

Employee Engagement Trends

There is no denying the challenges that have plagued the workplace over the past several years. The downturn economy brought large scale layoffs, mergers, bankruptcies and some of the highest unemployment rates in recorded history. As a result, several studies over the past two years have shown a steady decline in employee engagement levels.

According to Bob Hill at BusinessBrief.com, the drop in employee engagement is the result of five major contributing factors: the economic crisis, management's failure to acknowledge low morale, the overwhelming rise of big business, fear of being laid off or fired, and lack of new challenges. <www.businessbrief.com>

A 2011 global study conducted by consulting firm Blessing White reported that fewer than one in three employees worldwide are engaged and nearly one in five are actually disengaged. Fortunately, in the U.S., a third of employees reported that they are engaged which is higher than most other countries. <www.blessingwhite.com> Similar findings from the Aon Hewitt 2011 global engagement study showed that the overall global employee engagement average score has declined from 60% to 56% in the past two years. <www.aon.com> SHRM's 2011 U.S. Employee Job Satisfaction and Engagement study reported that although 83% of U.S. employees claimed to be satisfied to some degree with their current jobs, they are only moderately engaged in their positions. <www.shrm.org>

Less than two-thirds of global respondents in the Blessing White study reported that they plan to remain with their current organization, which creates a retention problem for employers. Luckily again, more than half of U.S. employees indicate they will stay with their organization through the next 12 months. According to this study, the top reason employees selected for staying with their current employer was that they like the work that they do. However, when asked the most important factor influencing thoughts of leaving their current employer, employees chose, "My career. I don't have opportunities to grow or advance here." <www.blessingwhite.com>

Particular employee engagement issues exist among younger generation workers, according to research conducted by GfK, a global market research company. Researchers from this study suggest that although younger workers typically have less responsibility, they are far more concerned with work-life balance than their older colleagues. Additionally, the younger generation has been forced to accept less than ideal positions and even change career paths due to current economic conditions. <www.gfk.com>

"In the USA, we see a related pattern." said Tom Hartley, Vice President at GfK Custom Research North America, USA. "The newest generation of employees places a greater value on work that they believe is meaningful to society, and on a strong desire to use their skills in their jobs. U.S. employers are learning that it is crucial that the younger employees understand and buy into the value of the company's mission, and create opportunities where they can grow and contribute to making a difference."

The Blessing White study also found that older employees have higher engagement levels than younger employees. However, they contributed this to the fact that younger employees often hold lower-level roles so they are less invested in their responsibilities with their employer. Further, the study suggested that younger employees have an unrealistic sense of their career path which causes them to be unclear and unsatisfied in their goals and aspirations.

Another area of concern is the inability for employers to attract and retain employees with critical skills. A 2011 Tower Watson and WorldatWork survey reported that 59% of U.S. companies reported having this problem which is an increase from the prior two years.

Laura Sejen, global head of rewards consulting at Towers Watson explained, "Companies are taking longer to fill these positions, and more of them are open. There is clearly a greater-than-normal mismatch between the skills employers seek and those that are available in the marketplace. In short, despite the overall weakness in the job market, companies need a more appealing offering to attract critical-skill employees."

Additionally, this survey revealed that two-thirds of U.S. respondents reported that they have been working more hours over the past three years and using less vacation and personal time. More than half of U.S. companies also reported in the survey that they are concerned with their employees' productivity, ability to maintain a work/life balance and willingness to take risks.

"Employees generally don't mind doing more with less especially when economic conditions are tough," said Ryan Johnson, CCP, and Vice President of Research for WorldatWork. "But when this drags into multiple years, and they start to hear anecdotes of recovery, they become less understanding. At that point, the entire employee value proposition is crucial to retention."

The economic conditions are slowly improving but will not change overnight. So what steps can employers take to positively impact employee engagement and retain a productive, high skilled workforce? Look to the basics.

Jim Harter, Ph.D., chief scientist for Gallup's workplace management practice, suggests that managers fail to acknowledge the basic principle of providing employee feedback and recognition. In 2011, Gallup conducted its first global employee engagement survey using the Q12, their 12 item employee engagement assessment. Of the 12 items, the two most poorly ranked by employees in 116 countries involved lack of feedback and recognition. The items were as follows: "In the last seven days, I have received recognition or praise for doing good work and in the last six months, someone at work has talked to me about my progress."

"Managers often assume they give enough feedback or that people naturally know how well they are doing. Or managers assume that if they give no feedback, people will assume they are doing fine." Harter says. "But our studies show that the best managers around the world provide feedback regularly. Expectations are set and continually clarified through ongoing performance feedback and recognition."

Editors from the Harvard Business Review suggest that there are still five main reasons why employees stay engaged and satisfied in their current positions. Employees want to have pride in their organization, compatibility with their supervisor, be fairly compensated with benefits, have affiliation with colleagues and perform meaningful work that appeals to their passions and interests.

Tony Schwartz, CEO of The Energy Project explained, "All the surveys, from Gallup to Towers Watson, consistently show that only a small minority of employees feel fully engaged at work. From our perspective at The Energy Project, the reason is that employers are so busy trying to get more out of their workforce that they've all but lost sight of meeting the most fundamental needs of their employees. We see those needs as physical (for energy), emotional (for appreciation), mental (for self-expression) and spiritual (for meaning). The more employees feel preoccupied by those unmet needs, the less energy they bring to work every day."

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