SHRM Research Overview: Employee Engagement

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Employee engagement has long been an important topic for organizations. Over the past decade, HR professionals, consultants and researchers have linked employee engagement to a number of critical human capital and business outcomes within organizations, including stronger intentions to leave, increased staff turnover, and low employee morale and overall satisfaction at work.

Organizations today invest a considerable amount of financial and staff resources to actively measure, track and manage levels of engagement among their employees. Dedicated teams of HR professionals are assembled to accomplish these activities through targeted pulse and annual surveys, action planning activities, and leadership and managerial interventions and strategies. As a result, it is critical that HR professionals understand how employee engagement is defined within organizations, the role it plays in driving staff morale and productivity, and the implications levels of engagement have on human capital management and overall business success.

Recent SHRM research has found that HR professionals, executives and other business leaders frequently cite human capital management as a top priority for achieving economic success, and any related discussion must include employee engagement. Levels of employee engagement are typically defined by the actual conditions in the workplace and workers' opinions and behaviors as they relate to their jobs.

SHRM research has shown that employees' engagement levels are often determined by the strength of their relationships with supervisors and co-workers, as well as their belief in their own ability to perform their jobs effectively and contribute to their organization. Other findings show that maintaining high levels of employee engagement is viewed as a significant challenge among HR professionals and executives.

Employees Want to Feel Valued and Included

Although there are some financial factors that determine employees' levels of engagement with their jobs, many workers place more weight on relationships and the work itself. Engagement levels can also vary among job categories, and those in supervisory and executive positions are frequently more engaged with their work than are hourly employees and individual contributors.[1]

- On a scale of 1 to 5, with 1 being the least engaged and 5 being the most engaged, employees were moderately engaged in 2015, with an overall index of 3.8, similar to prior years (3.7 in 2014 and 3.6 in 2013), according to SHRM's *Employee Job Satisfaction and Engagement* report.[2]

- In 2015, two elements tied as the engagement condition with which most employees reported being satisfied (77%): relationship with co-workers, and opportunities to use their skills/abilities in their work (see Figure 1). Career advancement opportunities within the organization were the engagement condition that was cited by the fewest employees as being satisfactory (57%). Several engagement conditions varied depending on job level. Middle-management employees were more likely than nonexempt (hourly) employees to be satisfied with certain engagement conditions, as shown in Figure 2.

- Nearly nine out of 10 employees either said they were confident they could meet their work goals (89%) or were determined to accomplish their work goals (86%), as illustrated in Figure 3. Similar to conditions for engagement, results for engagement opinions varied according to job level (see Figure 4). For example, more middle-management employees (72%) than nonexempt (hourly) employees (55%) said they had passion and excitement about their work.
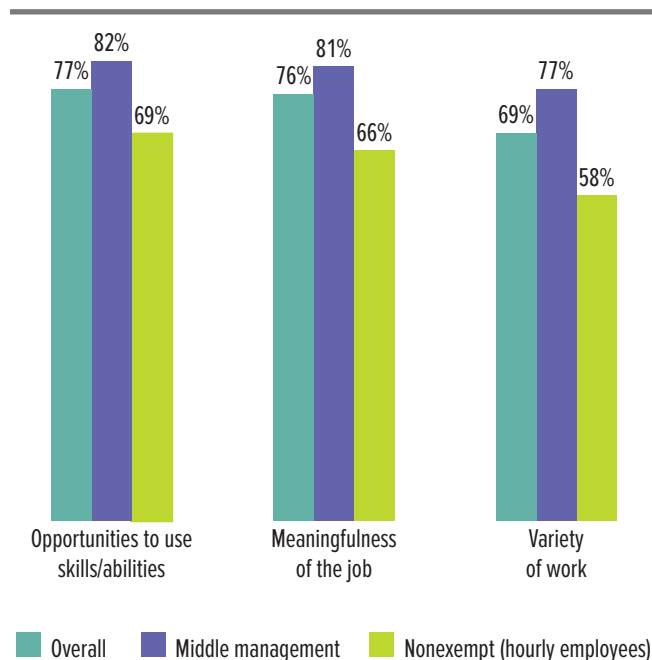
Figure 1: Conditions for Engagement

