THE STATE OF EMPLOYEE ENGAGEMENT 2008

North American Overview

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Contents

Announcing The State of Employee Engagement 2008 Global Report

We trust you find the following *North American Overview* informative. If you are interested in a more in-depth analysis and a global perspective on employee engagement, we do provide a comprehensive report that includes:

- A global overview of who's engaged and who's not, the factors that influence job satisfaction and performance, and 5 detailed strategies for creating a more engaged workforce
- 7 detailed chapters on key geographic regions: North America, Continental Europe, UK/Ireland, Southeast Asia, Australia/New Zealand, India, and China
- Demographic analyses of responses for each region: title/role, industry, department/function, age, gender, organizational tenure, job tenure

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Executive Summary

The *2008 State of Employee Engagement* research reflects interviews with HR and line leaders, as well as online survey responses of 7,508 individuals from North America, India, Europe, Southeast Asia (including Australia), and China. For details on our methodology and the North American respondent profile, see *About this Report* on page 34.

Our previous employee engagement reports determined that the majority of employees liked their work, were planning on sticking around but were not necessarily focused on what mattered most to their employers.

Our latest research was designed to revisit and build on past themes, providing insights into how employees feel about their work, their employers, and their managers — as well as their plans to stay. It also focused on employee engagement strategies. Top of mind: What's really working and what's the payoff?

Key Findings

*Engaged employees are not just committed. They are not just passionate or proud. They have a line-of-sight on their own future and on the organization's mission and goals. They are **"enthused" and "in gear,"** using their talents and discretionary effort to make a difference in their employer's quest for sustainable business success.*

Although North American employees are among the most engaged worldwide, **fewer than 1 in 3 employees (29%) are fully engaged. 19% are actually disengaged.**

There is a clear correlation between engagement and retention, with **85% of engaged employees indicating that they plan to stay** with their employer through 2008. Moreover, **engaged employees stay for what they give** (they like their work); **disengaged employees stay for what they get** (favorable job conditions, growth opportunities, job security).

The **most common factors influencing job satisfaction are:**
- **More opportunities to use talents**
- **Career development and training.**

This holds true across engagement levels, intent to stay, generations, and job titles.

Drivers of increased contribution vary. Employees who are aligned and already expending discretionary effort are looking for more resources. In contrast, "greater clarity about what the organization needs me to do and why" was the top response for employees who, although their level of satisfaction may vary, are at the lowest levels of contribution.

Only about half (53%) of employees trust their organization's senior leaders — the people who set the tone for organizational culture and need to inspire high-performance and commitment.

In contrast, three in four (75%) employees trust their immediate managers. This finding is consistent across generations, functions, and, for the most part, job titles. 44% of disengaged employees actually trust their managers.

Consistent with findings from past studies, **managers fall short in encouraging and rewarding their employees' use of talents.** Although two-thirds of managers overall appear to do this, employees at the lowest engagement levels clearly lack their manager's support in leveraging their unique capabilities each day on the job.

Manager-employee relationships are stronger than the headlines about bullying bosses may lead you to believe. However, bad managers are cited as the third most common reason *for leaving* (trailing lack of career growth and dislike of the actual work).

Key Implications and Recommendations

Employee engagement is a complex equation that reflects each individual's unique, personal relationship with work. As such, there are limits to what organizations can do with broad-brush workforce processes or communication programs. At a macro level, you need to provide resources, tools, and the overall workplace environment that supports engagement. Ultimately, at a micro level, employees, with their managers' help, need to establish a thriving personal connection with their work and carve out a satisfying future in the organization.

The most successful organizations make engagement an ongoing priority, not a once-a-year event. They take a multi-faceted approach to address problem areas and improve engagement organization-wide. Those best practices include:

- **Maximize managers.** (See page 21.)
  Ensure that managers are themselves engaged and understand how to help their team members picture what full engagement can mean to them. Hold them accountable for coaching and development. Weed out bad managers.
- **Align, align, align.** (See page 23.)
  Make sure everyone in the organization understands the bigger picture and how they can contribute to the organization's success. Start at the top by aligning the executive team, then communicate clearly and tirelessly.
- **Redefine career.** (See page 24.)
  Provide employees with a clear, compelling picture of what "career" means in your organization. Help them clarify what they want, then provide them with tools and support for achieving it. Focus on development and opportunities to leverage unique skills through projects not necessarily promotions.
- **Pay attention to culture.** (See page 27.)
  Work with senior management to build a meaningful culture in the organization, then invest in managers to support and sustain it. Make sure that systems and processes work in favor of — and not in contradiction to — the aspired culture.
- **Survey less, act more.** (See page 28.)
  Develop a measurement strategy that provides actionable insights. Avoid the analysis-paralysis trap and hold leaders at all levels accountable for increasing engagement.

What Is Engagement Anyway?

The term "employee engagement" means different things to different organizations. Some equate it with job satisfaction, which unfortunately can reflect a transactional relationship that is only as good as the organization's last round of perks or bonuses. Others measure engagement by gauging employees' emotional commitment to their organization. Although commitment is an important ingredient, it is only a piece of the engagement equation.

While organizations are keen to maximize the contribution of each individual toward corporate imperatives and metrics, individual employees need to find purpose and satisfaction in their work. Consequently, BlessingWhite's engagement model focuses on an individual's:

- Contribution to the company's success
- Personal satisfaction in the role.

We believe that **aligning employees' values, goals, and aspirations with those of the organization is the best method for achieving the sustainable employee engagement required for an organization to reach its goals.**
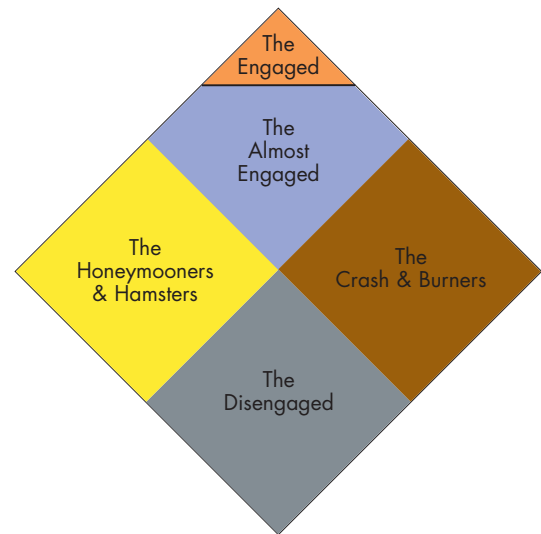
Full engagement represents an alignment of **maximum job satisfaction** ("I like my work and do it well") with **maximum job contribution** ("I help achieve the goals of my organization").

Engaged employees are not just committed. They are not just passionate or proud. They have a line-of-sight on their own future and on the organization's mission and goals. They are **enthused and in gear,** using their talents and discretionary effort to make a difference in their employer's quest for sustainable business success.

Full Engagement
occurs at the alignment of maximum job satisfaction and job contribution
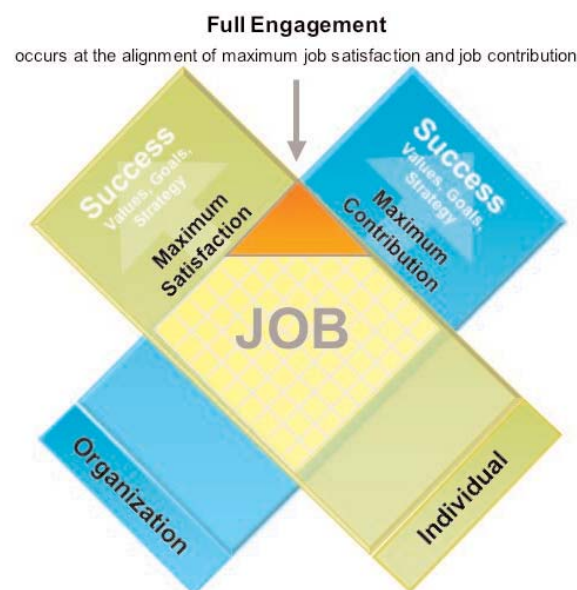
Five Levels of Employee Engagement

The index we use to determine engagement levels contains items that reflect the two axes of contribution and satisfaction. By plotting a given population against the two axes, we identify 5 distinct employee segments.

The
Engaged

The
Almost
Engaged

The
Honeymooners
& Hamsters

The
Crash & Burners

The
Disengaged

	Level	Description
	The Engaged: High contribution & high satisfaction	These employees are at "the apex" where personal and organizational interests align. They contribute fully to the success of the organization and find great satisfaction in their work. They are known for their discretionary effort and commitment. When recruiters call, they cordially cut the conversation short. Organizations need to keep them engaged, because they can transition over time to any of the three adjacent segments, a move that would likely impact workforce morale and the bottom line.
	Almost Engaged: Medium to high contribution & satisfaction	A critical group, these employees are among the high performers and are reasonably satisfied with their job. They may not have consistent "great days at work," but they know what those days look like. Organizations should invest in them for two reasons: They are highly employable and more likely to be lured to greener pastures; they have the shortest distance to travel to reach full engagement, promising the biggest payoff.
	Honeymooners & Hamsters: Medium to high satisfaction but low contribution	**Honeymooners** are new to the organization or their role — and happy to be there. They have yet to find their stride and clearly understand how they can best contribute. It should be a priority to move them out of this temporary holding area to full alignment and productivity. **Hamsters** may be working hard, but are in effect "spinning their wheels," working on non-essential tasks, contributing little to the success of the organization. Some may even be hiding out, curled up in their cedar shavings, content with their position ("retired in place"). If organizations don't deal with them, other employees may grow resentful or have to pick up the slack.
	Crash & Burners: Medium to high contribution but low satisfaction	Disillusioned and potentially exhausted, these employees are top producers who aren't achieving their personal definition of success and satisfaction. They can be bitterly vocal that senior leaders are making bad decisions or that colleagues are not pulling their weight. If left alone, they are likely to slip down the contribution scale to become Disengaged, often bringing down those around them. They may leave, but they are more likely to take a breather and work less hard.
	The Disengaged: Low to medium contribution and satisfaction	Most Disengaged employees didn't start out as bad apples. They still may not be. They *are* the most disconnected from organizational priorities, often feel underutilized, and are clearly not getting what they need from work. They're likely to be skeptical, and can indulge in contagious negativity. If left alone, the Disengaged are likely to collect a paycheck while complaining or looking for their next job. If they can't be coached or aligned to higher levels of engagement, their exit benefits everyone, including them.

