

YOUR GUIDE TO MEASURING EMPLOYEE ENGAGEMENT



Tracking employee engagement not only allows you to gauge the success of new initiatives and projects, but also enhances your return on investment while ensuring the ongoing satisfaction of your workforce. Discover more in our expert guide.

Quantifying Employee Engagement

The first step in measuring an organisation's employee engagement is to understand how to quantify engagement. When considering what a highly engaged employee looks like, it would be something who demonstrates behaviours such as:

Effort that goes beyond what their role requires. Are they contributing ideas to benefit the business, or dedicating more of their time to the business by offering to work on additional projects?

Intention of staying with the organisation. Are they spending their free time looking for jobs with other organisations?

A positive attitude towards the organisation. Are they speaking positively about the organisation and their work?

To determine employee engagement within an organisation, you are typically looking to measure factors such as:

- Experience vs expectation
- Intent to stay
- Well-being
- Employee commitment
- Motivation and productivity
- Job satisfaction
- Sense of purpose
- Passion for mission
- Perception of career development opportunities
- Fit within the organisational culture
- Employee feelings of recognition

A number of methods can be used to measure the factors involved in employee engagement. It would be beneficial to utilise as many of the methods as possible, to ensure you receive the most accurate information and lessening the shortcomings of each method. The methods used can be broken down into two categories: surveys and non-survey methods.

Surveys

Employee surveys are an effective way to gather a substantial amount of data from employees in a short space of time. The anonymous nature of surveys also encourages honest responses from employees. While this may serve as an efficient method of data gathering, surveys sacrifice the personalised one-to-one interaction that is essential for encouraging employer-employee relationships. It also takes away the ability to receive more in-depth answers and nuanced insights that derive from a more conversational approach.

Employee engagement surveys should cover three specific areas, including employee satisfaction, future orientation, and organisational alignment.



Examples of Employee Satisfaction Questions

1. How do you feel about work today?
2. Do you enjoy working with your team?
3. Are you proud to work for [organisation]?
4. Are you satisfied with your current compensation and benefits?

Examples of Organisational Alignment Questions

1. Do you find your work meaningful?
2. Does [organisation]'s mission and values inspire you?
3. Do you feel like your supervisor is invested in your success?
4. Do you receive recognition for your work accomplishments?

Examples of Future Orientation Questions

1. Do you find that your work challenges you and aids your development?
2. Do you see a path for career advancement here?
3. Do you have the tools needed to maximise your potential?
4. Do you see yourself working here in a year?

Allowing the respondents the opportunity to share comments after each yes/no question enhances the potential for obtaining additional insights. Incorporating open-ended questions in specific areas where more comprehensive research is needed can also enrich the depth of information gathered.

Examples of Open-ended Questions

1. Are there any issues with our culture?
2. What practices in [organisation] do you feel need to change?
3. How can we help improve your engagement at work?
4. Is there anything else you feel is important to share for us to get the best understanding of your employee experience here at [organisation]?

Employee Net Promotor Score (eNPS)

An Employee Net Promotor Score (eNPS) is a popular metric used to measure employee engagement, and is often used alongside surveys and other engagement measures. eNPS identifies employees' short-medium term intentions.

To measure eNPS, you ask can your employees' one question:

How likely are you to recommend your employer to others as a place to work?

Employees give a score on a 0 to 10 scale, where 0 is not at all and 10 is very likely.



(Scores 9-10)

Those who give a 9 or 10 are known as Promoters. These employees are the most enthusiastic about working for the organisation and are likely to stay with the company for a long time. As Promoters care about the organisation, they often provide ideas and insights to aid business growth. These employees are advocates of the organisation; it is worth considering how their opinions and beliefs can be used to support business growth and development.

(Scores 7-8)

Those who provide a score of 7 or 8 are known as Passives. These employees are on fence about how they feel towards the organisation. Some further research into how to get these employees up to a Promotor score would be beneficial.

(Scores 0-6)

Those who rate their place of work in the range 0-6 are known as Detractors. These employees would not recommend the company and it is likely that they are already looking for other employment opportunities. Addressing their issues and concerns should help in reducing turnover rates.

Calculating eNPS

$$\text{eNPS} = \% \text{ of Promoters} - \% \text{ of Detractors}$$

One of the following formulas can be used to calculate the overall eNPS:

$$\% \text{ Promoters} - \% \text{ Detractors} = \text{eNPS}$$

Or

$$(\text{Promoters} - \text{Detractors}) / \text{total respondents} = \text{eNPS}$$

The score range is -100 to +100 and the organisation wants to be as far above 0 as possible.

A score between +10 and +30 is considered good.

Other Methods of Measuring Employee Engagement



In addition to surveys, various alternative methods can be employed to gauge and measure engagement.

One-to-ones Meetings

One-to-one meetings can take the form of either informal or formal discussions, involving key stakeholders such as a member of the employee engagement team (if applicable), HR representatives, and the employee's manager. These meetings are structured around a series of questions, derived from insights collected in prior employee engagement surveys. During the session, employees articulate their responses verbally, contributing to a dynamic and interactive exchange.

Fostering a conversational atmosphere in this research setting allows for the collection of more nuanced and detailed data. However, since anonymity is not guaranteed, employees may feel hesitant to be fully open and honest. To address this, it is crucial for the meeting conductor to explicitly state that all responses are strictly confidential. Initiating the conversation with simpler questions can also create a more comfortable environment, encouraging the employee to express themselves more openly.

Turnover Rate

Another way to determine engagement is to consider how frequently employees leave the organisation voluntarily over a certain period of time.

The following formula can be used to calculate turnover rate:

$$(\# \text{ of Departures} / \# \text{ of Employees}) \times 100 = \text{Turnover Rate}$$

To work out the number of employees, take the average number over a certain period (usually one year). Use the number of departures that occurred within the same year. A low turnover rate is considered 10% or less. This high Anything over 10% would suggest there is a low level of engagement within the organisation.

Other Methods of Measuring Employee Engagement

Absenteeism Rate

Those who are not engaged in their roles are more likely to show up late for work. They are also more likely to miss work all together.

The following formula can be used to calculate absenteeism rate:

$$(\# \text{ of Absences} / \# \text{ of Workdays}) \times 100 = \text{Absenteeism Rate}$$

To work this out, divide the number of absent days within a period of time by the number of total working days during that period. You would also need to multiply the number of working days by the number of team members you are measuring.

For example, if there are 15 team members and you are calculating a month that consists of 22 working days, the total number of working days would be 330 (15 x 22). If 10 absences are recorded in this month, the absenteeism rate is (10/330) x 100, or 3%.

Not all absences can be avoided, for example, sickness, injuries and personal emergencies are genuine reasons for employees to miss work unexpectedly. A healthy absenteeism rate for an organisation is around 1.5%.

You can also use the same formula to determine lateness. To do this, you would need to replace the number of absences with the number of lates recorded in the month you are calculating.



Key Takeaways

An organisation can adopt various strategies to comprehend employee engagement effectively. Quick assessments, such as calculating turnover or absenteeism rates, offer a swift gauge of overall engagement levels. Surveys serve an excellent tool to establish a foundational understanding from which further, more in-depth research can stem from. One-to-one meetings enhance the organisation's ability to uncover nuanced insights and identify areas for improvement. By integrating a number of these methods, the business can maximise its potential for gaining profound insights into employee engagement levels.

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