



the state of employee engagement: spring 2015



modernsurvey



Introduction

Modern Survey's latest engagement numbers are out and the good news is that engagement is still high. The percentage of engaged employees hit a seven-year high in the fall of 2014. While those numbers dipped slightly in the spring 2015 study, engagement levels remained fairly steady.

More worrisome — the data around

managers. Managers are significantly more engaged than non-managers, but they're also significantly more likely to be looking for another job outside the organization.

This latest research also looked at the role corporate social responsibility plays in engagement and what that means for different generations. Millennials tend to prefer organizations that show a strong commitment to social causes, so if recruiting

Generation Y employees is crucial to your organization's success, you'll want to promote your CSR program — or establish one.

This article will break down the latest engagement numbers, examine ways to boost loyalty and retention among managers, and dig into the role corporate social responsibility can play in engagement and recruiting.

The State of Engagement: The Numbers

The spring survey found overall engagement hasn't changed much since the fall.

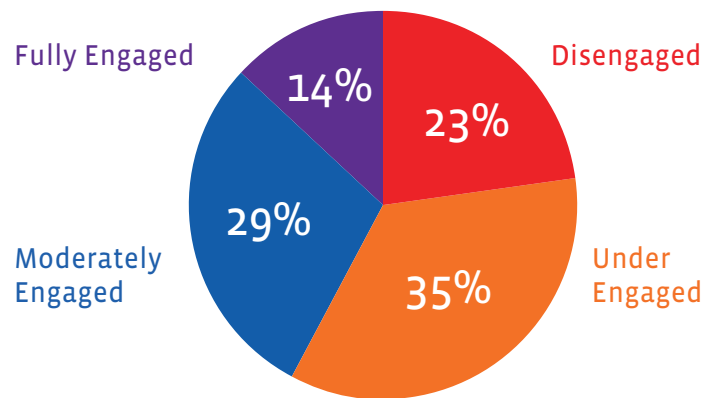
- The percentage of fully engaged employees dropped from 16 percent to 14 percent.
- The percentage of moderately engaged employees rose from 28 percent to 29 percent.
- The percentage of disengaged employees rose 1 percentage point to 23 percent.

The good news is, these numbers are fairly stable. Even though some engagement numbers dropped, it wasn't a significant fall and the state of engagement is at its second-strongest point in the past eight years.

Engagement indicators fell as well, although again, not significantly. For example, the percentage of people who say they feel there is a promising future for them at the organization fell from 50 percent to 48 percent.

The top two drivers of engagement — having confidence in the future of the organization and feeling there are opportunities for growth and development at the organization — have not changed. However, competitive compensation has reappeared as a driver of engagement. Satisfaction with pay is at a four-year high at 59 percent.

EMPLOYEE ENGAGEMENT LEVELS



DRIVERS OF ENGAGEMENT

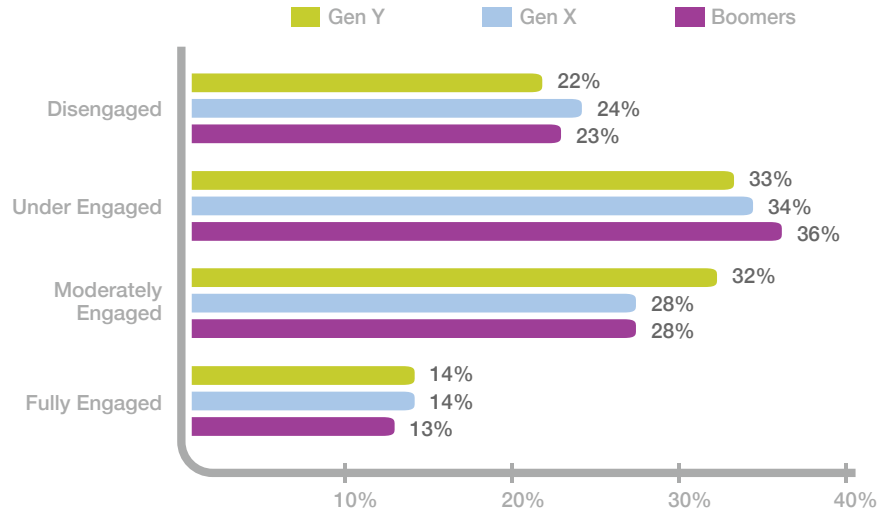
1. I have confidence in the future of my organization.
2. I can grow and develop at my organization.
3. My organization treats employees well.
4. My work gives me a feeling of personal accomplishment.
5. Senior management shows a sincere interest in employee well-being.
6. My total compensation is competitive in our industry.

