

# 2019 Employee Engagement Trends

AMONG AMERICA'S BEST PLACES TO WORK



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WELCOME TO THE 9TH ANNUAL

# Employee Engagement Trends Report!

This comprehensive report is the one and only of its kind, examining employee engagement at America's top workplaces. Based on employee surveys from more than 45 Best Places to Work contests, this year's study aggregates responses from more than 600,000 employees from 10,000+ organizations across America.

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**10,000+**  
Organizations

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**600,000+**  
Employees

# The Trends You Should Know

## Future Outlook a Key Driver of Engagement

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To Engage Your Employees, Clearly Communicate About the Future

## Engagement Decreases as Company Size Increases

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Maintain a Strong Culture as Your Organization Grows

## Diversity & Inclusion Efforts Falling Short

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Focus More Attention on Inclusion

# Navigating the Report

## THE E9 MODEL OF EMPLOYEE ENGAGEMENT

Employee engagement is the strength of the mental and emotional connection employees feel toward their places of work.

Quantum Workplace measures engagement using our e9 Model of Employee Engagement, a set of nine survey items that measure various aspects of employee engagement.

## EMPLOYEE ENGAGEMENT PROFILES

Throughout this report, we will focus on employee engagement profiles. Employees are classified into four groups based on the average of their responses to the e9.

<b>HIGHLY ENGAGED</b> Average e9 Rating: 5.0-6.0	<b>MODERATELY ENGAGED</b> Average e9 Rating: 4.0-4.9	<b>BARELY ENGAGED</b> Average e9 Rating: 3.0-3.9	<b>DISENGAGED</b> Average e9 Rating: 1.0-2.9
Strongly connected to workplace Brand advocates Go the extra mile Stick around	Moderately connected to workplace Something holds them back from full engagement	Barely connected to workplace Indifferent attitude Lack motivation Turnover risk	Disconnected from workplace Negative, disruptive Hinder productivity

## TIPS ON READING THE REPORT

Whenever words like “more engaged” or “engagement” are used when showing or describing results, it is referring to the percentage of highly engaged employees in a particular group or demographic

In some charts and graphs, the term “YOY” is used. This means “Year Over Year,” which is trending data between 2017 and 2018

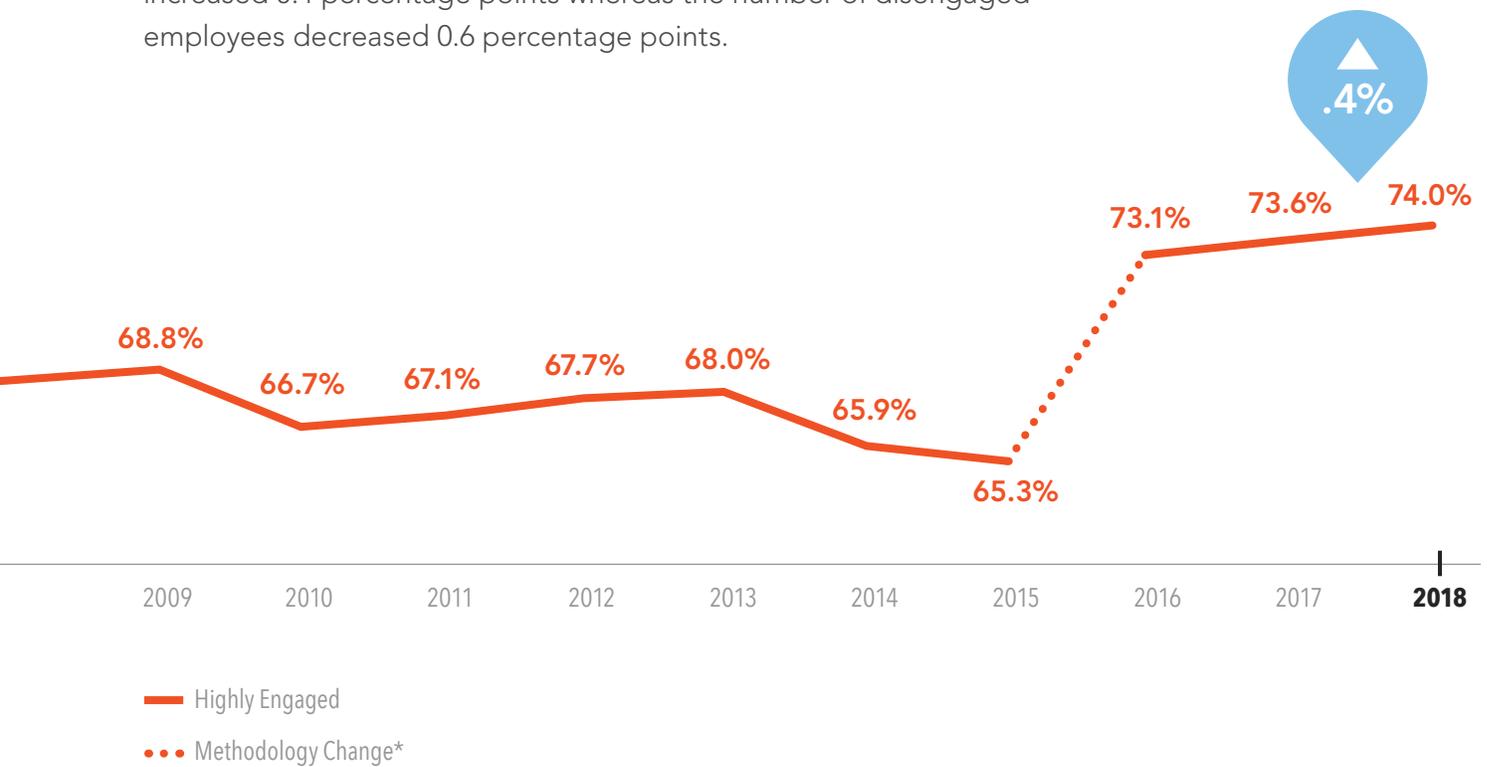
Not all graph columns (the combination of engagement profiles) will equal exactly 100 percent — these small discrepancies are due to rounding error

