



# 2021 ENGAGEMENT REPORT

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# A MESSAGE FROM THE CEO

2020 introduced challenges most of us have never experienced in our personal or professional lives. To put the data that will be shared in this report into proper context, it's important to remember that the thousands of employees who responded to these surveys were living through a year that included:

- Presidential impeachment
- Global coronavirus pandemic
- Lockdowns
- **14.8% unemployment in April** (an 11.3% increase in two months)
- Social injustice and unrest
- Contentious local and national elections
- A GDP drop of 5% in Q1 and 31.4% in Q2 followed by growth of 33.4% in Q3 and 4% in Q4

No one went through the year unaffected by some or all these events. Understandably, some organizations chose not to survey their employees in 2020, but those who did were richly rewarded with information that allowed them to invest in their employees in meaningful ways.

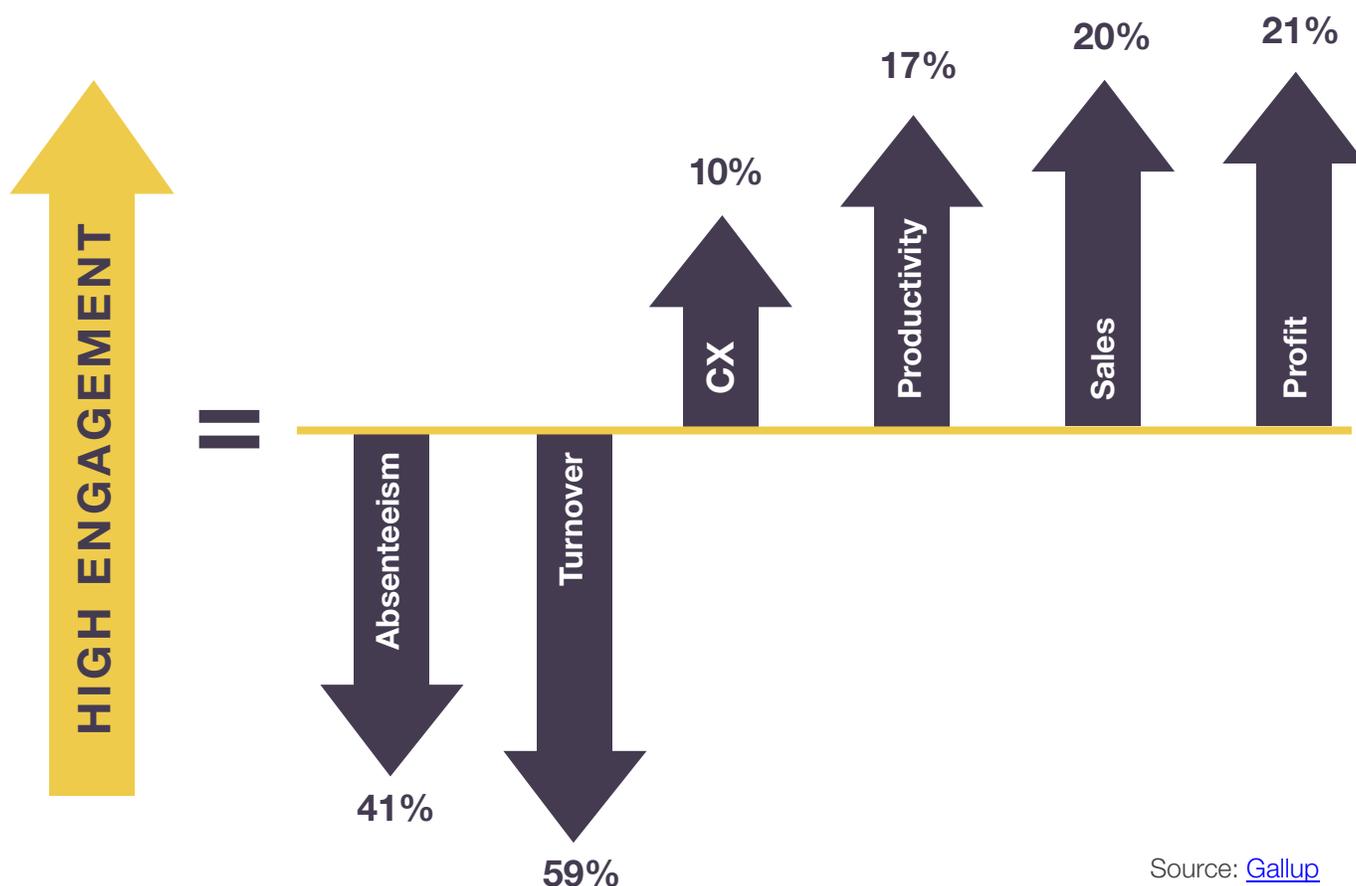
We at People Element were fortunate to witness organizations navigate these events to adapt, improve, and ultimately strengthen their cultures and communities. We're proud to be associated with these organizations and to have played a small part in their efforts.