The Business Case for an Engaged Workforce

Engagement has been hailed as the secret ingredient to competitive advantage and organizational success. It is an intuitive concept: Committed, aligned, and passionate employees are good for the business. We're believers. Our firm was founded more than 30 years ago on this principle.

Yet the enthusiasm for employee engagement has been fueled in large part by faith and anecdotes. A few advocates like Southwest Airlines' founder Herb Kelleher have preached the message for decades, but many CEOs want more proof that this people strategy pays off as a business driver.

Positive Correlations

A growing body of research is linking high employee engagement to superior business performance. For example:

- Towers Perrin (ISR) found that high-engagement firms experienced an **EPS (earnings-per-share) growth rate of 28% compared to an 11.2% decline** for low-engagement firms[1].
- Gallup's research indicates that public organizations ranking in the top quartile of employee engagement had **EPS growth of 2.6 times** the rate of those that were below average[2]. At the same time, the firm estimates that **disengaged employees cost U.S. companies as much as $350 billion** annually in lost productivity[3].
- Electronics retailer Best Buy reports that stores which increase employee engagement by a 10th of a point (on a 5-point scale) will see a **$100,000 increase in sales** for the year[4].
- Apparel and home furnishings retailer JC Penney has found that "stores with top-quartile engagement scores **generate about 10% more in sales** per square foot than average and **36% more operating income** than similar-sized stores in the lowest quartile."[5]
- A Manpower survey of call center customers and employees reported that **centers with high employee satisfaction also have high customer satisfaction.** Alternatively, centers with low employee satisfaction have low customer satisfaction[6].
- A SHRM report describes the impact of employee engagement at MolsonCoors on several fronts, estimating that **by "strengthening" employee engagement, the company saved $1,721,760** in one year. For example, the average cost of a safety incident for engaged employees was $63 compared to the average of $392 for disengaged employees[7].

Not surprisingly, given the evolutionary stage of engagement, most firms in our study are using HR metrics as measures of success. Only one of the firms interviewed in our study, a Fortune 500 financial services firm, has been able to connect engagement scores to the business. The organization credits significant improvements in their J.D. Powers and Associates customer experience rankings to a targeted engagement initiative in their NY-metro retail centers.

The Chicken-Egg Question

Experts like John Gibbons of The Conference Board point out that most studies indicate a *correlation* between high engagement and performance, not a causal link. According to Gibbons, research doesn't demonstrate "a direct lead-lag relationship . . . you need to see a spike in engagement, and then a spike in organization performance to know that one caused the other, and we don't have that yet."[8]

Marc Effron, Vice President, Talent Management for global beauty company Avon Products, understands the challenge. His firm plans to analyze sales district data against engagement scores now that their engagement survey and overall initiative have been in place a few years, validated, and proven to improve HR metrics. According to Effron, "We're now ready to check if employee engagement is *driving*, not just correlated with, results."

A Virtuous Circle

Perhaps it is easier to be engaged when you think you're on a winning team, but we think there is enough anecdotal evidence that organizational success depends on having skilled employees who do more than just show up each day.

According to the majority of HR leaders we interviewed, their top executives are becoming believers, too. According to Adena Mann Katz, Manager of Organizational Development and Training at Liz Claiborne, the relatively new CEO Bill McComb is driving a first-time engagement initiative at this established women's apparel manufacturer. Diana Hice, VP/Business Partner for Talent Management at financial services firm WaMu, explains, "I have never, in my 17 years here, seen leaders more committed to employee engagement than now. I think many factors have influenced them, such as the diversity of our staff, as well as the strong desire to continue to excel in customer service. Senior leaders have their eye on engagement to make a difference. They're committed. It's a personal thing."

If nothing else, consider the potential costs of *dis*engagement. Post-mortems of high-profile corporate calamities often point to how employees with low morale, failing to feel engaged enough to protect their own company, stood on the sidelines and failed to prevent a major disaster[9].

Findings

The State of Employee Engagement in North America

Not much has changed since our first employee engagement report in 2003. Surveys have become more established, but our findings and interviews indicate that firms still struggle to create a workforce of employees who believe in their organization, like what they do, and do the right things while attaining high satisfaction and contribution.

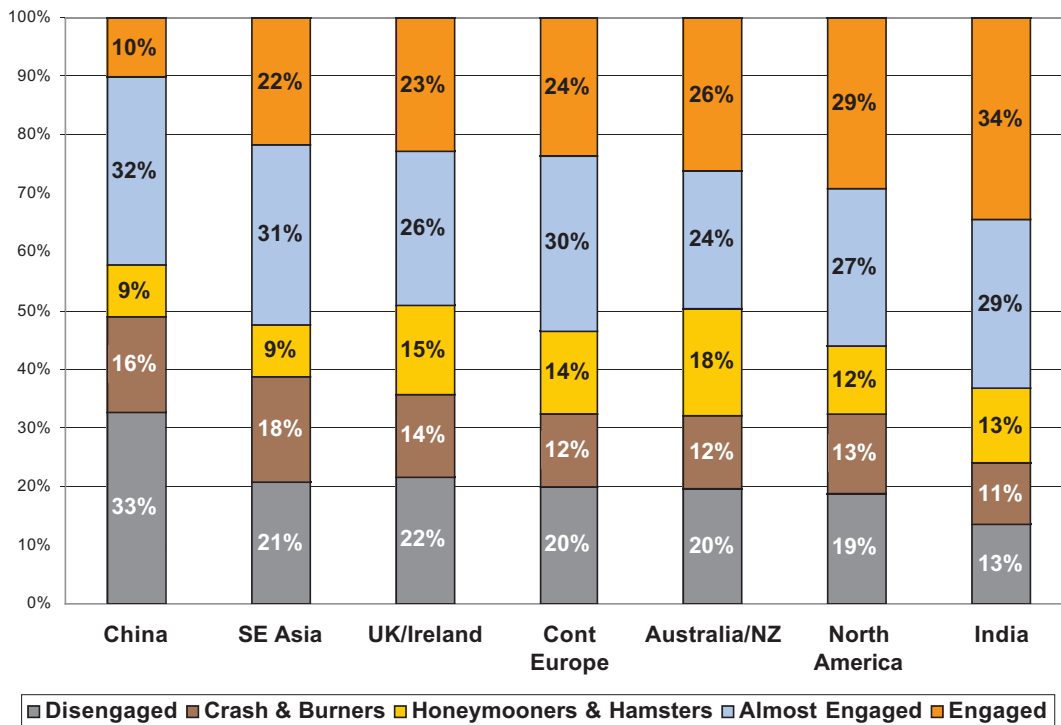## Can You Succeed with Just 1-in-3 Engaged?

Less than a third (29%) of employees in North America appear to be fully engaged, and 19% are actually disengaged.

Engagement Levels in North America
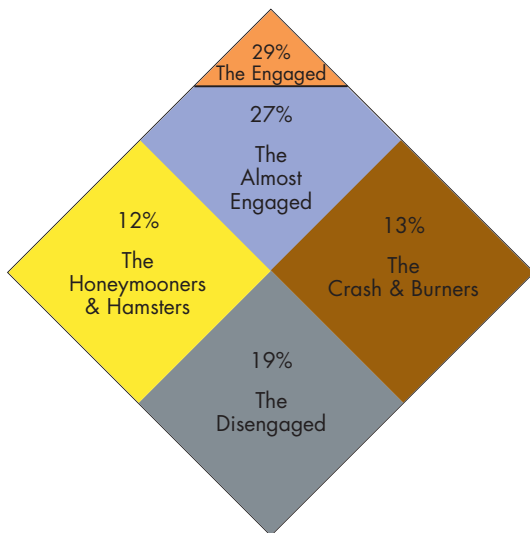
Although a sobering situation, North American employees are actually among the most engaged globally, surpassed only by the workforce in India, which is enjoying a growing economy and aggressive wage inflation.

Engagement Levels by Global Geographic Region

Region	Disengaged	Crash & Burners	Honeymooners & Hamsters	Almost Engaged	Engaged
China	33%	16%	9%	32%	10%
SE Asia	21%	18%	9%	31%	22%
UK/Ireland	22%	14%	15%	26%	23%
Cont Europe	20%	12%	14%	30%	24%
Australia/NZ	20%	12%	18%	24%	26%
North America	19%	13%	12%	27%	29%
India	13%	11%	13%	29%	34%

Full details on the global findings and regional comparisons are available in *The State of Employee Engagement 2008 Global Report.* (See Contents page for more information.)
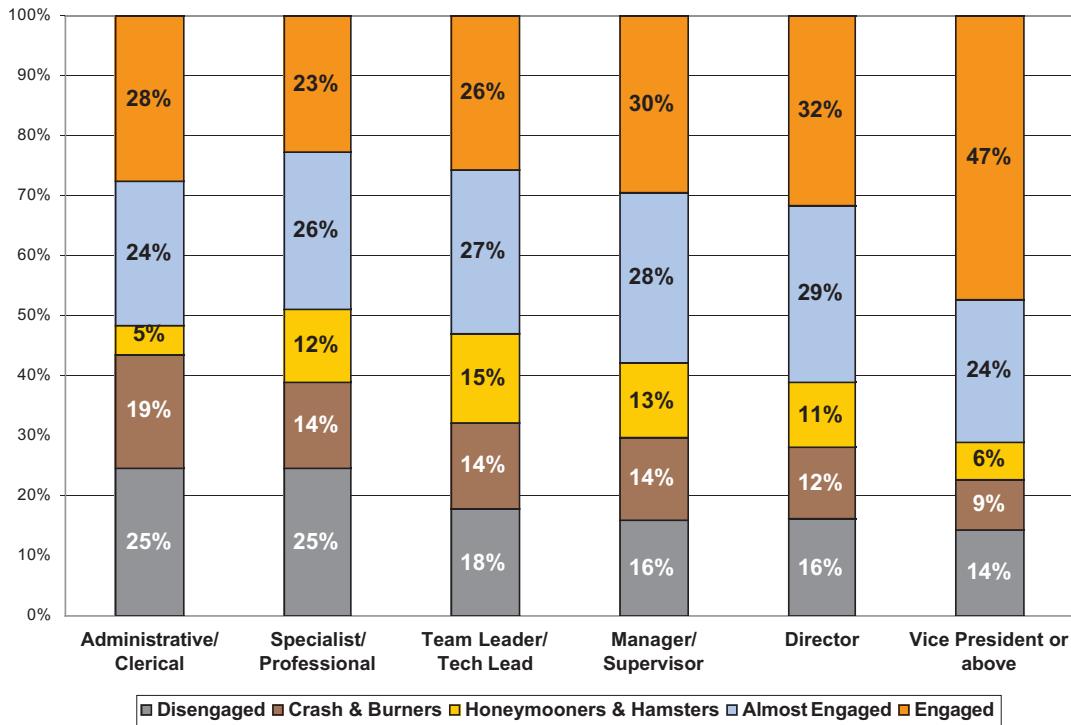
Of Note

- There were not significant differences in the engagement levels of men and women in North America.