	Very Dissatisfied	Somewhat Dissatisfied	Neutral	Somewhat Satisfied	Very Satisfied	Overall Satisfaction
Relationship with co-workers	2%	3%	17%	41%	36%	77%
Opportunities to use skills/abilities	2%	5%	16%	40%	37%	77%
Meaningfulness of the job	2%	5%	17%	42%	34%	76%
The work itself	2%	6%	17%	40%	34%	74%
Relationship with immediate supervisor	3%	7%	16%	34%	40%	74%
Organization's financial stability	2%	7%	19%	40%	33%	72%
Contribution of work to organization's business goals	2%	3%	22%	42%	30%	72%
Autonomy and independence	2%	9%	18%	39%	32%	71%
Variety of work	3%	8%	20%	39%	30%	69%
Overall corporate culture	3%	10%	19%	41%	28%	69%
Communication between employees and senior management	6%	14%	16%	39%	25%	64%
Organization's commitment to corporate social responsibility	4%	7%	27%	39%	24%	63%
Management's recognition of employee job performance	6%	12%	18%	37%	26%	63%
Job-specific training	3%	12%	25%	37%	25%	61%
Organization's commitment to professional development	4%	11%	25%	34%	25%	59%
Networking opportunities	4%	10%	28%	36%	23%	58%
Career development opportunities	4%	13%	25%	37%	21%	58%
Career advancement opportunities within the organization	5%	15%	23%	33%	24%	57%

Note: Percentages are based on a scale where 1 = "very dissatisfied" and 5 = "very satisfied." "Not applicable" responses were excluded from this analysis. Data are sorted in descending order by the "overall satisfaction" percentages.

Source: Employee Job Satisfaction and Engagement (SHRM, 2016)

Figure 2: Differences in Engagement Conditions Based on Job Level

Opportunities to use skills/abilities: Overall 77%, Middle management 82%, Nonexempt (hourly employees) 69%

Meaningfulness of the job: Overall 76%, Middle management 81%, Nonexempt (hourly employees) 66%

Variety of work: Overall 69%, Middle management 77%, Nonexempt (hourly employees) 58%

Legend: Overall | Middle management | Nonexempt (hourly employees)

Note: Figure represents the percentage of responding employees who indicated being somewhat satisfied or very satisfied with each job satisfaction aspect. Percentages are based on a scale where 1 = "very dissatisfied" and 5 = "very satisfied." Respondents who indicated "not applicable" were excluded from this analysis.

Source: Employee Job Satisfaction and Engagement (SHRM, 2016)

WHAT THE EXPERTS ARE SAYING

Karen Paul, Ph.D.
Leader of the Global Measurement Center of Expertise, 3M

A number of interesting reports are emerging that indicate business leaders are feeling they are not realizing the benefits of employee engagement initiatives. One interpretation could be that employee engagement initiatives don't work. Yet, CEOs are citing employee engagement as one of their top five global business strategies for their organizations, and the topic is clearly rising in the minds of business leaders.

There is also a soon-to-be-billion-dollar industry that has arisen to support and advise around these initiatives. Perhaps another interpretation could be that the sentiment is more a reflection of the enormous and ever-increasing challenges due to the fast-moving business landscape than any actual disconnection of organizational outcomes derived from positive work attitudes.

To read the full Perspectives article from which this excerpt is taken, visit **shrm.org**.
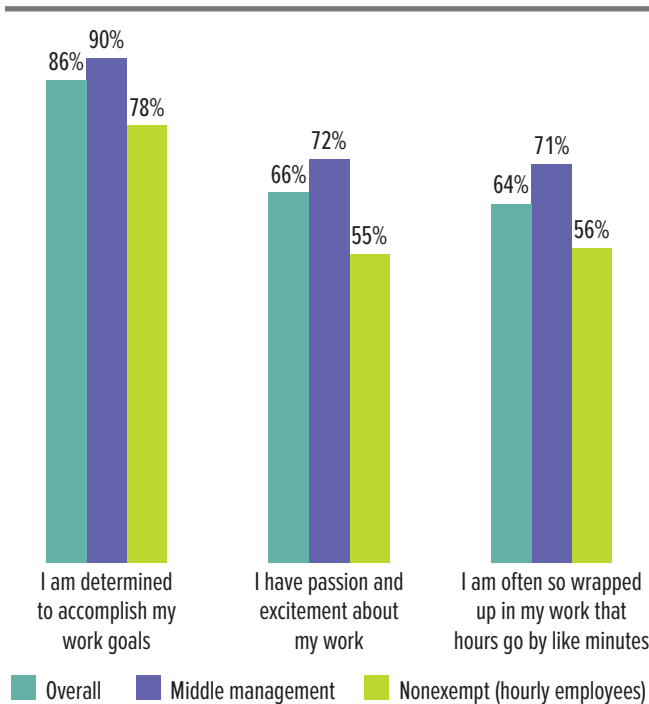
Figure 3: Engagement Opinions

