

## The Myth of Low Engagement

and why it doesn't matter anyways







# The Myth of Low Engagement

by Marc Effron, Talent Strategy Group



Rarely a week passes without a news story, article or consulting firm claiming that employee engagement is low (or even historically low) and lamenting the state of the modern workplace. The headline of a recent blog post by Gallup's Jim Harter screams, "Dismal Employee Engagement Is a Sign of Global Mismanagement." <sup>1</sup> An article in HR Technologist reports that employee engagement levels are at an all-time high but quickly pivots to, "However, with 73 percent of employees still not considered 'highly engaged', it seems that this relative high point means the average employee experience is probably *still filled with disappointment and frustration.*" <sup>2</sup>

What follows the lamentations in those and similar articles are recommendations about how to change work or regulations or companies to improve the terrible existence that most employees apparently suffer through each workday. It's all very entertaining except for one key fact: Employee engagement isn't low. It's

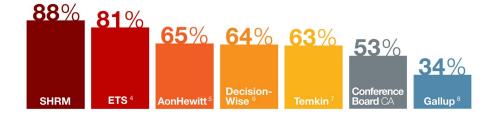
not even close to being low. In fact, multi-year research by Aon Hewitt shows that average engagement levels are at an all-time high.

Those claims of low global employee engagement also run counter to companies' record earnings growth over the past few years. If employee engagement is directly related to corporate performance, as many consulting firms claim, then there should be at least some correlation between companies' current record high earnings and employee engagement. It should be impossible for the misery-laden workplaces described in the posts above to produce anything other than dismal, tear-stained financial results. The most recent engagement statistics from a variety of survey firms show average employee engagement at moderate to moderately-high levels (Figure 1).

Gallup is the only firm that consistently cites much lower engagement figures than other survey firms. That anomaly is due to their unique approach of including

**Engagement Statistics by Survey Firms** 

Figure 1



only Strongly Agree ratings in their calculations. Their results also appear to be quite variable. Gallup's weekly average of employee engagement changed frequently, often within a short period of time. <sup>9</sup>

There's nothing wrong with Gallup's approach but their consistently low numbers provide a juicy statistic with a strong brand name attached for those who want to falsely argue that the workplace is in distress.

An average of the studies above (excluding the outlier scores of SHRM & Gallup) would suggest a global engagement level of about 65%. That number isn't brilliant but it's far from terrible and suggests that many organizations score in the 70's and 80's.

Given that engagement isn't low, it means that anyone trying to sell you a product or service based on claims of low engagement is either misinformed or twisting facts for their commercial or editorial benefit. While I'd suggest *caveat emptor* on that, there's a more important point about those competing global engagement figures – they just don't matter.

### Global engagement numbers tell us nothing of value

There are no practical implications that we can draw from a global engagement number that's been

averaged across organizations. Even if we could arrive at a "correct" number, which due to competing methodologies is impossible, it would provide no value because:

- You should only care about your company's engagement: Your company's engagement is your only relevant concern and no benchmark global, local, sectoral matters. Your talent management strategy and tactics should be based 100% on your organization's strategy and how to flawlessly execute it. Benchmarks provide false security or false motivation and nothing else (see "The Tyranny of Benchmarking").
- Global engagement should change slowly: It would be unusual for the global engagement average to meaningfully increase from year to year unless every company was improving their execution of typical engagement drivers. We would hope that, over time, every company gradually improves the ability of its managers to increase engagement. That would suggest a slow improvement (0.5% a year?), subject to the maximum practical engagement number described below.
- There's a maximum practical level of engagement: Rather than state that an engagement number is

Given that engagement isn't low, it means that anyone trying to sell you a product or service based on claims of low engagement is either misinformed or twisting facts for their commercial or editorial benefit.





too high or too low, perhaps we should define what is a reasonable goal for global employee engagement. If every organization around the globe was well managed and led, reasonably profitable and not in tumultuous change, how high could global engagement be? If we start at 100% engagement being the theoretical ideal, we can quickly lower the maximum practical score by considering key facts:

You're not always in the up-cycle: Companies move through a natural and predictable life-cycle. Some companies will be growing and successful and others failing or moving through recovery at any point in time. An unplanned CEO transition, public failure (product recall, consistent negative press), temporary sector-wide challenges and other unique factors may pull down the engagement numbers of any individual company.

This means that there will always be companies in the down-cycle which will pull down their company's engagement numbers and, consequently, global engagement numbers.

- Employees will use different ratings to express the same opinion. There is variance in how equally engaged employees answer identical questions. For example, if you and I both believe that our manager gives us enough feedback, I may rate her a 4 and you rate her a 5. Let's say that rater variance takes 5% off the maximum practical engagement level. We're now at 95% as the maximum practical score.
- Even optimal management doesn't engage everyone: Some employees won't be able to realize their career goals at their current company, even if they are high performers, and could be planning to leave. Other employees will be lower performers who are receiving fewer accolades and rewards than they think they deserve. These facts would reduce the "intent to stay" and "perceived manager quality" items that are staples of many engagement indexes. For that, let's take another 5% off the top. We're down to 90% as the maximum practical score.

• Some people are born to be less engaged:

Most leaders don't know that someone's personality has a meaningful influence on their individual engagement. In other words, some people will never report being highly engaged or will require far more effort to change their engagement. A recent meta-analysis shows that nearly 50% of the variance in individual engagement scores is due to personality factors alone!