- Industries with the largest number of engaged employees are HR consulting/training (46%), energy/utilities (40%), legal & business services (34%), and association/not-for-profit (34%).

- The industries with the fewest engaged? Academia/Higher education (23%), high technology (24%), chemicals (24%), retail (24%), and government (25%).

- HR and sales departments have the most engaged (36% each), and finance and IT have the least (23% and 22% respectively).

- Slightly more virtual employees are fully engaged than their peers who work with their entire team present (34% vs. 28%).

- Engagement levels decrease slightly as workforce size increases, with 32% of respondents from organizations of 1-999 employees and 25% of those in firms of more than 10,000 fully engaged.

Things Are Rosier at the Top, but Are They Rosy Enough?

The engagement levels of supervisors, managers, and directors appear to be just a step ahead of the core workforce, as illustrated below. The situation seems to be strikingly better at the top, where 47% of vice presidents or above are engaged. Yet that leaves more than 50% of senior executives — the people counted on for shaping savvy business strategies and inspiring the workforce — with less-than-ideal emotional connection and alignment.

Engagement Levels by Job Title in North America

	Administrative/ Clerical	Specialist/ Professional	Team Leader/ Tech Lead	Manager/ Supervisor	Director	Vice President or above
Engaged	28%	23%	26%	30%	32%	47%
Almost Engaged	24%	26%	27%	28%	29%	24%
Honeymooners & Hamsters	5%	12%	15%	13%	11%	6%
Crash & Burners	19%	14%	14%	14%	12%	9%
Disengaged	25%	25%	18%	16%	16%	14%

Legend: ■ Disengaged ■ Crash & Burners ■ Honeymooners & Hamsters ■ Almost Engaged ■ Engaged

Things Look a Bit Better as You Get Older

The youngest members of the workforce — those typically in more entry-level jobs — are the least engaged (20%) *and* the most disengaged (25%) as illustrated below.

Levels of Engagement by Generation in North America
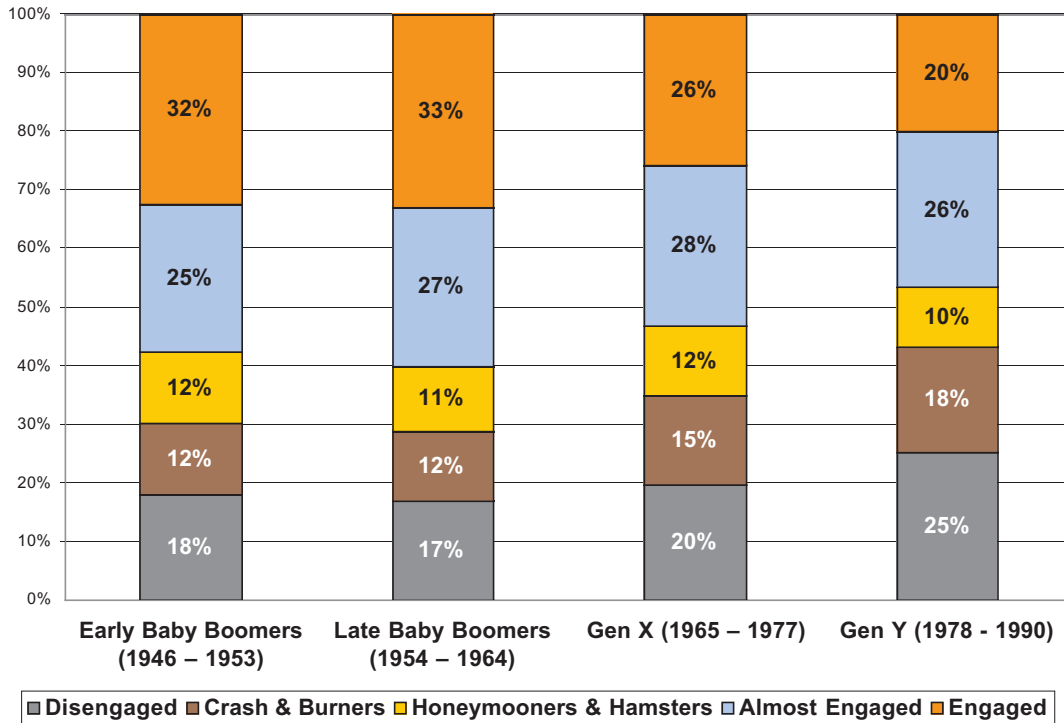
This finding may reflect, to some degree, the trends tied to job title, since there tend to be more Baby Boomers in top leadership positions. Is increased engagement the result of position? A more mature (or realistic) perspective? Greater personal clarity about what really matters? Our *State of the Career* report, for example, indicates that younger employees, although they may yearn for "bigger and better," don't always know exactly what they're looking for[10].
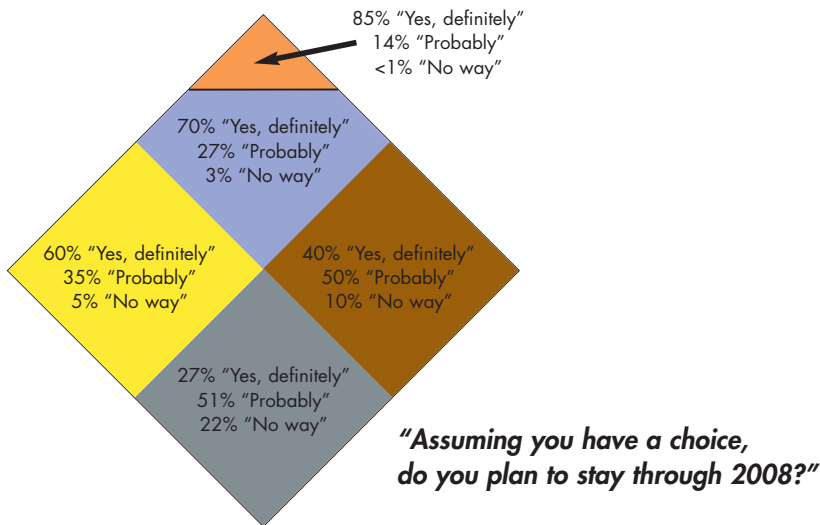
But "bigger and better" does raise the bar. The lower proportion of Generation Y respondents with high satisfaction can be attributed in part to higher expectations of what an organization or a job can provide.

The Engagement-Retention Connection

Although retention may be easier to measure, it's not the prize. Sticking around can mean stuck in the mud. And your organization won't steamroll the competition and delight customers with a workforce that is committed to merely showing up.

Our research, however, indicates a clear correlation between engagement and retention. More than four in five Engaged employees (85%) in North America indicate that they plan to stay with their employer through 2008. In contrast, just over a quarter (27%) of Disengaged employees are planning to stick around.

Intent to Stay by Engagement Level in North America

85% "Yes, definitely"
14% "Probably"
<1% "No way"

70% "Yes, definitely"
27% "Probably"
3% "No way"

60% "Yes, definitely"
35% "Probably"
5% "No way"

40% "Yes, definitely"
50% "Probably"
10% "No way"

27% "Yes, definitely"
51% "Probably"
22% "No way"

*"Assuming you have a choice,
do you plan to stay through 2008?"*

If Disengaged employees left and Engaged employees stayed, life might be a bit easier. Organizations would develop a core of passionate, productive employees to drive organizational success as disenchanted and less productive workers self-selected out the door.

Yet "intent to stay" is more of a predictor of discretionary effort rather than a predictor of actual retention. Many Disengaged employees won't actually make that move they keep talking about, in part because their top reason for staying is favorable job conditions. Instead, they're likely to conduct a casual job hunt on their employer's dime or identify a hideaway off the high-performance radar screen.

This raises the question: Is your organization committed to keeping the right employees? Managers, in particular, need to understand the role of *selective retention* and concentrate on increasing engagement.

A Closer Look at Reasons to Stay or Go

Fulfilling work drives retention. One in three (33%) respondents planning to stay through 2008 selected "My work — I like the work that I do" as their top reason to stick around, more than twice the runner-up response, "My job conditions — I have flexible hours, a good commute, etc." at 15%.

- Work was the top stay factor across generations and job titles.
- 41% of respondents who describe their organization as "struggling to survive" plan to hang on because of their work.

Ambivalent employees are opportunistic. Respondents who indicated less commitment (they will "probably" stay through the year) are dreaming of greener pastures. Reasons they may *leave*:

- "My career — I don't have opportunities to grow or advance here." (29%)
- "My finances — I want to earn more money." (15%)
- "My desire for change — I want to try something new. " (14%)

Some are fleeing bad circumstances. Those respondents indicating "no way," they won't stay, are still looking for better career opportunities but are also more likely to be running away from miserable situations:

- "My career — I don't have opportunities to grow or advance here." (30%)
- "My work — I don't like what I do or it doesn't make the most of my talents." (25%)
- "My manager. I don't like working for him or her." (18%)

Perhaps not surprising, 43% of the Generation Y respondents and 50% of the recent hires who are planning their getaway are doing so because they don't like their work. They've discovered a fit issue.

