



Institute for
High Performance

Research Report

What Executives Really Need to Know about Employee Engagement

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• Consulting • Technology • Outsourcing

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Executives today recognize that employee engagement is an important contributor to business performance. Beyond that, however, they often find themselves with more questions than answers: Why are some employees devoted, giving everything they have, while others are checked out, barely doing the minimum? Why do some parts of the business report high scores while others show indifference or decline from year to year? How can we move the needle in the right direction? Accenture research reveals the key drivers of engagement, and how companies can not only create it in their organizations, but more important, sustain high levels of engagement over time.

The CEO of a global bank scratched his head as he reviewed the latest employee engagement scores for the company's two largest business units. In the wealth management segment, employees had never been more engaged. In fact, 80 percent of wealth management's employees were highly engaged—the best score ever. But the story was entirely different in capital markets. Engagement scores in capital markets had plummeted—disengagement was rampant and several of the segment's high-potentials and senior leaders had fled to competitors.

What accounted for the difference? Why were some employees engaged, the chief executive asked himself, and others not?

Like the bank's CEO, executives today know that employee engagement can make the difference between outstanding business performance and mediocrity. Consider: Companies with engaged workforces outperform peers with low engagement by a margin of 12 percentage points in return on assets and 11 percentage points in profitability.¹ And countless studies have shown that engaged employees are more productive, more sharply

focused on customers and more likely to stay with their organization than their disengaged counterparts.²

Every CEO cares deeply about these kinds of results, so it's not surprising that the practice of measuring workforce engagement levels has become widespread. But those efforts point to the bigger challenges: fostering and sustaining engagement within an organization.

Solving the employee engagement puzzle isn't easy. To get the business results described by studies on the link between engagement and organizational performance, executives must deepen their understanding of what really drives engagement as well as what sustains it.

To that end, we conducted a survey of more than 1,300 full-time employees in large US companies, across a range of industries. (See "About the research.") In analyzing the results, we identified three organizational imperatives for creating and sustaining high engagement.

What is employee engagement?

When employees are highly engaged, they invest a lot of energy in their work – physical, mental and emotional energy. (See "How we measured employee engagement.") They become so deeply absorbed in their jobs that they find it hard to pull themselves away. They find new ways to contribute to their team's and their organization's success. They go beyond what is typically expected or required, eagerly embracing their company's business goals and striving to overcome any challenges that confront them along the way.

Highly engaged employees—those we call "Devoted"—differ markedly in their behaviors and attitudes from employees demonstrating lesser levels of engagement. (See Table 1.) We identified these engagement levels based on the frequency with which the employees in our study exhibited certain behaviors and attitudes (such as "I am always willing to 'go the extra mile' to do my job well" and "I am enthusiastic about providing a high-quality product or service"). (See Figure 1.) "Devoted" employees responded "always, every day" to most questions. While "Plugged In" employees (the next engagement level down from "Devoted") may be fairly engaged, the data show that their level of engagement is significantly less than that of "Devoted" employees.

How we measured employee engagement

Engaged employees invest their physical, mental and emotional energies in their organization and its success. We gauged respondents' engagement levels by measuring the

reported frequency with which they displayed behavioral, intellectual or emotional investment in their work. Possible responses ranged from "Never" (1) to "Always, every day" (7).

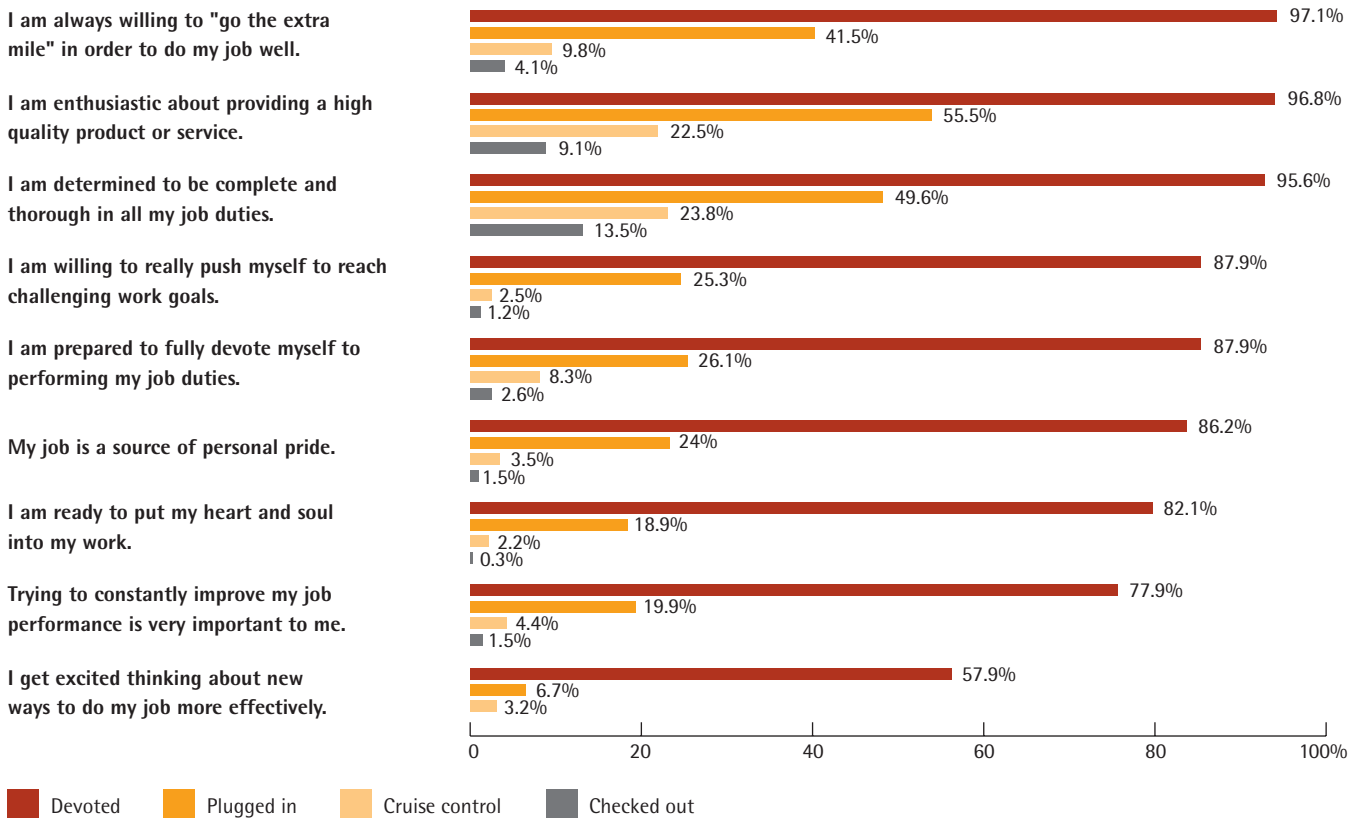
Engagement survey item	Percentage responding "always, every day"
I am enthusiastic about providing a high-quality product or service.	47%
I am determined to be complete and thorough in all my job duties.	46%
I am always willing to "go the extra mile" in order to do my job well.	39%
I am prepared to fully devote myself to performing my job duties.	32%
I am willing to really push myself to reach challenging work goals.	30%
My job is a source of personal pride.	29%
Trying to constantly improve my job performance is very important to me.	26%
I am ready to put my heart and soul into my work.	26%
I get excited thinking about new ways to do my job more effectively.	17%

