CORPORATE LEADERSHIP COUNCIL
*Executive Summary*

# DRIVING PERFORMANCE AND RETENTION THROUGH EMPLOYEE ENGAGEMENT

## Key Questions Addressed

Recognizing an increased need to protect against unwanted attrition and safeguard productivity, senior executives seek renewed understanding of "the voice of the workforce" and its implications for the organization. This executive summary highlights insights to the following concerns:

- **How Engaged Is the Workforce?**
- **What Is the Business Impact of High Engagement?**
- **What Drives Employees' Decisions to Commit to Staying with the Organization and Volunteer Extra Effort on the Job?**
- **How Does Engagement Differ by Employee Segment and by Organization?**
- **How Can Organizations Establish a High-Performance Relationship with Employees in Support of Business Needs?**

### KEY AUDIENCES

**Heads of HR**
**HR Leadership**
**Senior Executive Team**
**Line Unit Managers**

### RESEARCH CONTENT

**Survey of more than 50,000 employees at 59 global organizations**

**Identification of the highest impact drivers of employee engagement**

**Employee engagement tools and strategies from best practice organizations**

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# DRIVING PERFORMANCE AND RETENTION THROUGH EMPLOYEE ENGAGEMENT

## *Top 10 Findings*

1. The Corporate Leadership Council has completed a global study of the engagement level of 50,000 employees around the world, based on a new, more precise definition of engagement and its direct impact on both employee performance and retention.

2. Those employees who are most committed perform 20% better and are 87% less likely to leave the organization—indicating the significance of engagement to organizational performance.

3. While the majority of employees are neither highly committed nor uncommitted, more than 1 in 10 employees are fully disengaged—actively opposed to something or someone in their organizations.

4. There is no high-engagement or low-engagement "group"—commonly used segmentation techniques based on tenure, gender, or function do not predict engagement.

5. Instead, dramatic differences between companies suggest that engagement levels are determined more by company strategies and policies than any characteristics regarding the employee segments themselves.

6. An analysis of both rational and emotional forms of engagement reveals that emotional engagement is four times more valuable than rational engagement in driving employee effort.

7. Employee retention, on the other hand, depends more on a balance between rational and emotional engagement—as illustrated by the importance of compensation and benefits in driving employees' intent to stay.

8. While employees' commitment to their manager is crucial to engagement, the manager is most important as the enabler of employees' commitment to their jobs, organizations, and teams.

9. Among the top 25 drivers of employee engagement identified by the Council, the most important driver is a connection between an employee's job and organizational strategy.

10. To create and sustain a high-engagement workforce, best practice organizations effectively manage four critical leverage points:

    - Leverage Point #1: Business Risks
    - Leverage Point #2: Key Contributors
    - Leverage Point #3: Engagement Barriers
    - Leverage Point #4: Culture

***The Corporate Leadership Council Engagement Survey and Analysis Tool (CLC ESAT) allows Council members to survey their staff and receive an automated report defining their levels of engagement.***

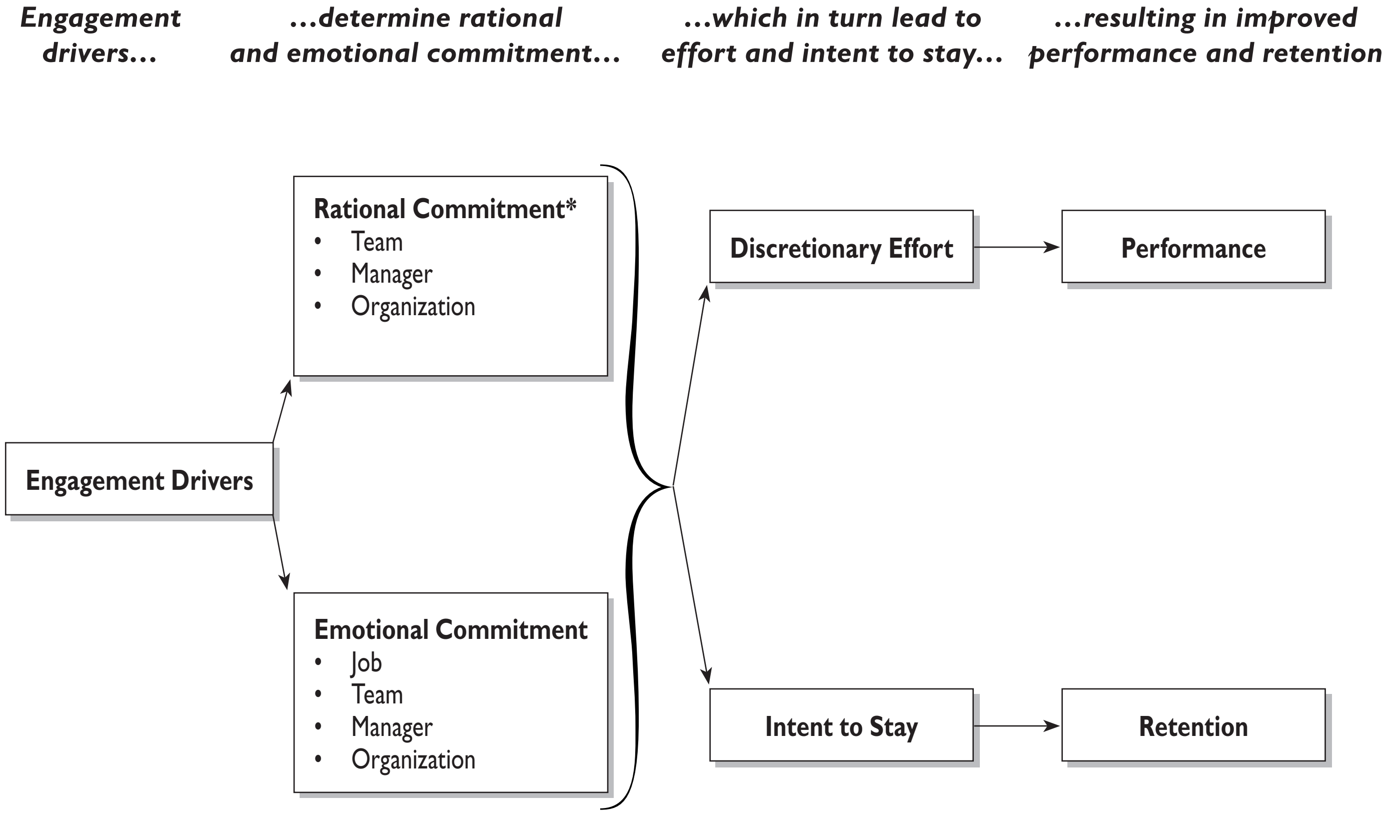
***Available at www.corporateleadershipcouncil.com***

Source: Corporate Leadership Council research.

**Finding #1: The Corporate Leadership Council presents a new outcome-focused model of engagement.**

The Corporate Leadership Council presents a new model of employee engagement emphasizing business outcomes. The Council defines engagement as the extent to which employees commit to something or someone in their organization, how hard they work, and how long they stay as a result of that commitment. By using this outcomes-focused definition, we can measure the tangible benefits of engagement, as opposed to focusing on "engagement for engagement's sake."