People talk about money, but money doesn't talk. Our write-in question, "What, if anything, could your organization do to keep you?" generated impassioned comments from respondents thinking about leaving. They also illustrated the perspective employees have when it comes to money. *Fairness* in compensation was a bigger issue than the actual amount. Intangibles, like opportunity, growth, recognition, and working conditions were more commonly cited.

- "I have been underpaid for several years now. Subordinate managers are hired at my pay grade and peers above my pay grade. This is grossly inequitable."
- "Recognize and encourage use of talent areas, offer more recognition, equal pay for gender, equal advancement for gender, more open communication, improved culture."
- "No amount of money will make it okay to sacrifice more time with my family for my job, which is what it has become . . . just a job."

What Are Employees Looking For?

"Work is about a search for daily meaning as well as daily bread, for recognition as well as cash, for astonishment rather than torpor; in short, for a sort of life, rather than a Monday-to-Friday sort of dying."

— Studs Terkel, *Working*

Achievement and Growth Fuel Satisfaction

Two factors top the list of satisfaction drivers for respondents in North America overall: more opportunities to do what I do best (28%) and career development opportunities and training (25%). The graph below illustrates that these two factors cut across engagement levels.

Taken together, these top responses present a clear message: More than half (53%) of employees want to use *their* unique capabilities each day or move *their* own career and growth forward. Satisfaction is highly *personal*.

Choose the item that would most improve your satisfaction.
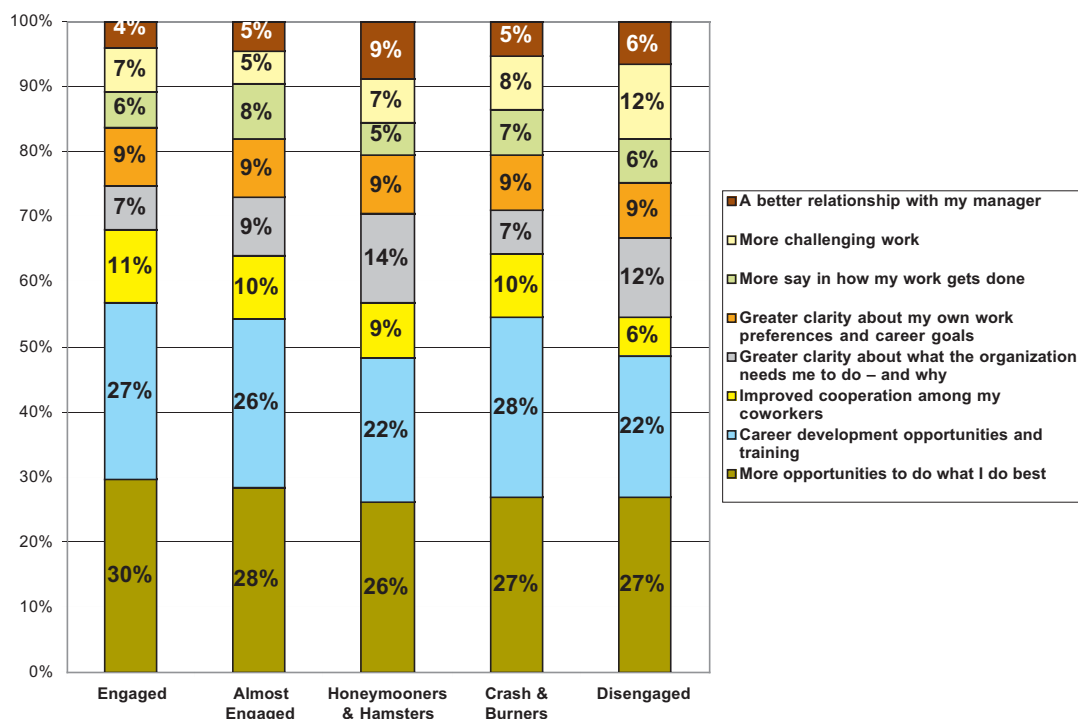
One HR executive we spoke to observed how these two issues can blur together — saying that as she got older she realized that she defined "career opportunities" as chances to use her talents. Our survey findings support her experience, as the importance of career and development decreases with age, and the importance of using talents increases.
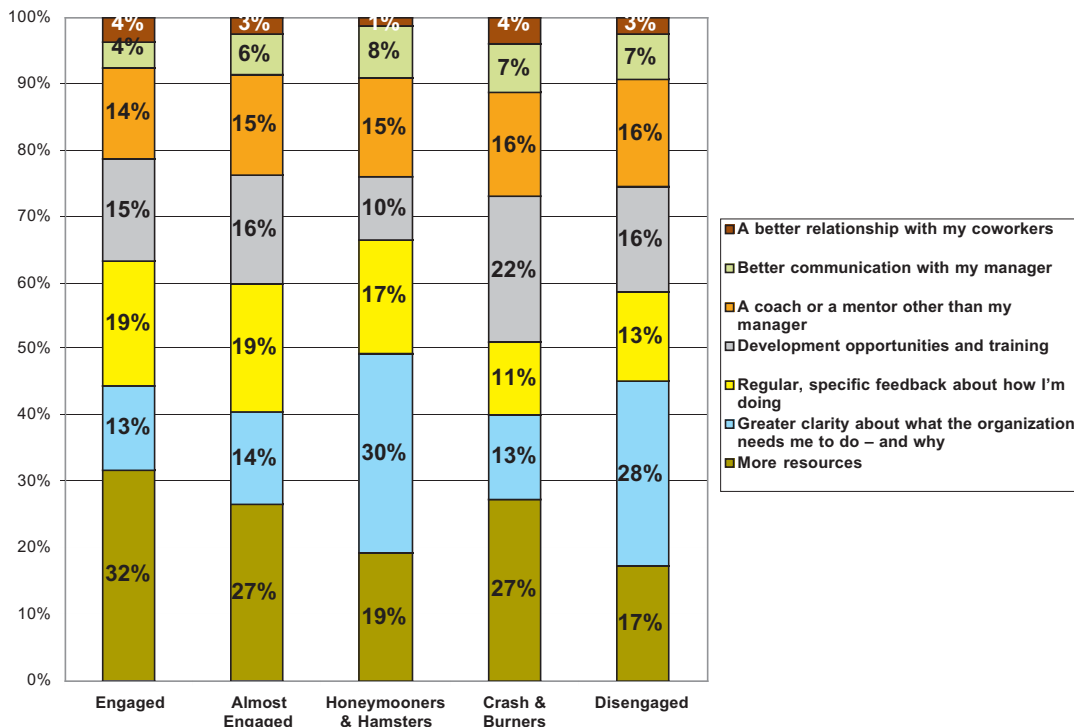
Where Are All the Bad Bosses We Read About?

Only 5% of respondents overall identified "a better relationship with my manager" as the factor that would most improve their satisfaction. This write-in comment is a reminder, however, that horrible leaders can pack a wallop: "Remove my manager. He is the sole source for lack of morale and why every member on the team is looking to leave."

Drivers of Contribution Vary

When we asked respondents what would most impact their performance, the top response overall was "more resources," which garnered 26% overall. (Resources has been in the top two contribution factors since 2005.) It was followed by "greater clarity about what the organization needs me to do and why" (18%) and "regular, specific feedback about how I'm doing" (17%). As the chart below illustrates, there is less agreement about performance by engagement level as there was about satisfaction.

Choose the item that would most improve your <u>performance</u>.

	Engaged	Almost Engaged	Honeymooners & Hamsters	Crash & Burners	Disengaged
A better relationship with my coworkers	4%	3%	1%	4%	3%
Better communication with my manager	4%	6%	8%	7%	7%
A coach or a mentor other than my manager	14%	15%	15%	16%	16%
Development opportunities and training	15%	16%	10%	22%	16%
Regular, specific feedback about how I'm doing	19%	19%	17%	11%	13%
Greater clarity about what the organization needs me to do – and why	13%	14%	30%	13%	28%
More resources	32%	27%	19%	27%	17%

The Engaged, Almost Engaged, and Crash & Burners indicate that they could do even more if only they had more resources. This makes sense, as they're already aligned and working above expectations. Nearly a quarter (22%) of the Crash & Burners are also craving development opportunities and training to pump up their performance.

The more disconnected or misguided Honeymooners, Hamsters, and Disengaged employees are clearly looking for direction — and a sense of how they might fit in and make a difference in meeting the organization's goals.

Cries from the High Contributors?

