

EMPLOYEE ENGAGEMENT SURVEYS:

THE USE AND USEFULNESS

PREFACE

Human Capital Analytics Group is a nonprofit research project established and run by faculty at the Copenhagen Business School, and supported by a network of top international researchers and leading HR professionals. Our mission is to make analytical human capital research accessible and comprehensible, and to bring it closer to practice by co-creating and transferring knowledge to Danish companies and inspiring them to take action.

Why this report?

Our decision to conduct research on the use of employee engagement surveys in Denmark was driven by two factors. First, in our work, we noticed that although companies accumulate a significant amount of data from engagement surveys, they seldom utilize that data in analytics. In our search for an answer to why this is the case, we talked to a few leading experts. We came to an understanding that there are a number of myths surrounding engagement surveys and their results. Therefore, the purpose of this report is to take a snapshot of how companies measure engagement, what do they do with the collected data, and why they do not use that data in analytics.

Structure

The report consists of three chapters. In each chapter, we have integrated findings from the qualitative interviews as well as results from the quantitative survey and public databases (such as ORBIS). We discuss our methodology in Appendix 1.

Chapter 1 presents the overall findings and facts about employee engagement surveys in the different Danish organizations. Chapter 2 provides an overview of how the results from employee engagement surveys are used in the organizations. In that chapter, we examine the use of employee engagement survey results, to whom they are distributed, how they are distributed, and whether they are used systematically in strategic management. We also shed light on possible performance implications of using survey results for decision making. In Chapter 3, we attempt to derive some takeaways and lessons learned. We put things in perspective by integrating our own conclusions with cases from large international companies located outside Denmark. We try to break through some of the myths regarding the use and usefulness of employee engagement surveys, and we provide an overview of the most common misconceptions. We also address how to avoid becoming entangled in those myths. Moreover, we present an illustrative case showing how one can work with employee engagement surveys in analytics.

Acknowledgments

On behalf of the Human Capital Analytics Group, I would like to thank all of those who have helped carry out this research as well as the companies that have participated in the interviews, thereby providing valuable insights into the use of employee engagement surveys in Denmark. We are especially grateful to the companies that agreed to participate in the exploratory stage: Novo Nordisk, MT Højgaard, Nykredit, COWI, Chr. Hansen, the LEGO Group, Carlsberg, ISS Facility Services, and BRFKredit. Furthermore, we are grateful to the external providers – Ennova, IBM Kenexa, Rambøll, and Analyzer – for sharing their insights into the services they pro-

vide. A big "thank you" goes to all of the individual respondents who participated in the research project by answering the online survey on behalf of their companies.

I would like to thank the members of our Advisory Board – Thomas Rasmussen, Peter V. W. Hartmann, Henrik Gjesing Antvor, and Erik Beckmann – for their encouragement of this project, their support throughout the process, and their comments on the final version of this report.

My biggest thank you goes to our team – our interns Eva Gericke Sørensen and Mie Weile, and our project manager Sara Vardi – without whom this report would have never seen the light of day. I also would like to thank our editor, Tina Pedersen of In the Margins Editing, who made this report much easier to read and comprehend.

Happy reading!

A handwritten signature in blue ink, appearing to read 'Dana Minbaeva', with a horizontal line extending to the right.

Dana Minbaeva
Founder of Human Capital Analytics Group

HIGHLIGHTS

We find that:

- 75% of the companies in our sample conduct employee engagement surveys.
- The majority of these companies conduct an employee engagement survey every year.
- 66% of those measuring engagement have done so for more than five years.
- There are two main aims for conducting employee engagement surveys: to improve business outcomes and to provide a signal to the whole organization that “engagement matters”.
- Two-thirds of the companies that measure engagement find the survey useful or very useful.
- 69% of the companies in our sample use external providers to carry out employee engagement surveys.
- Of the 25% of companies in our sample that do not measure engagement, the majority base this decision on a lack of resources (e.g., time, financial resources, know-how). However, 21% report that they do not believe in engagement surveys.
- There are three groups of organizational actors who work with the results of employee engagement surveys: top management, the HR unit, and line managers.
- Our respondents use the results of employee engagement surveys in many ways. The top five ways that were reported by our respondents are: to distribute to line managers, to compare data to prior years, to distribute to top management, to encourage discussion in teams, and to develop action plans for the company as a whole. The top three ways that showed a high correlation with performance (2014 revenue) are: to use for internal benchmarking, to use for strategic decision making, and to conduct analyses of the raw data.
- All of the reported ways of working with the results of employee engagement surveys can be grouped into two categories: creating discourse and using data for analytics. While the latter is positively correlated with performance (operating revenue, last year available), the former does not appear to have any significant effect.
- Those companies that actively work with engagement data as inputs in analytics are typically high performers. However, the absolute “winners” are those that, in addition to using engagement data as an input in analytics, are also very good (above the mean) at creating discourse.
- There is widespread misunderstanding about the use of the terms “autonomy” and “confidentiality”.

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WHY MEASURE ENGAGEMENT?

"Yes, We Do!"

The majority of companies do measure employee engagement. In fact, 75% of the companies in our sample conduct employee engagement surveys. The companies that do not measure gave different reasons for this decision, which are reported in the final section of this chapter.

DO YOU CONDUCT AN EMPLOYEE ENGAGEMENT SURVEY?

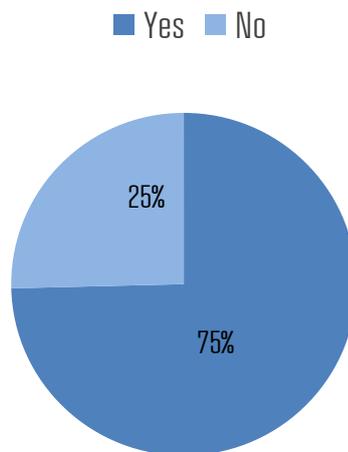


Figure 1

The highest proportion of companies conducting employee engagement surveys is found in the manufacturing industry (30%), followed closely by the wholesale and retail industry (16%) and the finance and insurance sector (12%). There are no significant differences in terms of the size (in terms of the number of full-time employees) of those companies that conduct employee engagement survey and those that do not.

Why do companies care about engagement?

Many companies wish to promote themselves as great places to work. From a moral standpoint as well as an employer-branding perspective, happy employees are a goal in itself.



The 'hard' financial argument is that increased engagement leads to a positive bottom-line effect. However, there is also a 'soft' argument in that we are not just numbers. It is very important for us to have employees who believe that what we do is fun, exciting and motivating. This, of course, also leads to a bottom-line effect, but that is a different discussion. Our desire to be that kind of organization reflects an ethical standpoint.

—COWI

Apart from the argument that engaged employees are preferable to disengaged employees, there are other reasons to care about employee engagement. When we asked our respondents whether measuring engagement serves as a useful input for strategic decision making in their companies, 68% indicated that it is useful or very useful (see Figure 2).

IN YOUR OPINION, HOW USEFUL ARE EMPLOYEE ENGAGEMENT SURVEYS FOR STRATEGIC DECISION MAKING IN YOUR COMPANY?

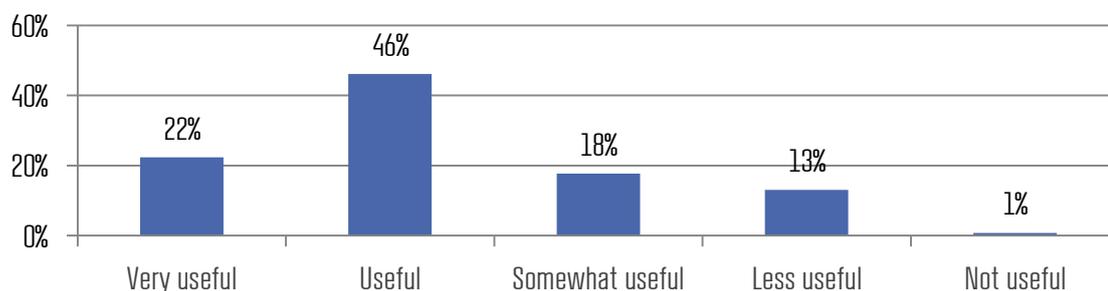


Figure 2

We discussed the usefulness of employee engagement surveys in interviews with our respondents. Our respondents indicated that employee engagement surveys are conducted for two main reasons: to improve business outcomes and to send a signal to the entire organization that key organizational stakeholders care about employee engagement.

Improved business outcomes

Several studies suggest that engaged employees performs better on the job, regardless of whether that performance is measured in terms of production, sales, customer satisfaction, or safety (see Appendix 2 for a review of the literature). Engaged employees care about their jobs and, therefore, they contribute the effort and attention necessary to perform their tasks to the best of their abilities.



The more engaged people are within your company, the more willing they are to walk that extra mile or two to actually get the job done. If they are very satisfied and if they view us as the employer of choice, then they are going to work hard to stay here. If they are disengaged, they will just sit and wait for the next golden opportunity outside the company. Then they will not be productive or even counterproductive.

—**MT Højgaard**



If employees are engaged, they are active ambassadors for the company. They will walk that extra mile when it is needed.

—**BRFkredit**



I believe it is safe to say that if people evaluate the 'Novo Nordisk Way'¹ high, this positively affects their satisfaction and engagement. That, in turn, contributes to their performance.

—**Novo Nordisk**

Several of the interviewees believe that there is a clear connection between employee engagement and performance. Some of them have even proven this linkage in practice by explicitly linking engagement data to performance-related data, such as data on customer satisfaction, sales, production, or safety (see the "How I Did It" section at the end of Chapter 3).



We connect our customer satisfaction to employee engagement. This allows us to prove the connection in our value chain. Satisfied employees increase customer satisfaction, which has a positive impact on profit.

—**ISS Facility Service**



There are many different theories on engagement and they are probably all legitimate. However, it is relevant to analyze what matters specifically in this workplace. The engagement survey can give us an idea about that aspect.

—**BRFkredit**

Furthermore, in a knowledge-intensive society in which many companies are highly decentralized and employees are largely responsible for their own productivity, it is difficult for manager's to monitor the employees' work on a regular basis. Engaged employees are more committed to

¹ A set of corporate values in Novo Nordisk.

getting the job done and they thrive under conditions of autonomy. They therefore require less monitoring from managers.



We come from a culture of extreme levels of decentralization in many knowledge-intensive companies ... The employees create the revenue, and their motivation and engagement are imperative for our success.

—COWI



We are a knowledge-based company. As we are highly dependent on people's commitment to the company, it is important that we get some indication of whether people are as committed as we think. Are they on their way out of the company? What influences their commitment?

—Chr. Hansen

Engagement is viewed as a critical element of organizational culture and productivity. The aim of measuring and enhancing employee engagement is to improve the business outcomes, and the engagement survey is believed to be a powerful tool in this regard.

Signaling effect

Employee engagement matters to top management. Top management teams care about the engagement of their employees and they value the measurement of that engagement. Of our respondents, 38% report that the measurement of employee engagement is very important to top management, while another 38% report that it is important. A mere 3% report that this activity is unimportant and only 8% report that the measurement of employee engagement is of little importance to top management (see Figure 3).

HOW IMPORTANT IS THE MEASUREMENT OF EMPLOYEE ENGAGEMENT TO YOUR EMPLOYEES AND TO TOP MANAGEMENT?

■ In your opinion, how important is the measurement of employee engagement to your employees?

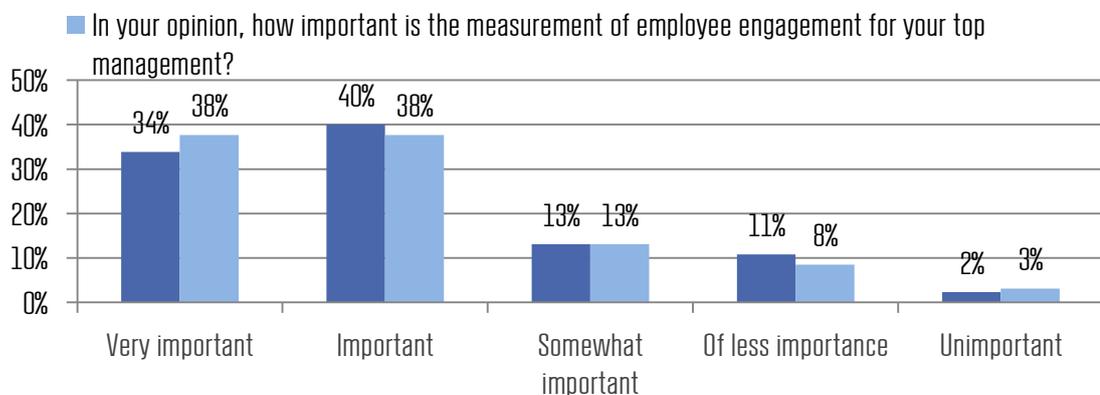


Figure 3

Management teams that care about employee engagement send a signal that their organizations are concerned with their employees' well-being. Furthermore, because of the link between employee engagement and employee performance, top management has good reason to care about whether employees are engaged.

Employee engagement does not only matter to top management – employees value it as well. 34% of the survey's respondents report that the measurement of employee engagement is very important among employees and 40% indicate that it is important. Only 2% state that these measurements are unimportant and 11% report that they are of less importance.

Companies that believe that measuring employee engagement is important for top management also tend to also believe that engagement (and its measurement) is important for employees (correlation is positive and significant at $p < 0.001$).

Do companies regularly conduct employee engagement surveys?