# THE CORPORATE LEADERSHIP COUNCIL'S MODEL OF ENGAGEMENT


Engagement drivers…
…determine rational and emotional commitment…
…which in turn lead to effort and intent to stay…
…resulting in improved performance and retention
Rational Commitment*
• Team
• Manager
• Organization
Emotional Commitment
• Job
• Team
• Manager
• Organization
Engagement Drivers
Discretionary Effort
Intent to Stay
Performance
Retention

**CLC's Employee Engagement Survey**

- 50,000 employees
- 10 industries
- 59 Organizations
- 27 countries

* Rational commitment to the job was not measured due to its similarity to rational commitment to the team, direct manager, and organization.

Source: Corporate Leadership Council research.

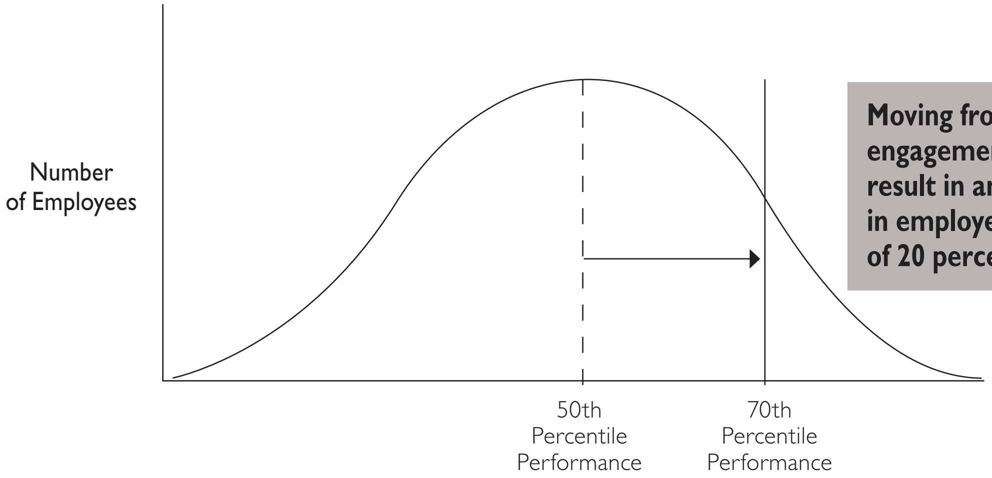
**Finding #2: Engagement is critical to performance and retention.**

By increasing employees' engagement levels, organizations can expect an increase in performance of up to 20 percentile points and an 87% reduction in employees' probability of departure. The highly engaged outperform the average by two deciles and are dramatically less likely to leave the organization.

# The Business Case for Engagement

***Employee engagement drives performance…***

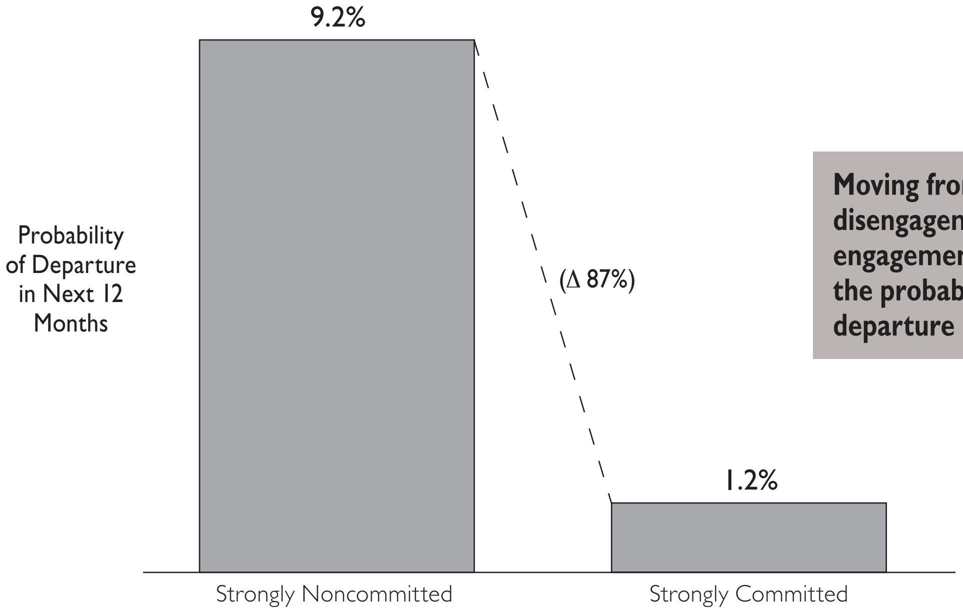
Maximum Impact of Commitment on Performance



**Moving from low to high engagement levels can result in an improvement in employee performance of 20 percentile points.**

***…and retention***

Maximum Impact of Commitment on Probability of Departure



**Moving from strong disengagement to strong engagement decreases the probability of departure by 87%.**

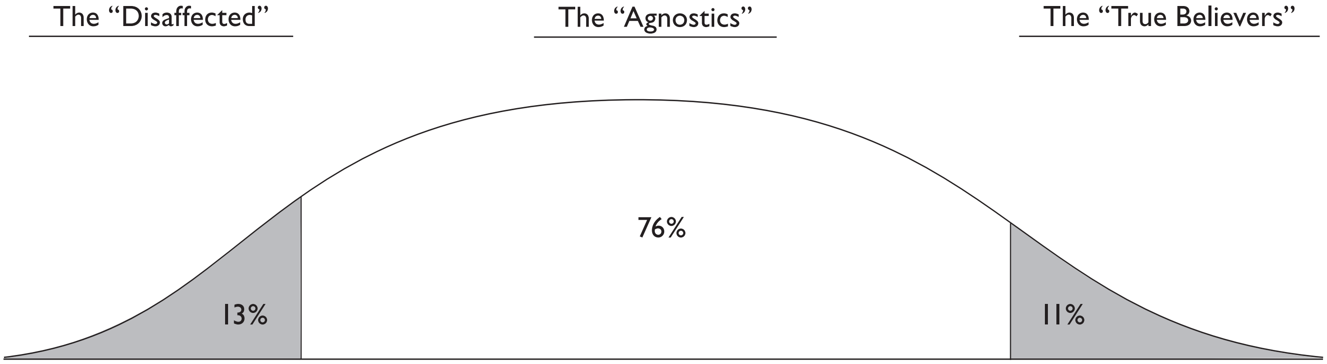
Source: Corporate Leadership Council 2004 Employee Engagement Survey.

**Finding #3: More than 1 in 10 employees are fully disengaged.**

While 11% of employees (the "True Believers") demonstrate very strong commitment, 13% (the "Disaffected") are actively opposed to someone or something in their organizations. The real opportunity lies with the middle 76% of employees (the "Agnostics") who are only modestly committed.