*Chris Coberly*  
CEO - People Element

# IMPACT OF ENGAGEMENT

Increased employee engagement results in reduced turnover, improved productivity, better customer retention, stronger financial health, and most importantly, happier employees. Having an effective employee engagement strategy is therefore a key ingredient to the operational and financial success of any organization. Whether your approach to employee experience feedback uses continuous listening or an annual engagement survey, we hope this report can provide you additional context as you work to improve employee engagement at your organization.



The data in the 2021 People Element Engagement Report includes responses from thousands of US-based employees across numerous industries including manufacturing, healthcare, education, transportation, construction, real estate, finance, municipalities, government, technology, and farming.

# EMPLOYEE SATISFACTION RESULTS



Understanding employee dissatisfiers gives us better context to overall employee engagement and helps us determine where to focus our efforts.

## Employees were least satisfied in the following areas:

- Compensation** 41% of respondents were dissatisfied with compensation. Specifically, they felt they were not paid fairly in comparison to others at the organization doing similar work.
- Employee Voice** 36% of respondents noted dissatisfaction with feeling they had a voice within the organization. Responses were least favorable around leadership listening to and caring about their concerns.
- Leadership** 35% of respondents were dissatisfied with leadership, scoring them particularly low on effectively resolving key organizational issues.
- Feeling Valued** 35% of respondents said they did not feel valued. They specifically referenced not feeling valued by leadership.
- Communication** 35% of respondents expressed concerns with communication. The lowest scores in this area were centered around communication between departments not being effective.

# EMPLOYEE ENGAGEMENT - LEVELS

Our engagement index uses a set of six questions to determine levels of engagement within an organization. The index measures the commitment, effort, connection, and advocacy a person feels towards their company.

Employee populations are divided up into four engagement groups:

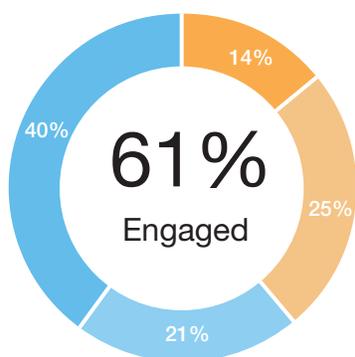
Actively Disengaged	Opportunity Group	Engaged Contributor	Actively Engaged
<p>Employees who consistently view their work and the company unfavorably</p> <p>Most likely to disparage and talk negatively about the company and leaders</p> <p>Tend to blame the company and point finger at others</p> <p>Will quit, or stay and contribute to a negative environment if no change occurs</p>	<p>Employees who are ambivalent about their work and workplace</p> <p>Work just enough to get by and fly under the radar</p> <p>Do not actively contribute to the workplace</p> <p>The main reason for staying is contractual and to get paid</p>	<p>Employees who are satisfied with their work and speak well of the company</p> <p>Meet expectations of the job but not likely to take risks or go above and beyond</p> <p>Tend to stay in their comfort zone</p> <p>Committed to their work</p>	<p>Employees who take personal satisfaction in what they do and how they do it</p> <p>Likely to take personal risks and stretch themselves to do more and learn new things</p> <p>Learning and growing, helping the company develop</p> <p>Love their work</p>