Companies certainly benefit from each employee’s engagement, but they benefit most when they have a highly engaged workforce investing effort, focus and enthusiasm day after day, week after week and year upon year. For any individual employee, engagement naturally ebbs and flows with organizational life – roles evolve, priorities change, resources come and go and career paths morph as some opportunities fade and new possibilities emerge. But to create a highly engaged workforce, companies must sustain individual engagement across time, business cycles, industry disruptions and changes in leadership. Companies must also hold on to their most engaged employees. Those highly engaged employees can spur others

Table 1: Four levels of engagement

Level	Description
"Devoted"	Put their heart and soul into their work every day. Strive to constantly improve their performance and contribute to their company’s success.
"Plugged In"	Consistently contribute. Push themselves to reach challenging work goals. Most of the time, are willing to go the extra mile to do their job well.
"Cruise Control"	Show up for work each day but only occasionally invest their full energies at work.
"Checked Out"	Do no more than the basic requirements of their job. Only occasionally summon up the energy to put more effort into their work.

Figure 1: The percentage of employees who responded “always, every day” to each statement, given their level of engagement.



to go the extra mile. Their positive attitudes and behaviors can generate energy, enthusiasm and focus in co-workers.

When highly engaged employees leave the company, their organization pays the price. And what's surprising is that many highly engaged employees—despite the efforts they are putting forth—are at risk for leaving. In fact, we found that more than 43 percent of the “Devoted” respondents had weak or, at best, lukewarm intentions to stay with their company. Indeed, one in four of these employees said they were “likely” or “extremely likely” to actively look for a new job in the next year. These figures suggest that both creating and sustaining high engagement are major challenges facing companies.

One thing is for certain—doubling down on compensation won't solve the problem. Sure, financial rewards are important, but they're not what matter most when it comes to holding onto employees and they certainly aren't what engages them. (See “Money won't buy you loyalty.”)

When Professor William Kahn first introduced the concept of engagement more than two decades ago, he observed that, for employees to engage at work, they must see meaningful benefits from investing their time and energy; they must have physical, cognitive and emotional

resources available to invest; and they must feel that it's safe (that is, without negative consequences) to invest themselves.¹¹

Building on this notion, we defined three organizational imperatives for sustained engagement: First, companies must create real meaning, not just mission statements. Whether someone is cleaning the building or rethinking the nature of technology, an employee needs to feel that it matters. Second, they need to actively balance employee effort and recovery. Employees aren't pack horses: they need support during intense periods of work, and a (real) chance to rest afterward. And, finally, companies must cultivate a culture of trust and respect. In such a culture, people are free to take risks and understand that they aren't going it alone.

At the highest level, these imperatives can sound rather abstract – our global bank CEO is likely to continue to struggle to know what to think. But they can be translated into **three** core beliefs that employees must hold if they are to feel a strong sense of engagement:

“I'm making a difference.”

“My company has my back.”

“We're in this together.”

Where do you start when you want to create such beliefs? In analyzing the responses to our survey, we identified seven essential catalysts that contribute to the creation of sustained engagement. (See Table 2.)

“I'm making a difference”

People become highly engaged when they have access to meaningful work and career opportunities. Researchers have found that even a hospital janitor can find great meaning in creating a pleasant, healing environment for patients.¹² At the other extreme, Google's employees not only share a belief in “the ability of technology to change the world” but also relish the chance to work on “the toughest problems in computer science.”¹³

How do you make work and career opportunities more meaningful? Survey responses revealed three catalysts:

Motivating jobs: jobs that offer variety, opportunities to exert influence and a chance to make a difference at work

Good relationships: strong bonds with colleagues

A compelling future: employees' sense that they fit in with the company and can grow in their careers

Money won't buy you loyalty

Researchers have long demonstrated that money does not buy employee loyalty.³ But many executives remain skeptical about this point, relying on pay increases, bonuses and other financial incentives to keep their best employees from jumping ship.⁴ Employees themselves report that the most common tools their firms use to retain people are competitive salaries and bonuses.⁵

Managers lean on rewards to entice valued workers to stay because they believe that compensation is the number-one reason employees quit their jobs.⁶ This belief is understandable: Many employees say they're leaving

for a higher salary because they don't want to burn bridges by expressing dissatisfaction with the company or their supervisor.⁷ The truth – according to one recent survey – is that 88 percent of workers leave for reasons other than compensation.⁸

Given that so many organizations seek to retain talent through attractive compensation packages, we decided to investigate the link between rewards and retention. Our results illustrate a surprising conclusion about what it does not take to retain employees today.

We analyzed the relationship between employees' intentions to stay and their satisfaction with the rewards

they receive for a job well done. As expected, our results show that when employees are satisfied with the rewards they receive, they are more likely to intend to stay with their employer. Yet the correlation between rewards and intentions to stay isn't very strong.⁹ In fact, regression analysis reveals that 93 percent of people's intentions to stay are explained by factors other than whether they feel appropriately compensated for the work they do.¹⁰ Put another way, employees' satisfaction with their rewards explains very little of the variation in their decision to stay or go.

Table 2: How to create sustained employee engagement

What employees must believe	Organizational imperatives	Essential catalysts
"I'm making a difference"	Create real meaning, not mission statements	<ul style="list-style-type: none"> • Motivating jobs • Good relationships • Compelling future
"My company has my back"	Cultivate a culture of trust and respect	<ul style="list-style-type: none"> • "Safe" environment • Dependable colleagues
"We're in this together"	Actively balance effort and recovery	<ul style="list-style-type: none"> • Energy boosters • Sane expectations

Figure 2: Variety creates a sense of meaning

Survey participants' responses to the question: "To what extent does your job require you to do many different things at work, using a variety of your skills and talents?"