## THE STATE OF WORKFORCE ENGAGEMENT

***Based on a sample of 50,000 employees surveyed in 2004***



| Characteristics | Characteristics | Characteristics |
|---|---|---|
| • Exhibit very little commitment | • Exhibit moderate commitment | • Exhibit very strong commitment |
| • Poorer performers who frequently put in minimal effort<br>• Four times more likely to leave the organization than the average employee | • Employees neither go to great lengths in their jobs nor do they shirk their work<br>• Significant variation in intent to leave | • Higher performers who frequently help others with heavy workloads, volunteer for other duties, and are constantly looking for ways to do their jobs more effectively<br>• Half as likely to leave the organization as the average employee |

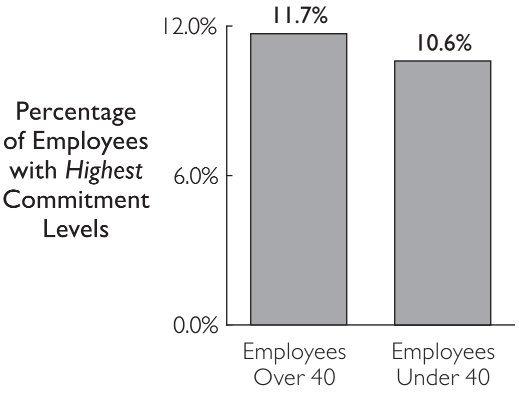
Source: Corporate Leadership Council 2004 Employee Engagement Survey.

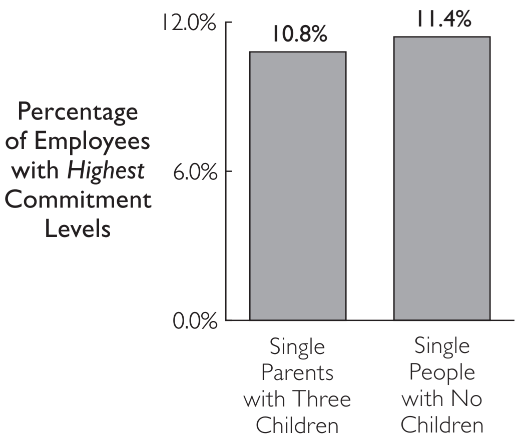
**Finding #4: There is no high-engagement or low-engagement "group."**

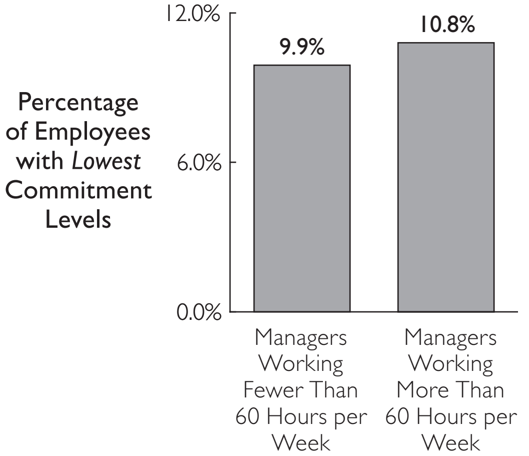
There is no demographic group whose engagement is always high or always low. Rather, employee engagement is a characteristic not of groups but of individual people to be won or lost, improved or diminished, by their organization.

# NO EASY LITMUS TESTS

***Quick "rules of thumb" will prove inadequate as a means of identifying the committed and uncommitted***


Generation X "Slackers"?


Single Parents with Children?


"Overworked" Managers?

Source: Corporate Leadership Council 2004 Employee Engagement Survey.

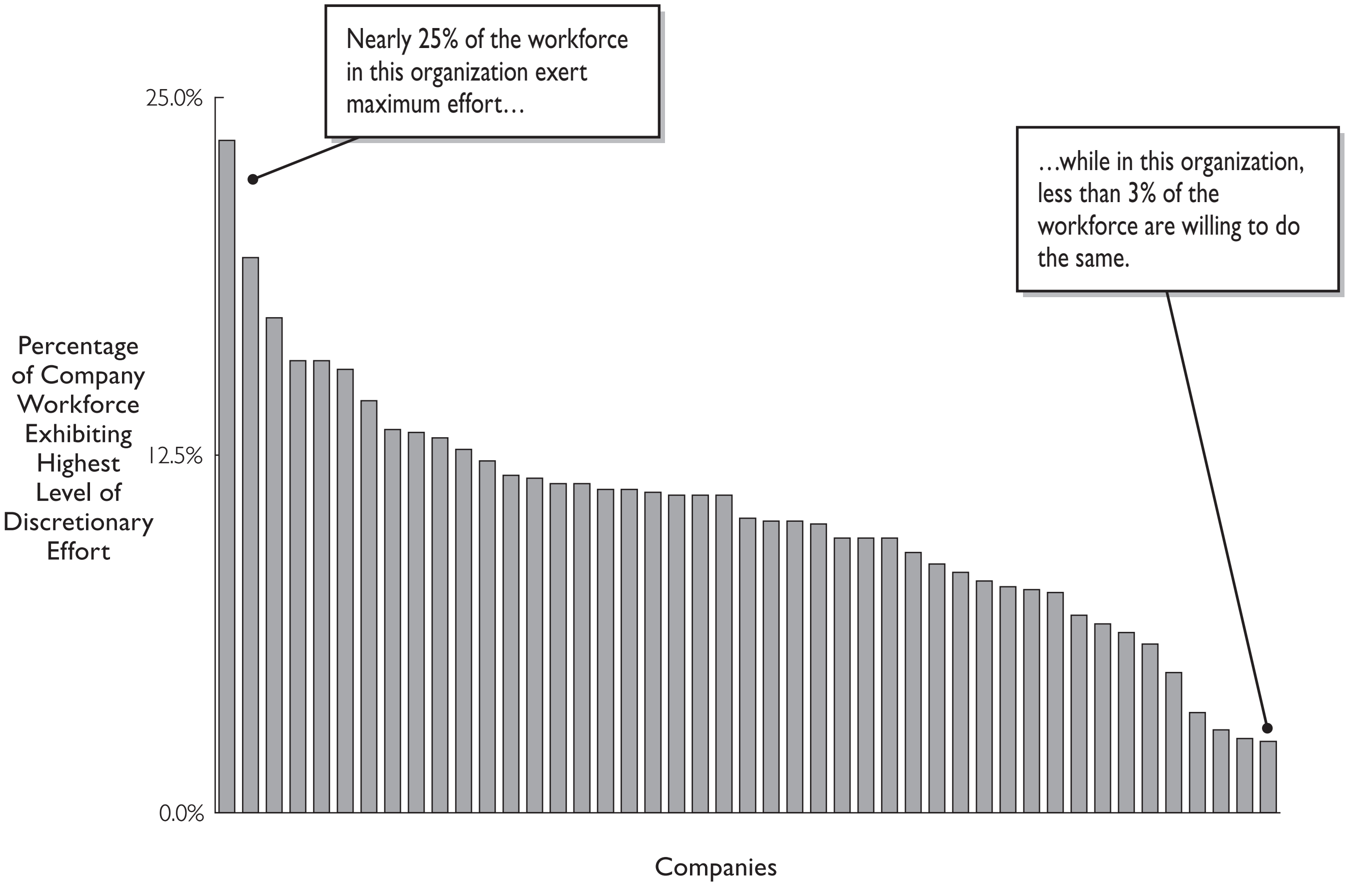
**Finding #5: Dramatic differences exist in engagement levels between companies.**

While minimal differences in engagement exist across demographic segments, dramatic differences exist across organizations. Organizations with a highly engaged workforce have almost 10 times as many committed, high-effort workers as those with a low-engaged workforce.

# WHERE WOULD YOU LIKE YOUR ORGANIZATION TO BE?

## *Organizations exhibit dramatic differences in the discretionary effort of their employees*

Percentage of Workforce Exhibiting Highest Effort Levels by Company



Nearly 25% of the workforce in this organization exert maximum effort…

…while in this organization, less than 3% of the workforce are willing to do the same.