# Overall Trends



# Highly Engaged Slightly Up, Disengaged Slightly Down

From 2017 to 2018, the number of highly engaged employees increased 0.4 percentage points whereas the number of disengaged employees decreased 0.6 percentage points.



Prior to 2016, Quantum Workplace used a different model for calculating profiles.  
See page xx [methodology page] for more information.

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# What's Driving Employee Engagement?

All items in the survey have a positive correlation with employee engagement. Some have stronger correlations than others; items with a correlation of 0.75 or higher were considered key drivers of engagement.

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My job allows me to utilize my strengths.\*

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I trust the senior leadership team to lead the company to future success.

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I believe this organization will be successful in the future.

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The leaders of the organization value people as their most important resource.

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If I contribute to the organization's success, I know I will be recognized.\*

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I find my job interesting and challenging.

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I see professional growth and career development opportunities for myself in this organization.\*

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My opinions seem to count at work.\*

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2019  
Performance  
Management  
Trends  
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\*Check out our annual **Performance Trends Report** if you want to learn more about these items and others like them!

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# Organizational Demographic Analysis

No two organizations are alike, and with different organizations comes different engagement challenges. In this section, we uncover the relationship between engagement and various organizational demographics, including:

 **CORPORATE STATUS**

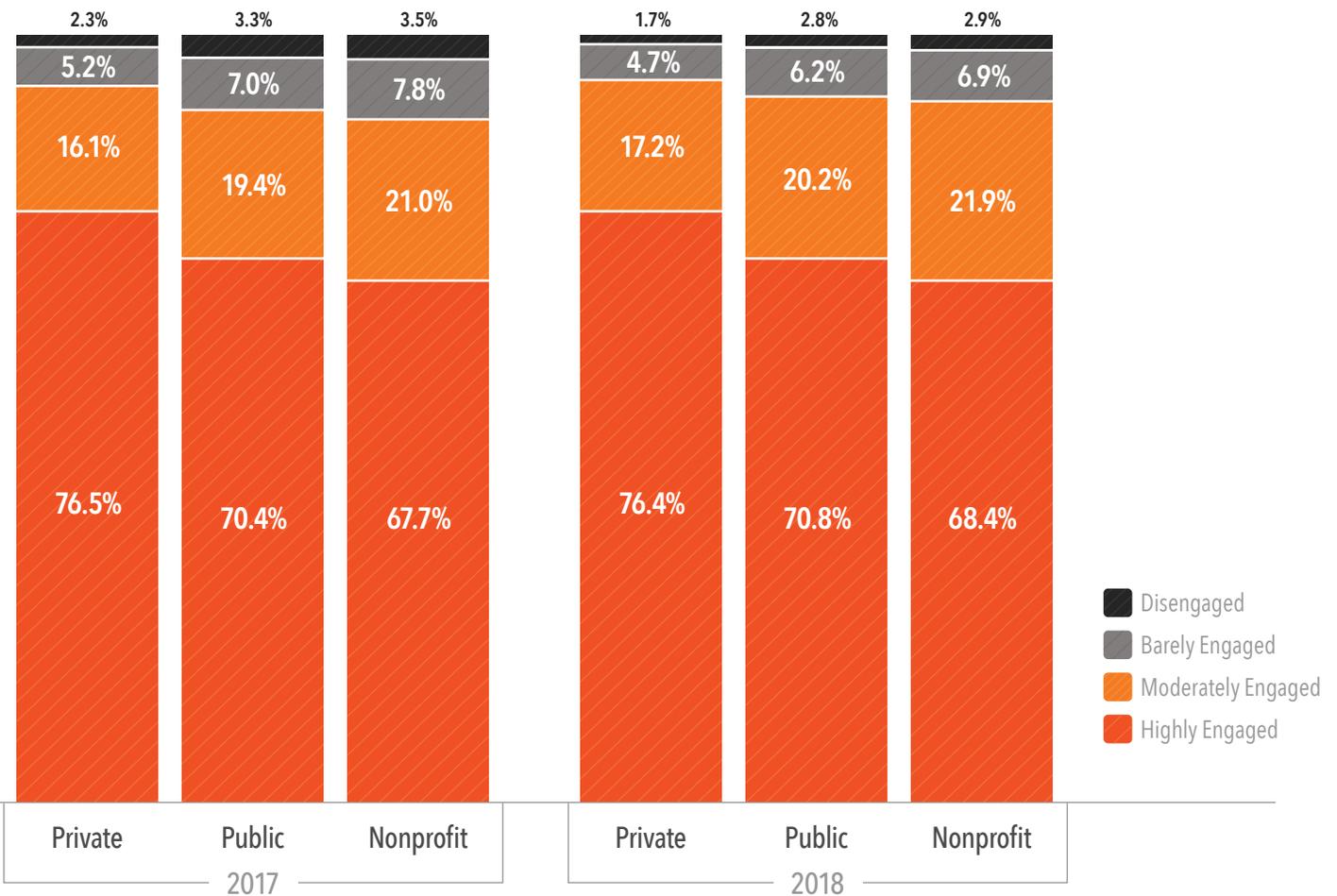
 **SIZE**

 **INDUSTRY**

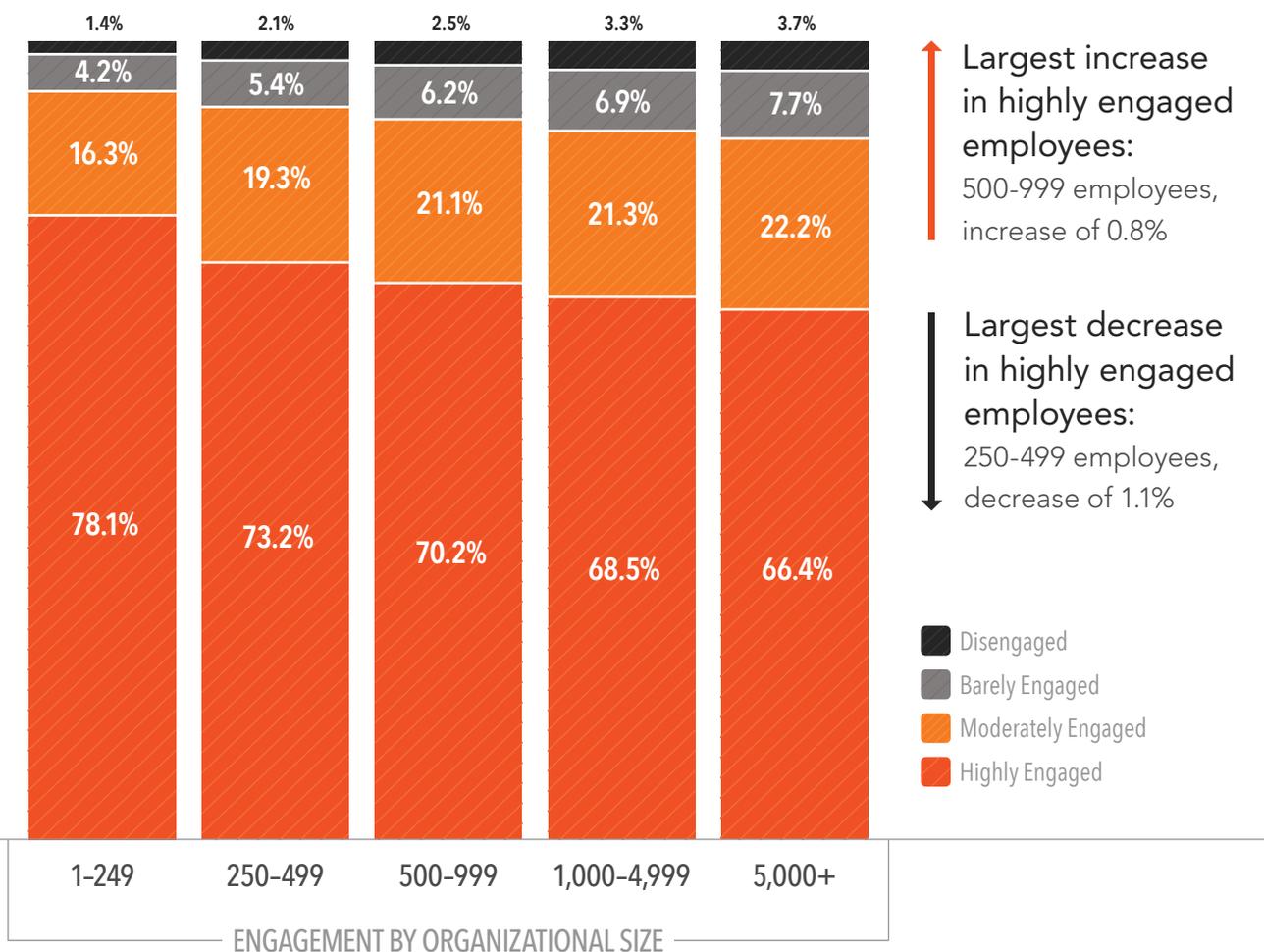
 **LOCATION**

# Nonprofits Still Less Engaged

Similar to past years, the nonprofit sector ranks lowest in highly engaged employees. Yet the nonprofit industry continues to experience an increase in percentage of highly engaged employees.



# As Company Size Increases, Highly Engaged Employees Decrease



# Management of Enterprises Rises While Utilities Falls

The chart below lists 15 industries analyzed in rank order by percent of highly engaged employees. To the left, you'll see rank order and change in rank from 2017 to 2018. On the right, you'll see the percent of highly engaged employees in the industry and the change in percent from 2017.