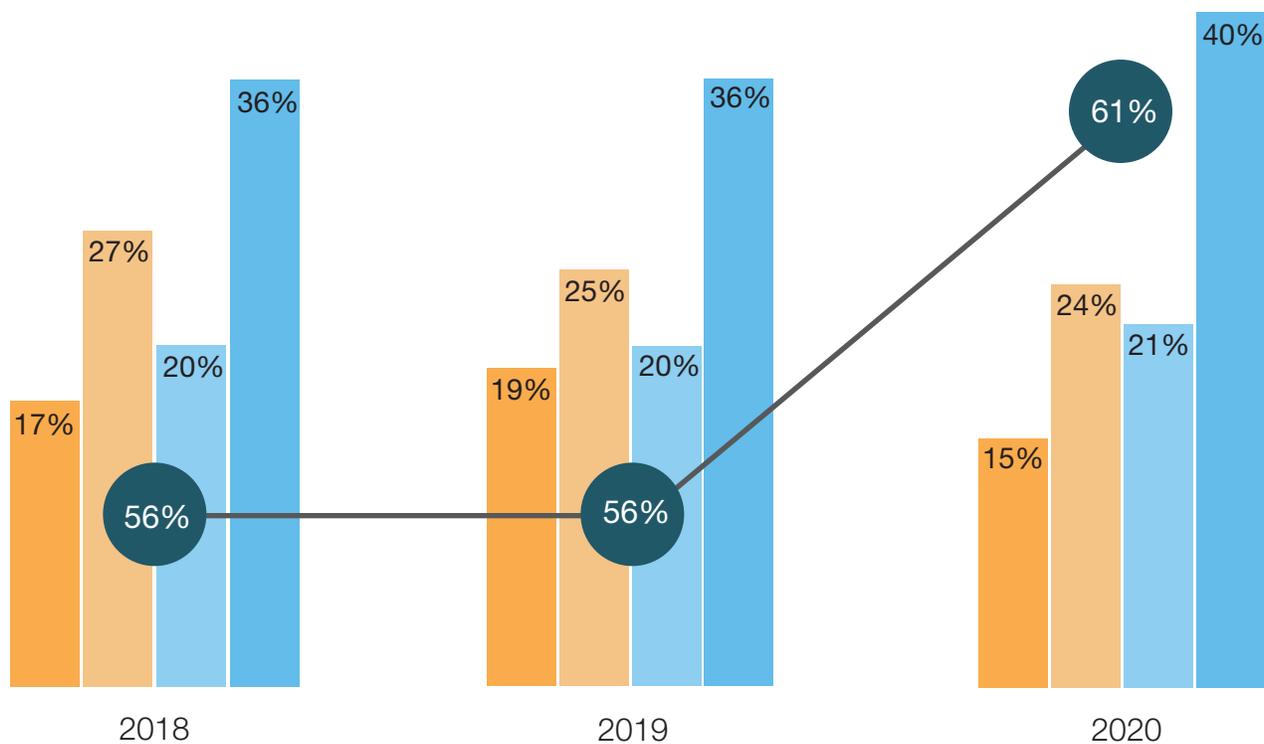
# EMPLOYEE ENGAGEMENT - TRENDS

Engagement levels were up in most organizations in 2020 resulting in a 5% increase in overall employee engagement. Initially, this may be surprising with the volatility of the employment market but the data reveals employees felt more connected to their organizations and coworkers as they came together to support each other and overcome business challenges. Many companies and their employees were suddenly very aligned in their goals, resulting in a significant improvement in overall engagement.

2020 Engagement



Overall employee engagement is determined by adding the Engaged/Contributor and Actively Engaged groups together.



Actively Disengaged    Opportunity Group    Engaged/Contributor    Actively Engaged    Overall Engagement

# KEY DRIVERS OF ENGAGEMENT IN 2020

LEADERSHIP COMMUNICATION

VOICE & FEELING VALUED

Key drivers were determined by conducting Spearman correlations on all surveys' items to highlight which showed both a high correlation against our engagement index as well as a low score.

The feedback and analysis were clear, the areas that would most improve employee engagement were **Leadership Communication** and **Employee Voice/Feeling Valued**. Effectively executed strategies that improve communication and voice will result in increased engagement and happier employees.

# LEADERSHIP COMMUNICATION

Respondents who rated **leadership communication** as an opportunity, specifically identified communicating a clear vision, sufficient communication, being kept informed, and confidence and trust in leadership as areas for improvement.

# VOICE & FEELING VALUED

Respondents who rated **voice/feeling valued** as an opportunity, specifically identified feeling valued, having a voice, their ideas being given consideration, and leadership showing they value employees as areas for improvement.



# LEADERSHIP COMMUNICATION

Employees are consistently looking for more stability, reassurance, and direction. Information empowers them to make necessary decisions for themselves and their families. Additionally, according to the Prosci 2016 Best Practices in Change Management Report, 74% of employees prefer to receive business messages from their CEO/President or Executive Manager. As things continue to change and settle in 2021, high employee engagement levels will rely on an effective leadership communication strategy.

## Recommendations:

Now is a great time to revisit your communication strategy making sure it includes People Element's 5 keys to an effective communication strategy:

1. Communications should always be appropriately transparent, empathic & specific.
2. Listen – create opportunities for them to provide input & ask questions to leadership.
3. Use as many delivery mediums as possible as people absorb information in different ways (company/department meeting, video, recorded messages, email, etc.).
4. Establish an appropriate frequency of communications and be consistent.
5. Under the current circumstances, we recommend the following topics be covered:
  - Clear vision for your organization in 2021 and the next 3 to 5 years.
  - How they can help the company reach its goals – help them connect themselves to your vision.
  - Financial status/health of the company.
  - Items that may impact them (remote work policies, social distancing policies, etc.).
  - Provide appropriate encouragement, hope, and gratitude for their efforts.