- "Stop rewarding top performers with more work. I feel quite buried most of the time."
- "We desperately need more resources. I enjoy my job 'in theory,' and I'm good at it. I've been awarded twice this year already for my performance. BUT I am BURNED OUT. Sometimes the ONLY thing that keeps me here is that I have long tenure and I get to work from home three days a week. It's a double-edge sword. I am an ethical, hard-working individual, and the more I do, the more they pile on me."
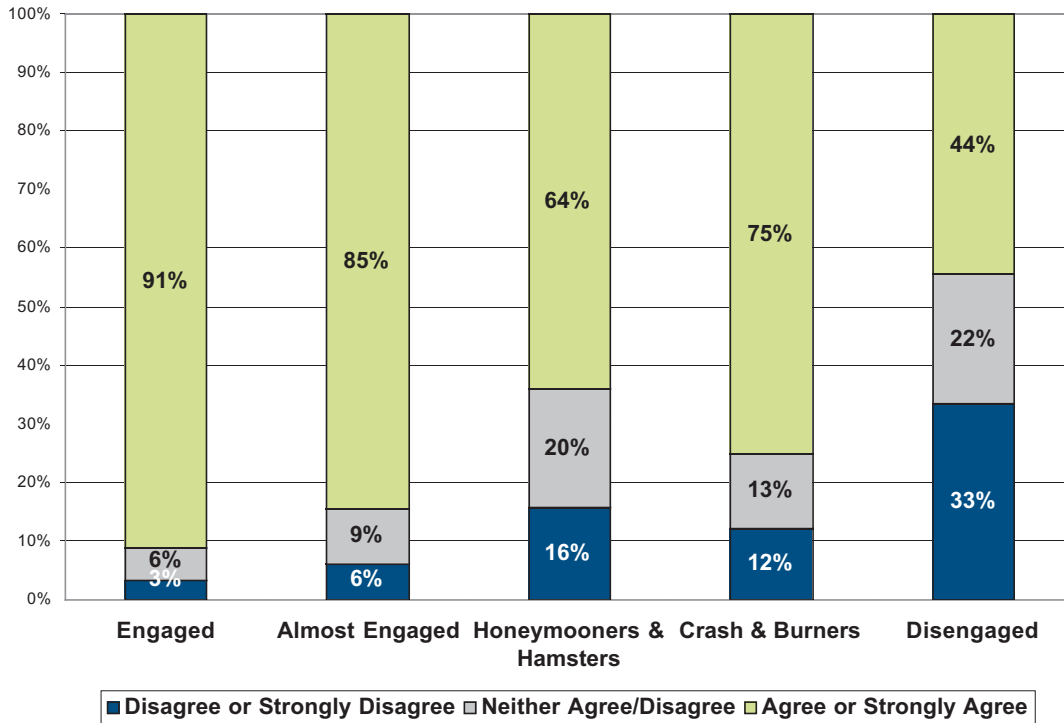
What Are Managers Doing?

Managers are right smack in the middle of the employee-organization equation. Organizations depend on them to set high expectations for performance, focus efforts on what matters most, provide course corrections and useful feedback, and create an environment that encourages employees' innovation, discretionary effort, and long-term commitment.

Trust Is a Start

Three-in-four (75%) North American respondents agree or strongly agree that they trust their manager, slightly down from 2006's response of 79%. As is illustrated below, the large majority of Engaged and Almost Engaged employees trust their managers. Even the Crash & Burners and Honeymooners & Hamsters indicate a high level of trust.

"I trust my manager."

Chart: "I trust my manager." — percentage responses by engagement segment

Segment	Disagree or Strongly Disagree	Neither Agree/Disagree	Agree or Strongly Agree
Engaged	3%	6%	91%
Almost Engaged	6%	9%	85%
Honeymooners & Hamsters	16%	20%	64%
Crash & Burners	12%	13%	75%
Disengaged	33%	22%	44%

Respondents across generations, roles, and departments indicated similar levels of trust in their managers.

This finding is good news in a world of work where bad managers get so much press and the phrase "employees join organizations but leave managers" has become a business cliché. But the question remains: Even if the large majority of managers aren't having a *negative* impact on employee engagement, *how much are they helping?*

Trust may provide a good foundation for retention and engagement, but it doesn't prevent employees from floundering in the choppy seas of changing business strategies and competing priorities. And trust alone won't impact engagement levels for the respondents who indicated that their job satisfaction can be positively affected by more opportunities to do what they do best.
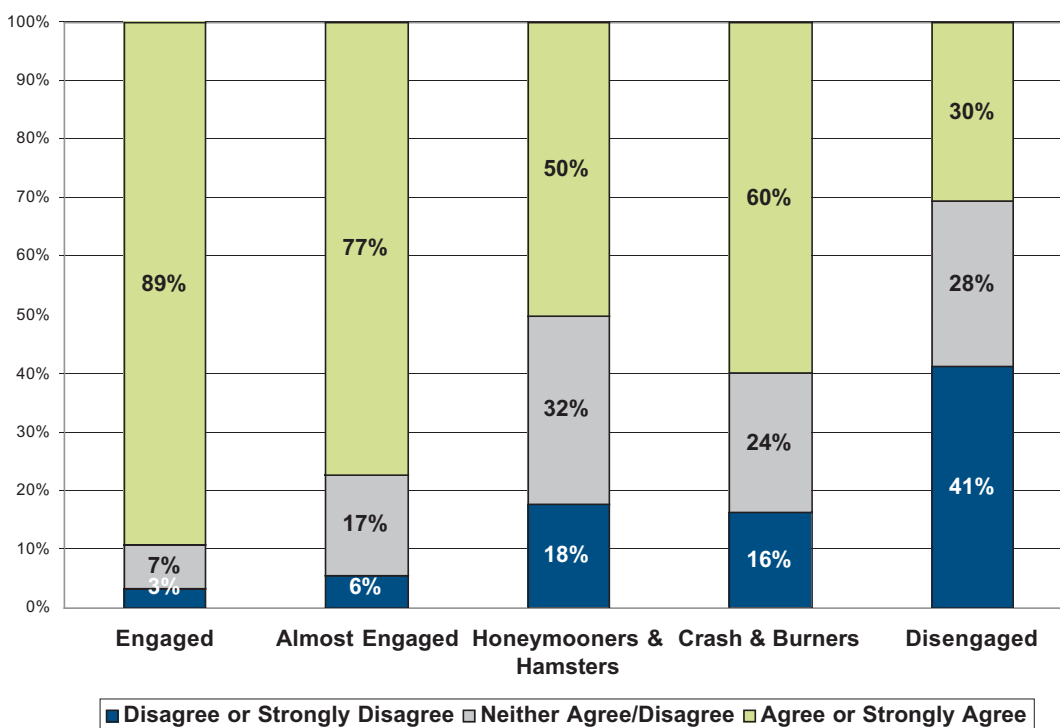
More Managers Need to Match Skills and Tasks

Talent utilization is not something that most employees can figure out on their own. And even if they have ideas for ways they can contribute, they need permission and support.

Nearly three-quarters (71%) of respondents overall agree or strongly agree that their manager *understands what they do well*, but only two-thirds (66%) indicated that their manager encourages them to use their talents as much as possible. This perspective was generally shared across generations and job title, with slightly fewer respondents in administrative/clerical roles (61%) in agreement.
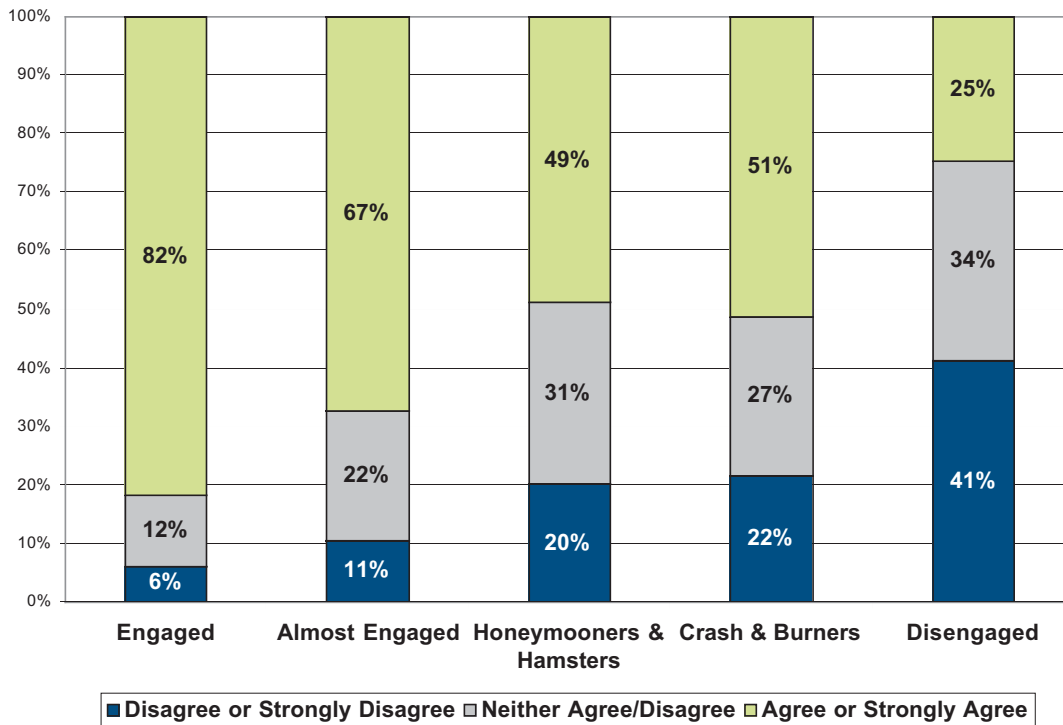
The graph below illustrates the contrast across engagement levels. The large majority of Engaged and Almost Engaged employees clearly benefit from managers who encourage them to use their talents while two in five (41%) Disengaged employees indicate that their manager does *not* encourage them to use their talents.

"My manager encourages me to use my talents as much as possible."

	Engaged	Almost Engaged	Honeymooners & Hamsters	Crash & Burners	Disengaged
Agree or Strongly Agree	89%	77%	50%	60%	30%
Neither Agree/Disagree	7%	17%	32%	24%	28%
Disagree or Strongly Disagree	3%	6%	18%	16%	41%

■ Disagree or Strongly Disagree ▢ Neither Agree/Disagree ▢ Agree or Strongly Agree

And perhaps, not surprisingly, in light of the prevalence of write-in comments like "stop rewarding my high performance with more work," even fewer — 59% — of respondents overall agree or strongly agree that their manager recognizes and rewards their achievements. As illustrated in the chart below, Engaged and Almost Engaged respondents are most likely to experience recognition, while nearly half (49%) of high-contributing Crash & Burners do not feel that their manager provides it.

"My manager recognizes and rewards my achievements."

	Engaged	Almost Engaged	Honeymooners & Hamsters	Crash & Burners	Disengaged
Agree or Strongly Agree	82%	67%	49%	51%	25%
Neither Agree/Disagree	12%	22%	31%	27%	34%
Disagree or Strongly Disagree	6%	11%	20%	22%	41%

Legend: ■ Disagree or Strongly Disagree □ Neither Agree/Disagree □ Agree or Strongly Agree

Clearly, application of talents is an issue that cuts across the interests of both the organization and individual. Organizations are paying for workforce talents. They cannot afford underutilized — or misdirected — assets. Meanwhile, employees want fulfilling work that uses their unique characteristics and skills.