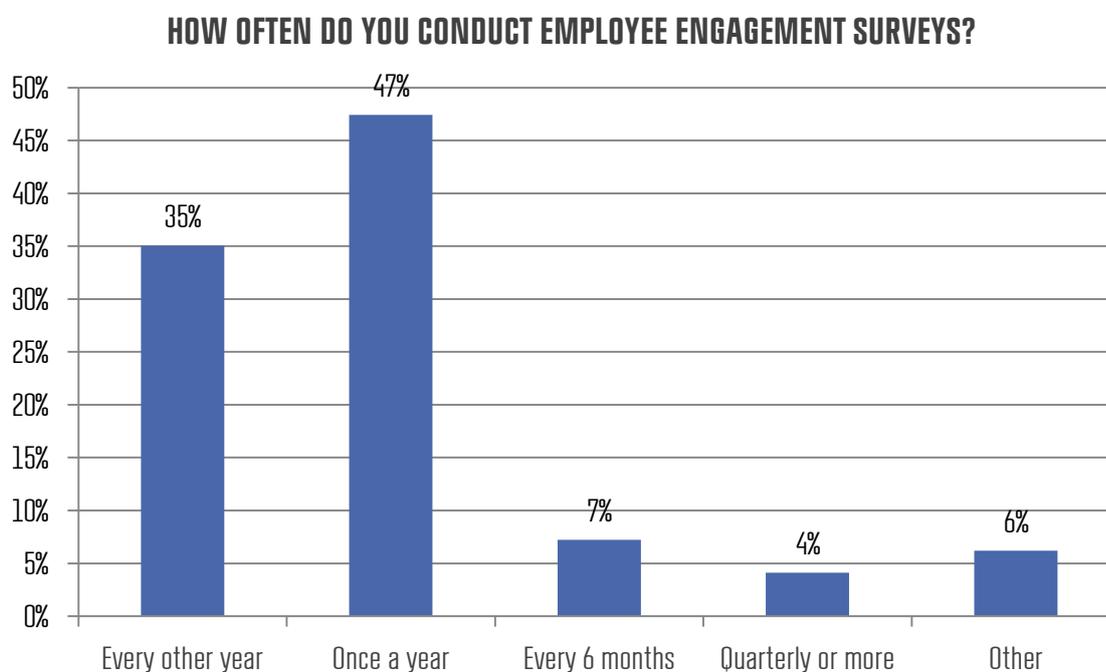


Figure 4

A majority of the companies in the survey measure employee engagement at least once a year (47%) or every second year (35%). In the companies that measure engagement yearly, the engagement survey is part of their HR cycle together with other activities, such as performance evaluations and appraisals, and development and appraisal interviews. These companies sometimes combine the employee engagement survey with a formal workplace assessment (APV),² as

² Every company with employees must prepare a health and safety risk assessment. This is an EU rule that applies across Europe. The risk assessment must be revised at least every three years (see Danish Working Environment Authority, <http://engelsk.arbejdstilsynet.dk/en>).

discussed in Chapter 2. Many of the companies that measure employee engagement every second year carry out a workplace assessment in the years in which the engagement survey is not carried out.



Basically, every 12-15 months, we undertake either a full employee engagement survey or a shorter version of 20 questions in which we dig into certain areas of interest.

—MT Højgaard

Some companies measure employee engagement on a quarterly basis (4%). Many companies report that they have done this in the past but have now moved on to measuring employee engagement every six months (7%) or once a year.



We have been measuring employee engagement since 2005 ... In 2010, we had four yearly surveys. This has been cut down to two yearly surveys, and now we are working with a new set-up in which we have one main survey and a lighter follow-up survey.

—Nykredit



We have been working a lot with engagement surveys. In the beginning, we ran them once per month with five questions. However, for many years, it has been 15-20 questions on a quarterly basis. There is an option to customize the survey, so division managers can ask specific questions ... and if top management wishes to focus on something particular, that is also possible.

—BRFkredit

Furthermore, many of the interviewed companies undertake smaller ad-hoc surveys during the year aimed at investigating targeted focus areas, such as leadership, the work climate, or specific cultural issues. This is mainly to ensure that there are no discrepancies between the employees' job expectations and their actual jobs. In periods or areas with high employee turnover, these surveys can give management a sense of why employees leave the company. Furthermore, some of these companies undertake smaller customer surveys focused on both external and internal customers. These surveys help provide an understanding of the climate and the level of satisfaction in various departments and services.

How long have companies been working with employee engagement surveys?

Most of the companies surveyed have been undertaking employee engagement surveys for at least six years (66%). 13% began these surveys four to five years ago, and another 13% started two to three years ago. 7% of the companies had just started conducting employee engagement surveys at the time of our survey (see Figure 5).

WHEN DID YOUR COMPANY START WORKING WITH EMPLOYEE ENGAGEMENT SURVEYS?

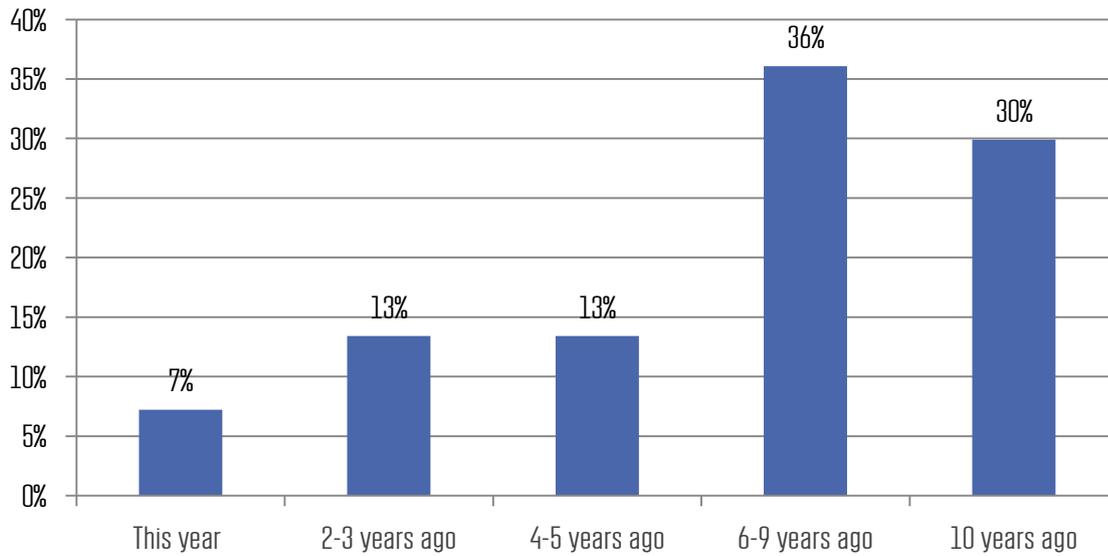


Figure 5

Do-it-yourself or external providers?

Of the companies that regularly measure employee engagement, the majority (69%) use external providers (see Figure 6). Decisions to regularly measure employee engagement are highly correlated to decisions to use external providers ($p < 0.001$). Companies using the external providers have typically worked with employee engagement surveys for a longer period of time. Of the companies monitoring employee engagement for five or more years, 49% work with an external survey provider. These are typically larger companies in terms of full-time employees and number of subsidiaries.

Our respondents provided several reasons for choosing an external provider, including a well-tested framework, statistical experience and the possibility to benchmark against other companies.



We could do the survey ourselves – we have the skills. But we do not have the databases because we are a relatively small company. An external provider has experience that they can use to explain why the different elements of the survey make sense.

—COWI

DO YOU USE AN EXTERNAL PROVIDER?

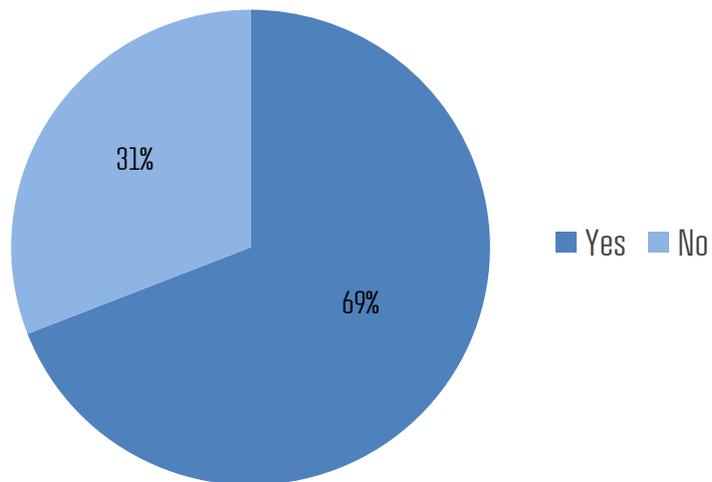


Figure 6

Those who do not work with external providers design and roll out their surveys themselves. This includes the formulation of questions, validity testing (this step is often skipped), data collection, analysis, and follow up. Some companies also use an internal online platform, where employees go to fill out the survey themselves.



In 2011, we implemented the 'Novo Nordisk Way'. It was important for us to reformulate all questions so that they fit into the newly defined 'Novo Nordisk Way'.

—Novo Nordisk



We have developed it ourselves. We use an external vendor for the questionnaire platform, so that is an external tool – but we are the ones who make the final tool.

—BRFkredit

Companies can choose from numerous survey vendors. There are no obvious winners when it comes to survey providers, as many of the companies (28%) report that they work with various survey providers (see Figure 7). These vendors are both Danish and international. A large number of the companies that work with external vendors have partnered with the Danish provider Ennova (27%). Other widely used vendors include international companies, such as IBM Kenexa (10%) and Hay Group (3%), and the Danish providers Rambøll (12%), Analyzer (12%), Intenz (4%) and FactFactory (3%).

EXTERNAL PROVIDERS

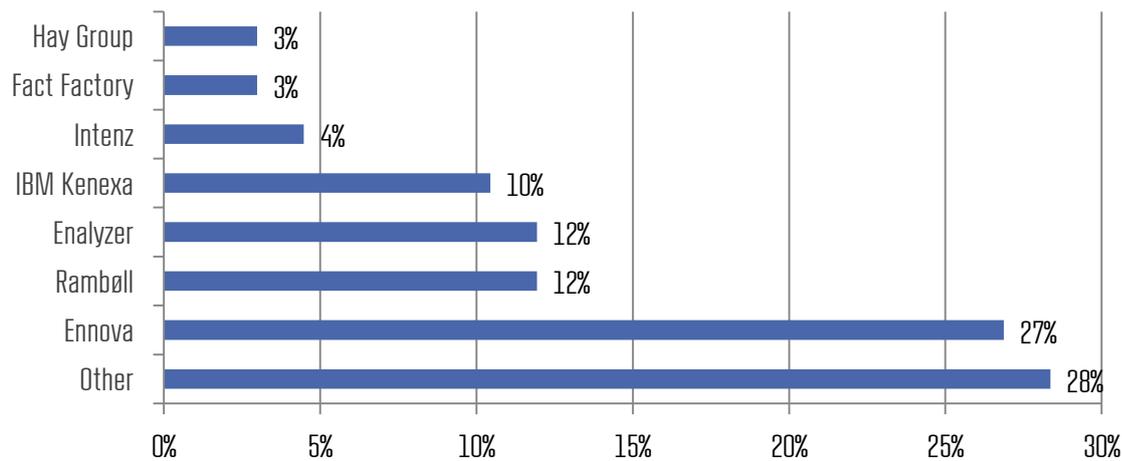


Figure 7

Some of these companies offer full-service solutions, while others offer more do-it-yourself solutions. For the latter, only the online survey platform is provided, and companies have to design the survey themselves.

We interviewed the four external providers that topped our list (see Figure 7) and asked the following questions:

- What methodology serves as the basis for your survey?
- What statistical method do you use to analyze the results?
- How do you help companies analyze the data?
- Can companies access the raw data?

The detailed description of each of the providers is provided at the end of this chapter (see "Nice to Know"). All of the providers offer full-service solutions and make various follow up-services available for an additional fee. Interestingly, none of the external providers we interviewed return the data to their customers in raw form (i.e., as original responses at the individual level). They attribute this to the need to ensure respondent anonymity. However, in their argumentation, the external providers do not distinguish between confidentiality and anonymity.³

³ In an "anonymous" study, no one (not even the researcher) can identify who provided the data. "Confidentiality" is guaranteed when those conducting the study (e.g., researchers) promise not to reveal the information to anyone. Read more at <http://www.statisticssolutions.com/confidentiality-vs-anonymity/>.

No, we do not

25% of the companies in our sample do not measure employee engagement. Our follow-up discussions with some of these companies suggested that many actually do conduct surveys in which they measure elements related to employee engagement, such as job satisfaction, pride in the job/workplace, and views on the work environment. These companies typically integrate these questions into surveys on multiple aspects of employee attitudes and feelings towards the organization, although there is a significant focus on employee engagement.



We do not work with the term [employee engagement] in the traditional way, but of course we ask our employees whether they are happy with their jobs, proud to work for Novo Nordisk, and proud of our products.

—Novo Nordisk

Those companies that do not measure employee engagement at all have different reasons for not doing so (see figure 8).

YOU DO NOT MEASURE EMPLOYEE ENGAGEMENT. WHY?