This fact limits how high engagement can be in any company since it's extremely unlikely that 100% of employees would rate themselves as engaged. Conservatively, that's another 5% reduction in the maximum practical score.

If we subtract those three numbers from 100%, the maximum practical engagement average is 85%. If we take the current global engagement average of 65%, that maximum practical score of 85% would put the current level at about 80% of the maximum practical level. That's really not too bad.

#### **Follow the Facts**

There's no debate that "The sky is falling!" makes for a far more compelling headline than "Things are generally OK!" The former provides cover for those who want help you solve a non-existent problem. It's the perfect lead-in for writers whose world-view skews towards more egalitarian workplaces. It plays to the "us vs. them" divisiveness that plagues the global dialogue.

But the simple fact is – it's not true. As boring as it sounds, most people like their boss, feel proud of their company and are happy to show up at work every day. That's not meant to suggest that we should be complacent. More work can be done globally to increase engagement and specific companies have a long road ahead of them. Let's just acknowledge that engagement is about individual companies, not global averages, and that dialing down the histrionics on the topic will serve us well.

- 1. https://www.gallup.com/workplace/231668/dismal-employee-engagement-sign-global-mismanagement.aspx
- 2. https://www.hrtechnologist.com/articles/employee-engagement/global-employee-engagement-trends-point-toward-investing-in-the-employee-experience/. (Italics/emphasis added)
- 3. https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/2016-Employee-Job-Satisfaction-and-Engagement-Report.pdf
- 4. https://www.etsplc.com/wp-content/uploads/2017/04/ETS\_engagement-benchmark-trends-report-2017\_FINAL1.pdf
- . http://www.aon.com/2018-global-employee-engagement-trends/index.html
- 6. https://storage.pardot.com/456122/174936/DecisionWise\_2018\_State\_of\_Employee\_Engagement\_Report.pdf
- 7. http://www.temkingroup.com/wp-content/uploads/2017/05/1703\_EEBenchmarkStudy17\_FINAL.pdf
- 8. https://news.gallup.com/poll/241649/employee-engagement-rise.aspx
- 9. https://news.gallup.com/poll/180404/gallup-daily-employee-engagement.aspx
- 10. https://onlinelibrary.wiley.com/doi/10.1002/job.2303

INTERESTED IN LEARNING MORE?



CONTACT THE AUTHOR





#### Who We Are

Salto Dee Fe Consulting (SDF) is a business enabling consulting firm that works at the intersection of strategy & execution and Business & Human Resources.

We partner with organizations to leapfrog their business to its next phase of growth. We do this by co-creating bespoke solutions that are scientifically validated and enable organizations to meet business objectives.

#### WHY US

- Best of both worlds Practitioner's and Consultant's expertise
- Scientific and statistically proven methodology
- Easy to execute, Be-Spoke solutions
- Process that encapsulate the voice of customer at every step of the solution design

#### **OUR PARTNERS**





#### TALENT MANAGEMENT

ONE PAGE TALENT MANAGEMENT 360

∞ KARMA

**OPTM360** a web based 360 feedback tool bringing science-based simplicity, accountability and transparency to the change process.

**Karma Notes** – A realtime oneminute feedback app that helps enhance performance of employees SDF in partnership with The Talent Strategy Group (Founded by #1 HR bestseller titled "One Page Talent Management", Marc Effron) brings cutting edge talent solutions that simplify processes to remove complexity, enforce accountability and drive transparency,

Typical Assignments Undertaken – Assessment Centres | 'Certified Talent Manager' Programs | Performance Management System Design & Implementation | Competency Mapping | Compensation Benchmarking | 360 Degree Feedback | Talent Review etc.

#### ORGANIZATIONAL TRANSFORMATION

SDF seamlessly supports the critical stages of business transformation for our clients by focusing on transforming mind-sets of employees. We work with below the surface linkages of transformation – Values, Traits, Motives and Beliefs, to speed up the transformation journeys.

Typical Assignments Undertaken – Co-create Vision, Mission & Core Values | Org. Restructuring | Design & Implement service excellence journey | BSC | Align Business & Sales Strategy Design | Communication for Organizational Transformation | Level & Job Equivalence | Organization Benchmarking & Cost Rationalization | HR Policies & Process Design | Incentive & Recognition | Comp. Restructuring etc.

#### LEADERSHIP SKILLS DEVELOPMENT

SDF brings over eight decades of experience & expertise in skilling the executives to become effective business leaders. Our facilitators have experience of working as a moderator with Harvard and Stanford, Coaching with DDI. All programs are followed by a follow up using award winning methodology for transfer of learning.

Typical Assignments Undertaken – 'Engaging People & Building Talent' workshop | 'Strategy Articulation & Leadership Alignment' Workshop | Leadership Skills Training | Talent Management Certification | Executive Coaching | HR Business Leader Certification

#### PEOPLE DECISIONS

SDF helps firms make Great People Decisions with the objective of directly impacting their growth and align firm's Talent Acquisition goals with Business Objectives by driving a shift from a tactical, reactive process to a strategic program.

**Typical Assignments Undertaken** – Executive Search | Recruitment Process & Assessment | Interview Skills Workshop | Success Profile and Designing Selection Methodology

OUR CLIENTS: Genpact | Kotak | AUDI | Kailash Satyarthi | IndiGo | Max Healthcare | Stryker | Honeywell |
Tata Communications | Macmillan | HLSA Asia | NIESBUD | Max Life | Medanta | Fortis | Carrier Midea |
BARC | GACL | Britannia |