Management Snapshot

- 75% of managers have their direct reports' trust.
- 71% of managers understand their direct reports' talents.
- 66% of managers effectively encourage the use of those talents.
- 59% of managers effectively recognize and reward achievements.
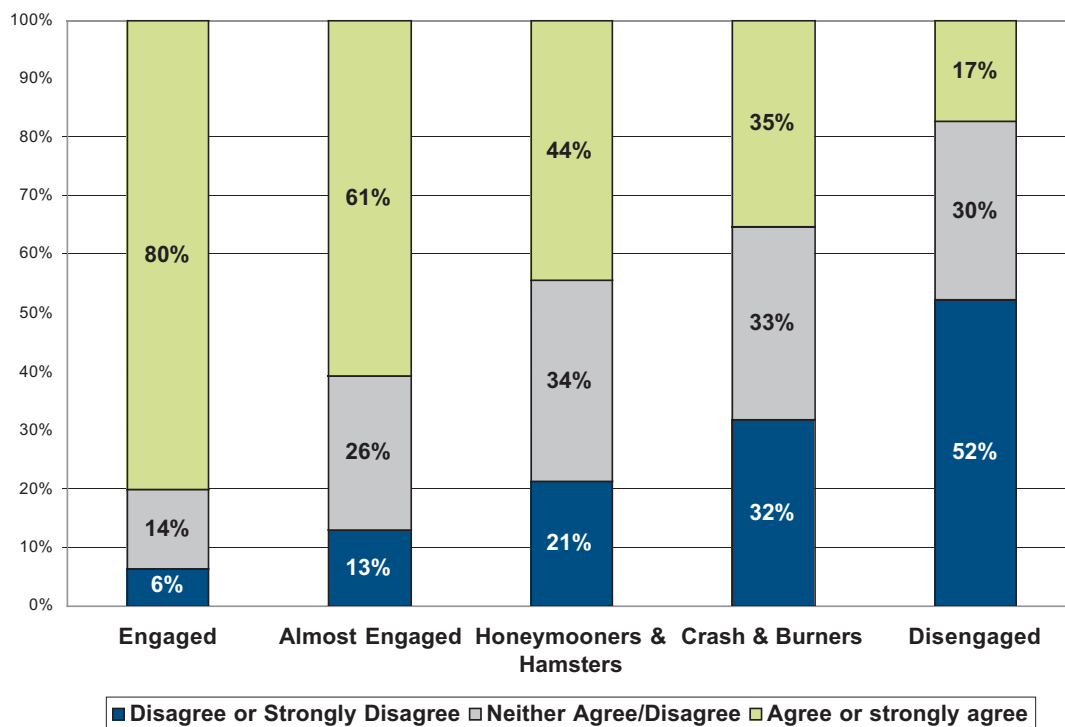
What About Leaders at the Top?

Senior leaders have the daunting task of inspiring and aligning a large number of employees whom they may never have the chance to meet. Demonstrating trustworthiness without a personal relationship is difficult, and it's no surprise that only about half (53%) of respondents overall in North America agree or strongly agree that they trust executives at the top.

This finding is consistent with the senior team consulting we do, where according to BlessingWhite President and CEO Christopher Rice, "Even in well-run organizations, half of the employees don't trust the senior team."

The chart below illustrates the correlation between levels of engagement and trust in senior leaders, and it appears that those employees struggling to satisfy their own needs have a particularly dim view of the top leaders.

"I trust the senior leaders of this organization."

Legend: ■ Disagree or Strongly Disagree ■ Neither Agree/Disagree ■ Agree or strongly agree

Category	Disagree or Strongly Disagree	Neither Agree/Disagree	Agree or strongly agree
Engaged	6%	14%	80%
Almost Engaged	13%	26%	61%
Honeymooners & Hamsters	21%	34%	44%
Crash & Burners	32%	33%	35%
Disengaged	52%	30%	17%

Write-in comments provide additional insights into the impact of executives:

- "The President and CEO need to work out their own problems. They are getting in the way of my work and how this organization functions."
- "We need honest leaders, without hidden and personal agendas."
- "Change leadership above my direct manager. Reduce the amount of politics and favoritism that occurs here."
- "Get it together!!! Stop making stupid business decisions. I love my manager and coworkers, but have lost faith in leadership and the company as a whole. I miss having a job I am excited to go do every day — one that matters and that I can be passionate about. I am looking elsewhere. I have stuck with this organization through thick and thin but am getting fed up."

Clearly, senior leaders have a lesser impact than managers do on employees' personal relationship with their daily work. They still are an important engagement factor. Their decisions and actions shape the organization's culture, business practices, resource allocation, and business strategies — which in turn impact engagement levels of the workforce at large.
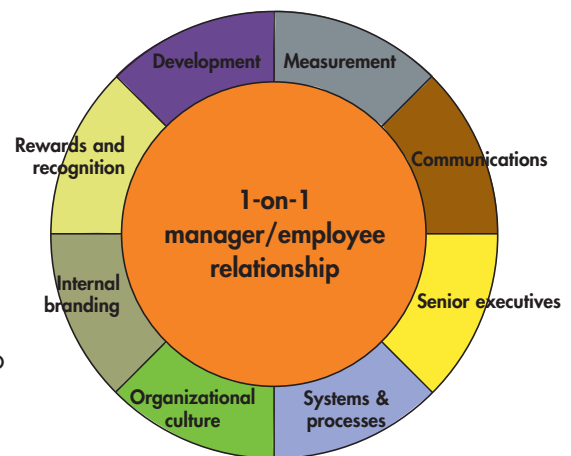
Recommendations

"You have to work both ends. You can't ignore the macro or the micro."

— Jeanie Donovan, Employee Engagement Director, Customer Experience, for a Fortune 500 financial services firm

Employee engagement is a complex equation that reflects each individual's unique, personal relationship with work. As such, there are limits to what organizations can do with workforce processes or communication programs. At a macro level, you need to provide resources, tools, and the overall workplace environment needed to support engagement. Ultimately, at a micro level, employees, with their managers' help, need to establish a thriving personal connection with their work and carve out a satisfying future in the organization.

There is no one magic engagement pill. Most organizations have learned that multi-faceted, ongoing approaches work best. Diana Hice, VP/business partner for Talent Management at WaMu, says, "The best thing we did was to *do a lot of things.* We want employees to look around and everywhere they look, they see that we care about them. We didn't just do one thing and hope it worked."

The five recommendations that follow reflect the most predominant themes from our interviews and 35 years' experience with thousands of clients across the globe.

Maximize Managers

Don't expect an initiative to do a human's job. Engagement is a personal equation, and managers must play a role in helping each employee solve it. Your best managers already understand this, as do many of the line leaders we interviewed. They're not waiting for data to shape what they do. They don't make engagement a once-a-year priority, distinct from what they do the rest of the year. They *manage* their teams every day.

For managers to be effective, they need to know what full engagement looks like — better still, they will have experienced it themselves. They need to be able to help their team members believe in the value of full engagement and inspire them to pursue it on a personal level.

Build a strong foundation.

Our research suggests that the manager behaviors that we associate with performance can also effectively increase engagement. Managers need to get to know their people, align personal and organizational goals, provide coaching and feedback, and match mission-critical projects with employee skill sets and aspirations. Make sure they master these fundamentals.

Ensure that your managers are engaged.

Engaged managers are more willing *and* able to engage their team members, yet our findings suggest directors, managers, and supervisors have just slightly higher levels of engagement than the workforce at large.

If managers aren't aligned, they'll be unable to provide the clarity that their team members require. If they are crashing and burning or just plain disengaged, they won't have the energy or interest needed to coach and guide their people to find personal fulfillment and high performance. And forget about them building commitment. They aren't inspired themselves. They can't inspire others.

Hold managers accountable for results *and* development.

Managers who are expected to develop their team members become more aware of their employees' talents, personal goals, and career aspirations. As a result, they're poised to make meaningful connections between the organization's needs and employees' interests. Ultimately, that knowledge also helps them match talents and tasks to drive results.

Many of the line leaders we interviewed are committed and skilled at coaching for performance *and* career, despite the awkward situations they occasionally encounter. Julie Giller, Suncare Market Manager for Schering-Plough Consumer Healthcare describes it this way: "Some folks are happy doing what they're doing, and don't have aspirations to move. When employees do want to make a move, I help them get the experience they need. Of course, some have aspirations that don't meet their skill level, which leads to a more difficult conversation."

Weed out bad managers.

Although our research indicates that employee-manager relationships are healthier than the headlines may suggest, you'll undermine your engagement efforts if you do not address bad behavior. Remove managers who are not trustworthy. They are driving valuable human resources out the door.

Align, Align, Align

No doubt about it, alignment is an ongoing challenge. With volatile market conditions and the speed of technological advances, organizations need to flex quickly to change strategic direction, leaving what was "true north" last month to be a dead end this month.

Despite leadership rhetoric about employees having "line of sight" to organizational goals and the power of organizational scorecards, many employees remain in the dark about how their daily priorities fit in with their employer's objectives. Alignment is the missing link for employees who want to do work that matters, belong to something of consequence, and achieve greatness with their talents.

Start at the top.

If senior leaders aren't crystal clear — and in complete agreement — about the organization's priorities, attempts to cascade their message will be like a crack in a foundation, with the fissure growing larger and larger as communications work their way through the organization. Cathy Penneys, Vice President, Learning and Operational Excellence for specialty staffing firm Supplemental Health Care, explains that when her firm's CEO wanted to drive workforce engagement and performance, he had to make some changes to the senior team: "We weren't going to make the turn without everyone at the top on the same page."

Don't stop communicating.