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Overall Agreement
I am confident I can meet my work goals	1%	2%	8%	40%	49%	89%
I am determined to accomplish my work goals	1%	2%	11%	43%	43%	86%
I have a clear understanding of my organization's vision/mission	2%	4%	17%	46%	31%	77%
I am highly motivated by my work goals	2%	5%	17%	40%	37%	76%
While at work, I'm almost always completely focused on my work projects	1%	8%	20%	44%	27%	71%
I am provided with the resources to do my job well	2%	11%	19%	44%	24%	68%
I frequently feel that I'm putting all my effort into my work	2%	6%	24%	39%	29%	68%
I have passion and excitement about my work	2%	8%	24%	39%	26%	66%
I am often so wrapped up in my work that hours go by like minutes	3%	10%	24%	33%	31%	64%
I enjoy volunteering for activities beyond my job requirements	3%	13%	27%	35%	22%	57%
I feel completely plugged in at work, like I'm always on full power	2%	12%	31%	35%	20%	55%

Note: Percentages are based on a scale where 1 = "strongly disagree" and 5 = "strongly agree." Data are sorted in descending order by "overall agreement" column.

Source: Employee Job Satisfaction and Engagement (SHRM, 2016)

Figure 4: Differences in Engagement Opinions Based on Job Level

Note: Figure represents the percentage of respondents who agreed or strongly agreed with statements on engagement opinions and behaviors. Percentages are based on a scale where 1 = "strongly disagree" and 5 = "strongly agree." Respondents who indicated "not applicable" were excluded from this analysis.

Source: Employee Job Satisfaction and Engagement (SHRM, 2016)

Employees' Perceptions of Colleagues Also Contribute to Engagement

Engagement behaviors, or the "look" of employee engagement, can be described as actions that positively contribute to the welfare of the organization. These behaviors encompass employee groups rather than the engagement of individual employees. Employers should consider these when developing strategies for employee engagement, as workers' perceptions of their colleagues' actions can also affect their levels of engagement.

- A sizable majority of employees (70%) said that in their organizations employees are encouraged to take action when they see a problem or opportunity, according to the 2015 *Employee Job Satisfaction and Engagement* report (see Figure 5). Nearly two-thirds (65%) said their colleagues quickly adapt to challenging or crisis situations.
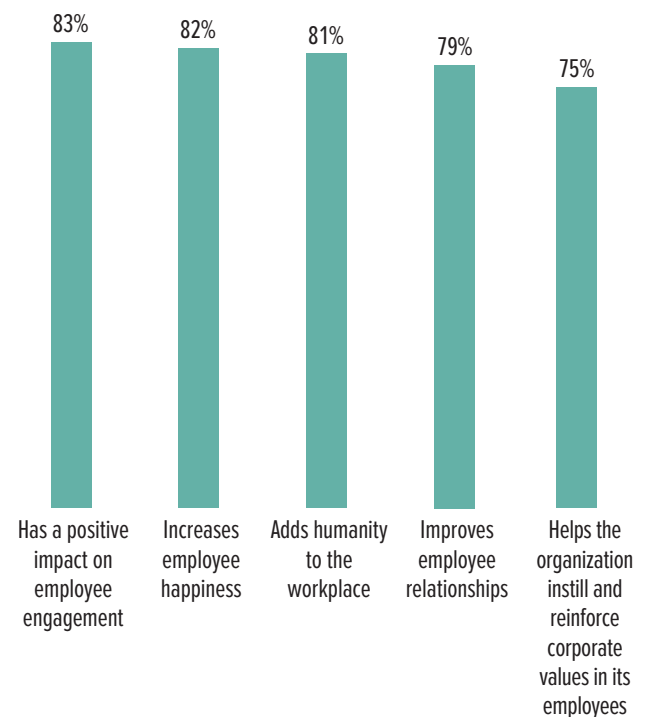
Figure 5: Engagement Behaviors