Source: Corporate Leadership Council 2004 Employee Engagement Survey.

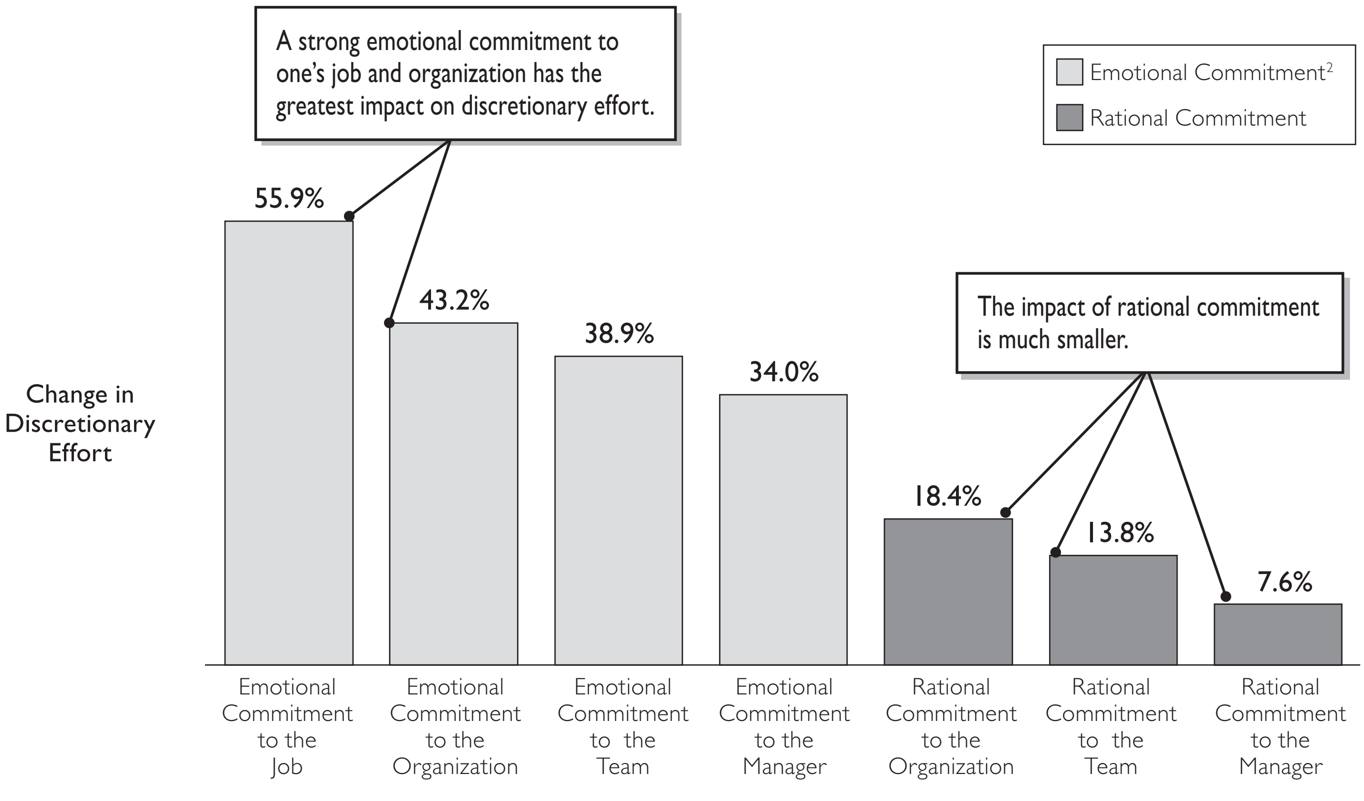
**Finding #6: Emotional engagement is four times more valuable than rational engagement in driving employee effort.**

Employees stay with their organizations when they believe it is in their self-interest, but they exert discretionary effort when they believe in the value of their job, their team, or their organization. In fact, emotional commitment is four times as valuable as rational commitment in increasing effort levels.

## PERFORMANCE DEPENDS ON THE HEART OVER THE MIND

***Employees try (or don't try) as a result of emotional commitment, not rational commitment***

Maximum Impact of Commitment Type on Discretionary Effort[1]



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[1] Council research demonstrates that increased discretionary effort is a direct predictor of improved performance.

[2] Emotional commitment is defined as the extent to which employees derive pride, enjoyment, inspiration, or meaning from something or someone in the organization. While rational commitment is defined as the extent to which employees feel that someone or something within their organizations provides financial, developmental, or professional rewards that are in their best interests.

Source: Corporate Leadership Council 2004 Employee Engagement Survey.

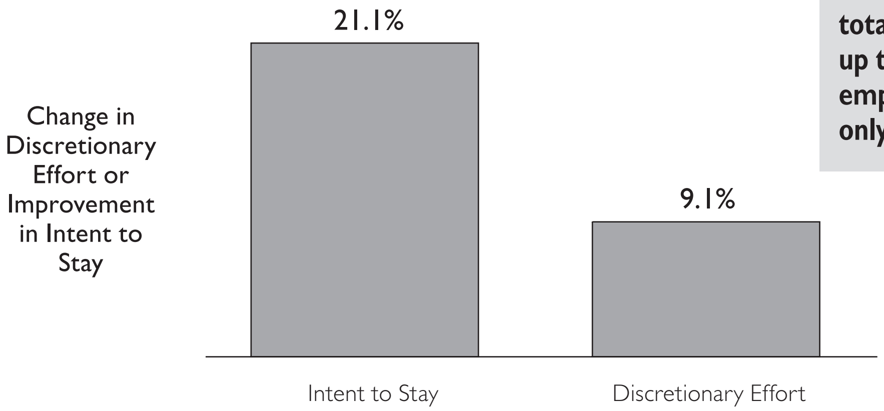
**Finding #7: Compensation and benefits matter more to retention than effort.**

While competitive compensation and benefits packages are crucial to *attract* and *retain* talent, other drivers of *engagement* are far more effective in driving discretionary effort.

# THE IMPACT OF COMPENSATION AND BENEFITS

***Compensation has a much larger impact on retention than on performance***

Maximum Impact on Discretionary Effort and Retention Due to Satisfaction with Total Compensation Package*



**Increasing satisfaction with total compensation provides up to a 21% increase in employees' intent to stay but only a 9% increase in effort.**

Source: Corporate Leadership Council 2004 Employee Engagement Survey.

* Each bar represents a statistical estimate of the maximum total impact on discretionary effort or intent to stay each lever will produce through its impact on rational and emotional commitment. The maximum total impact is calculated by comparing two statistical estimates: the predicted discretionary effort or intent to stay for an employee who scores "high" on the lever and the predicted discretionary effort or intent to stay for an employee who scores "low" on the lever. The impact of each lever is modeled separately.