Leaders can't delegate strategy to their internal communications team, although those professionals can help. Leaders need to communicate strategy at every opportunity. When they think they're done, they need to keep going. And in addition to the "what," leaders need to include the "why" to add commitment to clarity. Why do they, personally, care? What will the organization (or the market or the world?) look like when goals are reached? Again, this is easier said than done for many leaders, who have dissected the strategic direction ad nauseum so that it's crystal clear to them. We do a lot of work with senior leaders to help them understand how to "show the math" — the rationale and decision process for where the organization is going.

Keep talking.

Strategy translation requires two-way dialogue. Employees need to know "What does this mean to me? How can I make a difference? Which — of the 10 things that I have on my plate today — is most important?" This is not a job for your performance management system, although it can help. The dialogue between employees and managers needs to happen throughout the organization continuously, not once a year.

Redefine Career

No one expects a traditional career path of past generations. Yet employees continue to demand career opportunities. Our findings and interviews indicate that it is one of the most common engagement drivers. The trouble is, "career" is defined by an individual's unique values and life situation — and that definition often changes with age.

Clarify what career means in *your* firm — and who owns what.

You and your employees may know what career is *not*, but have you articulated what career means in your firm? If not, you need to provide a shared context for career discussions. Is it an expectation of continuous growth and expanding skill sets? Is it the flip side of talent management — where individuals are expected to develop and flex with the organization's need for the right skills in the right place at the right time?

Our research suggests that career means growth and development to many employees. Others see it as successive opportunities to use their talents — through interesting projects, not necessarily promotions. For all, career implies a *future* with their employer. Make sure employees are clear on their personal accountability for that future and understand the support they can expect from their managers and the organization.

Help employees determine what they want.

Our *State of the Career* research found that more than half of North American employees (57%) do not know what they want to do next. Help your workforce avoid the "you can't find happiness if you don't know what you're looking for" dilemma.

Help employees get what they want.

Even if employees know what they're looking for, they need help navigating their options, as one Manager of Employee Development at a high-tech firm lamented, "They believe there are tons of opportunity here. They just don't know what to do with it all." As a result, the majority of firms in our study are taking a multi-faceted approach to career development. (See examples on page 25.)

Make development a priority.

Since employees can't move into a new role if they don't have the required skill set, career and development are inextricably linked. (Page 26 contains examples of professional development tactics.)

Career Development Tactics to Increase Engagement

Software manufacturer Adobe Systems hosts internal career fairs to enable informational interviews across departments and facilitate lateral moves. They trained both employees and leaders on the firm's "employee development philosophy," provided an employee development tool kit, and encouraged individual development plans. As a result, the number of internal transfers year-over-year has doubled, according to Senior Manager of Engagement Angela Szymusiak.

Financial services firm WaMu recently launched a career website to rave reviews according to Diana Hice, VP/Business Partner for Talent Management. It illustrates potential career paths, details job descriptions, and profiles the "rock star behaviors" of successful people. Specific divisions are also training managers to have more effective career conversations with their team members.

Global beauty firm Avon Products is trying to validate promotions *and lateral moves*. Vice President of Talent Management Marc Effron explains: "We've been doing work to clarify 'what does it mean to be a leader,' then publicizing the development experiences available to move up that track. We also focus on 'what does it take to be a functional expert'."

Engineering design firm URS Corporation is also addressing functional career paths according to Kristen Early-Perez, Regional HR Manager: "We run a lean organization. Some people can make their way up the ladder. We do have a lot of folks that transfer around the country, but these lateral moves aren't always seen as positive career moves." One healthcare insurer had a similar challenge, discovering that its practice of highlighting promotions in the company newsletter sent the message that lateral moves were lame. According to the Career Services Director, lateral moves now receive equal recognition and are increasing in popularity.

Professional Development Tactics to Increase Engagement

Diebold, a global manufacturer of equipment like automated teller machines and security systems, is focusing on training and development to increase engagement, according to Learning & Performance Manager Tanya Ross-Lane. "At headquarters we held an ASTD Employee Learning Week, with speakers, workshops, book fairs, and online training. Next year, we'll take it global. We also have three areas of ongoing focus: 1) Ensuring that managers support development ideas with time and resources; 2) Encouraging associates to take responsibility for their career; and 3) Ensuring and publicizing access to development tools, like dedicated computers for learning." Next on the horizon at Diebold: "Selection and development of future leaders in our organization. Our technicians and production associates who are promoted into new leadership roles may have challenges that limit their success as supervisors or managers. They need help with the 'soft side' of management like coaching, mentoring, and the basics of employee-manager dialogue."

Spend management solutions provider Ariba, Inc. is working to create development opportunities for its team members on two fronts: Growth in current role and a more defined management track. Curt Lawhead, Senior Manager of Organizational and Employee Development explains the importance of leadership development, echoing Ross-Lane's insights: "We have a young, highly skilled global workforce. Our managers need to understand how to hire the right people, retain them, and help them manage their careers. In fact, those managers with the lowest scores in multiple areas of our engagement survey were the first to experience our new leadership development process."

Cathy Penneys, Vice President, Learning and Operational Excellence at specialty staffing firm Supplemental Health Care justifies the investment in development: "Our only competitive advantage is to have employees learn faster than anyone else. And they love it."

"Raise the tide to lift all the boats."

— HR director, global manufacturing firm

Pay Attention to Culture

If you get culture right, it provides a foundation that can sustain workforce engagement through good times and bad. That's because your culture, like the air you breathe, touches all employees. And like air, it is there whether you deliberately shape it or not, so make sure your culture is working *for* engagement, not against it.

Help senior leaders set the tone.

Our findings indicate that nearly half of the workforce distrusts top executives. That's a difficult starting place for building and sustaining a culture that supports engagement.

Senior leaders need to communicate *and* model the standards of behavior and organizational values that shape your culture. Our analysis of client culture data suggests that "walk/talk disconnects" correlate with lower engagement. In those organizations where fewer than half of the employees believe that leaders behave consistently in line with the organization's values, only about a third of the employees indicate they would recommend the organization as a good place to work.[11]

Align systems with cultural drivers.

Culture initiatives hit major obstacles when aligning day-to-day operations (budgeting, fulfillment, recruiting, orientation, performance management, marketing, purchasing, etc.) with cultural drivers. Perhaps it's not surprising, because many organizations struggle to link these daily practices to their core *business* strategies. This culture link represents an advanced maneuver.

Yet it's worth the effort — especially with practices that influence the employee experience, like new hire orientation. Firms that share, for example, their mission, company history, founder's vision, compelling stories of values in action, or tales of lives touched by their products reinforce their culture, instill pride, and build engagement from day one.

Keep investing in your managers.

Culture is defined as the *sum of an organization's behaviors and practices*. It reveals itself in big and small decisions as well as daily practices ("how we do things around here") that tend to perpetuate themselves. Because of their visibility and impact on your core employees, managers are really the cultivators of your culture.

Cultures Within Organizational Cultures

Solutions provider Ariba, and other organizations growing through acquisition or establishing overseas offices, have the added challenge of building engagement across cultural pockets. "We need to do a better job of engagement at our global sites, like India and Singapore, by understanding the regional cultural differences and adapting our approach appropriately. At the same time, we have differences across locations in the U.S. Friday afternoon social events work great at the site of a newly acquired firm, but when we tried it at an established Ariba location, it didn't go over. People just weren't interested," explains Curt Lawhead, Senior Manager of Organizational and Employee Development.

Lawhead's experience is reinforced by our global data analysis. There are striking differences in the makeup of workforces by region. As a result, the factors that influence their engagement can vary. You can't expect all of the actions you take to increase engagement in North America to work at overseas locations.

"Our Voice of the Employee survey may have yielded 96% participation, but we got compliance, not necessarily the truth."

— Jeanie Donovan, Employee Engagement Director, Customer Experience, for a Fortune 500 financial services firm

Survey Less, Act More

There is evidence that engagement surveys are becoming an annual check-off-the-box chore like bad performance management and other HR "administrivia." More than one leader we interviewed spoke of the survey becoming "institutionalized" as an annual metric that provided few actionable insights or candid employee perspectives. Others spoke of being stuck in analysis-paralysis or having such a drawn-out communications follow-up that there was little time for anyone to actually do anything before the next survey was ready to run.

Don't let the tail wag the dog. Survey data is not the prize. It's what you do with the data to effect positive change, to create an engaged workforce that can accomplish great things.

Look for trends and differences.

Did career come up as issue across the organization or in specific departments? Is there evidence that an entire division is disconnected from the company's vision? Does one department have collaboration or manager issues? Are your most recent hires miserable? The more you can plot employees on a distribution of engagement levels and demographics, the better able you'll be to strategically determine the best programmatic approaches for impacting the greatest number — or the most critical — employees.

Give department leaders tailored, actionable insights.

If your survey analysis doesn't provide specific findings and recommendations, your managers will need to invest additional time exploring what the numbers actually mean. That additional time increases the chances that well-meaning managers will not quite "get around to" tackling engagement.

Marc Effron, Vice President, Talent Management for beauty firm Avon Products, is one of a number of leaders we interviewed who emphasizes this success factor. At Avon, every one of the firm's 200 most senior managers receives a half-page of specific recommendations and actions after an engagement survey. Effron's team has worked hard to create survey items and algorithms that provide useful, directive information — a feature that many engagement surveys don't offer.

Tobias Klauder, Director of IT Software Tools and Automation at aQuantive, a digital marketing firm, concurs: "It's hard to take a survey of 1,000 and make effective changes. I need to be able to act on a team/individual level. Companies need to empower leaders to do the micro changes. Equip the folks closest to the opportunity or problems and let us focus on what matters to our people."

Equip and hold leaders accountable for action.

There is a healthy trend toward holding executives accountable for HR metrics. At Avon, for example, every leader with the title of vice president or above has an "engagement increase" metric tied to compensation. Other firms are initiating cascading accountability — starting with the most senior management down the line over time as newly launched employee engagement initiatives take hold.

Ultimately, it helps to equip leaders to recognize levels of engagement within their teams and take appropriate action, acting as a coach or facilitator of their team members' engagement journeys. One pharmaceutical firm facing massive industry change rolled out a program for managers to help them identify signs of disengagement in their salespeople and take targeted action to help them increase their satisfaction and contribution. They didn't wait for survey data to justify action. They expect their managers to have conversations with their people.

