State of Engagement: *Unveiling the Latest Employee Engagement Research*
Mission

Accelerating people to the extraordinary.

TALENTED. NOT JUST TALENT

LOVES MEETINGS. HATES CUBICLES

FUTURE CFO.

WANTS HELP. NOT A HELPLINE.
About the Study

Every six months, Modern Survey asks 1,000 U.S. employees how they feel about the relationship they have with their employer. The respondents are full-time employees, 18 years of age or older, and work for organizations with more than 100 employees.

The study asks 83 questions on the topics of employee engagement, organizational capabilities, and organizational direction. The following results are from the Fall 2013 study conducted in September.
**Employee Engagement**

**Engagement** is the degree to which employees are *psychologically invested* in the organization and motivated to contribute to its success.

**Engagement** results in *discretionary effort* toward attaining organizational goals.
Exceptional leaders (both senior leaders and direct managers) know how to leverage the drivers of engagement and normally have highly engaged employees. Those highly engaged employees provide maximum effort on the job and reach their performance potential. Poor leaders often have under engaged or disengaged employees who leave their performance potential untapped.
Engagement or “Performance Potential” is not all an organization needs to reach their performance goals. You need engaged employees who have the “Capabilities” to do their job and have the proper “Direction” to know where to apply their efforts and abilities. When you have high levels of engagement, capabilities, and direction, you have the opportunity to peak perform.
Four of the five employee engagement index items increased significantly since March 2013. “Intent to Stay” remained flat. “Intent to Stay” is the most difficult engagement item to improve. Organizations need to turn new employee enthusiasm into engagement early in new employee tenure to ensure high levels of intent to stay.
The level of “Fully Engaged” employees increased by three percentage points. The level of “Disengaged” employees decreased by five percentage points. “Disengagement” is at its lowest point in the six years Modern Survey has been conducting this employee engagement study.
Despite popular misconceptions about the difficulty of engaging Generation Y, engagement levels between the generations are not that different.
Engagement Levels (Industry)*

Full engagement levels are, however, significantly different among various industries. Business Services, Education, and Retail Trade are well below the U.S. Workforce average. Financial Services and Heavy Manufacturing are a cut above the rest.

*Industry data is a compilation of research from the last two years
Nearly a third of Business Services, Light Manufacturing, and Retail Trade employees are disengaged.

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Despite 61% of the U.S. Workforce being “Disengaged” or “Under Engaged” only one in four employees is actively looking for a job at another organization. It is concerning that more “Moderately Engaged” and “Fully Engaged” employees are searching for their next opportunity.
Not surprisingly, Generation Y employees – over a third – are more likely to be actively looking for a job at another organization. Just one in five Baby Boomers are actively looking elsewhere.
Drivers of Engagement

1. I Can Grow and Develop
2. Confidence in Future of Organization
3. Personal Accomplishment from Work
4. Values Guide Behavior
5. Paid Fairly for Work
6. Senior Management has Sincere Interest in Employee Well-being

For the first time in three years the top driver of employee engagement is not “Confidence in the Future of the Organization” or “Belief in Senior Leadership.” The drivers of engagement may be returning to the natural state of things.
I am paid fairly for the work I do.

Fair pay is the fifth strongest driver of engagement. Satisfaction with pay, at 52% favorable, is down from 54% three years ago and up from 47% a year ago.
I am paid fairly for the work I do.

Satisfaction with pay is very similar across the generations. However, males are far more satisfied than females with their pay.
I am paid fairly for the work I do.*

There are huge differences among the industries when it comes to satisfaction with pay. Education and Retail Trade are well below the national average.

*Industry data is a compilation of research from the last two years
“Competitive Total Compensation” – currently at 53% favorable – is significantly below the high of 58% favorable from Spring 2011...
My total compensation package is competitive in our industry.

While dissatisfaction to “Competitive Total Compensation” has risen from about one in five employees to one in four employees.
My total compensation package is competitive in our industry.

There is little difference between the generations on satisfaction with pay, but there are differences with satisfaction on total compensation. Boomers are slightly more satisfied than Gen X and far more satisfied than Gen Y.
My total compensation package is competitive in our industry.

There are big differences between the various industries when it comes to satisfaction with total compensation, however, the differences are not as vast as the differences with “fair pay.”

*Industry data is a compilation of research from the last two years
What’s Next?

We have a lot more to share from our study. If you want more information about employee engagement for the different genders, generations, industries, or other segments, contact us to schedule an appointment to speak with one of our representatives.

ask@modernsurvey.com

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