Understand your employees

A toolkit for listening to your employees and taking meaningful action.

FIG 1. HUMANITY AT WORK

Culture Amp

The employee experience is made up of a collection of touchpoints that can be hard to measure. But employee engagement can provide a clear picture of how employees navigate that experience and surface areas for improvement.

This toolkit is designed to help people leaders at all stages put an employee engagement plan in place.

From understanding what it is, to why it matters, to getting started, you'll find everything you need to know in the sections below.

What is employee *engagement*?

FIG 2. DEFINING EMPLOYEE ENGAGEMENT

Employee engagement has become a buzzword amongst professionals but often means different things to different individuals and organizations. In the simplest terms, employee engagement represents the level of enthusiasm and connection employees feel toward their organization. It's a key indicator of the motivation employees feel about going above and beyond in their roles and their level of trust and loyalty within the company.

More specifically, employee engagement can measure organizational health and reveal actionable steps to improve the overall employee experience.

Why employee engagement *matters*

Employee engagement has proven effects on things like performance, retention, and innovation. People who are highly engaged at work not only provide greater value to the organization but they experience a better quality of life at work.

According to Culture Amp People Scientist, Fresia Jackson, people who are engaged feel energized by their work, maintain positive mental health, take initiative without being asked, have a workflow where time passes easily, and are absorbed in their work. As a result, high levels of engagement contribute to increased employee retention.

When organizations take the time to understand the drivers of employee engagement at their organization, they can take more effective action on what's important. With an accurate measure of employee engagement, HR teams can take meaningful action on what matters to people at work. If you don't measure employee engagement, you have no way to make informed decisions towards improving company culture or employee experiences at work.

The ROI

While there is a clear qualitative connection to the benefits of investing in employee engagement, this is often not enough to obtain leadership buy-in. **65% of CEOs** *do* feel that strong company culture has a direct financial impact on their business, but it's critical to have the numbers to back it up.

Leverage our library of resources to build a business case for your employee engagement initiatives. Our **ROI Calculator** will turn five basic inputs into the clear ROI value for the following HR and employee experience initiatives: impact of turnover, productivity, onboarding, absenteeism, and diversity & inclusion.

Looking for more? Get the **companion report** for detailed steps to start establishing the value of your company's culture.

Getting *started*

While the employee experience encompasses a wide range of factors, employee engagement is a key measure of organizational health. When organizations get employee experience right, they can achieve twice the customer satisfaction and innovation and generate 25% higher profits than those who don't.

But how do you do that? Many organizations seek out higher levels of engagement to improve things like performance, retention, and innovation. Using an employee engagement survey is a great way to understand what impacts the engagement of your employees and helps drive action over time. With this information, you can then use this data to inform your map of the employee experience journey.

To make lasting improvements to employee engagement, you can't approach it as a one-time project. We recommend using an employee feedback loop comprised of three parts:

1. **Collect:** Design a survey, give it to your people, and collect the data. It's vitally important this survey asks the questions that uncover the information you need.
2. **Understand:** Analyze the data you receive and deduce the drivers of the employee experience (these are the forces that will drive the biggest changes).
3. **Act:** Share the data, make a plan of action, and make changes. Ensure you show employees that their feedback is being recognized. If they see the organization is listening and taking action, they'll respond with more and better feedback.

FIG 3. COLLECTING EMPLOYEE FEEDBACK

Ask the right questions

You can't take any valuable action without a clear understanding of how your employees are feeling. This means asking the right questions. If you're not providing a way for people to provide feedback internally, you're missing out on the opportunity to improve your employee experience and your company's performance.

Employee feedback collected through engagement surveys will help flag problem areas before they become detrimental to productivity and overall company culture. With a regular cadence of surveys, you'll be able to spot workplace issues before they get out of control.

You don't have to reinvent the wheel. Use these 20 simple employee engagement questions as a starting point to take stock of your organization. These questions will set you up to take meaningful action. Ideally, your surveys will include a space for comments to allow employees to make suggestions and clarify their responses – this ensures you're getting a healthy mix of both qualitative and quantitative data.

In any employee engagement survey we encourage you to use a balance of validated questions and unique questions relevant to the context of your organization. The more you survey your employees over time, the more you'll be able to see what questions provide you with the best insights for action.

Get the right tools in place to collect, understand, and act on employee feedback.

Measuring your results

Employee engagement surveys represent the collective voices of your employee base, rather than the loudest voices of a few, and empower teams with the right data to drive informed decisions. Because employee engagement is an outcome, you can use a survey to ask questions about different factors that affect it to see what's most impactful.