Caution

Surveys have their place — but if your organization is unable or unwilling to act on the insights gleaned from them, don't go there. Asking for employee input and not following up will damage your credibility. Consider using small focus groups or accessible HR metrics to identify workforce issues you can address. For example, at engineering firm URS Corporation, according to Regional HR Manager Kristen Early-Perez, the organization's senior leaders and HR team members regularly review detailed exit survey data and comments to watch for trouble spots and take appropriate action.

Conclusion

Hiring and retaining talented people isn't enough these days. If your skilled resources aren't focused on the right things and motivated to give 110 percent, you may end up like a sports team with a big payroll, a bench of sidelined stars, and a losing season. You don't need us to tell you that your business depends on your employees being committed and focusing their unique talents on what matters most to your business.

Our recommendations are not a lock-step set of actions. It may be obvious, but you need to *start where you are.*

You don't actually have to do a survey to begin to increase employee engagement. Our research suggests that many of the behaviors you expect of managers to get results also drive engagement. If your managers aren't providing performance feedback or matching employee skills and interests to mission-critical projects, you can start there.

However, if you have data, move out of analysis into action. Choose one or two things that promise to make the most impact. Get senior sponsorship, build grass-roots support, and work with leaders at all levels of the organization to own the solution.

The table on the following page contains ideas for where to start.

Next Steps

Where are you?	You might . . .
Not doing anything	Interview senior executives to find out where they stand on this topic. Identify potential champions and build the business case.
Considering . . . you're trying to convince senior leaders that engagement is good business or you've seen signs that you have an engagement issue	Engage senior leadership. Help them understand and articulate. (You don't need to measure to make progress.)
Starting out . . . you've conducted an engagement survey but have yet to take much action	Emphasize the role that managers play. Hold managers accountable. Toast early successes.
Stuck in a rut . . . you've institutionalized engagement to the point that the metrics don't matter	Pull out of analysis-paralysis. Focus on actionable insights. Pick specific target areas instead of going broad. Change your targets.
Down the road . . . you measure engagement regularly, with follow-up actions, but may still be struggling to "move the needle"	Engage leaders at all levels. Build on and replicate early successes. Revise your survey items or analysis. Check your culture and investigate barriers or factors causing drag — these could be systems, policies, or leaders.
Making real progress . . . your leaders are committed to engagement, and you have promising HR metrics	Educate, inform, and keep engagement on the senior team agenda. Stress satisfaction *and* contribution. Focus on career development and talent management to ensure a mutual beneficial future. Identify correlations between engagement and business performance. Refine your measurement and look for causal links.

Remember, also, that the insights we've shared and lessons learned by other firms are designed to drive conversation and thought. Ultimately, your engagement strategies, like your business strategies, need to reflect your unique situation. You can't benchmark your firm to heights of market leadership.

Addendum: 10 Tips for Engaging *Your* Team

Like a catalyst that enables two chemicals in a beaker to combine that which would not otherwise mix, good manager-employee relationships smooth the way for mutually beneficial connections between individual employees (on their very personal paths for great "work") and their employers (with ambitious strategies that need execution).

As a manager, you are a critical ingredient in successful employee engagement.

1. **Reflect and recharge.** Where are you on the engagement spectrum? You can't help your team if you're spinning out of control as a Crash & Burner. If you are in the apex of engagement, how can you stay there — and "infect" others?

2. **Hire engage-able team members.** Jeanie Donovan, employee engagement director, Customer Experience, of a Fortune 500 financial services firm explains, "Our number one problem was lack of fit. We needed to hire people who could be successful. Instead of training square pegs to fit the round hole, we now try to hire round pegs."

3. **Earn trust every day.** Trust provides the essential foundation for your effectiveness as a manager, whether we're talking about engagement, innovation, or high performance. To build it, you need to reveal who you are as a person. Your title and accomplishments aren't enough. Carmen Ward, Senior Manager of Fraud Prevention at Yahoo! Search Marketing, offers this additional advice on personal character to build trust: "I lead by example and I don't take credit for their work. I speak candidly and keep my word. What I preach, I do in return."

4. **Stress employee ownership.** You can't create an engaged team if your employees don't have clear visions of personal success. Make sure they know that you're available to provide guidance, remove barriers, and help them find fulfilling work. However, they are ultimately the ones responsible for their success.

5. **Find out where the bus is going — and remind people of your destination.** If you're not clear on your organization's strategy, find someone who can give you some answers. Once you are clear, help your team members understand their role and prioritize the myriad tasks they face each day to achieve meaningful results.

6. **Remember that feedback is a gift.** Employees want feedback. They deserve information that can help them achieve their goals and the organization's. Let them know what they do well so they can keep doing those things with confidence. Suggest course corrections to help them use their time and effort most efficiently.

7. **Talk and listen more.** Communication (especially in today's email-driven workplace) is often one-way. Conversation, on the other hand, is about dialogue between two or more people. Conversation drives clarity. It is by far the most effective vehicle for providing performance feedback. It is the only way to efficiently generate new ideas for increasing business results and personal job satisfaction. It helps prevent misunderstandings. It builds trust. One example: A claims operations manager at an insurance company makes time to connect with each team member at least once a week for "personal face time." He has monthly one-on-ones with staff, and tries to keep his door open.

8. **Match projects, passion, and proficiency.** Every person comes to work with a different combination of personal values, talents, and goals, which they are looking to satisfy on the job. They don't necessarily want a lofty title, a higher salary, or your job. If you can help them connect what's important to them with what's important to the organization, you can make a positive impact on their job satisfaction, commitment, and contribution.

9. **Get to know your team members.** You don't need to be their friend. You do need to know what makes them tick. Who shows signs of being a Crash & Burner? Do you know what motivates your Engaged or Almost Engaged employees? Pay attention. Ask questions.

10. **Tailor your coaching strategies.**
   - Invest in your Almost Engaged team members, providing feedback, more resources when possible, and continuous opportunities to excel.
   - Get your Hamsters on the right track if they are lost or spur them into action if they're coasting or R.I.P. (retired in place).
   - Help the Honeymooners understand their top priorities and discuss what they need to do to be successful on the job.
   - Take a timeout with the Crash & Burners to take stock of how they're feeling and clarify what personal success looks like to them. Provide more resources if you can, development opportunities, feedback, and perspective when competing priorities loom large.
   - Size up your Disengaged. You may need to coach some out of the organization for their own good and yours. Spell out expectations with the rest, take stock of their interests and talents, and try to provide opportunities for them to do work that matters.
   - Finally don't take the Engaged for granted. Full engagement is hard to sustain on one's own. Nurture them, recognize them, stretch them, develop them.

About This Report

Methodology

Our online survey consisted of 19 multiple-choice questions and two optional write-ins. Everyone answered the first 16 items. The remaining items differed based on respondents' answers to question 16, which addressed intent to stay through 2008.

The survey link was emailed December 2007 through February 2008 to individuals representing a cross-section of job functions, job titles, and industries. It was also posted or distributed through key media, professional networking sites, and blogs. No incentives to complete the survey were provided beyond the promise that respondents could, if they chose, receive a copy of the report.

To round out the employee perspective, we conducted about 40 interviews with HR and line leaders. The interviews centered on employee engagement challenges and best practices of organizations and HR departments — as well as the actions that individual leaders take each day to create engaged teams.

Of the 7,508 survey respondents, 44% reside in North America, 32% in India, 9% in Europe, 6% in Southeast Asia (including Australia), and 3% in China. Most respondents completed English surveys, but translations in Thai, Chinese, and Japanese were used as well.

2008 North American Respondent Profile

- 3,342 respondents
- 53% female, 47% male
- More than half (55%) hold management or supervisory titles, with 8% indicating they are a VP or above.
- 16% work in HR, 12% in customer service, 12% in manufacturing/production, 11% in IT, 9% in sales, 8% in finance, and the rest are scattered across R&D, marketing, engineering, and other functions.
- Half the respondents could be considered Baby Boomers (born 1946-1964), 41% could be called Generation X (born 1965-1977), and 7% are Generation Y (born 1978-1990).
- One-third (34%) work in organizations that employ more than 10,000 people, and about half (51%) work for firms with fewer than 5,000 employees.
- 14% work in banking/financial services, 13% in high-tech, 11% in manufacturing, 10% in insurance, 8% in pharmaceutical/biotech, 8% in healthcare, and the rest are scattered across a range of industries including government and not-for-profits.
- Nearly two-thirds (65%) indicated that all or most of their team work at the same location, with 9% responding that they are virtual.
- Three in ten (29%) have worked three years or less with their employer, and nearly half (48%) more than 7 years.
- 18% have held their position for less than a year and 16% have been in their role more than 7 years.

Notes

[1] *The Global Workforce Study*, Towers-Perrin, 2007.

[2] Peter Flade, *Director of Finance*, "Employee engagement drives shareholder value," February 13, 2008.

[3] Since 2001, Gallup has published multiple articles on the cost of disengagement annually in the U.S., with estimates ranging from $292 billion to $350 billion.

[4] Scott Flander, *Human Resource Executive*, "Terms of Engagement," January 1, 2008.

[5] John Engen, *Chief Executive*, "Are Your Employees Truly Engaged?" March 2008.

[6] Mike Desmarais, *Contact Center Employee Satisfaction & Customer Satisfaction Link*, SQM Group for Manpower, 2005.

[7] Robert J. Vance, *Employee Engagement and Commitment*, SHRM Foundation, 2006.

[8] Engen, March 2008.

[9] Société Générale's rogue trader disaster is one of many examples. Jessica Marquez describes how disengaged employees failed to step up and prevent the loss of $7.2 billion at this firm in "No Esprit de Corps Can Spell Trouble in Any Company," *Workforce Management*, March 2008.

[10] *State of the Career Report*, BlessingWhite, Inc., 2007.

[11] Christopher Rice, "Driving Long-Term Engagement through a High-Performance Culture," *Building High-Performance People and Organizations* (Greenwood Publishing Group, May 2008).

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