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Overall Agreement
In my organization, employees are encouraged to take action when they see a problem or opportunity	2%	9%	20%	46%	24%	70%
My colleagues quickly adapt to challenging or crisis situations	1%	11%	24%	43%	22%	65%
My work group never gives up despite difficulties	1%	9%	26%	43%	21%	64%
Employees in my organization deal very well with unpredictable or changing work situations	3%	10%	26%	41%	21%	61%
In my work group, we are constantly looking out to see what challenge is coming next	2%	12%	30%	38%	19%	57%
The people in my work group are always flexible in expanding the scope of their work	3%	12%	31%	38%	17%	55%
Others in my organization view unexpected responsibilities as an opportunity to succeed at something new	4%	14%	30%	37%	16%	53%
Other people in my organization often volunteer for new projects	4%	18%	31%	32%	16%	48%

Note: Percentages are based on a scale where 1 = "strongly disagree" and 5 = "strongly agree." Data are sorted in descending order by "oerall agreement" column.

Source: Employee Job Satisfaction and Engagement (SHRM, 2016)

- There were few differences in engagement behaviors among demographic groups, according to the same report. Middle-management employees were more likely than nonexempt (hourly) workers to agree that other people in their organizations often volunteered for new projects.[3]

- Employers are using a number of tactics to improve employee engagement, according to other recent research by SHRM. More than four out of five (83%) HR professionals said employee recognition programs had a positive impact on employee engagement, as shown in Figure 6, and more than half (53%) said service anniversary programs were either an excellent or a good method to increase employee engagement (see Figure 7).[4]
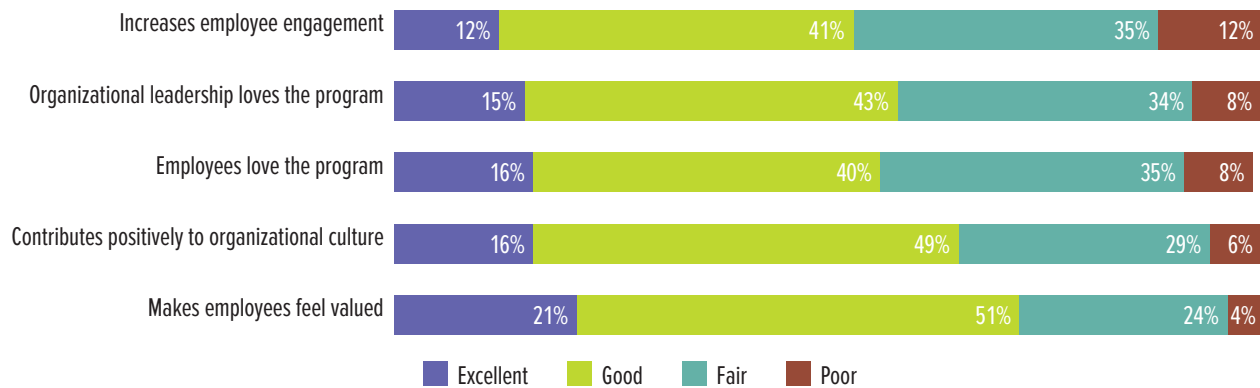
Figure 6: The Impact of the Employee Recognition Program, According to HR Professionals

Has a positive impact on employee engagement	Increases employee happiness	Adds humanity to the workplace	Improves employee relationships	Helps the organization instill and reinforce corporate values in its employees
83%	82%	81%	79%	75%

Note: Percentages represent "Yes" responses to each option.

Source: SHRM/Globoforce Employee Recognition Programs (SHRM, 2015)

Figure 7: The Impact of the Service Anniversary Program, According to HR Professionals

	Excellent	Good	Fair	Poor
Increases employee engagement	12%	41%	35%	12%
Organizational leadership loves the program	15%	43%	34%	8%
Employees love the program	16%	40%	35%	8%
Contributes positively to organizational culture	16%	49%	29%	6%
Makes employees feel valued	21%	51%	24%	4%

Note: Percentages may not total 100% due to rounding. Respondents who answered "not applicable" were excluded from this analysis.

