

Measuring Employee Engagement: Navigating the Options and Vendors

UNDERSTANDING TODAY'S EMPLOYEE ENGAGEMENT MEASUREMENT OPTIONS IS NO EASY FEAT

As employee engagement challenges increase, so do organizations' needs to measure engagement beyond an annual or biennial employee survey. Technology continues to push the boundaries of how and when employee engagement can be measured. The market for measuring employee engagement is growing quickly; new solution providers appear every day, causing disruption to incumbents. However, with new methods, new products, and a plethora of vendors comes complexity—and no small amount of confusion.

Focusing on Engagement

Employee engagement has a direct impact on organizational performance outcomes. Many studies have shown relationships to outcomes, such as voluntary turnover¹, employee productivity², and customer satisfaction²—all of which can ultimately affect the bottom line. Eighty-five percent of the more than 7,300 surveyed global executives and HR leaders in Deloitte's 2016 *Global Human Capital Trends* study reported that employee engagement was "very important" or "important."³

Yet despite its strong ties to business outcomes, many companies have room to improve their employee engagement efforts. Only 11 percent of those surveyed characterized their employee engagement and retention programs as "excellent."³

Making Sense of the Options

The journey to increase employee engagement begins with developing a strategy, not with picking a solution or a vendor. At a high level, this employee engagement strategy entails obtaining leadership commitment to making changes, assessing engagement, and then taking action to drive tangible change.

As highlighted in our *Evaluating Employee Engagement Measurement Options* report⁴, the three approaches to measuring engagement most commonly used by practitioners are surveys, interviews, and internal and external data analysis. Annual surveys are, by far, the most common approach to measuring employee engagement with 40 percent of global organizations using them.⁵ However, rapidly evolving technology has created the ability to conduct shorter, more frequent pulse surveys. Interviews (e.g., stay interviews, exit interviews, focus groups) can be a more personal way to understand what keeps employees engaged. Finally, content analyzing internal and external data gathered through employee communication portals can prove useful to learning what is at the forefront of employees' minds.

Navigating the Vendor Landscape

Focusing on the vendors that primarily operate in the employee survey space, our report, *Measuring Employee Engagement: Navigating the Market*,⁶ helps organizations to make sense of the complex and far-reaching engagement assessment arena.

¹ *Employee Engagement and Commitment: A guide to understanding, measuring and increasing engagement in your organization*, SHRM Foundation / Robert J. Vance, Ph.D., 2006, <http://shrm.org/about/foundation/research/Documents/1006EmployeeEngagementOnlineReport.pdf>.

² "Business-Unit-Level Relationship Between Employee Satisfaction, Employee Engagement, and Business Outcomes: A Meta-Analysis," *Journal of Applied Psychology* / James K. Harter, Frank L. Schmidt, and Theodore L. Hayes, 2002, www.factorhappiness.at/downloads/quellen/s17_harter.pdf.

³ *Global Human Capital Trends 2016: The new organization—Different by Design*, Deloitte Development LLC and Deloitte University Press, 2016, <http://www2.deloitte.com/content/dam/Deloitte/global/Documents/HumanCapital/gx-dup-global-human-capital-trends-2016.pdf>.

⁴ *Evaluating Employee Engagement Measurement Options*, Bersin by Deloitte / Madhura Chakrabarti, Ph.D., and Robin Erickson, Ph.D., 2016.

⁵ This information is based on the Deloitte 2016 Global Human Capital Trends survey data.

⁶ *Measuring Employee Engagement: Navigating the Market*, Bersin by Deloitte / Sally-Ann Cooke and David Mallon, 2016.

In order to navigate this landscape, organizations should start by asking both “why” they are assessing engagement and “how” they intend to use the data once they have it. Many organizations conduct engagement surveys to either diagnose potential problems or to monitor what is going on (why). They often then use the data to either enable changes or enhance productivity (how).