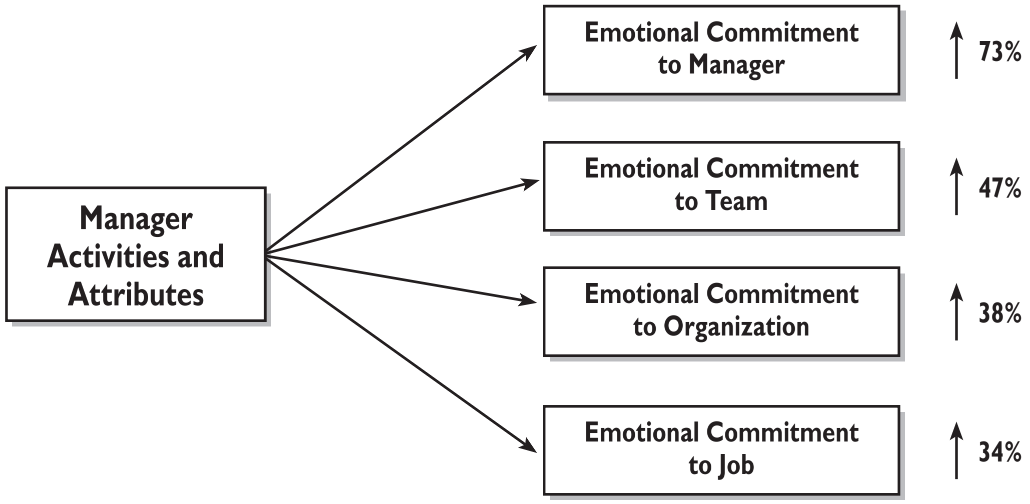
**Finding #8: The manager is most important as the *enabler* of employees' commitment to their jobs, organizations, and teams.**

While commitment to the manager is often pointed out as the key driver of engagement, Council research finds, surprisingly, that the manager actually plays a more important role as enabler of employee commitment to the job and organization.

## Manager as Conduit for What Matters

### *Managers enable other, more valuable, forms of commitment*

Impact of Highest-Scoring Manager Activities and Attributes on Commitment Foci*


Manager Activities and Attributes
Emotional Commitment to Manager
↑ 73%
Emotional Commitment to Team
↑ 47%
Emotional Commitment to Organization
↑ 38%
Emotional Commitment to Job
↑ 34%

### A Means, Not an End

Though commitment to the manager is not itself the most powerful driver of effort, the manager has tremendous impact on employees' level of commitment to the team, organization, and job.

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* Each value represents a statistical estimate of the maximum total impact on emotional commitment to the manager, team, organization, or job as a result of the highest-scoring manager attribute. The maximum total impact is calculated by comparing two statistical estimates: the predicted emotional commitment to each foci for an employee who scores "high" on this manager attribute and the predicted emotional commitment to each foci for an employee who scores "low" on this manager attribute. The impact on each foci is modeled separately.

Source: Corporate Leadership Council 2004 Employee Engagement Survey.

**Finding #9: The top 25 drivers of engagement point to the importance of employees' connection to the organization.**

Most important among the 25 highest-impact drivers of engagement are a connection between employees' job and organizational strategy and employee understanding of how important their job is to organizational success. Also critical for increasing engagement levels are numerous manager characteristics, as well as cultural traits—predominantly, good internal communication, a reputation of integrity, and a culture of innovation.

# The Top 25 Levers of Engagement

## Top 25 Most Effective Levers of Effort

| Lever | | Impact | Category |
|---|---|---|---|
| 1. | Connection Between Work and Organizational Strategy | 32.8 | D |
| 2. | Importance of Job to Organizational Success | 30.3 | D |
| 3. | Understanding of How to Complete Work Projects | 29.8 | D |
| 4. | Internal Communication | 29.2 | O |
| 5. | Demonstrates Strong Commitment to Diversity | 28.5 | M |
| 6. | Demonstrates Honesty and Integrity | 27.9 | M |
| 7. | Reputation of Integrity | 27.6 | O |
| 8. | Adapts to Changing Circumstances | 27.6 | M |
| 9. | Clearly Articulates Organizational Goals | 27.6 | M |
| 10. | Possesses Job Skills | 27.2 | M |
| 11. | Sets Realistic Performance Expectations | 27.1 | M |
| 12. | Puts the Right People in the Right Roles at the Right Time | 26.9 | M |
| 13. | Helps Find Solutions to Problems | 26.8 | M |
| 14 | Breaks Down Projects into Manageable Components | 26.7 | M |
| 15. | Accepts Responsibility for Successes and Failures | 26.6 | M |
| 16. | Encourages and Manages Innovation | 26.5 | M |
| 17. | Accurately Evaluates Employee Potential | 26.3 | M |
| 18. | Respects Employees as Individuals | 26.1 | M |
| 19. | Demonstrates Passion to Succeed | 26.0 | M |
| 20. | Cares About Employees | 26.0 | M |
| 21. | Has a Good Reputation Within the Organization | 26.0 | M |
| 22. | Innovation | 26.0 | O |
| 23. | Is Open to New Ideas | 25.9 | M |
| 24. | Defends Direct Reports | 25.8 | M |
| 25. | Analytical Thinking | 25.7 | M |

| | |
|---|---|
| O | Organizational Culture and Performance Traits |
| D | Day-to-Day Work Characteristic |
| M | Manager Characteristics |

Source: Corporate Leadership Council 2004 Employee Engagement Survey.

**Finding #10: To create and sustain a high-engagement workforce, organizations must manage four critical leverage points.**

Council research reveals that best practice organizations sustain a high-engagement workforce by focusing on four critical leverage points: business risks, key contributors, drivers of disengagement, and culture.

## Engaging the Workforce

***Focusing on critical leverage points to drive employee engagement***

| *Leverage Point #1* | *Leverage Point #2* | *Leverage Point #3* | *Leverage Point #4* |
|---|---|---|---|
| Prioritizing Engagement-Driven Business Risks | Engaging Key Contributors | Targeting Drivers of Disengagement | Building a High-Engagement Culture |
| | | | ***The 3 Cs of Culture:***<br>❧ ***Connection***<br>❧ ***Contribution***<br>❧ ***Credibility*** |
| Intuit<br>**Strategic Engagement Gap Analysis** | Harrison Company*<br>**Solid Performer Career Pathing** | CATERPILLAR<br>**Cultural Assessment Process** | Continental Airlines<br>**Leader Storytellers**<br>ALCOA<br>**Culture Change Engagement Cascade**<br>novo nordisk<br>**Values Realization System** |
| **Key Insight**<br>Returns on engagement practices require a link between engagement and business outcomes. Organizations should rely on economics and business strategy when determining whom to engage and how to engage them in support of business outcomes. | **Key Insight**<br>Organizations must target investments to those individuals who contribute the most to the business, while realizing that these people are not all high performers or high potentials as they have been traditionally defined. | **Key Insight**<br>Before any proactive organization-level engagement strategy will succeed, organizations must first identify and remove the drivers of disengagement, many of which are "invisible" to traditional methods of detection, such as employee engagement surveys. | **Key Insight**<br>The Council has identified three essential components of a high-engagement culture: connection, contribution, and credibility. A high-engagement culture needs reliable mechanisms to ensure employees are consistently experiencing all three of these elements. |

* Pseudonym.

Source: Corporate Leadership Council 2004 Employee Engagement Survey.