Source: SHRM/Globoforce Employee Recognition Programs (SHRM, 2015)

WHAT THE EXPERTS ARE SAYING

John Jersin

CEO, Connectifier

The production view of employees has so dominated our culture and interactions that even candidates and employees have effectively been trained to view themselves this way—and it badly needs to stop. Although the power of money in compensation is undeniable, candidates often over-focus on this one factor. After taking a marginally higher-paying job, many people find that the environment (which they knew nothing about before starting) doesn't satisfy their numerous other needs and ambitions.

The outcome is that the company has an under-motivated employee, eventually needs to replace that person, and the employee spends a significant portion of his or her life being less happy than he or she could have been. The solution to this mess is simple. In addition to talking to candidates about the things that matter to them, we need to talk to them about why they matter.

To read the full Perspectives article from which this excerpt is taken, visit **shrm.org**.

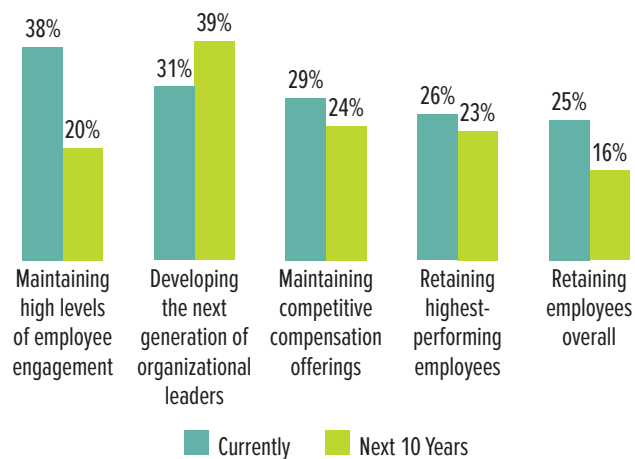### Employee Engagement Is Viewed as a Top Challenge Globally

HR professionals have a formidable task in managing current trends in the U.S. labor market. Improved economic conditions have increased demand for hiring, yet recruiting struggles are prevalent at many organizations. Even as employment conditions have stabilized, many workers do not feel secure in their jobs and may explore other options. Effective employee engagement can potentially alleviate these issues for HR professionals.

- Research has shown that many HR professionals view employee engagement as a top human capital challenge, as shown in Figure 8, according to SHRM's *Business and Human Capital Challenges Today and in the Future* report. Nearly two out of five (38%) HR professionals said maintaining high levels of employee engagement was currently their organization's greatest human capital challenge, and one out of five (20%) said it would remain the greatest challenge for the next 10 years (see Figure 8).[5]

- In the same report, some executives indicated that engagement was a challenge, but they did not rank it as highly as HR professionals did (see Figure 9). About one-fifth (21%) of executives said maintaining high levels of engagement was a top human capital challenge right now, and just 15% said it would remain so for the next 10 years.

- Other research reveals that employee engagement is a priority not only in the United States but in other countries as well (see Figure 10). When asked about which of the 27 HR "subtopics" demanded the most urgent action, U.S. business leaders and HR professionals ranked employee engagement third, as did respondents in Canada. Respondents in China and India ranked it second out of 27.[5]
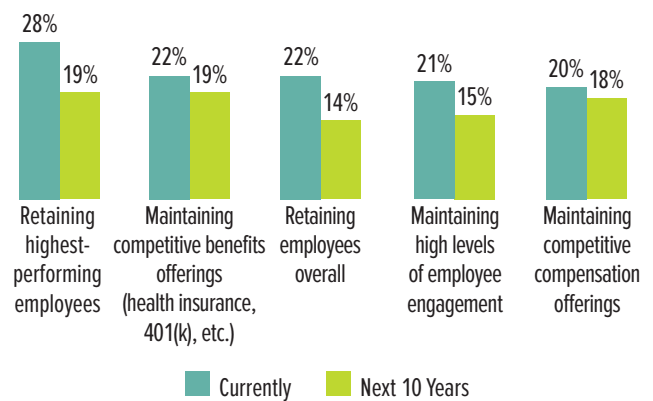
Figure 8: What Are Your Organizations' Greatest Human Capital Challenges? (HR Professionals' Views)