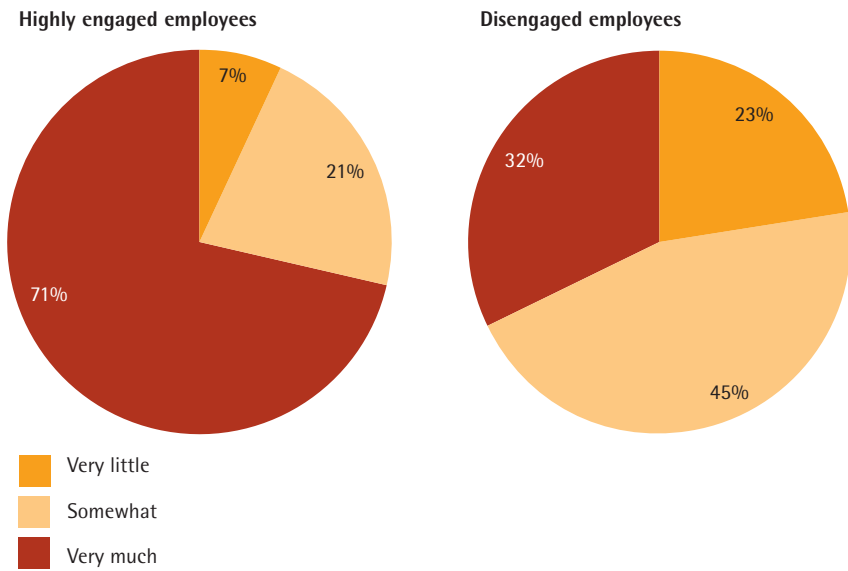
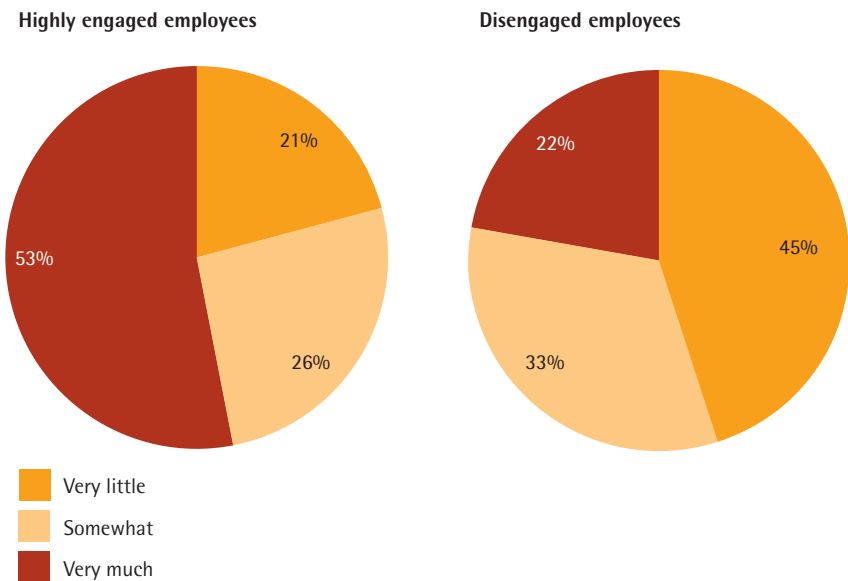


Figure 3: Opportunity to exert influence provides meaning

Survey participants' responses to the item: "I have a great deal of control over what happens in my department."



Catalyst: Motivating jobs

Research has long shown that **variety** is essential to creating motivating jobs.¹⁴ We find that it's also a catalyst for engagement. Employees who apply a wide range of their talents to a diversity of tasks are 10 times more likely to be highly engaged than people whose work lacks such variety. (See Figure 2.) Variety can take many forms—from fresh assignments, project mix, and opportunities to move around the business to new responsibilities and time for learning and experimentation. For example, at Google, employees can dedicate 20 percent of their time to any project that they feel passionate about, as long as it benefits the company.¹⁵

At Marriott, managers have ample opportunities to move around the business. New hires "come in knowing they're going to pack their bag," says executive vice president of global human resources David A. Rodriguez.¹⁶ Some managers move from one function to another within a particular property; for example, spending time in marketing and then switching to finance. Other career moves challenge managers to take on even more responsibility; for instance, by rotating to a hotel in a new geographic location. The devotion to mobility has paid off: More than 80 percent of Marriott's associates are engaged or highly engaged – a figure much higher than the industry average.¹⁷

In addition to variety, the opportunity to exert **influence** infuses work and career opportunities with a sense of meaning for employees. Employees who believe that they can sway strategic, administrative or operating outcomes are more than twice as

likely to be highly engaged than those who do not exert influence at work. (See Figure 3.)

Danone, the Paris-based food-products multinational, aims at empowering its 90,000 employees across the globe. For example, at a dairy plant in Argentina, employees “own” their two to five square meters of work space—and are charged with improving processes in their small area of the plant. According to Thierry Bonetto, Group Training and Development Director, Danone has adopted this practice because in a decentralized organization, high performance comes from “paying attention to one million details.” No single plant executive can oversee that many details. But, by empowering each employee to exert influence over their specific work area, the chance that someone will

find a process improvement increases. According to one employee at the factory, “the secret is to feel that we are the owners of a small part of the plant. Being the owner motivates me every day.”¹⁸

Finally, people find meaning in—and fully engage in—their work when they feel they can make a **difference**.¹⁹ In our study, respondents who believed that their work is significant were 14 times more likely to be highly engaged than employees who did not hold this belief. (See Figure 4.)

To help employees understand that their work makes a difference, leaders must communicate the company’s mission (so yes, the mission statement does matter) and recognize efforts that contribute to those goals. For

some companies, that’s relatively easy, given their public image. Employees at Whole Foods Market, for example, are drawn by the company’s motto – Whole Foods. Whole People. Whole Planet. – and by the chance to support sustainable farming.²⁰ But many other companies can still build a sense that they are contributing in other ways.

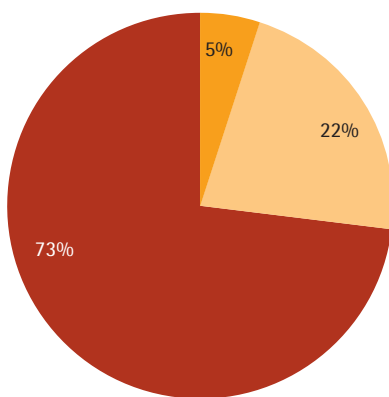
In Spain, Accenture is joining with local organizations to train migrant groups in specialized technology skills. And Accenture senior executives in the United States are teaching business skills to students in community colleges. Leaders who at times put purpose ahead of profit inspire greater workforce engagement – ultimately helping their organizations achieve high performance as well.²¹

It might seem obvious that you should give employees more meaningful assignments or enrich their jobs. But unless you also figure out what work can “go away” – what work doesn’t create value for the organization – it won’t help. Companies will see sustained improvements in engagement only when they eliminate or redistribute tasks to better focus and align employees’ efforts.

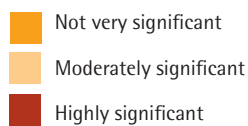
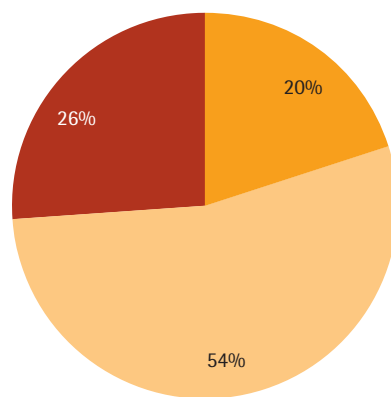
Figure 4: Making a difference provides meaning

Survey participants’ responses to the question: “In general, how significant or important is your job?”