Engagement by Generation

This study broke out engagement levels of the three generations in the workforce: baby boomers, Gen Xers and millennials. “Millennials are not hard to engage,” says Don MacPherson, president of Modern Survey — at least, not any more than other generations. Engagement levels among the three generations are almost identical across the board.

The research did find that millennials are far more likely to be looking for a new job. More than a third of millennials — 36 percent — said they are looking for a new job at a different company, compared to 30 percent for Gen X and 19 percent for baby

ENGAGEMENT AND THE GENERATIONS



boomers. This may be a function of their youth; many millennials are still in their first jobs and may be looking to make their first big career change. “For millennials, spending

two to three years at a company might be considered a long time, and then they’re ready to move on,” MacPherson says.

Retaining Managers

Modern Survey’s study shows managers are significantly more likely to be fully engaged at their organizations, often because they have more autonomy over their work. However,

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Tasha Eurich, Executive Coach and New York Times Best-Selling Author

organizations are facing a potential problem: Managers — even engaged ones — are looking for new jobs elsewhere.

The data is shocking: 31 percent of managers are looking for a job at another organization. And usually engagement is a strong factor in employee retention. It’s possible that, with the improving economy, managers are aware there are greater opportunities available for them.

For employers that invest resources in managers through training and education, losing them can be a heavy blow, says [Tasha Eurich](#), an executive coach who studies how leaders affect businesses. “Losing a manager would not only cost the business new-hire expenses and training funds, but also loss of income during the time it takes the new

employee to become an effective leader,” she says.

Employers may not even suspect managers are looking elsewhere. Jeff Whittle, owner of [The Alternative Board](#), says he worked with a business owner who recently lost a star manager who by all accounts should have been engaged enough to stay. “He was totally blindsided, and didn’t see the loss coming. The employee seemed happy, challenged and committed.” When the manager left, the owner had to face the difficulties of replacing the person in the position, the gap in company resources and the impact of losing someone with skills no one else in the company had.

Leaders leave for two reasons, says Kathryn Prusinski, vice president of integration and

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Don MacPherson, President and Co-Founder of Modern Survey

development at [Vision Alignment](#) — they don’t get along with or respect those leading them and they see no upward mobility for themselves. To retain them, you must

lead them in a manner that gives them the freedom to lead, she says. “They must know how they are being measured and the impact they are having on the company’s success. They must feel supported, listened to and celebrated.”

Open communication and feedback are more useful than free meals or dry cleaning services. “These perks are nice, but won’t keep people if they don’t feel supported,” she says. In addition, showing them they have a path to grow and elevate their career is key. “If they see it as a dead-end job, you will lose them, which really means you will have done a great job of training your competitor’s employment base.”

Retaining good managers is clearly important. And Modern Survey research uncovered another key reason to retain managers. The engagement of the rest of an organization’s employees — and the productivity and success of the company itself — rests on these managers. “Engaged managers can be an engine for engagement across an organization by serving as ‘prisms’ for engagement. If they’re engaged, they can help inspire their direct reports to bring their best selves to work,” MacPherson says.

“Employees who work for a fully engaged manager are 1.5 to two times more likely to be fully engaged themselves than an employee working for a disengaged manager.”