While there is no single way to measure engagement, consider the following approaches to help you get the most value out of your survey results.
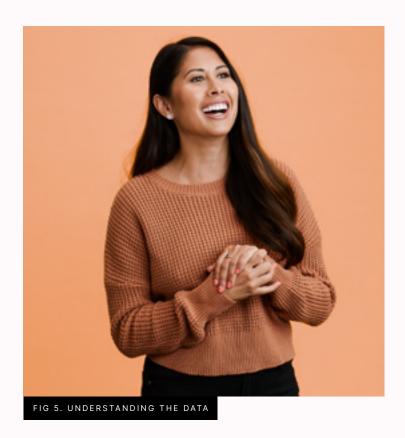
1. Don't get tunnel vision

Because of its complexity, engagement is best understood through a series of questions in a survey rather than as a single question. Culture Amp's Chief Scientist, Dr. Jason McPherson, says, "In general, statisticians agree that well-constructed, multiple-item indicators are more reliable and tend to provide better external validity than single-question metrics."

The **Employee Net Promoter Score (eNPS)** was long regarded as the go-to metric for measuring employee engagement. The eNPS essentially asks whether someone would recommend their company as a great place to work. While this is valuable information, a holistic view of the different factors influencing engagement ensures action planning is based on the whole picture and not one data point. Since engagement encompasses connection, motivation, and commitment, survey questions should provide data on these factors.

FIG 4. A HOLISTIC APPROACH TO MEASURING ENGAGEMENT

FIG 5. UNDERSTANDING THE DATA

2. Identify key drivers of engagement

Surveys can reveal what's influencing engagement through a technique called driver analysis. It shows you which factors are most related to employee engagement. According to McPherson, "if the top driver of engagement is a learning and development question, this means that people who respond most positively to that question are also likely to be the most engaged. If you act to improve responses to that question, then you have an improved chance of making your employees more engaged overall."

3. Leverage benchmark data

The drivers of engagement can vary from company to company, and even within the same company, they can vary over time. To get accurate information, it's important to look at employee engagement benchmark data. When measuring employee engagement, look at both internal year-over-year comparisons as well as external benchmarks. Benchmarks are great at giving you context, but simply hitting the benchmark shouldn't be your ultimate goal. It's more important to look at the relationships in the data so that you can focus on what matters most to your people.

Take action, repeat

When it comes to improving employee engagement, less is more. Choose one driver to focus on to ensure that the actions you take have maximum impact. Finding a focus area takes discipline, but these three steps can help guide leaders at all levels of the organization:

1. **Make use of advanced analytics:** It's easier to identify a shortlist of focus areas with advanced survey tools, such as Culture Amp's **embedded focus agent**. These help you determine which actions will help make the biggest changes.
2. **Align:** Encourage leaders to evaluate feedback with organizational objectives in mind. Then, prioritize a focus area that is closely aligned to these. This way, your focus will benefit employees and business success.
3. **Vote:** If you don't get there with the first two steps, take a simple vote with the team to let them decide.

Once you have your focus area for improving employee engagement, you can start action planning. You would start by framing your focus area as a forward-focused question. The "**How might we...**" formula can help you get started. At this point, it can also be useful to dig a little deeper with your employees to find the root cause of the issue. You could set up a quick follow-up survey about your focus area or run an in-person workshop.

Then, brainstorm creative ideas to address the focus area to improve engagement. Involving employees in this process will also help gain buy-in across the organization.

Unfortunately, many organizations get stuck at the planning stage, so it's critical to commit to the process and see it through. Don't be afraid to test ideas, communicate progress, gather feedback from employees, and make any necessary adjustments.

Don't reinvent the wheel

Rest assured that you're not the first (nor the last) one to tackle employee engagement. Luckily, many open-source examples of initiatives and strategies have worked for organizations just like yours. To start, check our __inspiration engine__ for a curated list of micro-learnings and ideas for action. This includes easy-to-digest ideas and actual initiatives that our customers and others in our community have used with their employees and are written to allow for simple replication and customization.

We've also compiled **7 actionable tips from real-life data** to help you improve employee engagement. Here's a sneak peek of one company's proven approach:

Digital Ocean has a regular cadence of larger biannual surveys, smaller check-ins, andnew hire surveys. But what really makes a difference is the company's action cadence. After each survey, changes and trends regarding key engagement indicators are shared with senior leadership, HR business partners, and employees. The People Operations team then works with key stakeholders to choose a focus, commit to at least one initiative, and define success.

For DigitalOcean, that success means that over 40% of new hires begin as referrals from engaged employees. Giving, receiving, and acting on feedback has become a key part of company culture.

"One of the most important parts of the process is understanding why you really care about engagement," says Matt Hoffman, VP of People. "For us, it drives people's experience of working here, it drives retention, our ability to hire, attract, and refer candidates."

Learn more about Digital Ocean's commitment to driving engagement.

The *big* picture

The world of work is constantly changing, and without the right people practices, it can negatively impact your bottom line. The reality is, we're all human and exist outside of the workplace, so to engage employees, you have to recognize their holistic humanity and listen to their needs. When we spend 40+ hours a week working, every second counts. Refining your focus on employee engagement is the first step toward building a more human and ultimately more productive and resilient workplace.

Get the right tools to drive employee engagement.

LEARN MORE

Humanity at work:
let's build a better workplace,
together.

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