Highly engaged employees



Disengaged employees

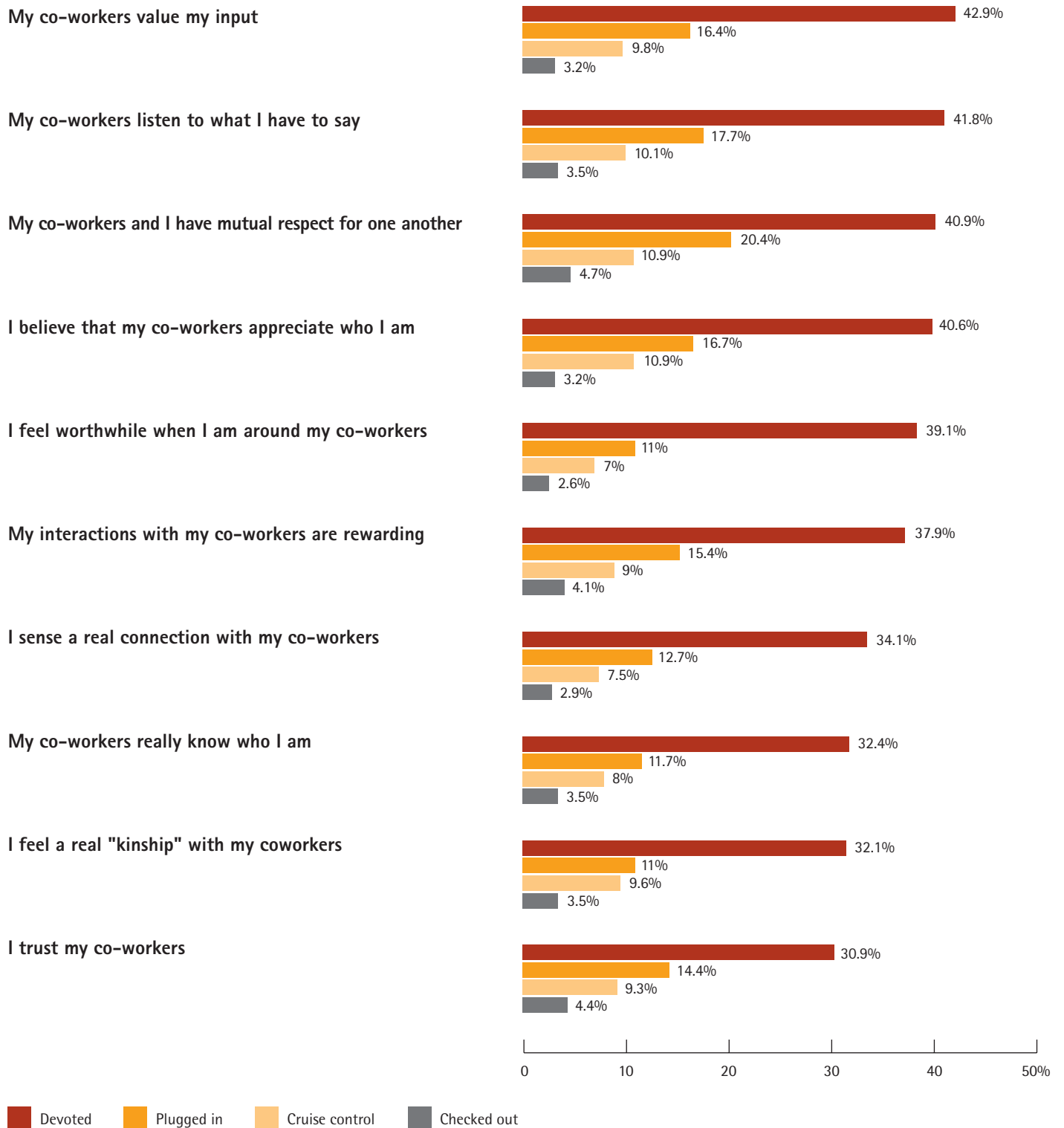


Catalyst: Good relationships

Motivating jobs matter, but rewarding relationships with colleagues catalyze engagement even more powerfully. Our research highlights the importance that people place on developing gratifying bonds with their co-workers. We found that people who feel valued by their colleagues are three times more likely to be highly engaged than employees who don’t. (See Figure 5.)

Figure 5: Good relationships with co-workers encourage engagement

Percentage of survey respondents who "strongly agree" with statements.



Designing motivating jobs—One employee at a time

To design motivating jobs for employees, companies must accommodate the diversity characterizing today's workforce—not only in terms of age, gender and ethnicity, but also regarding life pursuits, values and motivations for working. Companies that tailor their work-design practices to such differences achieve higher levels of engagement, improved workforce performance and productivity, and lower turnover.

Paths to work customization

In their book *A Workforce of One* (Harvard Business Press, 2009), Susan M. Cantrell, research fellow with the Accenture Institute for High Performance, and David Smith, managing director of Accenture's Talent & Organization Performance service line, define four possible paths to customizing work experiences so that jobs offer variety, a chance to exert influence and opportunities to make a difference:

Segment the workforce: Group employees on such varying dimensions as learning styles, values, personality, mobility and networking styles. Then design talent practices for each segment. For example, segmenting in part by well-being (how many vacation days employees have taken) can help executives identify employees at risk of burnout and take preventive action.

Offer modular choices. Provide a list of organizationally defined options that enable employees to customize their work experience. For instance, break down standard job descriptions into smaller tasks that can employees can reconfigure based on individual interest and skill.

Define broad and simple rules. Describe the end results the organization wants to achieve, then let employees customize the means of producing those results, based on their strengths, preferences and needs. Clarify boundary constraints, such as corporate strategy, values, time or money within which employees must operate.

Foster employee-defined personalization. Encourage workers to create customized learning experiences, for example, by participating in wikis, blogs, YouTube- or Facebook-like applications, or virtual, simulated job experiences. And let them shape their own schedules by brokering schedule changes with fellow employees through shift-trading markets.

Tips for selecting paths

Just as all employees are different, all companies are different in their strategies, values and cultures. Thus companies should consider several factors when selecting paths for customizing work experiences:

Customization versus control. Segmentation and modular choice allow for more control (because HR defines the people-practice specifics). Broad and simple rules as well as employee-defined personalization allow for less control (since employees define people-practice specifics).

Amount of change. Broad and simple rules as well as employee-defined personalization can be adapted more easily to change than the other two paths.

Fairness. People tend to perceive modular choice as the fairest of the paths, since it provides the same set of detailed options to everyone. Segmentation, because it creates different practices for different groups, may be seen as less egalitarian. Broad and simple rules, along with employee-defined personalization, fall somewhere in the middle.

Amount and type of resources required. Segmentation and modular choice call for more HR resources to define, implement and administer multiple talent practices—compared to the two more employee-driven paths.

Financial services firm Fidelity Investments fosters strong relationships among high-potential employees in its General Management Apprenticeship program. Participants in the program rotate through challenging placements every six months for two years. To enable apprentices to connect to each other, Fidelity Investments assigns them to peer groups. Most groups are based on location, so the apprentices routinely get together in-person to discuss their challenges and the lessons they have learned from their projects. The groups also serve as a gateway to other Fidelity Investments employees in new geographic regions. Over the two years, the apprentices are able to develop strong connections with other program participants. According to Brian Johnson, executive vice president of human resources,

“You could feel it in the graduation of the first class [in December 2010] that the apprentices were genuinely proud of each other. Fidelity Investments graduated a class, a community, a peer group, not just a set of individuals.”²²

Catalyst: A compelling future

What makes one's future with an organization “compelling”? Start with the idea of “fit”: when people feel that their own skills and goals match what the organization needs and wants, they are likely to envision a future with the company. And when this fit exists, employees are more likely to engage. In fact, we found that employees who believe that their organization is a good fit for them are 17 times more likely to be highly

engaged than workers who do not feel like they belong with their companies. (See Figure 6.)