Bar chart values:
- Maintaining high levels of employee engagement: Currently 38%, Next 10 Years 20%
- Developing the next generation of organizational leaders: Currently 31%, Next 10 Years 39%
- Maintaining competitive compensation offerings: Currently 29%, Next 10 Years 24%
- Retaining highest-performing employees: Currently 26%, Next 10 Years 23%
- Retaining employees overall: Currently 25%, Next 10 Years 16%

Legend: Currently | Next 10 Years

Note: Percentages do not equal 100% due to multiple response options. Respondents could select up to three options.

Source: Business and Human Capital Challenges Today and in the Future (SHRM, 2015)

Figure 9: What Are Your Organization's Greatest Human Capital Challenges? (Non-HR C-Suite Executives' Views)

Bar chart values:
- Retaining highest-performing employees: Currently 28%, Next 10 Years 19%
- Maintaining competitive benefits offerings (health insurance, 401(k), etc.): Currently 22%, Next 10 Years 19%
- Retaining employees overall: Currently 22%, Next 10 Years 14%
- Maintaining high levels of employee engagement: Currently 21%, Next 10 Years 15%
- Maintaining competitive compensation offerings: Currently 20%, Next 10 Years 18%

Legend: Currently | Next 10 Years

Note: Percentages do not equal 100% due to multiple response options. Respondents could select up to three options.

Source: Business and Human Capital Challenges Today and in the Future (SHRM, 2015)

Figure 10: Urgency Ranking of Selected HR Subtopics by Country

	United States	Canada	France	Germany	United Kingdom	China	India
Leadership	1	1	1	1	1	1	1
Talent management	5	5	5	4	7	4	
Behavior and culture	2	4	2	7	2	5	7
HR and people strategy	4	2	4	3	3	3	9
Employee engagement	3	3	7	9	8	2	2

Note: Urgency is determined by calculating the difference between future importance and current capabilities, and then multiplying that difference by future importance. Rankings are based on a scale where 1 = "very urgent" and 10 = "urgent." A blank space indicates a ranking higher than 10.

Source: Creating People Advantage 2014-2015: How to Set Up Great HR Functions: Connect, Prioritize, Impact (SHRM, 2015)

WHAT THE EXPERTS ARE SAYING

Ellen Galinsky
President and Co-founder, Families and Work Institute

Organizations aren't going to provide flexibility only because employees need and want it. For it to become a legitimate part of the business realm, it has to help the organization, not just the employees. And whatever variables we use—access to workflex or the absence of work-life conflict—employees are more likely to be engaged and satisfied with their jobs, want to remain with their employer and experience better health.

We have found the most important factors are work-life fit, opportunities for learning, autonomy, supervisor support for work success, a culture of trust, and satisfaction with earnings, benefits and opportunities for advancement. Together these constitute an effective workplace, and we have found that employees in more effective workplaces are more engaged, more satisfied with their jobs and less likely to plan on leaving.

To read the full Perspectives article from which this excerpt is taken, visit **shrm.org**.

Endnotes

[1] Society for Human Resource Management. (2016, April). *Employee job satisfaction and engagement: Revitalizing a changing workforce.* Retrieved from https://www.shrm.org/research/surveyfindings/articles/pages/job-satisfaction-and-engagement-report-revitalizing-changing-workforce.aspx

[2] Ibid.

[3] Ibid.

[4] Society for Human Resource Management. (2015, June). *SHRM/Globoforce employee recognition programs – 2015.* Retrieved from https://www.shrm.org/research/surveyfindings/articles/pages/shrm-globo-force-employee-recognition-2015.aspx

[5] Society for Human Resource Management. (2015, December). *Business and human capital challenges today and in the future.* Retrieved from https://www.shrm.org/research/surveyfindings/pages/2015-human-capital-business-challenges.aspx

[6] World Federation of People Management Associations and Boston Consulting Group, in collaboration with SHRM. (2015, January). *Creating people advantage 2014-2015: How to set up great HR functions: Connect, prioritize, impact.* Retrieved from https://www.shrm.org/research/surveyfindings/pages/creating-people-advantage.asp

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