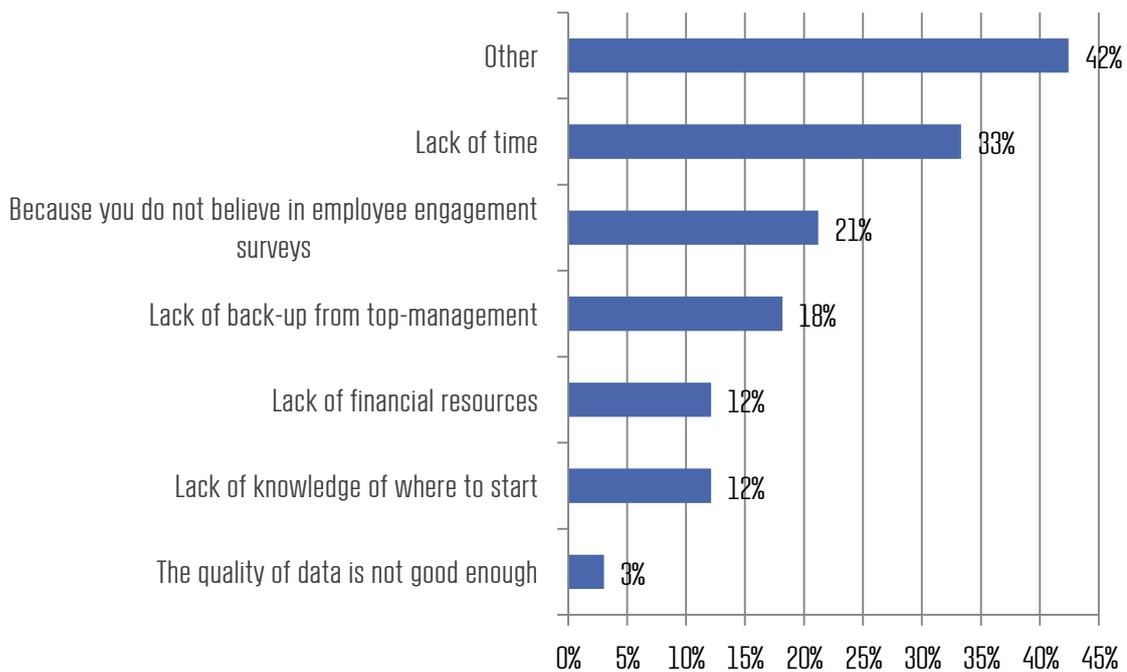


Figure 8

Most of them (33%) indicate that this decision reflects a lack of time. Furthermore, 12% report that they do not conduct employee engagement surveys owing to a lack of financial resources. Employee engagement surveys carry high direct costs related to, for example, the survey provider or the development of IT solutions. Moreover, the time required from everyone in the organization to carry out the survey is also significant. First, all employees in the organization are expected to take the time to complete the survey, which adds up to many hours. Second, the man hours contributed by a vast pool of people from all around the organization (e.g., top manage-

ment, various departments, HR, IT) in the planning and evaluation processes correspond to a significant amount of money.

21% of respondents who do not measure employee engagement explain that they omit the engagement surveys because they do not believe in such surveys.). Another 18% indicate that the decision reflects a lack of support from top management, further contributing to the argument that the choice not to conduct employee engagement survey is a matter of priority. Without organizational backup from management, employee engagement surveys are unlikely to become realities in these companies.

Other respondents report that they do not know where to start (12%), perhaps because they do not have a fully functioning HR department or they do not have employees with the skills necessary to initiate these surveys.

Many respondents report that there are other reasons for not measuring employee engagement. For example, some companies report that they do not view employee engagement surveys crucial because they feel that they have already have a good sense of the engagement level of their employees:⁴



We feel that we have a good indication without [such surveys].



Instead of doing formal surveys, we continuously try to keep our finger on the pulse of our leaders and employees. Both our owner and I, in HR, go through the company on a regular basis, and we talk to leaders and employees. We also ask directly about it at MUS⁵.

Others report that they have not yet felt that these surveys are necessary yet for various reasons.



Our HR department was only recently created after a long period of absence.



We have been through a major change process, so it has not made sense to hold these surveys the last couple of years.

⁴ The responses to certain questions from the web-based survey have been kept confidential. The quotes presented here are therefore anonymous.

⁵ Medarbejderudviklingssamtale: Performance development interview.

Notably, however, some of our respondents plan to start conducting employee engagement surveys in the future.

Key points

Many believe that engagement matters for performance, and engagement is often viewed as linked to business outcomes. The active measurement of engagement sends a strong signal to the organization – engagement matters.

Companies are relatively experienced with employee engagement surveys. Moreover, in creating and conducting their employee engagement surveys, they usually rely on external providers. However, none of the external providers we interviewed return the raw, individual-level data. The reports are usually provided in terms of averages at the team level. Most of the external providers charge extra fees for analyzing individual-level data.

* * *

"Nice-To-Know": External providers

ennova

Ennova is a Danish company founded in 1988 with the ambition to help clients collect and analyze data from employees, clients, and the market. The company has grown rapidly since the mid-1990s, and it currently has offices in Copenhagen, Stockholm, Oslo, and Aarhus. Ennova has developed a set of processes and IT tools specifically designed to support clients in conducting engagement surveys.



When a company undertakes an employee engagement survey, it is about taking the temperature of the employees – the group that most of our clients indicate is the company's most important resource. It is about getting an overview of how the situation looks for our employees, and whether there is anything that needs correcting or reorganizing to ensure strategy implementation.

—Ennova

Ennova uses a set of core of questions, which have been formulated on the grounds of acknowledged theories in the areas of employee engagement, motivation, and job satisfaction. Ennova's model – the Global Employee and Leadership Index (GELx) – is based on more than 15 years of experience in measuring, analyzing, and collecting data on employee engagement. Millions of employees and leaders have been through Ennova's questionnaires.

The questionnaire consists of a series of questions that have been formulated as statements, which are evaluated using a Likert-type scale designed to capture to the extent to which the re-

spondent agrees or disagrees with each statement. According to Ennova, the questions deal with all of the conditions that have an effect on employee engagement, such as the company's reputation, leadership issues, collaboration with colleagues, job tasks, working conditions, salaries and employment conditions, and learning and development possibilities. Certain questions directly measure employee engagement. In addition to the set of core questions, Ennova can work directly with the company to develop some extra questions that are relevant to the company's strategy, values, or other issues.

The results of the employee engagement survey are produced in reports that present aggregated results for groups of a minimum of five employees. The results are reported as actual scores for each question or as an index. Moreover, the results are given as averages, which are sometimes combined with an indication of the underlying differentiation in the answers (variance) if rules of anonymity permit. Ennova does not deliver the raw data, which contains individual responses, back to the companies. The company explained that the main reason for this decision is anonymity.



Anonymity is highly important to us, and we do a lot of informing about anonymity – respondents are anonymous when we collect the data and the anonymity of the respondent is ensured when we deliver the results. This is something our clients value highly (...) as employees will only provide their honest opinion if they feel certain that they are anonymous. If employees do not trust us, we cannot get a true result on which the company can act. The anonymity of the employees is an issue on which we do not budge at any time. It is a crucial part of the way we do our survey. We need to be able to trust the responses.

—Ennova

Ennova offers two different benchmarks: the Global Employee and Leadership benchmark, which is constructed from data provided by randomly chosen employees in 39 countries, and the Top-In-Class benchmark, which is based on Ennova's top-performing clients. The latter benchmark allows companies to compare themselves to the best 25% of similar companies. Benchmarking enables Ennova's clients to identify their strengths and weaknesses relative to national norms or relevant industries. Furthermore, Ennova delivers internal benchmarks based on departments, areas, or relevant peer groups.

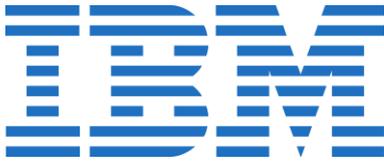
Ennova works with each client in order to understand how they will work with the results. They focus, for example, on the demands of the management team, whether everyone or only certain departments are expected to make an action plan afterwards, and whether the department head can get help in interpreting and dealing with the results. Furthermore, Ennova's system allows for electronic delivery of reports. Moreover, it includes an option for managers to create action plans via the system and to explore the open comments from the surveys through global cloud technologies.



For us, it is important that the survey actually makes a difference – that it leads to improvements. In the next survey, for example, we can draw information out that allows us to analyze whether those areas that had with action plans im-

proved the most. In Ennova, we are focused on ensuring that the results get used to make a difference.

—Ennova



Kenexa, which is now wholly owned by IBM, began providing services in 1987. Today, it provides several services and solutions for workforce management on a global scale, including a full employee engagement survey solution. The company's survey solution, which is based on 25 years of research on engagement, consists of validity-tested standard constructs with an option to customize the survey to each organization's needs. Over the past three years, Kenexa has collected employee feedback from nearly 20 million individuals located in more than 200 countries.

Kenexa's solution is based on four aspects that constitute the construct of employee engagement: pride, satisfaction, advocacy, and retention. These refer to the pride employees feel about working for a company, their satisfaction with the workplace/environment, their readiness to recommend the workplace to others, and their willingness to stay with the company. Throughout these years of research, the company has focused on elements that influence the four aspects mentioned above.

The survey can be customized. When constructing a survey, Kenexa steers the client towards questions that could be relevant for the organization based on interviews with managers and other leaders.



The balancing act lies in the fact that engagement is not a numbers process but an emotional process. Therefore, it is about achieving a balance between the data-driven approach and emotional connectivity with employees. At the end of the day, a survey gives a fix on where you are, but not the final answer.

—Kenexa

In the employee engagement survey, respondents rate statements on a five point Likert-scale. Based on the scores, companies are provided with descriptive average scores on all themes. Furthermore, Kenexa analyses the four aspects of employee engagement mentioned above to better understand what keeps employees engaged in each company. With this information, it is possible to uncover the elements that have the closest connection to employee engagement and, on that basis, to companies on focus areas, especially if they wish to increase their engagement.

Kenexa also offers other types of analysis for its clients. These services include regression and correlation analysis, and the linking of engagement data to such variables as turnover, absenteeism, or safety. Kenexa refers to these services as linkage analysis. Kenexa does not provide clients with access to any individual data due to its standards of anonymity.



No one has access to individual level data at all. That is one of our key requirements – it is about confidentiality and trust in the process. While we can do a lot of interesting reports, we never give individual responses. That is an ethical choice.

—Kenexa

After a survey is carried out, representatives from Kenexa present the overall results to the CEO of the company and tell a unified story around the findings. Kenexa focuses on making sure that this story is one that managers can remember and one that can result in action. According to Kenexa, a series of workshops held for the senior team and managers ensures that this is the case.



Rambøll is a leading engineering, design, and consulting company founded in Denmark in 1945. Rambøll strives to achieve inspiring and exacting solutions that make a genuine difference to its clients, end users, and society as a whole. Rambøll works across a variety of industries: construction, transportation, planning and urban design, water, environment and health, energy, oil and gas, and management consulting. The company is present in the Nordic countries, North America, the UK, Continental Europe, the Middle East, and India. Moreover, it has significant representation in Asia, Australia, South America, and sub-Saharan Africa.

Rambøll's surveys are often designed together with the client, although they are all based on some generic questions on employee engagement. If clients request a core employee engagement survey, Rambøll is able to provide a standard survey using generic questions from its survey item bank.



Employee engagement is as such an interesting concept and a concept that is used in many different connections, but it is not a universal key to solving all of the problems and challenges that a company faces ... So, you could say that employee engagement is an interesting concept, but it is not necessarily something that pervades everything we do – our surveys are more focused on the creation of meaning that goes on in an organization.

—Rambøll

Rambøll's solutions are characterized as full-service solutions with an integrated platform that enables clients to create their own surveys, extract reports, and work with those reports on a smaller (e.g., team or department) level. The company also offers e-learning to help clients consider what processes they should choose as well as consultations with Rambøll consultants who can help guide clients. Furthermore, Rambøll can make it possible for clients to analyze the dataset themselves, although it does so in a way that keeps data from being traced back to individuals.

Rambøll works with both internal and external benchmarks. The internal benchmarks take the form of comparisons between equal or similar groups (e.g., departments or divisions). Comparisons with previous years are also part of the result reports. This gives departments and divisions the possibility to trace their own development across time. External benchmarks, primarily Scandinavian benchmarks, are typically used with regards to the higher levels in the organization.

The survey results are delivered as department reports showing the mean scores for the various questions. If the client so desires, it is also possible to dive into the group differences, and to show the significance or variance as splits for different answers or as spreads depending on the level of anonymity guaranteed in the survey. To ensure confidentiality, the results are presented for groups of a minimum of five employees.



If you want truthful and honest answers, the employees need to trust that their answers with regards to, e.g., their closest leaders are not traceable back to them. Therefore, it is important that they trust the survey supplier.

—Rambøll

The reports are developed on the basis of different methods depending on the business objective. The methods range from rigorous statistical analysis to in-depth qualitative methods. As part of the survey follow-up, Rambøll can provide access to consultants and coaches in different areas as well as development programs ensuring that changes are set in motion in the company.



We do not define ourselves as an engagement survey provider as such but as the best partner for managers who view the survey as valuable for driving and leading their core business.

—Rambøll

ANALYZER

Analyzer was founded in the year 2000. Originally established as a software company specializing in a wide range of online questionnaires, Analyzer has evolved into a full-service solution provider, including a consulting business. With offices in Denmark, Sweden, Norway, and the Netherlands, Analyzer has a strong presence in northern Europe. Its services are characterized by a great amount of customization. Moreover, the company offers its clients the opportunity to do a lot of the work themselves, but with the possibility to get additional guidance and analysis from Analyzer's consultants and analysts.