Moreover, people who believe that their career aspirations can be met at their current employer – not somewhere else – tend to be highly engaged. (See Figure 7.) Finally, to help employees reach their career goals, firms must provide challenging work and stretch assignments. Organizations that get people out of their comfort zone and set employees up for career success are more likely to engage them. (See Figure 8.)

Our research shows that people who are gaining the skills and experiences they need to reach their career goals are seven times more likely to be highly engaged than those who are not. And people without career-growth opportunities are 13 times more likely to disengage at work than those who have such opportunities.

Mentoring programs can also paint a picture of the future – or of multiple possible futures. Financial services giant RBC offers a cross-platform mentoring program for high-potential talent. For example, a promising investment banker might be matched up with a mentor from wealth management. Helena Gottschling, a senior HR vice president at RBC, emphasizes the choices that the program starts to open up for participants: “Our mentoring partnerships provide an opportunity to learn about career possibilities at RBC through the eyes of current leaders.”²³

Figure 6: A good fit drives engagement

Survey respondents who agree with the statement: “This organization is a good fit for me in terms of what I look for in an employer.”

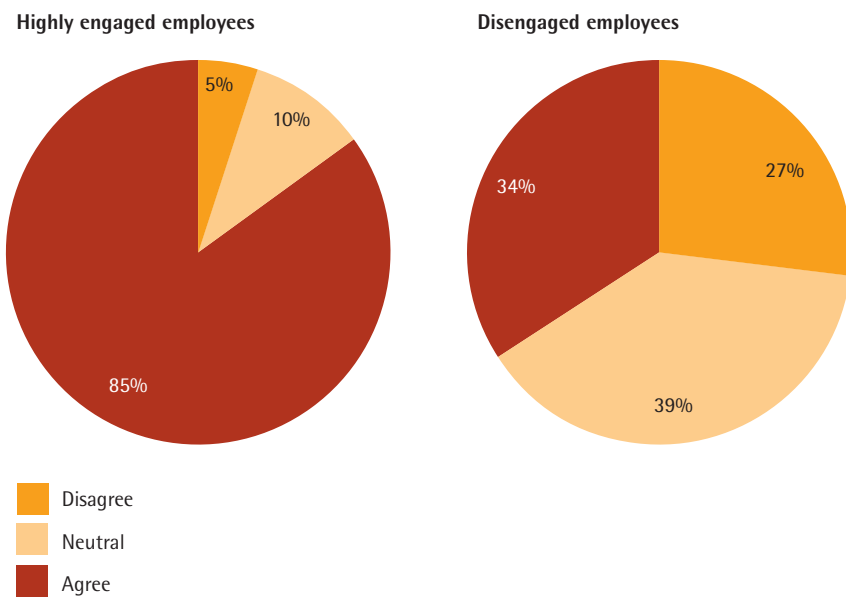


Figure 7: Career-growth opportunities enhance engagement

Percentage of survey respondents who "strongly agree" with statements.

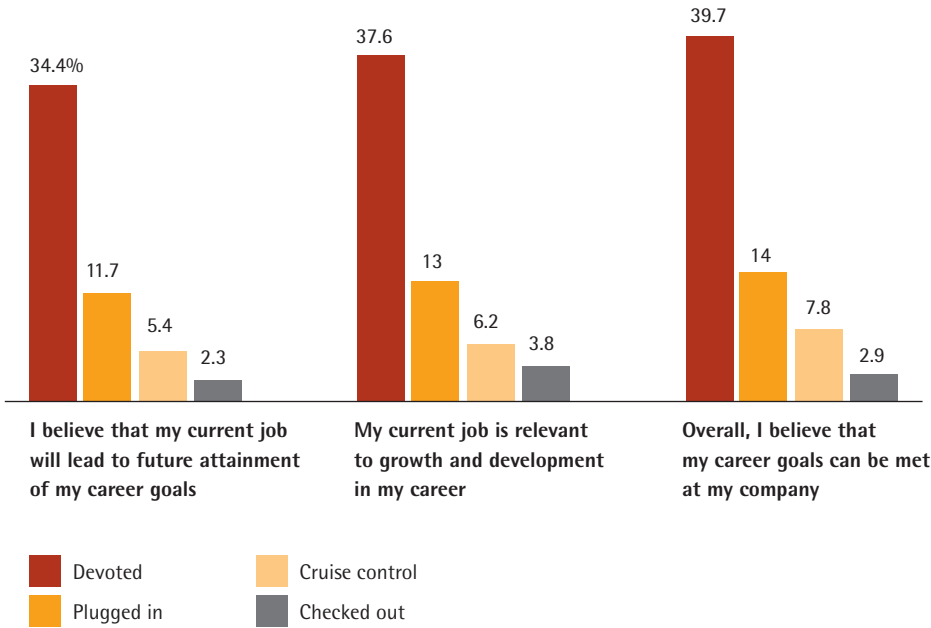


Figure 8: Challenging work engages employees

Percentage of survey respondents who "strongly agree" with statements.

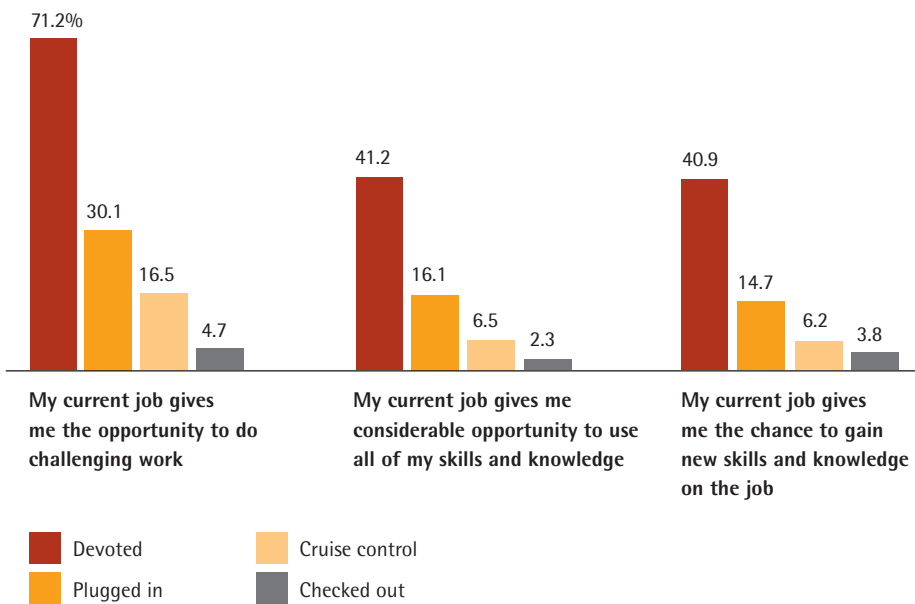
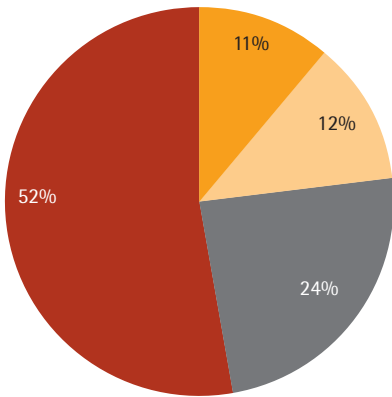


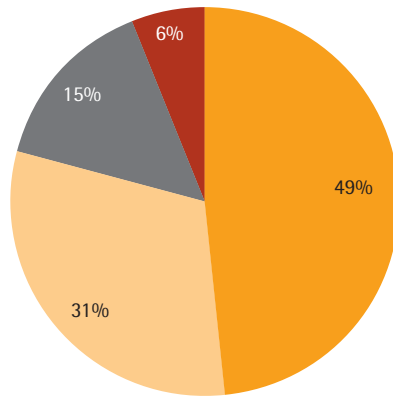
Figure 9: A culture of trust and respect is essential to engagement and intentions to stay

Survey respondents who say that their company cultivates a strong culture of trust and respect.

