increase personal engagement in one's work.

Engaging Content

In this book, leaders and employees will find real-world case studies, exercises, assessments, thought-provoking questions, and suggestions that increase engagement on the individual, manager, and organizational levels.



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