## LEVERAGE POINT #1: PRIORITIZING ENGAGEMENT-DRIVEN BUSINESS RISKS

*Practice #1*

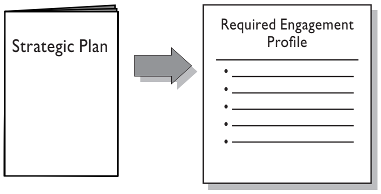
Intuit®

# STRATEGIC ENGAGEMENT GAP ANALYSIS

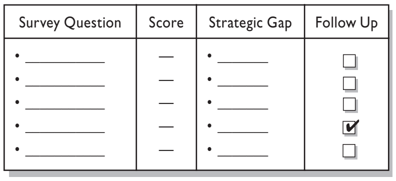
***Intuit ensures that all strategic planning includes consideration of human capital risk***

Intuit Practice Features

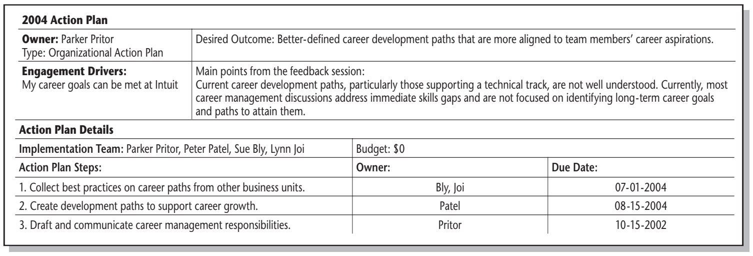
① **Engagement data and strategic planning are integrated**



② **Engagement driver analysis prioritizes issues for managers**



③ **Guided by strategic priorities, managers design and execute action plans**



**2004 Action Plan**

| | | |
|---|---|---|
| **Owner:** Parker Pritor<br>Type: Organizational Action Plan | Desired Outcome: Better-defined career development paths that are more aligned to team members' career aspirations. | |
| **Engagement Drivers:**<br>My career goals can be met at Intuit | Main points from the feedback session:<br>Current career development paths, particularly those supporting a technical track, are not well understood. Currently, most career management discussions address immediate skills gaps and are not focused on identifying long-term career goals and paths to attain them. | |
| **Action Plan Details** | | |
| **Implementation Team:** Parker Pritor, Peter Patel, Sue Bly, Lynn Joi | Budget: $0 | |
| Action Plan Steps: | **Owner:** | **Due Date:** |
| 1. Collect best practices on career paths from other business units. | Bly, Joi | 07-01-2004 |
| 2. Create development paths to support career growth. | Patel | 08-15-2004 |
| 3. Draft and communicate career management responsibilities. | Pritor | 10-15-2002 |

**Results:** Using the engagement gap analysis, one business unit experienced an increase in engagement scores from 77% to 87% in one year and enjoyed a concurrent 21% increase in customer satisfaction.

## KEY OBSERVATION

**Focus on Business Risks:** Take engagement-related action only in the places where business outcomes are at risk.

Source: Intuit Inc.; Corporate Leadership Council research.

## LEVERAGE POINT #2: ENGAGING KEY CONTRIBUTORS

*Practice #2*

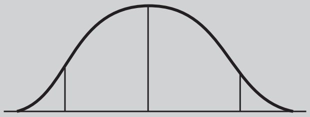
# *Harrison Company**

## SOLID PERFORMER CAREER PATHING

***Harrison Company reanalyzes solid performers' contributions and identifies structural barriers limiting the company's ability to engage these performers***

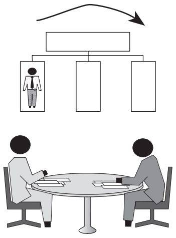
Harrison Company Practice in Summary

**Redefine Solid Performers' Contribution**



- Identify contribution types and their impact
- Distinguish solid performer subgroups
- Research the compelling offer for solid performers

**Remove Structural Barriers to Solid Performer Engagement**



- Identify opportunities and barriers in the current structure
- Restructure roles to support engagement
- Formalize role descriptions and structure

**Maximize Lifetime Contribution of Solid Performers**

Employee of the Year

- Encourage career discussion candor
- Explain performance improvement rationale
- Align performance assessment with contribution

**Results:** By improving the engagement and retention of its solid performers, Harrison Company increasingly relies on the contribution of its solid performers to grow its core domestic business—experiencing a 20% increase in the company's domestic retail sales in one year.

## KEY OBSERVATION

**Focus on Key Contributors:** Expand the organization's definition of "contribution" and engage the employees who are critical to achieving business success.

* Pseudonym.

Source: Harrison Company*; Corporate Leadership Council research.

## LEVERAGE POINT #3: TARGETING DRIVERS OF DISENGAGEMENT

*Practice #3*

CATERPILLAR®

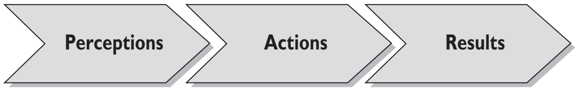
# CULTURAL ASSESSMENT PROCESS

***Caterpillar provides business units with a Cultural Assessment Process (CAP) that enhances business results through increased employee engagement***

Caterpillar's Cultural Assessment Process*

### Component #1: Establish the Relationship Between Culture and Business Results

Caterpillar's Culture Impact Value Chain



### Component #2: Identify the "Invisible" and "Visible" Components of Organizational Culture

**Three "Invisible" Aspects of Culture**

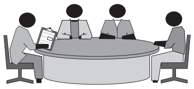
- Road Maps
- Relationships
- Reinforcements

**Three "Visible" Aspects of Culture**

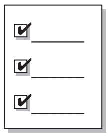
- Communication
- Learning
- Reinforcements

### Component #3: Identify Cultural Barriers to Engagement

Focus Group



Survey



### Component #4: Determine Solutions to Cultural Barriers to Engagement

| 120-Day Action Plan | |
|---|---|
| **Caterpillar's Seven Action Plan Areas** | **Typical Follow-up Actions** |
| **Leadership** | • Greater consistency in management |
| **Strategy** | • Communicate vision, mission, and strategic objectives |
| **Policies and Procedures** | • Clarify and communicate overtime policy |
| **Communication** | • Improve bottom-up communication channels |
| **Training and Development** | • Improve functional career development opportunities |
| **Operations** | • Increase flexibility around production scheduling |
| **Organizational Culture** | • Enhance sense of belonging through communications and events |

**Results:** One business unit undergoing the Cultural Assessment Process experienced a 59% decline in attrition and a 44% decline in absenteeism—creating an annual savings of $8.8 million.

## KEY OBSERVATION

**Focus on Engagement Barriers:** Ensure a thorough understanding of all sources of disengagement before attempting to redress engagement concerns.

* Caterpillar's Cultural Assessment Process is currently patent pending.

Source: Caterpillar Inc.; Corporate Leadership Council research.

## Leverage Point #4: Building A High-Engagement Culture

*Practice #4*

Continental
Airlines

# Leader Storytellers

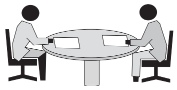
***Leaders build communication skills by creating and telling a story to peers, receiving feedback, and learning to adjust stories for specific audiences and objectives***

Continental Airlines' Storytelling Practice Sessions

### I. Design a Story

- Identify a true event that can become a compelling story
- Determine how the story relates to current challenges or opportunities

### II. Tell the Story and Receive Feedback

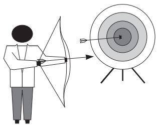


- Deliver your story to class participants and serve as audience for their stories
- Assess the emotional impact of your story on your listeners

### III. Tailor the Story for Specific Audiences

- Consider how the story should be tailored to reservation agents, flight attendants, and mechanics
- Modify the story, creating a version for each audience

### IV. Tailor the Story for Specific Objectives



- Consider how your story could be used to teach different lessons
- Craft two new versions of the story and share them with other participants

**Results:** More than 95% of the executives indicate that they have improved their communication skills significantly since taking the storytelling course.