Corporate Social Responsibility

Modern Survey found that, while a majority of employees across the board say it’s important to work for an organization that is socially responsible, that number is much higher for millennials than for Gen Xers and baby boomers. Two-thirds of millennial employees say it’s important for them to work for a socially responsible employer, compared to 59 percent of Gen Xers and 58 percent of baby boomers. If your organization is looking to recruit members of this dynamic

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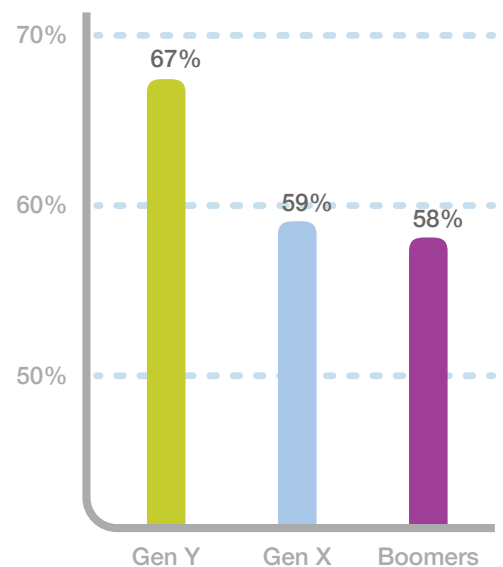
Grace Lanuza, Lanuza Consulting

generation, having a strong Corporate Social Responsibility (CSR) program could help.

“It’s not always about the money,” says Grace Lanuza of [Lanuza Consulting](#), which specializes in millennial recruiting and branding. “They’re looking for significance.” When thinking about taking a position with a new employer, millennials will consider whether a career path with the company matches their values. “Corporate social responsibility is important,” Lanuza says. “They need to know they’re making a difference.”

The best way for companies to demonstrate a commitment to social responsibility is to provide a comprehensive program so that everyone — including management, employees and customers — can be a part of it, says Ginger Wilcox, chief industry officer at mortgage marketplace [Sindeo](#). As part of its CSR efforts, Sindeo participates in below-

IMPORTANCE OF SOCIAL RESPONSIBILITY BY GENERATION



market-rate loans and government loan programs, and facilitates and participates in programs to provide financial literacy education to consumers, Wilcox says.

People need to buy into the system and participate at all levels to make it effective. Aligning efforts with the mission of the business or special interest of employees can also help. “We are currently evaluating our CSR program and our employees are very involved in determining what organizations they want to support, both in volunteer hours and donations,” Wilcox says. The company donates 1 percent of its profits to local charitable organizations and provides employees with 21 hours of paid volunteer opportunities per year.

Companies need to be aware that implementing a CSR program just for the

sake of doing so can come across as self-serving or inauthentic. “CSR should be seen as a company’s community-building effort, first and foremost,” Wilcox says. “If any touting occurs, it needs to be organic, through updates on progress towards goals and sharing milestones to be proud of with customers, employees and the beneficiary or local community. Marketing and PR campaigns touting CSR efforts that are too aggressive can have a negative effect on a business or alienate employees and customers.”

Authenticity is vital when it comes to recruiting millennials to your organization.

Millennials have grown up with the expectation that CSR is a part of everyday messaging and branding, Wilcox says, and are pretty savvy when it comes to detecting a true dedication to a cause or charity.

“To be successful in recruiting, a company needs to be transparent about its level of commitment and demonstrate enthusiasm during the interview process,” Wilcox says. She says new recruits have said the company’s commitment to CSR was a deciding factor for them to join the company. “Employees like to feel that, collectively, they can have a positive impact in a charitable way,” she says.

Conclusion

While engagement levels are still fairly strong, companies must be aware of the possibility their managers are engaged but seriously thinking about leaving the organization. Continuing to foster drivers of engagement — instilling a strong sense of the future of the organization and finding career paths for managers to show they have a future — is key for many employers. Establishing a strong and meaningful corporate responsibility program can help attract millennials who may be looking to find an employer whose values match their own.

These are the key findings of Modern Survey’s Spring 2015 U.S. Workforce Study. To get more information about the study, please go to: www.modernsurvey.com/spring2015



about us

Modern Survey measures workforce intensity — that fire in your company's belly that makes all things possible. Our human capital measurement software combines feedback, benchmarks, and data from enterprise systems to elucidate the correlation between employee performance and company success. We analyze the stuff your talent management system can't — so that you know what to do next.

We are Modern Survey. And we are relentless.

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