Analyzer strives to make each solution unique while allowing for flexibility in terms of price and sophistication. Analyzer's solutions vary widely because they offer clients everything from do-it-yourself packages to fully supervised solutions. The former are characterized by a great deal of autonomy – clients purchase access to the online survey platform, create the questions themselves, and handle the data analysis themselves. With the more extensive solution, Analyzer provides consultancy and technical services in the development of the survey as well as comprehensible data analysis and result reports.



It is not in our interest to do everything. If the customer is happy just using our software platform, that is fine with us. This is what separates us from many other providers.

—**Enalyzer**

Companies working with solutions from Enalyzer can choose to develop their own questions based on their preferred theory or frameworks on employee engagement. However, Enalyzer also offers a more fixed question frame, which is based on years of data collection and validity testing. Companies can also choose to combine Enalyzer's fixed question pool with their own firm-specific questions to ensure that each company's needs are met and the strategic focus points are covered.



We customize a lot. Our view is that you cannot take a concept and force it on everyone. It is about creating ownership of the survey. Therefore, it is often a good thing if the company has been part of the development. This ownership is important if our clients want people to participate, and it helps to drive up the response rate.

—**Enalyzer**

Previously collected data allow for external benchmarking against other companies. The benchmarks are developed from established and acknowledged theory from the US and northern Europe. They focus on employee engagement in relation to performance and social capital. The software platform can be used to create ready-to-go reports containing the survey results. These are uploaded and can be retrieved by the responsible team leader or manager.



We create a 'Score Card', which gives an overview of all of the results ... so the company can easily get an overview of the problematic areas, and see the areas in which it is doing well and the areas in which it is not doing as well.

—**Enalyzer**

Enalyzer's reports are typically delivered on the team level, and the results are often calculated on the basis of three to five responses. Clients can retrieve data from the platform themselves if they wish to conduct their own statistical analyses. However, the data are encrypted to ensure respondents' confidentiality. As additional services, Enalyzer offers clients the possibility to conduct statistical analyses by, for example, connecting data from the employee engagement survey with data on sickness/absenteeism, performance, or customer satisfaction.



We work on integrating customer focus into our surveys ... The employees are the internal life of the company and the customers are the external part. Both have to work.

—**Enalyzer**

2

THE USE OF THE RESULTS

Throughout the survey and interviews, we were interested in learning more about how organizational actors work with the engagement data and about organizational actions originating from the results of engagement surveys.

Actors

Three groups of organizational actors work with employee engagement surveys and their results: (1) top management, (2) line managers or team leaders, and (3) the HR department and HR business partners.

Top-management involvement

93% of our respondents report that they distribute the results of employee engagement surveys to top management. Those companies that bring the results to top management's attention also stress that top management and employees view the measurement of employee engagement as important ($p < 0.001$). They also report that the results are useful for strategic decision making in the organization ($p < 0.001$).

Top management's attention and its involvement are crucial. The degree of the attention paid by top management to the employee engagement survey determines the strength of the signaling effect discussed in Chapter 1 (i.e., "engagement matters").



Top management pays a lot of attention to employee engagement. Our first task is to make a presentation for top management, which helps them become aware of what has happened since the last survey and where we need to expend extra effort. Moreover, our HR partners get in touch with those managers who report to top management and go through their areas. Afterwards, we [HR] support the lower-level leaders based on their needs.

—Nykredit

Employee engagement can also be used as a key performance indicator (KPI) for senior management.



All of the 22 corporate managers have a KPI on Pulse and the E-NPS⁶ ... Therefore, everyone is accountable for the overall engagement level in the LEGO Group.

—The LEGO Group

The qualitative interviews highlighted two different paths for presenting the results to top management. In some companies, the presentation to the top management is a first step aimed at providing an overview on what has happened since the last survey. Based on that presentation, the top management team agrees on focus areas.



The first thing that happens is that we make a presentation to corporate management. This makes them aware of what has happened since the last survey and helps them identify the areas in which we need to put in extra effort in the future.

—Nykredit



Many things influence the commitment in the employee group, so you have to measure several focus areas or parameters. A new area we [the Corporate Leadership Team] identified in 2012 was diversity and inclusion ... We believe that if we want to get access to some of the best talents in the world, we need to be inclusive and open to other cultures and to women. We cannot all be white, middle-aged Danish men. We know that half of the people coming out of the universities worldwide are women, and we need to have a culture that welcomes this development.

—Chr. Hansen

Top management's decisions regarding where to focus and what to prioritize are often coupled with decisions to contribute more organizational effort and make more investments. The identified focus areas guide the development of action plans in different departments and across organizational levels. For example, the LEGO Group's Pulse survey in 2014 showed a drop in E-NPS.



[Immediately after the results were announced,] we set up a task force consisting of people from HR, business-unit management, and corporate management.

⁶ Employee Net Promoter Score – an expression of how keen employees are to recommend their workplace to others.

The owning family was also consulted. Our purpose was to look into the root cause of the decline in willingness to recommend the LEGO Group as an employer and into initiatives we could implement to ensure we achieved our ambition of being the best place to work in the world.

—The LEGO Group

“I shall be keeping very closely in touch with the group and its activities, and Corporate Management will make sure that it together with its 1500 people leader colleagues put extra focus on the Pulse follow-up,” says CEO Jørgen Vig Knudstorp.⁷

For other companies, the results are presented to the top management to provide an idea of the state of employee engagement. Top management is not expected to decide on any particular focus areas, as the individual line managers are given the freedom to choose focus areas and, subsequently, develop action plans. In such companies, the survey results are used to give a generic picture of the organization and actions are aimed at improving the problematic areas in the departments, but no or only limited decisions are made on a strategic level.



Top management works with the answers on a general level. They do not look for overall trends or focus areas. The focus is on the follow-up on the lower levels and the follow-up in the customer areas. Specific action plans are developed for our big customers.

—ISS Facility Service

The team leader's role

94% of the respondents distribute the results of the engagement survey to the team leaders. For a significant number of respondents, the team leaders are the primary organizational actors that will work with the results. In most of the interviewed companies, HR business partners support the process. All of the companies confirmed that the team leaders are expected to work with their employees to develop action plans for specific areas of improvement. Often, the team leaders will facilitate workshops with the team members to discuss the survey results.



As a leader, it is your job to set aside time to have a focused dialog with your team several times per year. Your one-on-one meetings are also about engagement.

—The LEGO Group

⁷ "Employee motivation and satisfaction intact – despite local differences", Pernille Stanbury, Corporate Communications, 12/12/2014.



It is the individual manager who is obligated to work with the results that the report shows for the department. The employees also have access to the report. In addition, the report is discussed internally in the department. If there are any critical findings, our HR partner goes out and supports the team to ensure that the results improve.

—Nykredit



Engagement is driven by leaders. It is not driven by HR. It is not the job of the HR partner to facilitate an engagement dialogue, but it is the leader's job to stand up and say: 'Looking at our numbers, I am really disappointed about this and this'.

—The LEGO Group

In many of the companies, learning how to develop, work with, and carry out an action plan is part of the leadership-training program. An important part of this training lies in teaching leaders how to handle what might be difficult discussions in the team and to build an action plan on that basis. Companies report that leaders who succeed in conducting difficult talks and are able to follow through with action plans uncover the real value of employee engagement surveys.



It is easy to make an action plan. However, it is difficult to develop a high-quality action plan that leads to change. This is why this is a focus area in our leadership program, where we work with topics like customer satisfaction, employee engagement, and how to build action plans. As a result, developing action plans becomes an integrated part of what the leaders do and the way they think.

—ISS Facility Service



If you have a management report, you need to develop an action plan and there is a process for doing so. The HR directors and HR partners ensure that this happens.... The starting point is that the action plans are made with the employees – it is not just desk work for the leader.

—ISS Facility Service

Action plans are part of reaching the strategic goals. Overall, our study shows that all companies focus on ensuring that action plans are created. However, there is a clear difference in how the companies approach the creation of action plans and, most importantly, how well they follow up on those plans.



The action plans are made for all functional areas, and the line manager is responsible for the execution of those plans.

—Carlsberg



There are many different types of leaders. Some of them do not naturally focus on engagement. Therefore, the survey is a fantastic tool. It is useful to have some numbers because the leaders remember to relate to them. If they need help for the subsequent dialogue, an HR partner is available.

—BRFkredit



Action plans are developed in co-operation with our employees, so it is not just a desk job for the manager. Action plans are guidelines that make working with the results easier for the manager and safe for the employee. It can be difficult for the manager to work with the results because it is a different way of facilitating a meeting than the meetings they typically hold. This is up close and personal, which can make them uncomfortable. Therefore, it is useful to have guidelines for how to handle this process.

—ISS Facility Service

The role of HR

In our sample, there are clear differences in the number of HR employees working with employee engagement surveys (between 0.1 and 50), and in the proportion of the total HR budget spent on working with the employee engagement survey and its results (up to 40%).

The HR department plays several roles in the process of working with the employee engagement survey and its results. First, HR acts as the overall process owner. If the survey is developed in house, the HR department is responsible for the formulation of questions, the survey roll-out, data collection, data analysis, and result distribution. If an external provider is used, the HR department negotiates the terms. It also facilitates the data-collection process and the communication of the results.

In some large companies, HR business partners serve as a source of inspiration for data analyses and as sparring partners.



We get the data first, print it out, and put it up on the wall. Then we gather a group of experienced HR partners to look at the data because they can put it into the business context ... You can sit in a closed room with a group of statisticians, but what drives the process are the actual stories behind the data... taking business partners in and translating the numbers into stories. That is what adds value to the numbers.

—The LEGO Group

In those companies that rely on team leaders to discuss the results and form action plans, the HR department takes on a special role – it is expected to support line managers or team leaders in translating the results. The department is also expected to guide managers on how to hold "difficult discussions" with their employees.



The employee engagement survey creates a legitimate reason to discuss the results in the department. The results have to be evaluated. This is not something that the leader decides – HR partners follow up on this aspect. Bright leaders will follow up on the results and look at the tricky issues themselves, but the poor leaders do not want to do this. Then, the HR partner's job is to support and help the leader handle this aspect.

—Carlsberg



The HR business partners help translate and explain the report and have discussions with the managers to help them orchestrate processes with their team. This creates a starting point for a good discussion on our progress.

—Chr. Hansen

Actions

To better understand the actions that companies take based on the results of engagement surveys, we asked our respondents to indicate what they do with the results of their employee engagement surveys (see Figure 9).

Among all of the actions, the top three that correlate ($p < 0.05$) with revenue (year 2014, source: ORBIS) in descending order are:

- Use for internal benchmarking (correlation coefficient: 0.006),
- Use for strategic decision making (correlation coefficient: 0.015) and
- Conduct statistical analyses on the raw data (correlation coefficient: 0.018).

Further analyses (i.e., a factor analysis with varimax rotation and a reliability analysis) show that the actions listed in Figure 9 (except "Other") can be divided into two distinct groups. For the purposes of this report, we label the two groups "Creating a discourse" and "Using data for analytics":

- **"Creating a discourse"**: distribute to team managers; compare data to prior years; distribute to top management; encourage discussions in the teams; develop action plans for overall company; use for strategic decision making.
- **"Using data for analytics"**: use for internal benchmarking; predict future engagement problems; link data to KPI and dashboards; conduct statistical analyses on the raw data; use for benchmarking against competitors.

We averaged individual items and created separate variables for each of the two groups. We then correlated those with operating revenue (last available year, source: ORBIS) and firm size (FTE, source: ORBIS). There were no significant differences in terms of company size. Interestingly, we found a positive correlation between "using data for analytics" and operating revenue ($p < 0.01$). On the other hand, the correlation between "creating a discourse" and operating revenue is insignificant. Additional analyses show that those companies with the highest performance (revenue, last year available) are those companies that not only extensively use the results of engagement surveys as inputs in analytics but are also very good (above the mean) in creating discourse about dialogue and cooperation.

WHAT DO YOU DO WITH THE RESULTS OF THE EMPLOYEE ENGAGEMENT SURVEY?

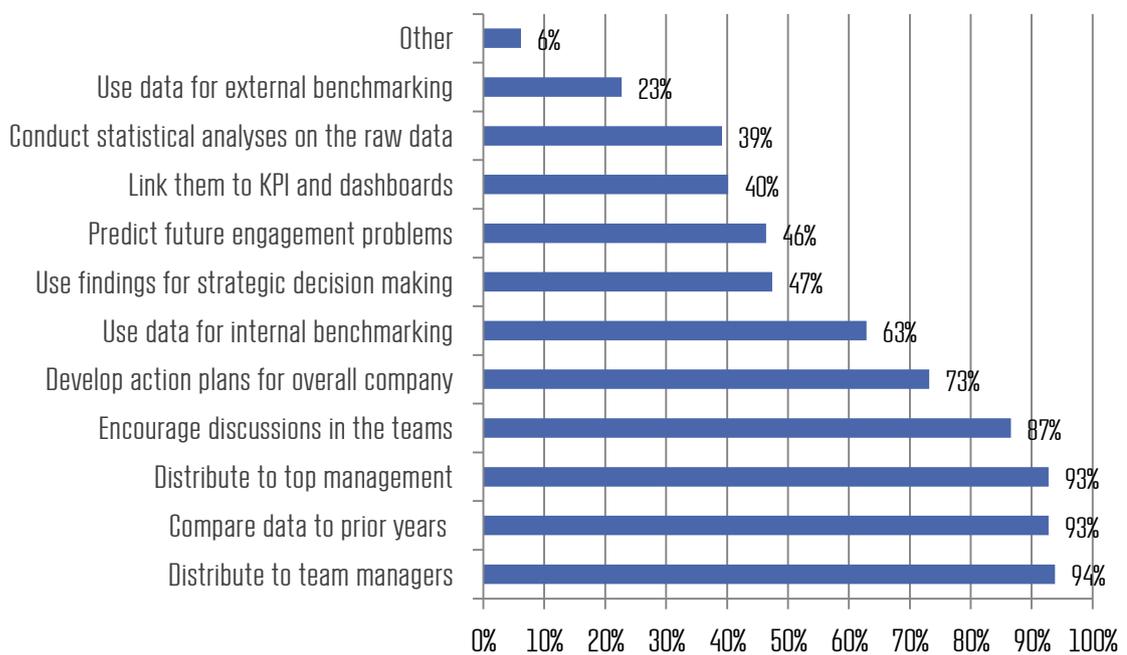


Figure 9

In the interviews, the respondents identified two mutually reinforcing areas in which discourse occurs: leadership, and dialogue and co-operation.