## Key Observation

**Focus on a Culture of Connection:** Executive-led storytelling is a highly effective means of creating connections between individual employees and the organization for which they work.

Source: Continental Airlines, Inc.; Corporate Leadership Council research.

## Leverage Point #4: Building A High-Engagement Culture (Continued)

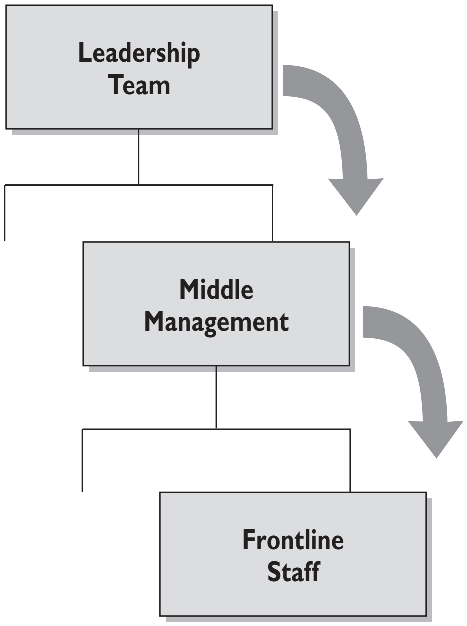
*Practice #5*

ALCOA

# Culture Change Engagement Cascade

***The RPD* successfully shifts to a culture of employee contribution by tailoring contribution strategies to each level of the organization***

Contribution Strategy Pitfalls and Alcoa Practice



| Standard Practice | Pitfalls | Alcoa Practice |
|---|---|---|
| Leadership team defines approach to employee involvement and communicates this in a top-down way | Leaders devolve few of their powers and their structure inadvertently blocks business units' efforts to contribute | **Restructure Leadership to Enable Contribution:**<br>• Understand contribution gaps<br>• Remove structural barriers to contribution |
| Managers try to find opportunities to contribute and build opportunities for subordinate involvement | In the face of pressing business targets, managers' efforts are piecemeal and often unconnected to the business strategy | **Involve Managers in Defining Contribution Strategy:**<br>• Involve managers in business problem solving<br>• Link contribution behavior to business strategy |
| Employees have access to mass forms of contribution, for example, via suggestion boxes | Employee suggestions are low in quality and managers rarely follow up on suggestions | **Build Contribution Opportunities in the Wider Workforce:**<br>• Communicate the rationale for employee contribution<br>• Raise frontline business awareness |

**Results:** By shifting the culture of the unit to one where employees feel accountable and involved, the RPD has increased its Return on Capital by 80% over a three-year period.

## Key Observation

**Focus on a Culture of Contribution:** Employers must create opportunities for employees to make meaningful contributions in their work to ensure full engagement.

---

* Rigid Packaging Division.

Source: Alcoa Inc.; Corporate Leadership Council research.

## LEVERAGE POINT #4: BUILDING A HIGH-ENGAGEMENT CULTURE (CONTINUED)

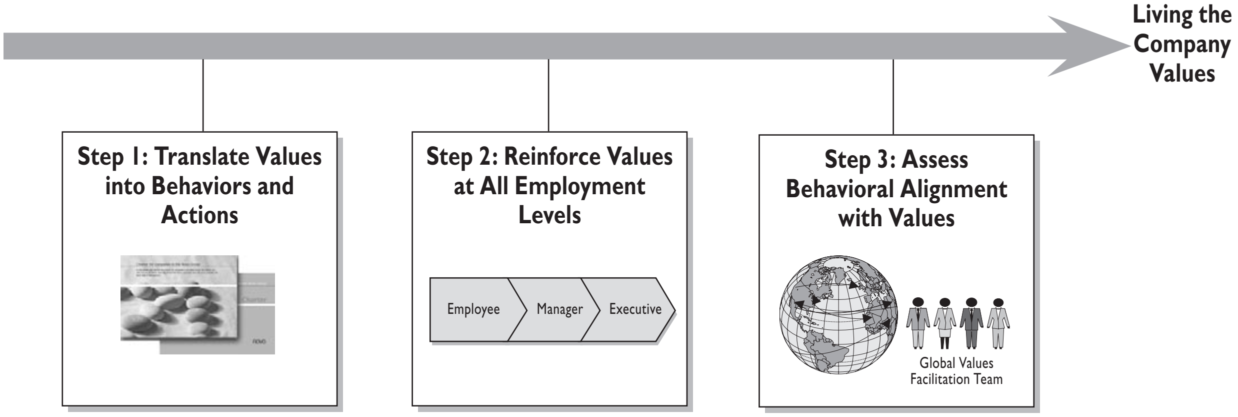
*Practice #6*

novo nordisk®

# VALUES REALIZATION SYSTEM

***To reap the benefits of employee commitment, Novo Nordisk constantly reinforces its values and holds managers accountable for living them***

Novo Nordisk's Approach to Living the Company Values



**Living the Company Values**

**Step 1: Translate Values into Behaviors and Actions**

**Step 2: Reinforce Values at All Employment Levels**

**Step 3: Assess Behavioral Alignment with Values**

## PERCEIVED BENEFITS FROM IMPLEMENTING AND SUPPORTING VALUES

- Sharper focal point for decision making (i.e., less confusion)
- Employees know what decisions to expect from the management team
- Customers know what actions to expect from the company
- Increased morale, pride, and team identity
- Increased customer loyalty
- Stronger attraction of new employees
- Improved employee satisfaction and retention
- Stronger market and employment brand

**Results:** Eighty-five percent of Novo Nordisk employees today agree that senior management is living the company values in practice; Novo Nordisk has earned the number-one place among pharmaceutical companies on the Dow Jones Sustainability Index.

## KEY OBSERVATION

**Focus on a Culture of Credibility:** To ensure ongoing organizational credibility, clarify expected behaviors for different roles, enforce alignment of desired behaviors and action, and strengthen leadership credibility through behavioral support.

Source: Novo Nordisk A/S; Corporate Leadership Council research.