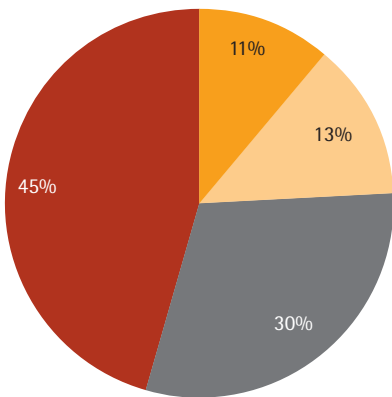
Highly engaged employees



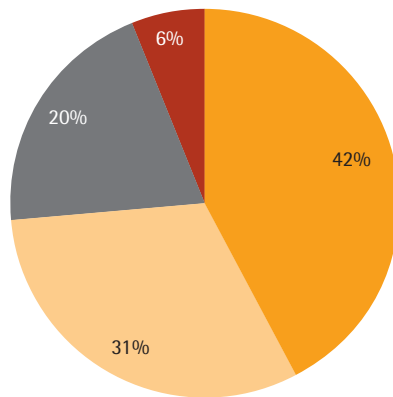
Disengaged employees



High intention to stay



Low intention to stay



"My company has my back"

To create and sustain high engagement, companies must cultivate a culture of trust and respect – one in which employees feel that "My company has my back." That probably sounds obvious – no executive would disagree that they want such a culture – but most are probably not aware of just how important it is to sustained engagement. In fact, we found that employees were four times more likely to have high intentions to stay and five times more likely to be highly engaged when their company's culture was characterized by trust and respect. (See Figure 9.) But it's hard to create those conditions. Imagine the blank looks on the faces of many executives when faced with this task.

Where must executives start when cultivating a culture of trust and respect? Two catalysts, identified in our research, are critical:

Safe environment: leaders support risk taking, value employee differences, and foster open dialogue and transparency

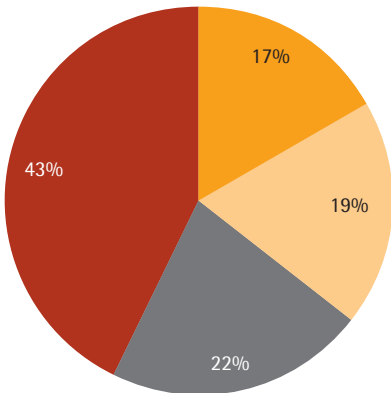
Dependable colleagues: employees can rely on their co-workers to help out, even during challenging times



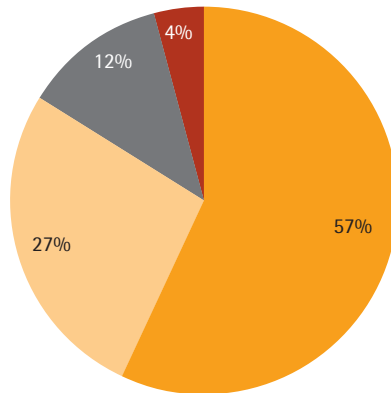
Figure 10: A safe and supportive work environment sustains engagement

Survey respondents who say that their work environment is safe and supportive.

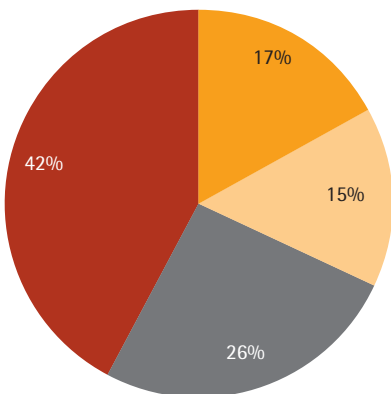
Highly engaged employees



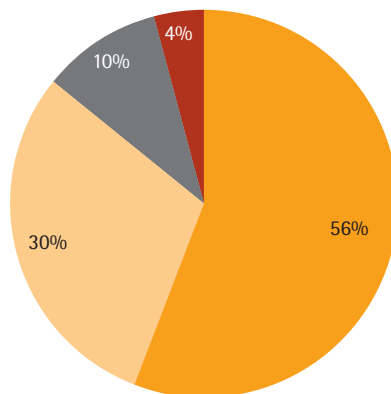
Disengaged employees



High intention to stay



Low intention to stay



Catalyst: Safe environment

Our research shows that employees are three times more likely to be highly engaged when their organizations create a safe environment—one where people can take risks without fear of retribution if they make mistakes and where they trust and support one another. Moreover, employees are three times more likely to have high intentions to stay with their current company when they feel that the work environment is safe for risk-taking. (See Figure 10.)

Effective leaders take responsibility for creating a climate that supports risk taking and transparency. For example, the former chief ethics officer at aerospace and defense technology company Northrop Grumman started a program that gives managers an opportunity to practice having difficult conversations.²⁴ Employees at all levels need to know that it's safe to raise difficult issues—that they won't just get slapped down for it. Such initiatives are paying dividends as Fortune ranked Northrop Grumman third in its "Global Most Admired" survey.²⁵

SRC Holdings, the engine and parts remanufacturing company, grants every employee access to all of the company's financial information and teaches them how to interpret and use it. Such transparency builds a culture of trust: employees understand that the company is not hiding anything from them and that they can safely discuss its progress. The result, according to the firm's CFO, "is like having 700 internal auditors out there in every function of the company."²⁶

Catalyst: Dependable colleagues

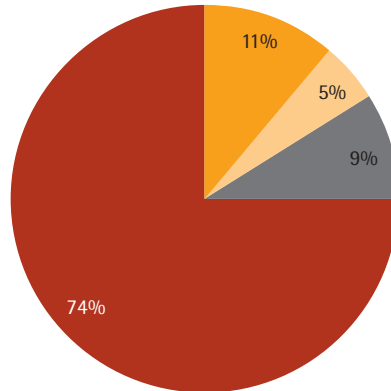
Our research shows that trustworthy colleagues are a vital catalyst for sustaining engagement: Workers who feel they can depend on their colleagues are nearly seven times more likely to be highly engaged and to have high intentions to stay with their organizations as employees who do not establish such trusting relationships with their peers. (See Figure 11.) When people encounter challenges at work, they want to know that their co-workers will be there to lend a hand. They also want to know that colleagues will fulfill promises they have made.

At Whole Foods Market, leaders have established rigorous processes to promote the company's core value of "supporting team member happiness and excellence."²⁷ All new employees must endure a month-long try-out before they are permanently assigned to a team. After the trial period ends, teammates vote on whether the employee stays or goes. Prospective hires need a two-thirds majority to make the team. Once they are hired, employees have a strong incentive to help their colleagues, because teams can earn bonuses when they exceed productivity targets. As the grocer's "Declaration of Interdependence" reads, these colleagues are members of "a community working together to create value for other people." The team-building efforts have worked. Whole Foods has been listed on Fortune's "100 Best Companies to Work For" every year the list has been published.²⁸

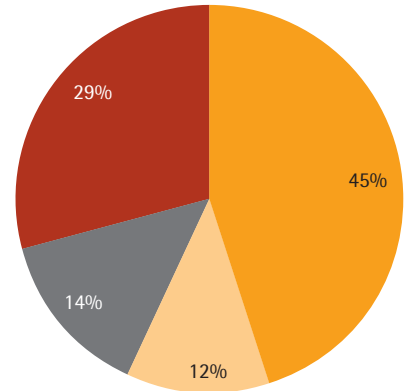
Figure 11: Trust in colleagues sustains engagement

Survey respondents who say that they can trust and count on their colleagues.

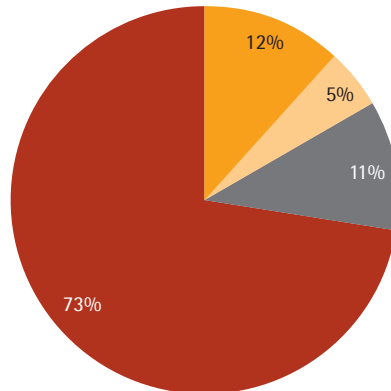
Highly engaged employees



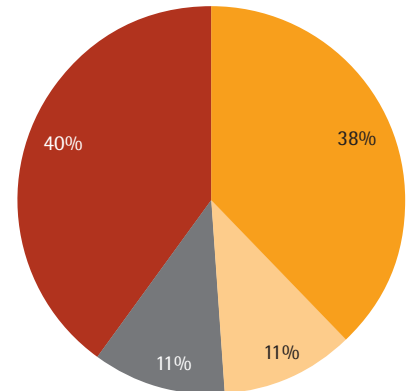
Disengaged employees



High intention to stay



Low intention to stay



Colleagues you can count on

In their book **Jumping the S-Curve: How to Beat the Growth Cycle, Get on Top and Stay There** (Harvard Business Review Press, 2010), Paul Nunes, senior executive research fellow at the Accenture Institute for High Performance, and Tim Breene, CEO of Accenture Interactive, define three qualities essential for assuring highly engaged and high-performing employees that they can depend on their colleagues:

Capability through pervasive competence

Serious talent—employees who are at the top of their professions, are very good at what they do and view their work not just as a job but as a source of personal pride—want to know that their team has what it takes to succeed in difficult situations. They observe this through the pervasive competence of those around them—the presence of employees with the right knowledge, skills, abilities and other characteristics at every level in the organization. Companies characterized by pervasive competence define not only what constitutes general competence but also the specific elements known to drive business success. Requirements for roles are clear and consistent, and

people throughout the organization know what they must do to perform their jobs well.

At UPS, for example, truck drivers need to know the “340 methods,” which set out everything from the most efficient way to carry keys (to avoid fumbling for them) to the number of steps per second that would be considered walking at a “brisk pace.”

Predictability through mutual accountability

Highly engaged top performers want to know that their colleagues will deliver on their promises, on time, day in and day out. They're assured of this through a sense of mutual accountability—each knows that a co-worker's word is his or her bond. Mutual accountability makes future actions and results highly predictable, giving employees the confidence they need to take on ever more challenging tasks.

To make mutual accountability work, no employee can be exempt from this obligation. And nobody should be allowed to “retire in place.” Accountability means making good on one's promises, or paying a price. Organizations must also constantly measure their progress against their own

stated goals as well as individuals' goals. Pharmaceutical company Novo Nordisk, for example, assesses its managers partly by how well they develop and retain talented employees. The company loses no more than 4 percent of its top talent every year.

Reliability through a culture of honor

Highly engaged, top-performing employees also want to know that their colleagues' actions aren't governed by rules alone—so when an urgent situation or crisis arises, colleagues will act out of a sense of duty, conviction and courage, not mere compliance. A culture of honor ensures such reliability. To build a culture of honor, organizations must hire people with the right values in the first place, rigorously initiate newcomers into the company's culture and reinforce desired qualities regularly. Reinforcement can come through storytelling about employees who have heroically gone above and beyond the call of duty, as well as swift punishment of employees who violate the honor code.

"We're in this together"

Engagement is a two-way street. Even the most engaged employees need support or a break once in a while. In our research, the amount of physical, mental and emotional energy people have available to bring to their work role is far and away the most powerful predictor of their level of engagement at work. The more energy, the higher the engagement. Further, investing in employees' well-being could make a positive impact on the bottom line. Consider that some organizations have saved hundreds of millions of dollars over the past decade by offering employee wellness programs.²⁹ But beyond the possible

bottom-line benefits, striking an active balance between the effort employees give and the recovery time they get matters for sustained engagement.

To convince employees that "we're in this together," companies must take action with two catalysts:

Energy boosters: enabling employees to sustain their physical, mental and emotional energy

Sane expectations: eliminating drains on employees' energy

Catalyst: Energy boosters

Highly engaged employees invest a great deal of physical, emotional and mental energy in their work. On a

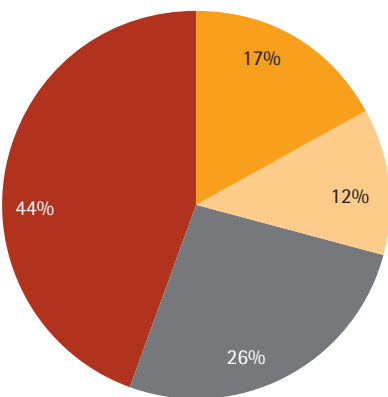
daily basis, they innovate, fight fires and overcome hurdles to help their organization prosper. To perform at these levels, they need to maintain their stamina. Companies can help employees maintain sufficient reserves of physical, mental and emotional energy by supporting not only their exertion but also their recovery.³⁰

To remain highly engaged in their work, people need opportunities to recover from their efforts so they can return to work with renewed energy and enthusiasm for their jobs. Our research shows that employees who have the opportunity to "recharge their batteries" are three times more likely to be highly engaged than those who don't have enough time to recover. (See Figure 12.)

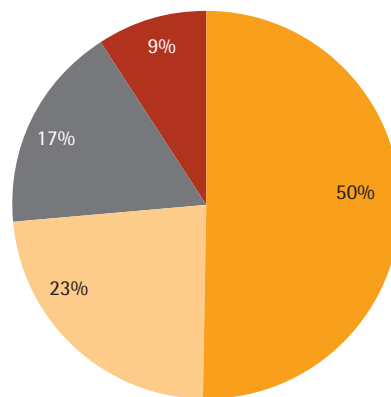
Figure 12: Time to recharge supports employees' effort

Survey respondents who say that they are able to recover from work even under adverse circumstances.