Creating discourse: Dialog and co-operation

The results of the employee engagement survey help companies initiate a dialogue across the entire organization.



The report is not as strong as the dialog we have afterwards. The measurement is only a tool – if you do not have a dialog about the process afterwards and follow up, it has no value.

—BRFkredit

While the dialog process can differ – it can be supported by HR partners or primarily done with the help of tools – all respondents mention that the team-based dialog is the most important part of conducting employee engagement surveys. Notably, however, they also indicate that it is the most difficult task.



There are tools on the intranet that help leaders work with the reports from the hardcore templates. There are also slides about 'why' – why it is important to work with engagement. Also, there are some tools that managers can use when holding meetings about engagement.

—**Carlsberg**

The communication on employee engagement, the “translation” of the employee survey, and the follow-up on the survey are all supported by the companies' HR departments.



We work on our communication in order to get a high response and to create an understanding of its importance. Furthermore, we offer training on how to read and understand the reports. The managers can also call in and receive help. The role of the HR partner is to support the manager, especially in areas where engagement suffers.

—**COWI**

For companies using survey providers, the provider is sometimes part of the report delivery. The provider may, for example, facilitate training sessions designed to ensure that HR correctly interprets the survey results.



We have a 'train the trainer' seminar. The provider comes to us and presents the overall results. Then we have a question-and-answer session, and we train the trainers on how we actually interpret each and every little bit of information. We also discuss how we are going to present it to the managers and how are we going to transform potential problems into potential solutions. They are helping us by setting off half a day to do this – to get the right idea and develop our ability to ask the right questions based on the feedback we have from the survey.

—**MT Højgaard**

Some companies have an employee group that is characterized by a high percentage of blue-collar workers and significant cultural diversity. In such situations, the language itself can be a challenge. Therefore, in terms of the tools used to support the dialog process, many facilitating the dialogue use more illustrative tools, such as smileys. Furthermore, the results of the employee engagement survey itself can create discomfort among organizational members. Therefore, many of the companies have guidelines to help their managers facilitate these meetings.

Creating discourse: Leadership

In many instances, companies use the results of the engagement survey to create a certain culture. One potential goal may be to encourage managers to be open about their leadership issues.



We have succeeded in creating a culture in which we can discuss the results with each other instead of hiding them ... If I have some challenges in my team, we talk about how to solve them and we see whether we have something in common as a team ... Therefore, instead of just one manager doing something for his/her own team, we decide in a meeting to do something together for the whole group.

—**Chr. Hansen**

Our respondents believe that employee engagement surveys not only encourage discussions of the results but also, and equally importantly, they force leaders to focus on – and prioritize – areas in need of improvement.



The managers really think that they get a lot out of these surveys ... They get their colleagues' comments, ideas, and inputs on how to solve the problems ... That means that there is a lot of knowledge sharing, which is enhanced because people are really competitive, so they are really making an effort to do the right thing.

—**Chr. Hansen**

The results of the survey may also be used as an input in performance-management systems.



[How do you work with the survey results?] HR helps managers set goals and make them specific using the SMART model. We can actually measure performance and set it to a specific, realistic target.

—**MT Højgaard**

In many companies, the team's engagement scores are used in combination with performance evaluations from immediate superiors to form a composite index of a manager's performance. However, the results of the survey can also be viewed as indication of future leadership potential.



We look at leadership, and leadership quality is very important for us. With regards to restructuring, if organizational changes are needed, then it is certainly part of what we examine. How does the individual leader perform? How is his or her leadership competency rated by the employees? This is, of course, only one factor in the analysis, as a lot of other issues are also taken into consideration also, but it is one of the areas that we look at.

—**Nykredit**

Using data for analytics: Dashboards and standardized reporting

Companies that work with external providers receive standardized reports that are automatically generated from the system. Those are typically distributed to the managers of teams of at least five people. The reports usually contain average scores for items like overall engagement, satisfaction with the workplace, evaluation of the immediate manager(s) and colleagues, and willingness to recommend the organization as an employer to others.

The linking of the survey's results with KPIs and dashboards is an important tool in working with employee engagement. Companies highlight that this is a way to ensure continued focus on employee engagement.



We have a setup with a cockpit with KPI boards, which illustrate costs, stock service level, absences, etc. The Board of Directors revisits that dashboard once per month. There is also an Engagement-KPI board. When we get the reports, we take a look at how we wish to follow up on engagement. As we only measure once per year, we are not able to follow up all of the time. Instead, we have a plan-do-check-act model in which we ask such questions as 'Are there action plans?' and 'How are those action plans executed?'.

—Carlsberg



We have automatized the process as much as possible, and it is linked to our balanced scorecard.

—BRFkredit



We take input from the survey and we pair it with data from our employee systems, all of which we put it into a data warehouse and then start making structured reports on the trends that we are seeing. What has happened in the last four years based on trends, what would be the appropriate actions and what is going to happen if we do not do anything?

—MT Højgaard

One recent trend is to use dashboards to monitor real-time engagement. These solutions allow for immediate responses to problematic areas and make it possible to discover potentially problematic areas before they become too distressing and cause problems in the organization. None of our respondents mentioned this trend, but there are growing numbers of companies outside Denmark that are using such a tool (see Chapter 3).

Using data for analytics: Benchmarking

Figure 9 shows that 62% of the respondents use data for internal benchmarking (among departments) and 22% use it to benchmark against competitors. Not surprisingly, companies using external providers also use data for benchmarking against their competitors ($p < 0.05$).

When looking into the reasons for internal benchmarking, we found that the emphasis is on having benchmarks among business areas. This allows the company to compare its different departments or units.



Internal benchmarks can give another perspective or shed light on some differences that we need to address.

—BRFkredit

Respondents also highlighted the fact that benchmarks are easy to understand and allow leaders to compare themselves with other leadership teams.



It is so easy for a leader to understand a benchmark, which is 'me compared with someone else'. They do it all of the time – they compare themselves with other leaders in the same leadership team; they compare themselves to the company average ... I think it is human nature, especially among people who are competitive. You ask 'How am I doing compared to the best?'. I think it is natural, and I think that if we took it out, people would react.

—The LEGO Group

In terms of external benchmarking against competitors, respondents state that these benchmarks are understandable and easy to use. A significant number of respondents value the insights that benchmarking provides, as they help them understand how their organizations compare with similar organizations, even if they are in different businesses or have different customer groups. The benchmarks could also assist in setting strategic targets and serve as a proxy for performance measurement. For example, after the takeover of Chr.-Hansen by PAI Partners, engagement scores were benchmarked against the European Employee Index (from Ennova), which provided a measurement of the success of the various change programs initiated by the HR unit (Global People and Organization).

Some companies doubt the accuracy of external benchmarks, while others express a desire for a more detailed benchmark that would enable global companies with diversified activities to be directly compared.



It might be nice to look at different industries. At the moment, we only get a benchmark compared to a sum of industries. However, within the LEGO Group alone, we have production, stores, office environments, finance, etc. It would be nice to be able to differentiate among the industries and break that down even more ... and using the data more or benchmarking more could add more value to the dialog.

—The LEGO Group

As Figure 9 shows, 93% of the respondents compare the results of their surveys with those from the previous year. Comparisons with previous years provide an indication of the progress or de-

cline in the departments. They not only highlight areas of improvement but also allow companies to seek out best practices that might be used company wide.



It is exciting to see the movements [from year to year]. It is interesting to see where there have been big changes, the reason for them, and what we can do about them. In a department, it is interesting to look at who has moved up, what they have done, and how those changes can be used in other departments.

— **Carlsberg**



It is interesting to see what happens from year to year – What is the development? It is about linking the developments from year to year ... We are good at looking at progress and decline instead of pure numbers. It is the development that is interesting.

— **ISS Facility Service**

Finally, we analyzed why some companies do not use benchmarking. We find that a significant number of companies do not believe that benchmarking gives a correct comparison. In other words, they feel that there is not a relevant benchmark for a certain business area or specific parts of the company.

Using data for analytics: Basic data analysis

A limited number of the interviewed companies dig deeper into the data using statistical analyses. They do so to connect engagement to such variables as performance. As Figure 9 illustrates, 39% carry out statistical analyses of raw data.

In discussing this issue, some respondents shed light on why so few companies follow up with data analysis.



There is plenty of new land to discover with regard to HR data in general. We will need more competencies to handle the more complex information.

— **Chr. Hansen**

Several respondents confirmed that they do not have the competencies in the HR department needed to work with the data. Of those who might be able to handle the basic data analyses, they could not get far enough working with averages (as they do not have access to individual-level data). When working with external providers, companies do not receive individual-level data. External providers can often (for an extra fee) help conduct more advanced statistical analyses. External providers can also be provided with other data (such as performance or demographic data) to allow different datasets to be linked. The external survey providers also often offer consultancy services aimed at helping companies act on the results of the analytical work. However, these services come at an extra cost.

We do have several examples in which companies use the results of the engagement survey as inputs in human capital analytics. These companies have the capacity to handle data analyses in-house (although not necessarily within HR) and they are able to perform statistical analysis beyond simple correlations.

Many companies aspire to move to more advanced analytics by, for example, linking data from their engagement surveys with performance data. These companies aim to prove the connection between employee engagement and performance in practice.



We would also like to link the engagement survey results with our customer survey results. It would also be great to link individual sales data with individual engagement data.

—**Chr. Hansen**

When asked whether they would like to work more with analytics, a majority of the companies mentioned that this is an area in which they would like to have the capacity to do more. There are several reasons for working with the data on a more advanced level – predicting future performance, having more relevant discussions, and being able to make better decisions.



We would like to undertake more forecasting to predict where the next great [employee] turnover will be ... We would like to become more predictive in our approach so that we can be more proactive. This would help in our recruitment of employees.

—**Nykredit**



We have an extreme amount of data because it is important for ensuring relevant discussions in the board room or with the cooperative leader teams. We need to quantify these discussions because often our intuition says one thing but the data say something different. Facts about soft areas are extremely important.

—**Chr. Hansen**

As Figure 9 shows, 6% responded that the employee engagement survey is used for other purposes as well. These include measuring the effect of strategic initiatives, for cultural development, and for evaluating management.

Key points

In many companies, employee engagement surveys are used to measure the company's temperature. The purpose is to obtain a snapshot of the state of organization, which can be compared with previous years, and benchmarked against competitors and other external players.

A vast majority of companies distribute the results of these surveys to team leaders with the purpose of facilitating dialogue, cooperation, and leadership development. Moreover, many companies distribute the results to top management. In some instances, top management takes a more pro-active role in identifying problematic areas and following through on the action plans.

HR plays a dual role in the process. It ensures that action plans are implemented, and it moves the feedback from the organization to top management.

The majority of the companies do not use the results of employee engagement survey as inputs in their analytics due to a lack of analytic competencies or data limitations. Notably, those companies that actively work with engagement data as inputs in analytics are typically high performers (in terms of revenue).

3

TAKEAWAYS

Measuring engagement

Not measuring employee engagement is no longer an option: engagement matters. A gut feeling that “things are going well in my company” is equivalent to a decision to live in denial, and refusing to accept the truth about yourself and others. Nevertheless, we often witness an emotional debate in the business-related media about the usefulness of measuring employee engagement. Many practitioners find themselves wondering: “It costs a lot of money, but everyone is doing it. What do we get out of this exercise? How useful are employee engagement surveys?”

In fact, these practitioners are asking the wrong questions. The more relevant questions are: “Are we making the best use of employee engagement surveys in our company? What are we doing with the survey results that make them useful?”

Employee engagement surveys are costly in terms of the resources required to design and roll them out, as well as the resources required to work with the results. As with any investments – especially costly ones – the process of measuring employee engagement needs to be managed carefully. This means practitioners need to do three things: define the purpose, measure it right, and put it to work.

Define the purpose

What is the purpose of the employee engagement survey? Are you looking for data, information, or knowledge?⁸ If your aim is to keep a finger on the organizational pulse or the organization’s temperature, are annual surveys sufficient? If you are focused on external benchmarking, do you

⁸ Data are unorganized and unprocessed facts. They are static and do not lead anywhere. However, the meaning attributed to the evaluation of this data could be important, as this is the point at which data become information. Information emerges when data are shaped to provide meaning in the eyes of the perceiver. Information is an aggregation of data that makes decision making easier. Unlike data, information has meaning, purpose, and relevance. Knowledge is derived from information in the same way that information is derived from data. Knowledge may be viewed as an understanding of information based on its perceived importance or relevance to a problem area (Davenport and Prusak, 2000; Awad and Ghaziri, 2004).

need to benchmark every year, and which companies or industries are you benchmarking against? If your aim is to initiate a discourse on leadership, are you sure you are reaching your goal?