## Additional reading:

- [5 Ways to Effectively Communicate with Employees \(Entrepreneur\)](#)
- [5 Tips for Effective Leadership Communication \(Blue Beyond Consulting\)](#)

# EMPLOYEE VOICE & FEELING VALUED

As humans, we all want to feel that we're important and that we matter to those around us. Likewise, employees hope their relationship with an organization is more than just work product and a paycheck. Being a valued member of a team working to accomplish a common goal creates meaning in the work an employee does. Additionally, knowing that input and feedback are not just welcome but important to the organization only increases how valued an employee feels and ultimately, how engaged they are.

## Recommendations:

Have you updated your employee experience strategy recently? Many organizations spent 2020 making necessary adjustments to continue to operate as effectively as possible under the circumstances and are just now able to take the time to revisit what their employees might be experiencing day to day. Consider the following as you refresh your strategy:

- How important are your employees to your company? Have you told them? Provide appropriate encouragement, hope, and gratitude for their efforts.
- Evaluate the effectiveness of your employee recognition program. Recognition should be individual and meaningful.
- Provide and communicate various ways for employees to give feedback (suggestion box, roundtable discussions, company/department meetings, employee surveys).
- Use any and all opportunities to communicate what actions you're taking as a result of their feedback.



*"The responsibility of a company is to serve the customer. The responsibility of leadership is to serve their people so that their people may better serve the customer. If leaders fail to serve their people first, both customer and company will suffer."*

*- Simon Sinek  
author, motivational speaker  
and marketing consultant*

## Additional reading:

- [Get Your Employees to Make Better Suggestions \(Harvard Business Review\)](#)
- [9 Easy Ways to Show Your Employees You Value Them \(Inc.\)](#)

# KEY CONSIDERATIONS FOR 2021

It's important we account for factors that are already emerging in 2021 as well as your own internal considerations. These areas have been identified by recent employee engagement surveys as well as HR industry experts as important elements in any engagement strategy moving forward.

**Remote  
work**

**Life  
experience**

**Diversity &  
inclusion**

**Growth &  
development**



# EMPLOYEE VOICE & FEELING VALUED

## REMOTE WORK

The percentage of remote workers is expected to double in 2021 according to a [survey](#) conducted by Enterprise Technology Research (ETR). [A Gartner CFO survey](#) shows 74% of CFOs intend to shift workers permanently remote after COVID ends. With this shift in the workforce, it's important to consider the potential impact on employee connectivity to the culture, communication challenges, work/life balance, and coworker relationships.

Resources: [Keeping remote workers engaged](#)

## LIFE EXPERIENCE

In 2021 we will begin to see a more aggressive shift by employers to take a bigger role in supporting the life experience of employees rather than just the work experience. [Gartner's 2020 ReimagineHR Employee Survey](#) identified that employers that support employees with their life experience see a 23% increase in the number of employees reporting better mental health and a 17% increase in the number of employees reporting better physical health. There is also a real benefit to employers, who see a 21% increase in the number of high performers compared to organizations that don't provide the same degree of support to their employees.

Resources: [Gartner's 2020 ReimagineHR Employee Survey](#)

## DIVERSITY & INCLUSION

Every employee having the opportunity to contribute leads directly to feeling valued and higher engagement. According to a recent [study](#), companies who are inclusive have 2.3 times higher cash flow per employee over a three-year period, are 1.7 times more likely to be innovation leaders in their market, and 2.9 times more likely to identify and build leaders.

*"Inclusion is the ability to engage diversity in your workforce, so that everyone has equal opportunities to contribute."*

-Shirley Davis Sheppard, Ph.D.

Vice President of Diversity and Inclusion and Workplace Flexibility at the Society for Human Resource Management ([SHRM](#))

Resources: [Why diversity & inclusion will be a top priority \(Josh Bersin\)](#)

## GROWTH & DEVELOPMENT

Employees will apply increased pressure on their organizations to offer learning and development courses and resources to up-level the value they can provide their companies. The absence of employer programs may lead employees to engage easily accessible online solutions to enhance their skills to improve the quality of their job opportunities elsewhere.

Resources: [How to provide growth when you can't promote](#)

Our vision at People Element is to help organizations achieve meaningful change in their employee engagement and retention outcomes. We hope this report helps you achieve the change your company needs to improve the employee experience and, as a result, take advantage of the benefits a highly engaged workforce can provide.

### About People Element

We keep the measuring and improving of the employee experience simple by providing you an innovative solution that gives you the speed and confidence to act on the things that matter most to the success of your business. Combining an easy to use yet powerful platform with world-class services and expert support, People Element provides the best of both worlds for understanding and improving your employee experience.

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**Engagement. Retention. *Simplified.***

[Schedule a live tour!](#)

People Element Platform and services overview:

