



Good workplace culture is good business

A Culture Amp whitepaper

Introduction

The past few months have been a particularly exciting time for Culture Amp. We've won some great clients including Pixar, Aegon and Journeys. We've also noticed a shift in the kinds of organizations requesting proposals from us. There was a time when it was mostly new technology companies; now we're just as likely to be approached by large, traditional organizations.

More and more people want real-time, easily accessible data on the health of their company culture. They want to empower executives by giving them access to people analytics and empower employees to gather feedback to inform learning and development. Data is driving decisions, people understand more about what's driving engagement at their company than ever, and results are easy to measure.

Our *Good workplace culture is good business* whitepaper shares insights we've gathered working alongside some of the world's leading organizations.

How can we help yours?

Didier Elzinga

CEO, Culture Amp

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Five employee engagement trends

As organizations evolve and understand the value of engaging people, we've been thrilled to see how leaders use data in decision making. We're seeing companies become more sophisticated in the analysis of the data we provide and an increasing use of surveys and data to identify opportunities for improvement, and measure the success of those improvements.

There are five major trends we've seen arise that we anticipate will continue throughout 2017.

1. Companies are **responding to results with a sense of urgency**. They are taking action to correct or improve results and re-measuring to understand whether they've hit their target.
2. They're **designing better surveys and using the results**. There's less continuous pulsing and single-question type surveys (e.g. single eNPS surveys) and more surveys tailored to the task - so that the feedback received is used. While getting ongoing feedback can be useful and fun at times, we found in the past that some organizations didn't have time to utilize the insights and that respondents could tire of responding when they were unsure what was happening with the data.
3. Companies are **using a mix of different surveys** throughout the year and using their results to drive the content of the surveys. A common mix is an annual engagement survey followed by pulse surveys focusing on questions set aside for action and additional questions to understand the topic and feedback on the actions chosen. We're also seeing these pulses coupled with topical survey elements on other initiatives. These approaches help keep the survey program alive as part of an intelligent conversation with people.
4. We're also seeing a welcome rise in companies providing creative ways in which their **people can become part of providing input and ideas for responding to the survey results**. These companies view surveys as just a part of the way that the organization uses feedback to learn. They see working and experimenting together to utilize feedback is itself a meaningful and positive experience for the organization.
5. The final trend, mentioned last year also, is companies looking to **understand the relationship between survey data** and other workforce data such as retention, performance ratings, training attendance, customer satisfaction and sales.

Why engagement matters

Whilst the times of employee engagement being viewed as just a warm and fuzzy nice-to-have are hopefully behind us, there's still some confusion as to what the ROI of engagement is, and whether that's an appropriate lens to apply.

Whether you're motivated by employee wellbeing, company bottom line, or both, there are compelling reasons to focus on employee engagement.

When we take a look at our data for large organizations, it's clear organizations with higher employee engagement perform better in other areas of business.

Glassdoor scores (BOTTOM 10% VS TOP 10%)

OVERALL RATING ☆☆☆☆

2.6 vs 4.3

COMPENSATION & BENEFITS

2.4 vs 4.15

RECOMMEND TO A FRIEND

40% vs 90%



CULTURE & VALUES

2.5 vs 4.4

SENIOR LEADERSHIP

2.25 vs 4.05

CAREER OPPORTUNITIES

2.35 vs 4.1

WORK LIFE BALANCE

2.5 vs 4.1

Engaged organisations:¹

3x 

grow profits up to 3x faster than their competitors

can reduce staff turnover by

87%

can improve performance by

20%

Employees who work for engaging organisations exhibit:²

- positive perceptions of the deal they get from their employer
- lower levels of stress
- a better work life balance

Mattermark scores (BOTTOM 10% VS TOP 10%)

GROWTH SCORE

-11 VS **2582**



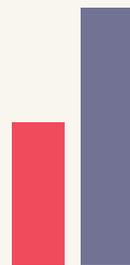
MINDSHARE SCORE

-20 VS **668**

MOMENTUM SCORE

-480 VS **600**

Attracting & retaining talent



Employees from companies with engagement scores in the **top 10%** are **80% more likely** to recommend the company as a great place to work.³



An engaged employee is **87% more likely** to stay with an organization.⁴

Share earnings

147%

Companies with highly engaged workforces **outperform their less-engaged peers by 147%** in earnings per share.⁵

Replacing one employee is estimated by some experts to cost as much as their annual salary.⁶

Health

Does your work life negatively impact upon your physical health?⁸

YES

12% of engaged employees say yes.

YES

54% of actively disengaged employees say yes.

Cost

USD\$450 – \$550 billion

Estimated annual cost of actively disengaged employees in the USA.⁷

Absenteeism

Average number of sick days taken by employees.⁹

2.7 ENGAGED

6.2 DISENGAGED

Finding your benchmark

The average engagement score for large organizations is around 69%. Having this benchmark as a starting point allows you to understand how your organization's workplace culture compares to the organizations you are competing with for talent.

We look at five key areas to understand employee engagement. The recommend, motivation, pride and commitment questions provide insight into opportunities to improve workplace experience, productivity, employees' perceptions of the organization and retention. Again, the average scores set a benchmark so you can understand where your organization sits compared to others. Once you have your own baseline you can choose areas to focus on for improvement and measure against both your previous scores, and the overall benchmark.

QUESTION	SCORE	GAP
Engagement score	<1,000 employee orgs 71%	-2
	1,000+ employee orgs 69%	
RECOMMEND Would recommend company as a great place to work	<1,000 employee orgs 83%	-7
	1,000+ employee orgs 76%	
MOTIVATION Motivates me to go beyond what I would in a similar role elsewhere	69%	-6
	63%	
PRIDE Proud to work for their company	87%	-2
	85%	
PRESENT COMMITMENT I rarely think about looking for a job at another company	55%	0
FUTURE COMMITMENT Can see themselves still working there in two years' time	62%	2
	64%	

Key drivers of engagement

Identify what's really important
to people at your workplace.



Key drivers of engagement

FACTOR	QUESTION	SCORE	GAP
LEARNING AND DEVELOPMENT	This is a great company for me to make a contribution to my development		-6
LEADERSHIP	I have confidence in the leaders		-8
LEADERSHIP	The leaders demonstrate that people are important to the company's success		-7
LEARNING AND DEVELOPMENT	I believe there are good career opportunities for me		0
LEADERSHIP	The leaders have communicated a vision that motivates me		-2
IMPACT AND HONESTY	This company really allows us to make a positive difference		-8
IMPACT AND HONESTY	This company effectively directs resources (funding, people and effort) towards company goals		-1
IMPACT AND HONESTY	Day-to-day decisions demonstrate that quality and improvement are top priorities		-2
IMPACT AND HONESTY	There is open and honest two-way communication		-6
LEARNING AND DEVELOPMENT	I am happy with my current role relative to what was described to me		-2

We identify key drivers of engagement on the Culture Amp platform by comparing each individual's responses (to each question) with how they respond to engagement questions on recommendation, motivation, pride and current and future commitment.

Often, the things a company does very well, or not very well, aren't the things that affect how engaged employees are. With clarity on key drivers of engagement, companies can take action that will have impact. The key drivers of engagement we most commonly find in large organizations are: learning and development; leadership; and impact and honesty.

Learning and development

Learning and development is a key driver in all industries we work with. Career opportunities are important, but just as important are opportunities to learn new skills and contribute to development. It's also important to people that their role is consistent with what was described to them.

Leadership

Leadership flags as a key driver in all of our industry benchmarks. People are more engaged when leaders show that people are important to the company's success and communicate a clear vision. Confidence in leaders and whether or not people think the company is in a position to succeed are also important facets of leading an engaged workforce.

Impact and honesty

Impact and honesty is increasingly showing as an important factor of engagement in our benchmark reports. People want to see that they and their organization are making a positive difference. They want to be communicated with openly and honestly and see that resources are allocated appropriately.

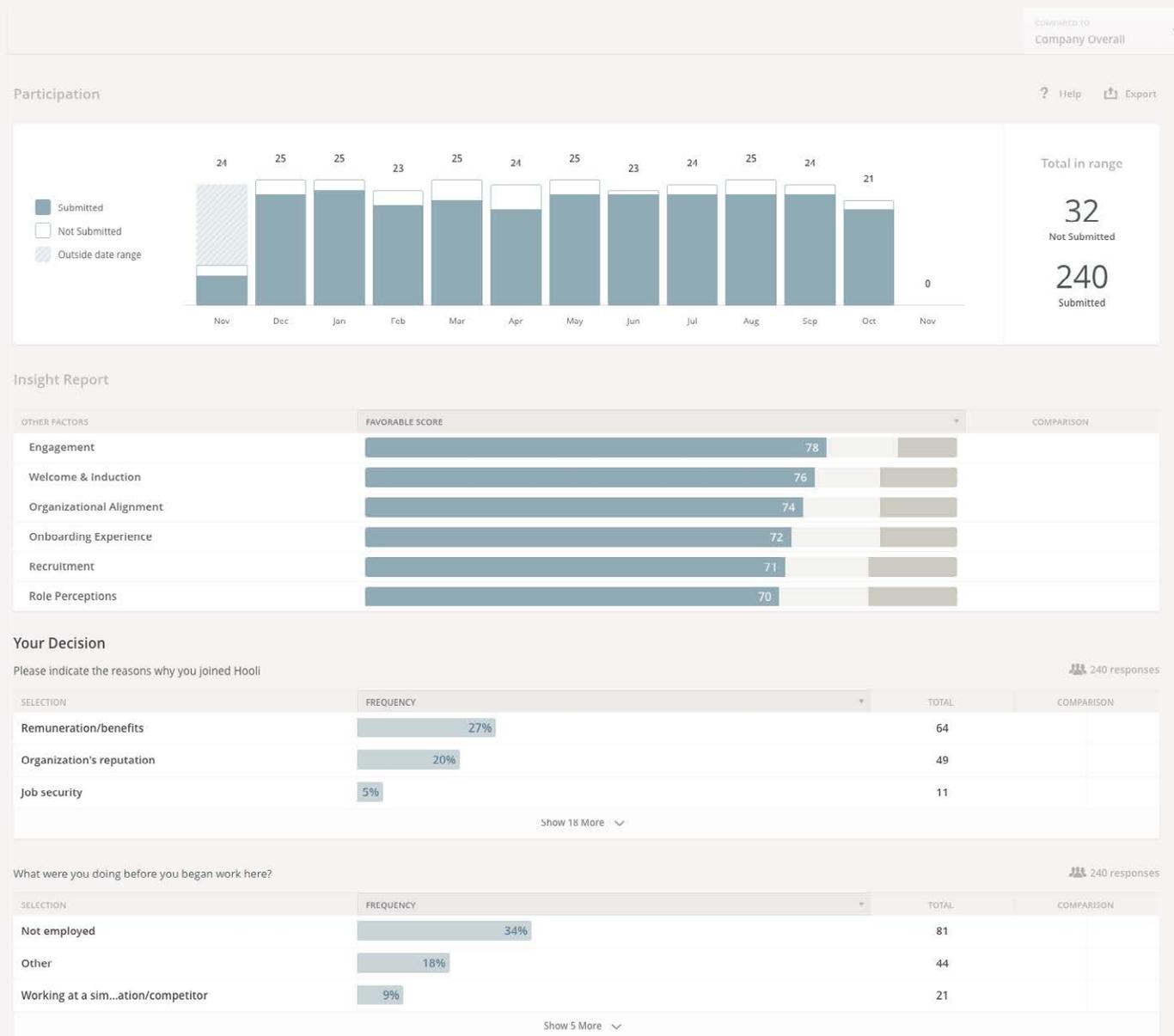
Reports every HR executive needs

Helping you focus attention
where it will have most impact.



Employee experience

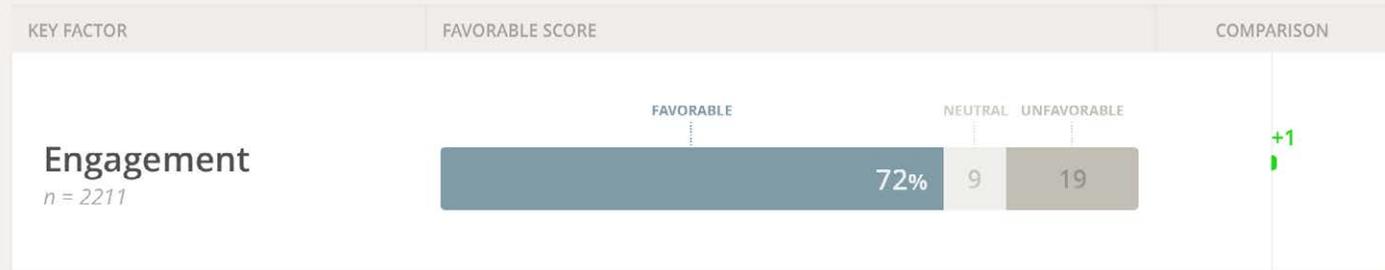
Collecting feedback from your employees from early in their career with your organization allows you to understand their journey throughout the employee lifecycle – from onboarding to exit. Gathering employees' first impressions allows you to refine your recruiting and the way you welcome people to your organization, whilst exit reports can provide valuable input into how you can increase retention.



Engagement

Many of our customers swear by our engagement dashboards – with real-time reporting and easy-to-understand reports highlighting key drivers of engagement, and heatmaps identifying hotspots in their organizations – they’re always prepared to make decisions to improve their workplace. Gone are the days when finance and marketing were the only ones with sophisticated reporting to guide and reaffirm their actions.

Factors



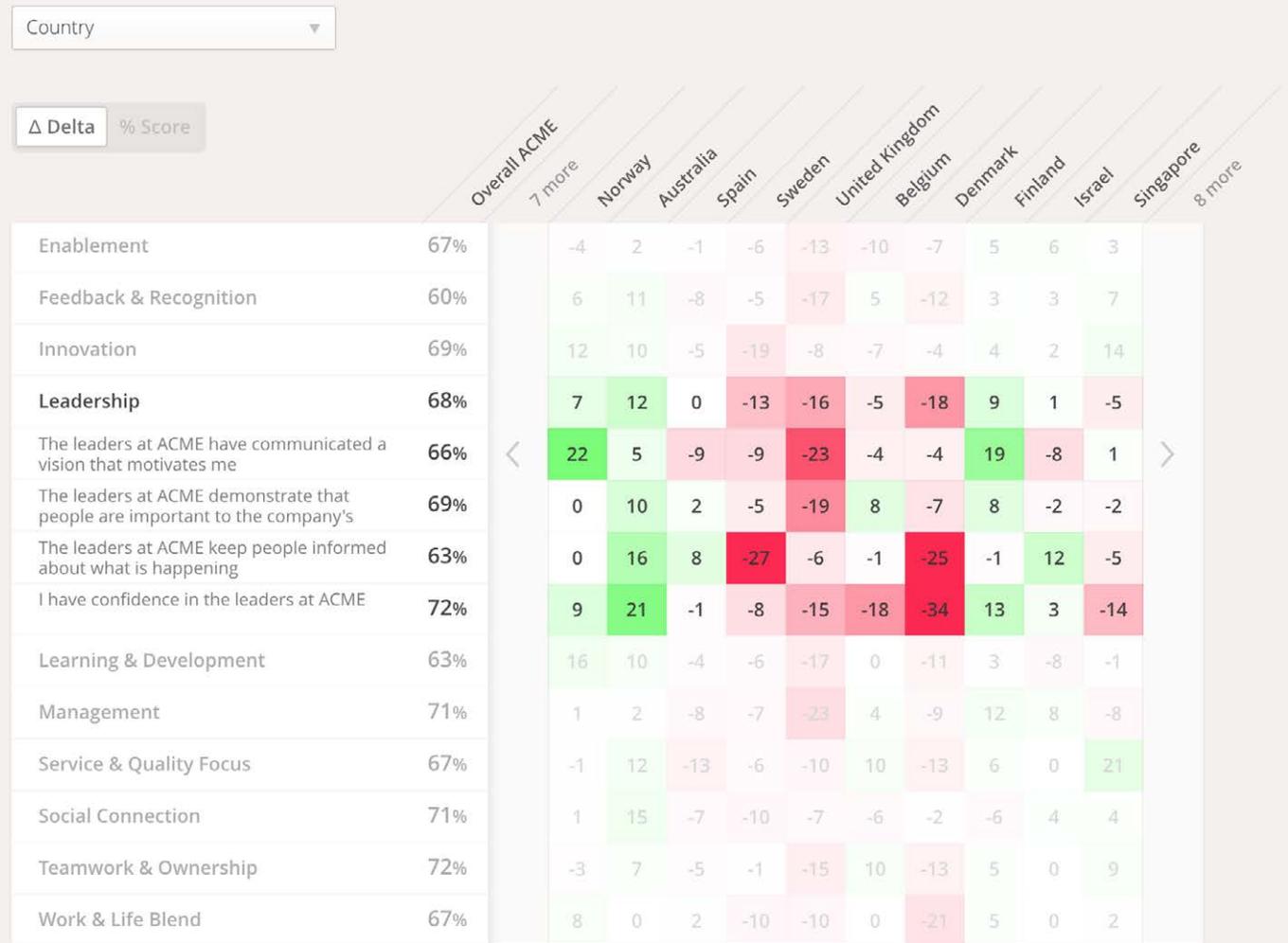
Rated Questions

Top 5 questions impacting Engagement

IMPACT	QUESTION	FACTOR		FAVORABLE SCORE	COMPARISON
●	The leaders at Hooli have communicated a vision that motivates me	Leadership	145	74	▲
●	I believe there are good career opportunities for me at Hooli	Learning & Development	138	70	▲
●	I have confidence in the leaders at Hooli	Leadership	158	63	▼
●	I am given opportunities to develop skills relevant to my interests	Learning & Development	132	76	▲
●	The leaders at Hooli demonstrate that people are important to the company's success	Leadership	182	62	▼

Heatmaps

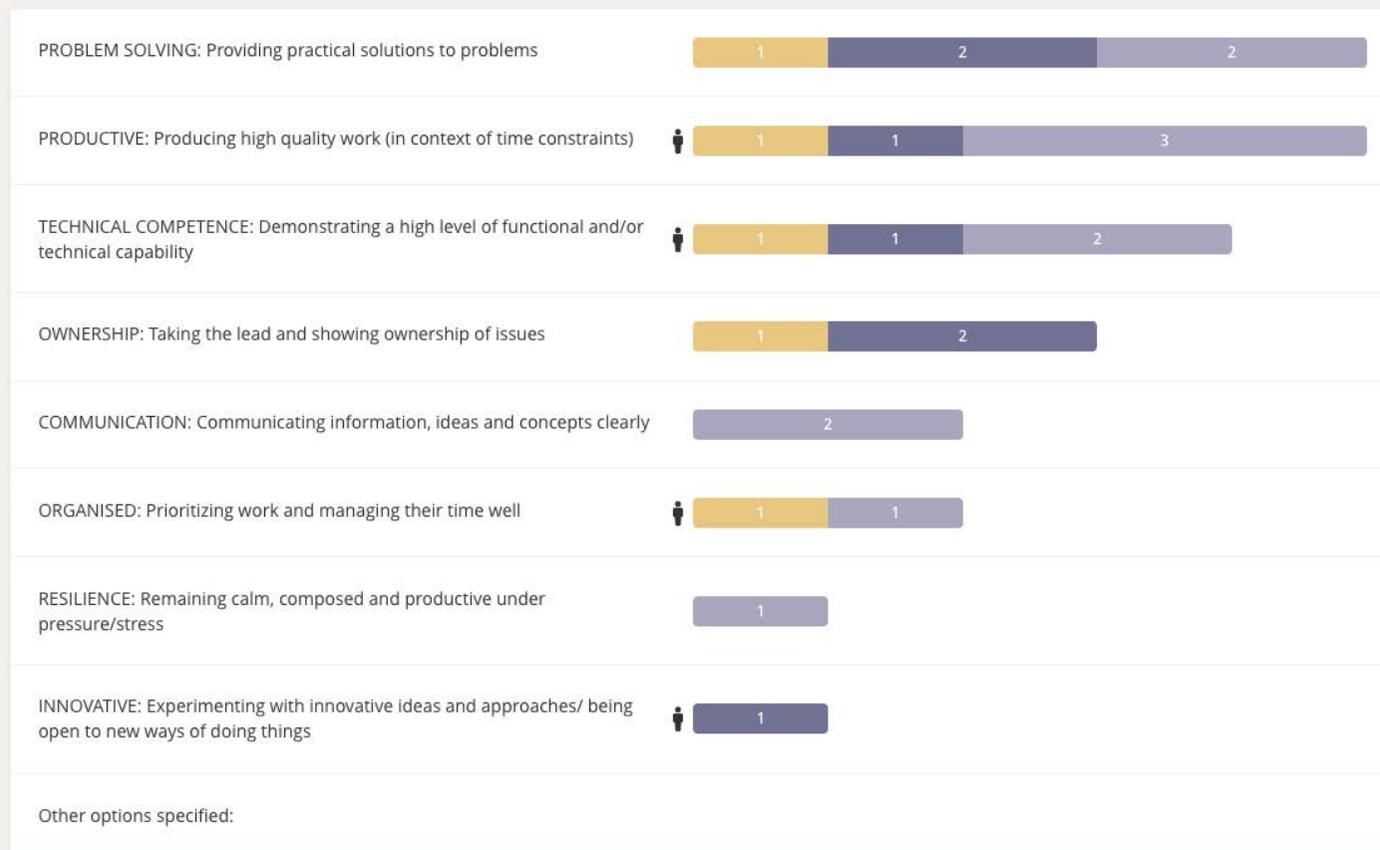
Quickly and easily identify areas where people are thriving and problem spots where attention is required. Our heat maps are one of our most popular features and our team of data scientists and organizational psychologists ensure insights are not only simple to attain, but are reliable and actionable.



Effectiveness

Our feedback tools for managers and individuals provide valuable data about how your team is tracking. Take a look at overall levers impacting how effective your managers are, or review learning and development needs for your team.

What have you observed them excelling at?



Case study:

Earls Kitchen+Bar

A few years ago, Earls Kitchen + Bar realized they had an engagement problem, and action was needed.

Earls had been measuring engagement for 12 years. Three years ago they missed getting into Aon's Top 50 Best Employers list which prompted them to take a look at what they stood for. Engagement at the store level hovered around 70% with only 35% participation. Meanwhile engagement in their head office was dropping significantly year over year.

The company was not in good shape. They were asking questions but not aligning their strategies to correct issues. They were not communicating their analysis to front line leaders so they could take action. This is what prompted a change in the company, including seeking a way to measure engagement frequently.

Earls previously used a survey tool that was time-consuming for participants to complete and expensive to administer. Partners (Earls' term for employees) found that the 50+ questions took too long to answer and that many of the questions were very corporate and not relatable.

Earls later switched to delivering more user-friendly engagement surveys through Culture Amp. Using the survey tool, Partner Experience surveys are now conducted companywide in fall and spring. In between these periods, short pulse surveys go out to select groups that have low engagement so that they can quickly identify issues and improve engagement and effectiveness.



At Earls, their motto is: great guest experiences begin with great partner experiences. The partner experience is one of the key success indicators for the company. Employee engagement, leadership, enablement, alignment and development are measured. They seek feedback frequently because the feedback helps drive their business strategies. Past survey feedback has contributed to company initiatives and programs like Vision + Goals (a goal setting and personal development program), guest experience training delivered via eLearning, and changes to their compensation and benefits program.

“The Earls Experience is about leadership, it’s about people, it’s about development and growth, and we have fun,” says Janis Tong, Earls Senior Manager of Content and Digital Strategy. “Our company’s soul is to live a large, purposeful life filled with fun, and so we try to inject that through all our communications and training programs and make sure it’s integrated into everything we do at Earls.”

Last September, Earls took advantage of the flexibility of the Culture Amp system to conduct a pulse survey specifically for their kitchen partners. They had been getting some feedback that front-of-house employees were getting a lot of training and back-of-house partners wanted that as well. With the survey, Earls was able to ascertain that employees needed to feel more connected to their culture, as well as what was needed in terms of training and development. This feedback will help mold future programs and initiatives that have a direct impact on kitchen partners.

The surveys help garner feedback regarding new programs. Recently, Earls launched a new guest experience training program that will be provided to all their front-of-house partners. In the past, it was face-to-face training that took place in store when a partner was first hired. Now, the course has shifted to a combination of face-to-face training and eLearning. Having not done a lot of eLearning, Earls designed a survey to see how effective the new training is and how they can improve it.

“Any time we push out something new, we use the pulse survey as a tool to see how the program or initiative is working for our people, and that’s really important for us to measure effectiveness and how we can improve going forward,” says Tong. “We’ve been really happy with the tool. The fact that we have this tool to capture feedback really quickly and easily is awesome and we’re going to be using it a lot more going forward.”

Looking to the future, Earls wants to make the partner experience as positive as possible.

“Ultimately, we want to be the top career destination for young people in North America, and so we’re making sure we’re walking the talk, and being authentic about who we are,” says Tong.

Earls has big expansion plans in the U.S., with new locations opening regularly.

“

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Why engagement matters

Footnotes

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Let's chat

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