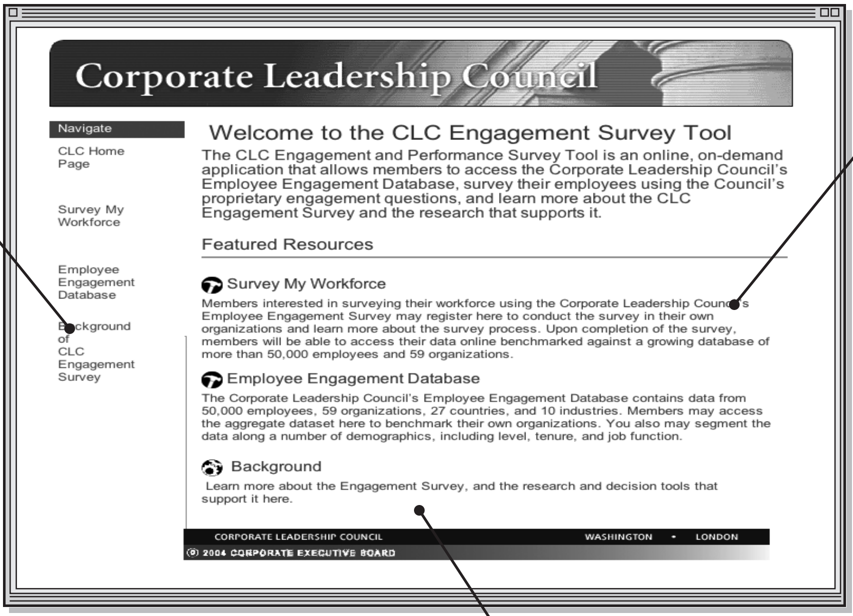
## TO DIAGNOSE THE ENGAGEMENT LEVELS OF YOUR EMPLOYEES

***Available at www.corporateleadershipcouncil.com as of November 22, 2004.***
***Free of charge to all Council members.***

# FROM INSIGHT TO ACTION

***The CLC "Engagement Survey and Analysis Tool" (ESAT) provides members with an opportunity to assess employees' level of engagement benchmarked against industry peers***

Access the 2004 Employee Engagement Survey questions.


Corporate Leadership Council
Navigate
CLC Home Page
Survey My Workforce
Employee Engagement Database
Background of CLC Engagement Survey

Welcome to the CLC Engagement Survey Tool

The CLC Engagement and Performance Survey Tool is an online, on-demand application that allows members to access the Corporate Leadership Council's Employee Engagement Database, survey their employees using the Council's proprietary engagement questions, and learn more about the CLC Engagement Survey and the research that supports it.

Featured Resources

Survey My Workforce

Members interested in surveying their workforce using the Corporate Leadership Council's Employee Engagement Survey may register here to conduct the survey in their own organizations and learn more about the survey process. Upon completion of the survey, members will be able to access their data online benchmarked against a growing database of more than 50,000 employees and 59 organizations.

Employee Engagement Database

The Corporate Leadership Council's Employee Engagement Database contains data from 50,000 employees, 59 organizations, 27 countries, and 10 industries. Members may access the aggregate dataset here to benchmark their own organizations. You also may segment the data along a number of demographics, including level, tenure, and job function.

Background

Learn more about the Engagement Survey, and the research and decision tools that support it here.

CORPORATE LEADERSHIP COUNCIL WASHINGTON • LONDON
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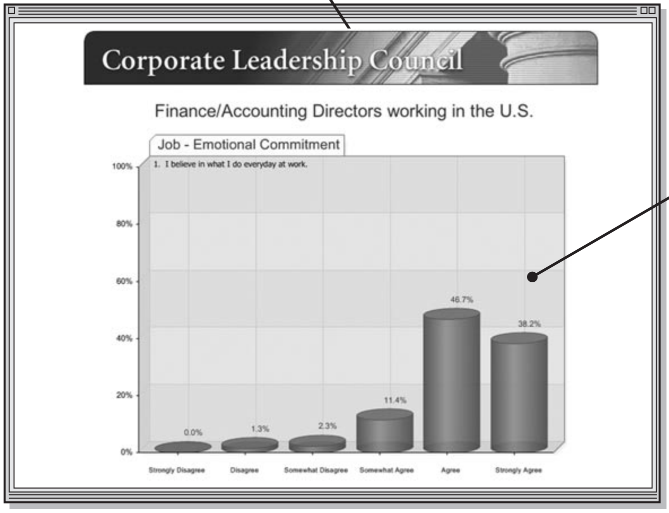
Survey your workforce on demand and online.

The Corporate Leadership Council's new Engagement Survey and Analysis Tool (ESAT) enables HR executives to:

- Survey their workforces online in the type of employee engagement that matters most to high performance and low attrition
- Benchmark their workforces against a growing database of more than 50,000 employees from 59 organizations, 10 industries, and 27 countries
- Track changes in their workforce over time


Corporate Leadership Council
Finance/Accounting Directors working in the U.S.
Job - Emotional Commitment
1. I believe in what I do everyday at work.
100%
80%
60%
40%
20%
0%
0.0%
1.3%
2.3%
11.4%
46.7%
38.2%
Strongly Disagree
Disagree
Somewhat Disagree
Somewhat Agree
Agree
Strongly Agree

Access the dataset relevant to your organization.

Source: Corporate Leadership Council research.

## To Evaluate Your Organization’s Employee Engagement Strategy

***The Corporate Leadership Council has developed this abbreviated diagnostic to assist HR executives in evaluating their effectiveness in engagement management and to identify areas for improvement. The full version of the engagement strategy diagnostic tool is available in the Council’s research publication on employee engagement.***

# Engagement Strategy Diagnostic Tool

| | | **Yes** | **No** |
|---|---|---|---|
| 1. | Does the organization understand the level of engagement across the workforce? | ☐ | ☐ |
| 2. | Does the organization understand which types of engagement, in which parts of the organization, matter most to business success? | ☐ | ☐ |
| 3. | Does the organization adapt its engagement strategy in line with changes in business strategy? | ☐ | ☐ |
| 4. | Does the organization have an effective process for closing engagement gaps where they represent a risk to business goals? | ☐ | ☐ |
| 5. | Does the organization have a clear understanding of how different segments of employees contribute to business outcomes? | ☐ | ☐ |
| 6. | Does the organization recognize and reward the different kinds of employee contribution that are most important to realizing current strategic priorities? | ☐ | ☐ |
| 7. | Does the organization have an effective means of identifying the root causes of disengagement? | ☐ | ☐ |
| 8. | Does the organization actively involve employees in the process of identifying and removing barriers to engagement? | ☐ | ☐ |
| 9. | Do all employees have a clear understanding of the connection between their job, their individual contribution, and the organization’s strategy and success? | ☐ | ☐ |
| 10. | Does the organization understand the different types of involvement required, at different levels, to ensure all employees’ effective contribution to business goals? | ☐ | ☐ |
| 11. | Do executives understand the role of organizational credibility in enabling emotional engagement? | ☐ | ☐ |
| 12. | Is the organization able to identify cases of misalignment between stated mission or values and actual practice? | ☐ | ☐ |

## Scoring System

| **Number of “Yes” Responses** | **Overall Effectiveness of Employee Engagement Management** |
|---|---|
| 10+ | Excellent; a source of competitive advantage |
| 8 to 10 | Fair; improvement possible |
| 0 to 7 | Low; focused development recommended |

CORPORATE EXECUTIVE B·O·A·R·D

# Corporate Leadership Council

## ORDER FORM

The study entitled *Driving Performance and Retention Through Employee Engagement* is intended for broad dissemination among senior executives and management within your organization. Members are welcome to unlimited copies without charge. Online ordering is available at *www.corporateleadershipcouncil.com.* Alternatively, you can call the Publications Department at +1-202-777-5921, e-mail your order to orders@executiveboard.com, or fax in the order form on this page. Additionally, members interested in reviewing any of the Working Council's past strategic research are encouraged to request a listing of completed work.

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| Item Requested | Quantity |
|---|---|
| Driving Performance and Retention Through Employee Engagement—Executive Summary<br>CATALOG NO.: CLC12MSALD | ________ |
| Driving Performance and Retention Through Employee Engagement<br>CATALOG NO.: CLC12KYSST | ________ |

You may order additional copies without charge.

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