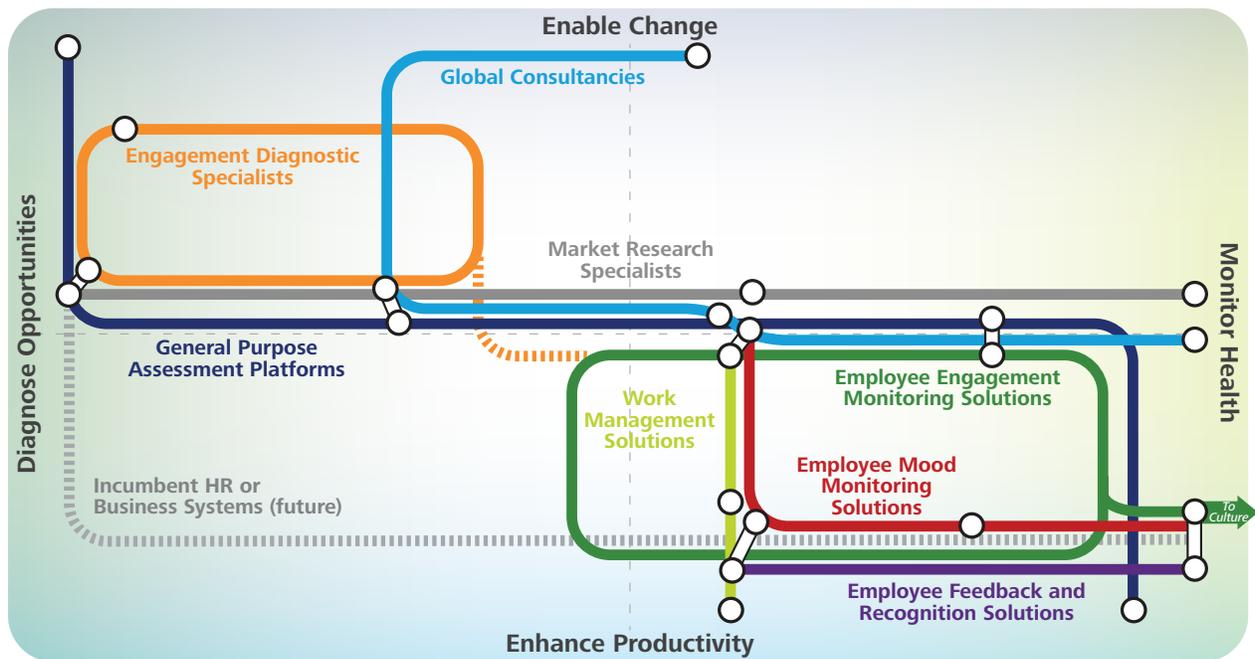
Using why and how as the guidelines, we have identified nine archetypes of engagement assessment solution providers, based on the intended uses of engagement data, what they actually measure, and the related features and services they provide.

The nine archetypes comprise:

- Engagement Diagnostic Specialists
- Global Consultancies
- General Purpose Assessment Platforms
- Incumbent HR or Business Systems (future)
- Market Research Specialists
- Employee Engagement Monitoring Solutions
- Employee Mood Monitoring Solutions
- Employee Feedback and Recognition Solutions
- Work Management Solutions

To assist organizations in finding their engagement assessment “destination,” we have developed the *Employee Engagement Vendor Market Navigator* (see Figure 1) to depict the paths available based on the organization’s goals. This Navigator illustrates the nine vendor archetypes as transit lines.

Figure 1: Employee Engagement Vendor Market Navigator



Source: Bersin by Deloitte, 2016.

Our Research

WhatWorks members select from more than 2,000 research-based resources, including more than 350 research bulletins on the latest trends, more than 200 case studies, and 100 in-depth industry studies comparing solution providers and identifying leading practices in technology assessment, selection, and implementation.

We look forward to helping you to make sense of the dynamic and complex technology environment through our WhatWorks membership and system.

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