As with any survey, employee engagement surveys should be conducted with an ultimate goal in mind. Many of our respondents named “taking the organization’s temperature” or “measuring the pulse” as that goal. These are, indeed, legitimate goals. However, if you just want to measure a pulse, perhaps you should do so more often but cut the survey’s length. Measurement alone is not enough to justify a survey that is expensive in terms of required organizational resources and large in terms of scope. Our recommendation for companies that just want to obtain data from the employee engagement survey is, therefore, the following: try to experiment with real-time employee engagement measurements. For example, Unilever measures employee engagement every day. The question for management is then: What makes an employee press green or red? According to Katharina Brinkmann, HR Officer at Unilever Kleve, “we clearly saw the big differences in employee mood ... and learnt from what creates more stress among our people. This is interesting for future comparisons on how our employee engagement is affected ... Before we started measuring employee engagement in real-time 7 months ago we were curious about what would make our employees press the red button. Now we know!”⁹

If your goal is to initiate a broader organizational initiative or sensing effort, such as improving morale, setting the stage for reorganization, or initiating bottom-up feedback, then the data gathered from the survey will need to be processed into information. In other words, it will need to be

“Before we started measuring employee engagement in real time seven months ago, we were curious about what would make our employees press the red button. Now we know!”

shaped to derive a meaning. Most of the companies in our sample do so by establishing a discourse on dialogue and co-operation. The initiation of a conversation around leadership is another popular goal.

However, when poorly implemented, this process can misfire. In one large public-sector organization, the employee engagement survey was used solely to evaluate the performance of department heads. It was also linked to their bonuses. Once each year, all employees received a report with the results of engagement survey, which were averaged for their departments and benchmarked against the rest of the organization. Heads of departments were instructed to discuss the results of the engagement survey with their employees at the next departmental meeting. The idea was to obtain feedback on leadership styles and initiate a development process if needed. However, as engagement scores were treated as a judgement tool (with the purpose of obtaining information) rather than a diagnostic tool (with the purpose of generating knowledge through feedback), this goal was never reached. As engagement scores were linked, for example, to compensation, managers shut down and failed to embrace employee feedback. All they cared about was how to ensure a better score the next year.

⁹ <http://www.celpax.com/real-time-employee-engagement-unilever-kleve/>.

If the goal is to create knowledge about engagement, its antecedents, and its consequences, you need to consider combining the survey results with other measures of organizational and business processes. When all of these data are incorporated, you will be able to paint a complete picture of engagement. Henrik Gjesing Antvor, Senior Specialist in Analytics at Vestas Wind Systems A/S, explains: “An understanding of the fact that even though engagement is important for driving discretionary effort, reducing absenteeism, and boosting retention, it is not enough to ensure

“For most companies, engagement is a means to an end and not actually about driving engagement – it is about driving the outcomes in terms of financial, operational, and safety results via human capital”

business success. Thus, we see surveys that consist of a more or less universal core of engagement questions being supplemented with individual strategy-specific questions (customer centricity, low cost, innovation, CIM, etc.) that support management in assessing whether the

company is geared and has the capabilities needed to realize the strategy.”

Some companies, especially the large ones, take this line of thinking even further. Thomas Rasmussen, VP of HR Data and Analytics at Shell, notes: "For most companies, engagement is a means to an end and not actually about driving engagement – it is about driving the outcomes in terms of financial, operational, and safety results via human capital".

Measure it right

When conducting employee engagement surveys, measurements must be made at the appropriate level and be as accurate as possible.

In terms of the latter, remember to:

- Ask the right questions,
- Ask them in the right way (e.g., simple formations, simple language),
- Use multiple questions for increased accuracy, and
- Pilot, test, and validate.

When designing your own engagement survey, there is no need to reinvent the wheel – use established, tested, and validated measures of engagement (see Appendix 2). When working with external providers, always ask about the theoretical basis of the questions they use. An answer along the lines of “we have asked the same questions in thousands of organizations” is insufficient. What is the theoretical basis of the constructs they measure? Are they actually measuring engagement and not, for example, employee satisfaction? What do they do to ensure the validity and reliability of the measures?

Moreover, engagement can be measured at different levels. Accordingly, the measures should be clearly designed to capture engagement at the appropriate *unit of analysis*. Why is it called the unit of analysis? It is the analysis you undertake in your study that determines what the unit is. The unit of analysis will be closely connected with the company’s goal in measuring engagement.

Let us briefly talk about the organization of data. Poor organization of engagement data can be very costly. When formal, centralized coordination of data collection is lacking, such problems as data duplication or wrong entries can occur. Moreover, such a situation makes it impossible to combine different datasets; creates unexplained breaks in time-series/longitudinal data; and leads to data inconsistencies due to the proliferation of various metrics, coding, or timeframes. Accordingly, analyses based on such data are rarely comparable or combinable with other analyses of organizational data.

Another costly mistake is a failure to document changes in the organization (e.g., business-unit reorganizations). As organizational changes can modify the relationships under study, a failure to model them, biases analytics-based decision-making processes. To document organizational changes, certain investments are necessary. However, the more committed top management is to achieving the survey's goal, the better you will be able to focus your attention and resources on the survey and on managing the data.

Put it to work

To paraphrase Peter Drucker, “what gets measured should be managed”. We conduct employee engagement surveys to improve management's effectiveness and, ultimately, to enhance organizational performance. When working with the results, we need to explicitly tie them back to the initial purpose and the desired outcomes. This is how we show commitment.

The results of an employee engagement survey should be presented in a clear and understandable manner. In fact, the results may need to be tailored to fit various roles, functions, or business units. The audience will also need to be trained in understanding and interpreting the information.

For example, Thomas Rasmussen, the VP of HR Data and Analytics at Shell, states that all executive briefings include one slide offering a crash course in statistics (i.e., normal distribution, mean/median, standard deviation, correlation, regressions, and factor analysis). Most importantly, you need to remember that you are expected to

“If you cannot tell your story, including implications and recommendations in one slide (regardless of study complexity and amount of data used) then the odds of getting executive buy-in are slim.”

tell the story. Thomas Rasmussen and David Ulrich write in their article on “How HR analytics avoids being management fad”: “If you cannot tell your story, including implications and recommendations in one slide (regardless of study complexity and amount of data used) then the odds of getting executive buy-in are slim”¹⁰.

When reporting the results of engagement surveys, external benchmarking is widely practiced. However, such benchmarking is rarely informative or actionable. Internal benchmarking might be useful if it is used as an “apple-to-apple” comparison of similar jobs, roles, or work settings. The most informative benchmarking is usually for the same group over time.

Employee engagement surveys work best when they are integrated with other qualitative approaches, such as interviews, focus groups, archival data analyses, and direct observations. At

¹⁰ <http://www.sciencedirect.com/science/article/pii/S0090261615000443>

Novo Nordisk, for example, the Future Bond analytics project (the identification of core corporate values leading to greater performance) included input from key organizational stakeholders, international focus groups, external research carried out by a large global consultancy firm, archival data, and a corporate value survey.

Breaking through the myths

Myth 1: “We cannot get individual-level data because of the anonymity requirement”.

The terms "anonymity" and "confidentiality" are often used interchangeably, but they have very different meanings. When data is collected and held "anonymously", there is no identifying information that can link the survey responses to a respondent – not even the researcher can identify a specific participant. In contrast, when data is collected and held "confidentially", the researcher can identify the participants, but that information is kept in a secure environment.

The push towards anonymity is understandable. The possibility that respondents might be identified could make a big difference in the employees' trust in how their answers and information will be used.



For ethical reasons, our engagement reports are not on an individual level but a team level. There must be a minimum of three responses for a report to be generated. Technically, we could go to the individual level, but we do not do so because anonymity is important.

—BRFkredit



We have the data on an aggregated unit level. Therefore, we are unable to see an individual employee's answers. We can only see the aggregated answers for units ... It is a question of integrity – the employees need to trust that their responses are 100% anonymous. Therefore, we have the supplier run the analysis ... It creates some analytical challenges. However, if you look at it from a cost-benefit point of view, we believe we get more valid responses.

—Nykredit

The problem with anonymous survey data is that matching it with other available data can only take place at the group level. As such, any explanatory and causal models accounting for individual variance cannot be developed.

Why is this problematic? At all levels, engagement is assessed by individuals (see Appendix 2). By averaging the individual responses at the group level, we lose a great deal of explanatory power. This means that we are unlikely to be able conclude anything about the true individual-level antecedents and consequences of employee engagement. In research terms, this is called an ecological fallacy. It occurs when we make conclusions about individuals based only on analyses of group data. Even if we are working with a collective concept that is, by definition, supra-individual (such as Barrick et al.'s 2015 discussion of collective organizational engagement; see

Appendix 2), the individual level data are needed to ensure discriminant validity between aggregated individual-level engagement and collective organizational engagement.

How can this issue be addressed? If you promise your employees confidentiality rather than anonymity, there are several ways to handle this issue.

"Our external partner can have richer models and can, therefore, uncover better insights than we can internally."

Patrick Coolen, HR Analytics Manager at ABN-AMRO Bank, explains: "We partnered with an external partner ... in some cases, to protect the anonymity, we are not allowed to handle data at an individual level within our organization. This simply means our external partner can perform richer models and therefore can create better insights than we can internally".¹¹ Employees may trust that third parties will not inappropriately share information with their employer. The aspects of the third-party relationship that support trust in confidentiality include a reputation for independence, explicit rules for research ethics, academic integrity, and traditions.

Another solution is to encrypt the individual-level data. Encryption is the conversion of data into a form that cannot be easily understood by unauthorized people. In practice, one file is created in which individual identifiers are connected with a code. In all other files, the code is used instead of individual identifiers. One person in the company may have access to this file or it could be held by an external party (e.g., the survey provider).

Myth 2: "We must have sophisticated analytical skills and special software to work with the results of employee engagement surveys".

Esther Bongenaar, HR Analytics Manager at Shell, discusses this myth: "If you have a laptop with Excel, you can carry out correlations and regressions. Add R software for free, and you are ready for advanced analysis. You may invest in statistical or visualization software, but it is not a requirement. We do the majority of our analysis on laptops equipped with Excel and R. Regressions, clustering, and transformations form our basic toolkit. If you want to analyze big data, such as communication networks, or vast amounts of unstructured data, you would need more computing power. However, you may find such facilities in other parts of your company. Cooperate, learn, and share those facilities."¹²

Analytics is not about math – it is about relationships. Karl Kempf, a leader in Intel's decision-engineering group, firmly believes that is the case: "If you want to be good about analytical decision making, it is not about the math".¹³ Thomas Davenport adds: "Start by thinking of yourself as a consumer of analytics... Your job as a data consumer – to generate hypotheses and determine whether results and recommendations make sense in a changing business environment – is critically important."¹⁴

¹¹ <http://www.inostix.com/blog/en/the-hr-analytics-journey-at-abn-amro-interview-with-patrick-coolen/>.

¹² <http://www.inostix.com/blog/en/debunking-five-predictive-hr-analytics-myths/>.

¹³ <http://chiefmartec.com/2011/03/analytics-its-not-about-the-math/>.

¹⁴ Davenport (2013). Keep up with your quants. *Harvard Business Review*, July-August.

Instead of worrying about technology and statistics, think about what you want to know. You need to know what you are looking for before you start playing with the data. The exploration of large amounts of data in search of consistent patterns without any prior expectations of systematic relationships among the variables will produce some significant predictions but it will not identify specific relationships among the variables. This is why using the available data to find the relevant questions tend to only lead to incremental increases in value-added. In the end, you spend hours cracking large datasets and the results show some significance, but there is no story. Thomas Davenport stresses: "Framing a problem, identifying it, and understanding how others might have solved it in the past is the most important stage of the analytical process for a consumer of big data".¹⁵

"Cooperate, learn, and share those facilities."

Myth 3. We cannot rely on the results of engagement surveys, as employee engagement is not a solid indicator of performance.

To use employee engagement as a performance indicator, legitimacy must be established. One source for doing so is the academic literature. Appendix 2 refers to several recent meta-analyses that show a positive link between engagement and performance.

However, referring to meta-analyses will not help you get managers to buy into the idea. You need to create your own engagement story. What does engagement mean in your company? Why do you care about engagement? In your view, how is engagement connected with other processes? For example, in Maersk Drilling, engagement is closely associated with safety. "Ensuring a safe working environment is a business-critical issue for Maersk, and this study led to recommendations about what to focus on to drive safety", says Peter V. W. Hartmann, Business Intelligence Expert at Maersk Drilling (see the full story at the end of this chapter).

You then need to use analytics to "illuminate" your story. As the Scottish novelist Andrew Lang wrote in 1937: "I shall try not to use statistics as a drunken man uses lamp-posts, for support rather than for illumination".¹⁶ In some parts of your organization, you have business-performance data (e.g., data on sales or customer satisfaction) that could be correlated with engagement. This data can be used to show that engagement makes a difference on the bottom line. According to Gallup, that difference could be up to 25%.



Sometimes, when we run the numbers, we get a different result than what our gut tells us. We want to prove that engagement makes a difference.

—COWI

¹⁵ Ibid.