Highly engaged employees



Disengaged employees



The ability to recover from significant exertion of energy is more critical than ever in today's increasingly demanding business world. Long hours and overwork increase stress and deplete employees' enthusiasm for their work, thus eroding engagement. Indeed, stress costs businesses hundreds of billions of dollars annually in lost work time (absenteeism), diminished productivity (presenteeism), increased healthcare and insurance costs, and employee turnover.³¹

To mitigate those costs, leaders must know when to step in and give workers time to recuperate. Dick Stevie, managing director of Customer Marketing Analytics at Duke Energy, says that management appreciates the heroic efforts of his group, but the hard work comes with a price tag. Stevie says that he acts as a "safety valve" and makes top management aware when his group is pushed too hard and that results may suffer if they can't catch their breath.

The leaders of SAS Institute understand that employees' energy is a limited but renewable resource. As a result, they give workers a chance to recharge their batteries – even during the workday. The software company's

corporate headquarters boasts basketball courts, a swimming pool and an exercise room. SAS' leaders limit drains on employees' energy by offering a masseuse, a dry-cleaning service and an on-site day-care center.³² Also, in an industry where 70-hour work weeks are common, the firm's leaders live by the motto that "after eight hours, you're probably just adding bugs."³³ The efforts to preserve and renew workers' energy seem to be working. SAS has been listed in the top 20 of Fortune's "100 Best Companies to Work for in America" every year the list has been published.³⁴

Catalyst: Sane expectations

To foster engagement, companies need to reduce drains on employees' energy. Our research revealed that unreasonable expectations – in the form of excessive workload, time pressures, or conflicting demands on their time – were powerful predictors of low engagement. Reducing physical stressors like excessive hours or travel, practical constraints like time and work/life conflicts, psychological distractions like secrecy, gossip and mixed messages can help.

Other obstacles or distractions are embedded in the work itself. The absence of essential resources that employees need to perform successfully in their

roles will drain employee energy and lower engagement. Without the right training or tools, any job will be frustrating and erode confidence and motivation. Companies can, for example, provide technologies that enable performance or automate routine tasks. Access to resources that reduce the physical and psychological demands of the job will eliminate drains on energy and allow people to more fully engage. (See Figure 13.)

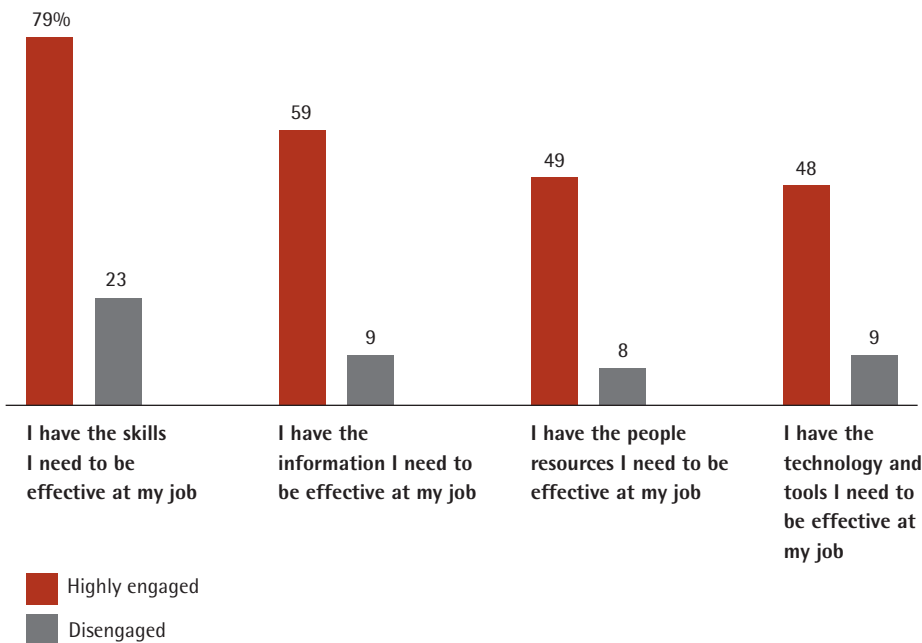
Sufficient autonomy at work is one of the most critical resources that fuels engagement. Employers can, for example, give people more control over the tools they use to support their work. Some employees are already using their personal laptops, iPads, and Droids at work because of the freedom and fun those tools afford, while improving productivity to boot.

When times are difficult, companies ask for more from their employees, but too often they then slash the resources designed to support them. Training budgets are cut, technology

investments are halted and perks that help employees juggle their work and personal commitments are eliminated. But high-performance businesses sustain engagement in large part because they continue making these investments when other companies stop.

Figure 13: Engagement is highest when employees have the resources they need to be effective at their jobs.

Percentage of survey respondents who "strongly agree" with statements.





Pulling the right levers

The perplexed CEO of a leading global bank is not alone. What advice could we give him? Make sure your people can see that they are making a difference, no matter what they are doing. Paint a compelling picture of the future. Create an organization where it's safe to speak up, safe to take risks; one where colleagues have each other's back. And don't forget that you can push people—up to a point. They need support during the major changes—the initiatives that will drive the company to new heights—and then they need to be able to catch a breather before the next big push.

Only by attending to the underlying imperatives of employee engagement, and the catalysts that lead to key beliefs throughout the organization, can business leaders move the needle in the right direction. And the stakes are high: a highly engaged workforce is one that will drive the gains in profitability and productivity that are critical to business success in a competitive global environment.



About the research

Our survey of 1,367 employees in large US companies across range of industries asked a series of questions that sought to determine the degree to which people channel their physical, cognitive, and emotional energies into their work, and the factors that influence employee engagement.

We conducted our survey to assess the organizational, job and personal characteristics that promote employee engagement. We examined more than 30 factors believed to affect employee engagement, including company culture, leadership, organizational systems, management practices, career opportunities, and coworker relationships.

We assessed engagement by averaging survey participants' responses to nine questions that asked participants to describe the frequency with which they display engagement behaviors at work. We assessed intentions to stay by averaging their responses to three questions that asked about their desire to and expectations and likelihood of staying with their firms now and in the future.

To investigate the relationships between management practices and employee engagement and intentions to stay, we conducted two types of statistical analyses. Multiple regression analysis was used to determine the influence of dozens of aspects of employees' experience at work (e.g., job and career opportunities, organization culture, management practices, etc.) on employee engagement and intentions to stay. In this report

of our findings, we describe the variables that emerged from the analyses as statistically significant predictors of engagement or intentions to stay. To provide simple illustrations of the effects of the significant predictors, we report our findings from post-hoc cross-tabulation analyses.

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About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills and technologies to help clients improve their performance. With more than 215,000 people in more than 120 countries, the company generated net revenues of US\$21.6 billion for the fiscal year ended Aug. 31, 2010. Its home page is www.accenture.com.

About Accenture Institute for High Performance

The Accenture Institute for High Performance creates strategic insights into key management issues through original research and analysis. Its management researchers combine world-class reputations with Accenture's extensive consulting, technology and outsourcing experience to conduct innovative research and analysis into how organizations become and remain high-performance businesses.

Notes

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