¹⁶ <http://www.sciencedirect.com/science/article/pii/S0090261615000443>

Our final words are: Manage employee engagement rather than simply measure it, and do so by supporting your managerial intuition with solid evidence.

* * *

"How I did it"

Peter V. W. Hartmann, Business Intelligence Expert at Maersk Drilling and a member of the Human Capital Analytics Group's Advisory Board, discussed his approach to using HR analytics to examine the relationship between employee engagement and safety.¹⁷

What did you need to know?

We were trying to understand the relationships among HR metrics (including engagement and managerial commitment), training, and safety-related incidents. Ensuring a safe working environment is a business-critical issue for Maersk, and this study led to recommendations about what to focus on to drive safety.

How did you do it?

Our general approach is to identify an area of interest, build a model based on existing theories and research, analyze our own data, and communicate the results. In this case, we joined forces with our safety experts in the group as well as a specific business unit and their expert on safety and engagement. We investigated how many injuries could be prevented by enhancing certain aspects of employee engagement. We then looked into the research on engagement, managerial commitment, and safety, after which we generated a model connecting safety at an organizational climate level, personal knowledge and motivation, safety performance, safety violations, and injuries. We then looked into our data and investigated the connections between training, aspects of engagement and, finally, incidents that could or did lead to injuries. We communicated our findings to different stakeholders and, subsequently, to the broader Maersk community through our intranet.

What was the impact on the business?

We believe that HR analytics provides additional information that can guide decision making, and that it is a useful tool for improving how our business functions. For this reason, I cannot describe the direct impact of this study on actual outcomes. However, showing a clear link between aspects of employee engagement – especially managerial commitment – and safety has helped drive an agenda of “employee commitment matters”.

¹⁷ Read the full story at www.cbs.dk/hc-analytics under "HCA in practice".

APPENDICES

Appendix 1: Methodology

The methodology used in this project consists of three steps:

- A literature review,
- Exploratory interviews with companies, academic experts, and survey providers, and
- A quantitative survey combined with public datasets.

The purposes of the literature review were to identify the main and most established measurements of employee engagement, and to create an overview of meta-analyses conducted on the topic of employee engagement. See Appendix 2 for the results of the literature review and a list of the meta-analyses.

In the second stage, we conducted interviews with nine Danish companies, four survey providers, and three academic experts. Those interviews highlighted some general trends, and offered a more diversified view on working with employee engagement surveys and the data they provide. The data was generated through a semi-structured interview (see the interview guide in Appendix 3). The interviews ranged from 30 to 90 minutes.

In the third stage, we developed and conducted a web-based survey with the purpose of gathering data that would allow us to identify and quantify the main trends in the use of employee engagement surveys and their results (see the questionnaire in Appendix 4). The sample population was created from the ORBIS dataset using the following filters:

- Danish companies registered as A/S or Aps,
- More than 300 full-time employees,
- No holding companies, and
- No companies in Greenland or the Faroe Islands except for Royal Greenland.

This resulted in a dataset with 789 companies. For companies with subsidiaries, only the headquarters unit was contacted. We contacted as many companies as possible to identify the most relevant person for our survey. Respondents were primarily executive HR managers or HR partners responsible for employee engagement surveys. After several rounds of reminders, we received a total of 130 usable responses.

Tests for non-response bias show an overrepresentation of larger companies in terms of both firm size and operating revenue. This can be attributed to the fact that companies in the dataset are listed according to revenue. Therefore, larger companies are listed at the beginning (or top) of the dataset. Companies were contacted in the order they were listed, and they were contacted again if it was not possible to reach them in the initial contact. Another explanation is that companies need to be of a certain size before they decide to start formally measuring engagement through a survey.

Firm size

The sample consists of 130 companies with 300 to 533,678 full-time employees. The size distribution is illustrated in Figure 10.

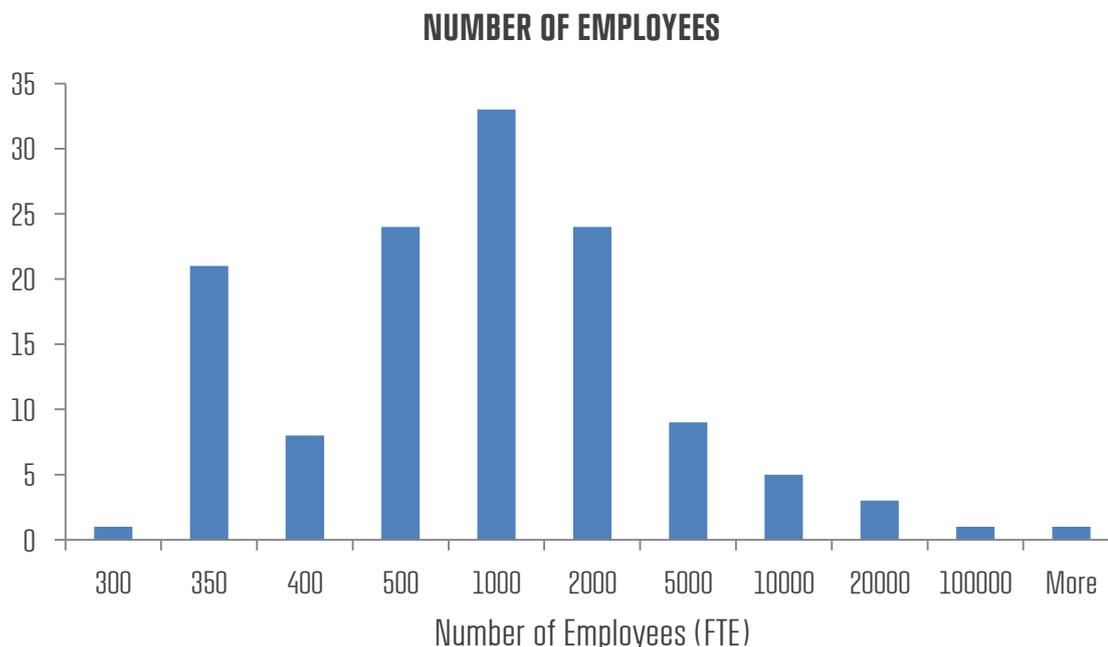


Figure 10

Industries

The majority of the sample is active in the manufacturing industry, or in the wholesale and retail trade. Other well represented industries include:

- Finance and insurance,
- Transportation and storage,
- Professional scientific and technical activities,
- Information and communication,
- Construction, and
- Administrative and support services.

Other industries include water supply; sewerage, waste, and remediation; mining and quarrying; accommodation and food service; and real estate. The industries represented in the sample are illustrated in Figure 11.

INDUSTRY

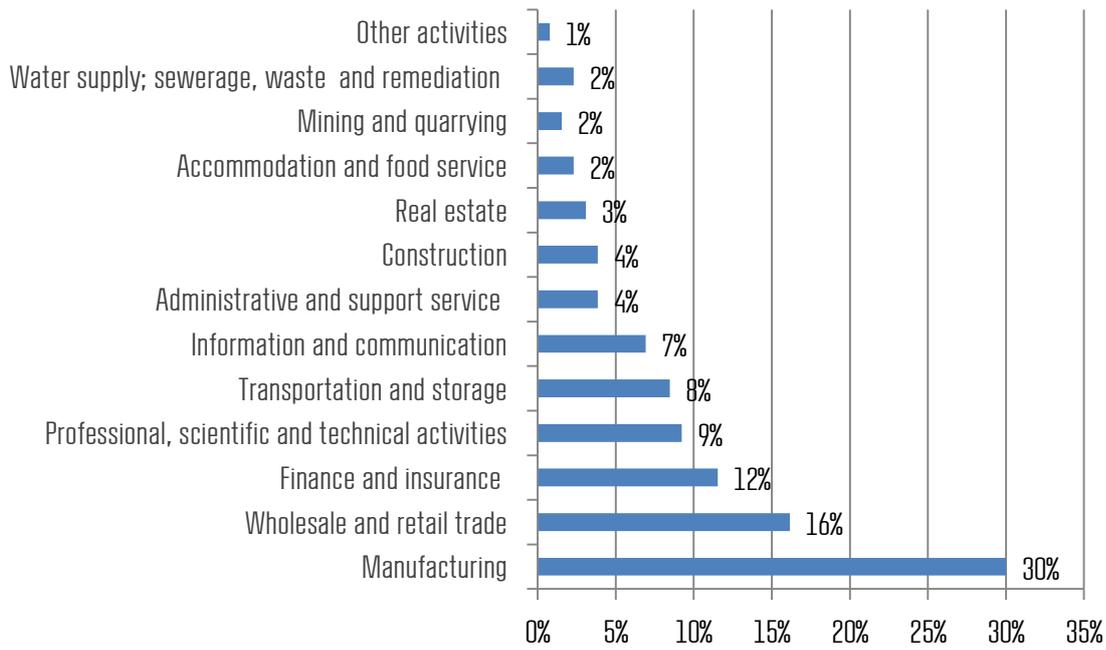


Figure 11

Revenue

The 2014 revenue for the sample ranges from DKK 286,547 to DKK 309,363,307 with a sample mean of 7,356,450 and a sample median of 1,717,382. 104 of the 130 companies in the sample are on Børsen's top 1,000 list, which is a list of the largest Danish companies.

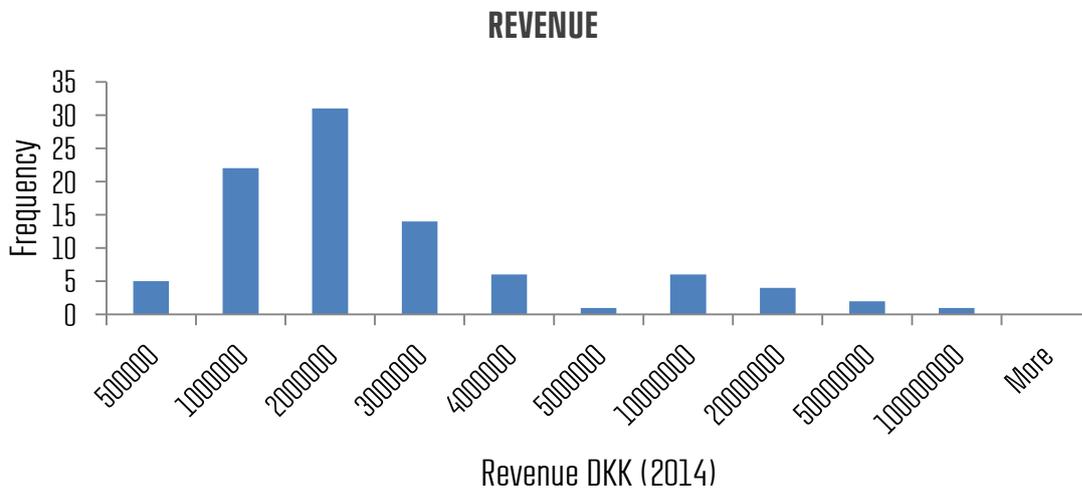


Figure 12

Appendix 2: The literature review

Definition of employee engagement

Currently, there is no single, universally accepted definition of employee engagement, although there have been numerous efforts to agree on one. Despite the absence of a single definition, there is general agreement that a highly engaged workforce can increase innovation, productivity, and bottom-line performance while reducing the costs related to hiring and retention in highly competitive talent markets (see the HBR report on the impact of employee engagement on performance¹⁸).

Kahn first presented the concept of employee engagement in 1990. He defines employee engagement as: "The employment and expression of a person's 'preferred self' in task behaviors that promote connections to work and to others, personal presence (physical, cognitive and emotional) and active full performance"¹⁹. He described three dimensions: physical, emotional, and cognitive engagement. In order for engagement to be high, all three dimensions of engagement should be present in the work environment.

Measures

Most established measurement systems take their point of departure in two main scales: the Utrecht Work Engagement Scale (UWES) and the Job Engagement Scale (JES).

The Utrecht Work Engagement Scale (UWES) is probably the most commonly used measure of work engagement. Most of the academic research into employee engagement is based on this measure. The UWES operationalizes the concept of work engagement by using three scales: vigor, dedication, and absorption.

- Vigor: High levels of energy and mental resilience while working; a willingness to invest effort in one's work; and persistence even in the face of difficulties.
- Dedication: Being highly involved in one's work, and experiencing a sense of significance, enthusiasm, inspiration, pride, and challenge.
- Absorption: When the employee is fully concentrated and happily engrossed in his or her own work, such that time passes quickly and one finds it difficult to detach from work.

The Job Engagement Scale (JES) was developed in 2010 and is directly linked to Kahn's (1990) conceptualization of employee engagement. It consists of three dimensions: physical, emotional, and cognitive.

- Physical: Employees exert high levels of energy to complete their work tasks.

¹⁸ https://hbr.org/resources/pdfs/comm/achievers/hbr_achievers_report_sep13.pdf

¹⁹ Kahn, William A. (1990). Psychological Conditions of Personal Engagement and Disengagement at Work. *The Academy of Management Journal*, Vol. 33, No. 4 (Dec., 1990), p. 700

- Emotional: Employees put their hearts into their jobs, are highly involved in their work and have a sense of its significance, and feel inspired and challenged.
- Cognitive: Employees forget about everything else when doing their jobs and they become fully engrossed in them.

When employees are engaged on each of these levels, they invest a significant amount of energy in completing their work and achieving positive organizational outcomes. The table below provides an overview of the two scales. There are similarities between the two scales, as they are built around the same three distinct dimensions, even though there are differences in the questions asked.

Model	Utrecht Work Engagement Scale	Job Engagement Scale
Dimension	A. Vigor B. Dedication C. Absorption	A. Physical B. Emotional C. Cognitive
Questions	<p>A. Vigor</p> <ol style="list-style-type: none"> 1. At my job, I am bursting with energy. 2. At my job, I feel strong and vigorous. 3. When I get up in the morning, I feel like going to work. 4. I can continue to work for long periods at a time. 5. At my job, I am very resilient mentally. 6. At my work, I always persevere, even when things do not go well. <p>B. Dedication</p> <ol style="list-style-type: none"> 1. I find the work that I do full of meaning and purpose. 2. I am enthusiastic about my job. 3. My job inspires me. 4. I am proud of the work that I do. 5. To me, my job is challenging. <p>C. Absorption</p> <ol style="list-style-type: none"> 1. Time flies when I am working. 2. When I am working, I forget everything else around me. 3. I feel happy when I am working intensively. 4. I am immersed in my work. 5. I get carried away when I am working. 6. It is difficult to detach myself from my job. 	<p>A. Physical</p> <ol style="list-style-type: none"> 1. At my job, I work with intensity. 2. I exert my full effort when doing my job. 3. I devote a lot of energy to my job. 4. I try my hardest to perform well on my job. 5. I strive as hard as I can to complete my job. 6. I exert a lot of energy on my job. <p>B. Emotional</p> <ol style="list-style-type: none"> 1. I am enthusiastic about my job. 2. I feel energetic about my job. 3. I am interested in my job. 4. I am proud of my job. 5. I feel positive about my job. 6. I am excited about my job. <p>C. Cognitive</p> <ol style="list-style-type: none"> 1. At work, my mind is focused on my job. 2. At work, I pay a lot of attention to my job. 3. At work, I concentrate on my job. 4. At work, I focus a great deal of attention on my job. 5. At work, I devote a lot of attention to my job.
Scales	7-point Likert scale: 0 = never, 6 = always	5-point Likert scale: 1 = strongly disagree. 5=strongly agree

Additional readings

In recent decades, more than a dozen studies have been published on employee engagement, including few meta-analyses. Every textbook on HRM includes a chapter on engagement. In the following, we provide an overview of the most recent publications that attracted our attention. Some of these publications have been turned into executive summaries, which can be found on our website (www.cbs.dk/hc-analytics under "Research insights").

- Saks, A., and Gruman, J. (2014) What do we really know about employee engagement? *Human Resource Development Quarterly*, 25(2).

This paper provides an overview of the research on employee engagement. The authors discuss the meaning of employee engagement and question the validity of its most popular measures. They also acknowledge that it is difficult to derive causal conclusions about the antecedents and consequences of employee engagement due to a number of research limitations.

- Christian, M., Garza, A. and Slaughter, J. (2011). Work engagement: A quantitative review and test of its relations with task and contextual performance. *Personnel Psychology* 64(1)

The goal of this study is to identify an agreed-upon definition of engagement, investigate its uniqueness, and clarify its nomological network of constructs. The authors find that engagement exhibits discriminant validity from job attitudes (i.e., engagement and job attitudes are two different, independent concepts). They also identify several key antecedents of engagement (e.g., autonomy, task variety, task significance, feedback, transformational leadership, conscientiousness, and positive affect) and its consequences (i.e., task performance and contextual performance). The article also provides a useful overview of various measures of engagement (see Table 1 of the article).

- Rich, B., Lepine, J. and Crawford, E. (2010). Job engagement: Antecedents and effects on job performance, *Academy of Management Journal*, 53(3).

The authors find that engagement mediates relationships between value congruence, perceived organizational support, and core self-evaluations, and two job performance dimensions: task performance and organizational citizenship behavior. The paper uses Kahn's conceptualization of engagement and applies UWES measures. This study is interesting because although the majority of research on engagement has been grounded in the literature on burnout and employee well-being, this paper explicitly positions engagement as a motivational concept and emphasizes relationships with behavioral consequences.

- Barrick, M., Thurgood, G., Smith, T. and Courtright, S. (2015). Collective organizational engagement: Linking motivational antecedents, strategic implementation and firm performance. *Academy of Management Journal*, 58(1),

This is one of the most recent articles on engagement. It introduces a comprehensive theory of collective organizational engagement. The authors propose that engagement can be viewed as an organizational-level construct influenced by various organizational practices and as one that has a direct impact on organizational performance. Among the antecedents of collective organizational engagement are motivating work design, HRM practices, and CEO transformational leadership.

These three predictors and their respective interactions with strategic implementation accounted for 36% of the variance the authors uncover in collective organizational engagement. The latter, in turn, significantly and positively affected firm performance.

- Thompson, K., Lemmon, G., and Walter, T. (2015). Employee engagement and positive psychological contract. *Organization Dynamics*, forthcoming.

The paper reviews the existing studies on employee engagement, and expands the extant literature by describing a new predictor and enhancer of employee engagement rooted in one's own psychological state. The authors refer to this predictor as "Psychological Capital". Using several illustrative cases, the authors argue that a leader who is serious about increasing employee engagement should look closely at psychological capital as a means to directly influence the strength of the emotional ties of the employee to the organization, its values, and its goals.

- Costa, P., Passos, A. and Bakker, A. (2014). Team work engagement: A model of emergence. *Journal of Occupational and Organizational Psychology*, 87.

The paper introduces the concept of team work engagement. The authors distinguish team work engagement from individual-level engagement by stressing the former's multidimensional nature, which arises from various affective and cognitive dimensions of the team. The authors propose a model that describes team inputs, outputs, and mediators as predictors of team work engagement, and they highlight their recursive influence over time.

- Nahrgang, J., Morgeson, F. and Hofmann, D. (2011). Safety at work: A meta-analytic investigation of the link between job demand, job resources, burnout, engagement and safety outcomes. *Journal of Applied Psychology*, 96(1).

This study analyzes 203 independent samples ($n = 186,440$). Among other things, the authors find solid evidence that job demands, such as risks and hazards, and complexity impair employees' health and are positively related to burnout. They also find that job resources, such as knowledge, autonomy, and a supportive environment, are motivational for employees and positively related to engagement. Finally, they find that burnout is negatively related to work safety, while engagement motivates employees and enhances safety at work.

- Cole, M., Walter, F., Bedeian, A. and O'Boyle, E. (2012) Job burnout and employee engagement: A meta-analytic examination of construct proliferation. *Journal of Management*, 38(5).

The authors use 50 unique samples from 37 studies spanning 10 nationalities and 13 industries. The article provides an updated and more complete understanding of the dimensions underlying burnout and engagement, as well as their measurement. They indicate that these two constructs may not be completely independent, and that they therefore have to be properly measured and analyzed. The paper also highlights the limitations of UWES measures.

- Cross, R., Gray, P., Gerbasi, A., Assimokopoulos, D. (2012). Building employee engagement from the ground up: How top organizations leverage networks to drive employee engagement. *Organization Dynamics*, 41(3).

The authors combine traditional means of measuring employee engagement with organizational network analysis (ONA) – a rich set of analytical tools used to assess patterns of collaboration

throughout an organization. While engagement ratings reveal where employees are (or are not) enthusiastic, committed, and devoted, ONA uncovers their relative influence on colleagues and their positions³ within the organization's collaboration network. Together, they point to two novel means of developing engagement in the workforce: (1) building energizing relationships and (2) identifying and then leveraging informal opinion leaders.

Appendix 3. Interview guide

1. What does your company do to measure or monitor employee engagement?
2. Do you work with an external survey provider?
 - a. If so, which provider?
 - b. What level of data can you access? (individual, team, average, original)
 - c. How much do you spend on a survey? (Optional)
3. If you do not work with an external provider, why not?
4. How do you use the data?
5. What results do you use?
 - Team?
 - Individual?
 - Average?
 - Year-to-year comparisons?
6. What do you do with the data?
 - Distribute team averages to managers and encourage discussion?
 - Ask the providers to carry out a follow-up analysis in specific areas?
 - How do you decide which follow-up analyses to request?
 - Use the data to benchmark ourselves relative to our peers?
 - Compare the data to prior years?
 - Conduct our own statistical analyses on the raw data?
 - Use findings to inform strategic decision making?
 - Use the data to predict and address future engagement problems?
7. What would you like to be able to do with the data?
 - Distribute team averages to managers and encourage discussion?
 - Ask the providers to carry out a follow-up analysis in specific areas?
 - How do you decide which follow-up analyses to request?
 - Use the data to benchmark ourselves relative to our peers?
 - Compare the data to prior years?
 - Conduct our own statistical analyses on the raw data?
 - Use findings to inform strategic decision making?
 - Use the data to predict and address future engagement problems?
8. What is preventing you from doing that?
 - Personal knowledge of what is possible?
 - Data quality and access issues?
 - Analytical capabilities on your team?
 - Limitations of the survey provider?
 - Time constraints?
 - Funding constraints?
9. Do you have anything else that you think is important to share?

Appendix 4: Web-based questionnaire

1. Do you conduct an employee engagement survey?
 - No
 - Yes

2. How often do you conduct the employee engagement survey?
 - Quarterly
 - Every six months
 - Once a year
 - Every other year
 - Other, please specify:

3. Do you use an external provider?
 - No
 - Yes, please specify which company:

4. Would you be able to indicate how much the external provider charges you? An approximate figure will be sufficient:

5. When did your company start working with employee engagement surveys?
 - This year
 - 2-3 years ago
 - 4-5 years ago
 - 6-9 years ago
 - 10 years ago

6. How many people in the HR team work with the employee engagement survey?

7. What percentage of your total annual HR budget is spent on working with the employee engagement survey and follow-up activities?

8. What do you do with the results of the employee engagement survey? Please mark all that apply:
 - Distribute to team managers
 - Distribute to top management
 - Encourage discussions in the teams
 - Use data for internal benchmarking
 - Use data for external benchmarking
 - Compare data to prior years
 - Conduct statistical analyses on the raw data
 - Link them to KPI and dashboards
 - Develop action plans for the overall company
 - Use findings for strategic decision making

- Predict future engagement problems
- Other, please specify:

9. You do NOT measure employee engagement. Why not? Please mark all that apply:

- Lack of financial resources
- Lack of time
- Lack of support from top management
- The quality of the data is not good enough
- Because we do not believe in employee engagement surveys
- Lack of knowledge of where to start Analytical capabilities of your team
- Others, please contribute:

10. In your opinion, how important is the measurement of employee engagement to your employees?

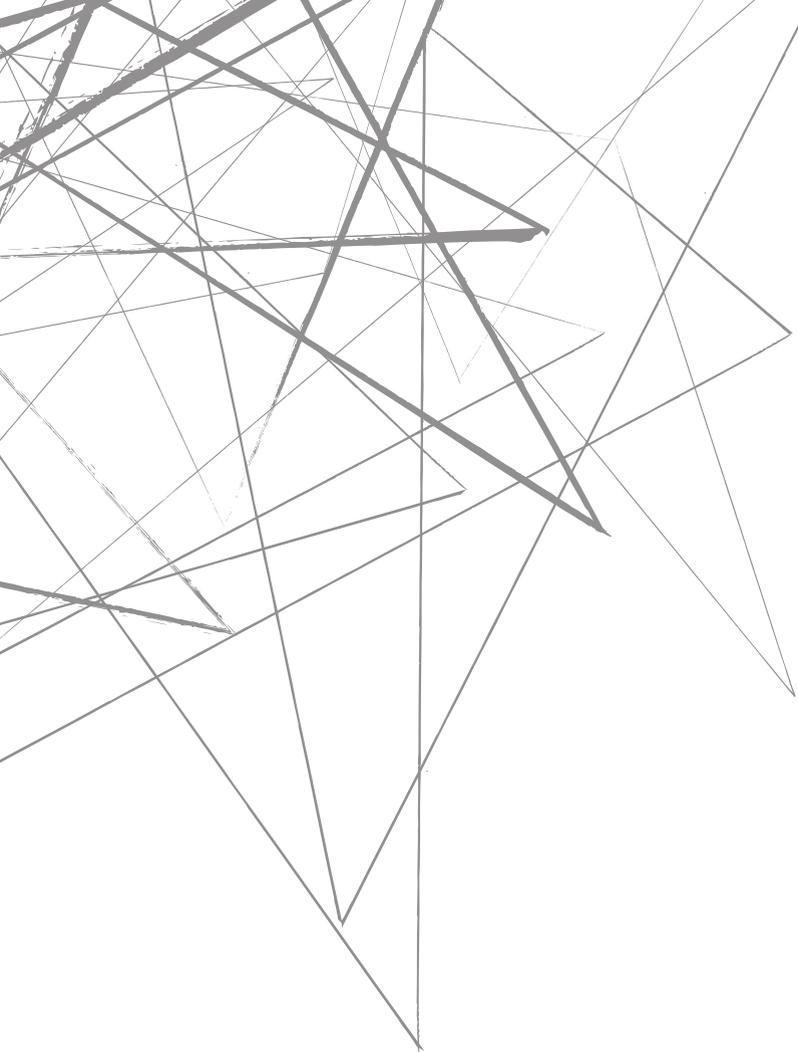
- Very important
- Important
- Somewhat important
- Of less importance
- Unimportant

11. How important is the measurement of employee engagement for your top management?

- Very important
- Important
- Somewhat important
- Of less importance
- Unimportant

12. In your opinion, how useful are employee engagement surveys for strategic decision making in your company?

- Very useful
- Useful
- Somewhat useful
- Less useful
- Not useful



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