## INDUSTRY TRENDS

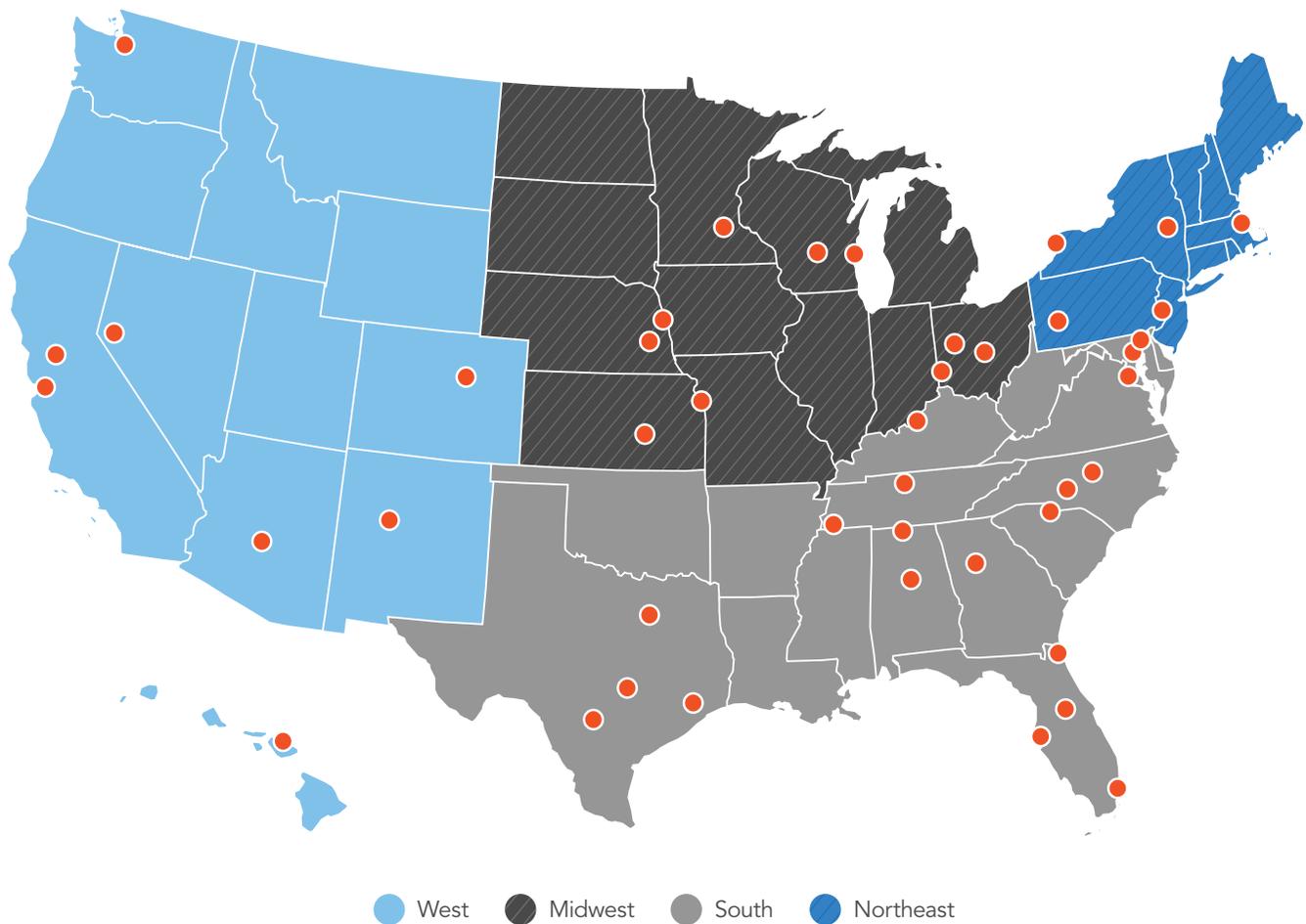
RANK	YOY CHANGE IN RANK	INDUSTRY	PERCENT ENGAGED	YOY CHANGE IN % ENGAGED
1	▲ +1	Real Estate	80.4%	▲ +1.1%
2	▼ -1	Construction	78.9%	▼ -2.5%
3	▲ +9	Management of Enterprises	77.7%	▲ +9.9%
4	No Change	Technology	77.2%	▲ +0.7%
5	▼ -2	Professional Services	76.0%	▼ -0.9%
6	No Change	Transportation & Warehousing	73.6%	▲ +1.3%
7	▲ +6	Arts and Entertainment	72.2%	▲ +5.2%
8	▼ -3	Finance & Insurance	71.9%	▼ -2.5%
9	▲ +1	Retail	71.2%	▲ +2.6%
10	▼ -2	Accommodation & Food Services	69.9%	▼ -1.5%
11	▼ -2	Education	69.9%	▲ +0.4%
12	▼ -5	Utilities	68.8%	▼ -2.7%
13	▼ -2	Healthcare	68.5%	▲ +0.5%
14	▲ +1	Manufacturing	67.3%	▲ +3.1%
15	▼ -1	Wholesale Trade	66.4%	▼ -0.5%

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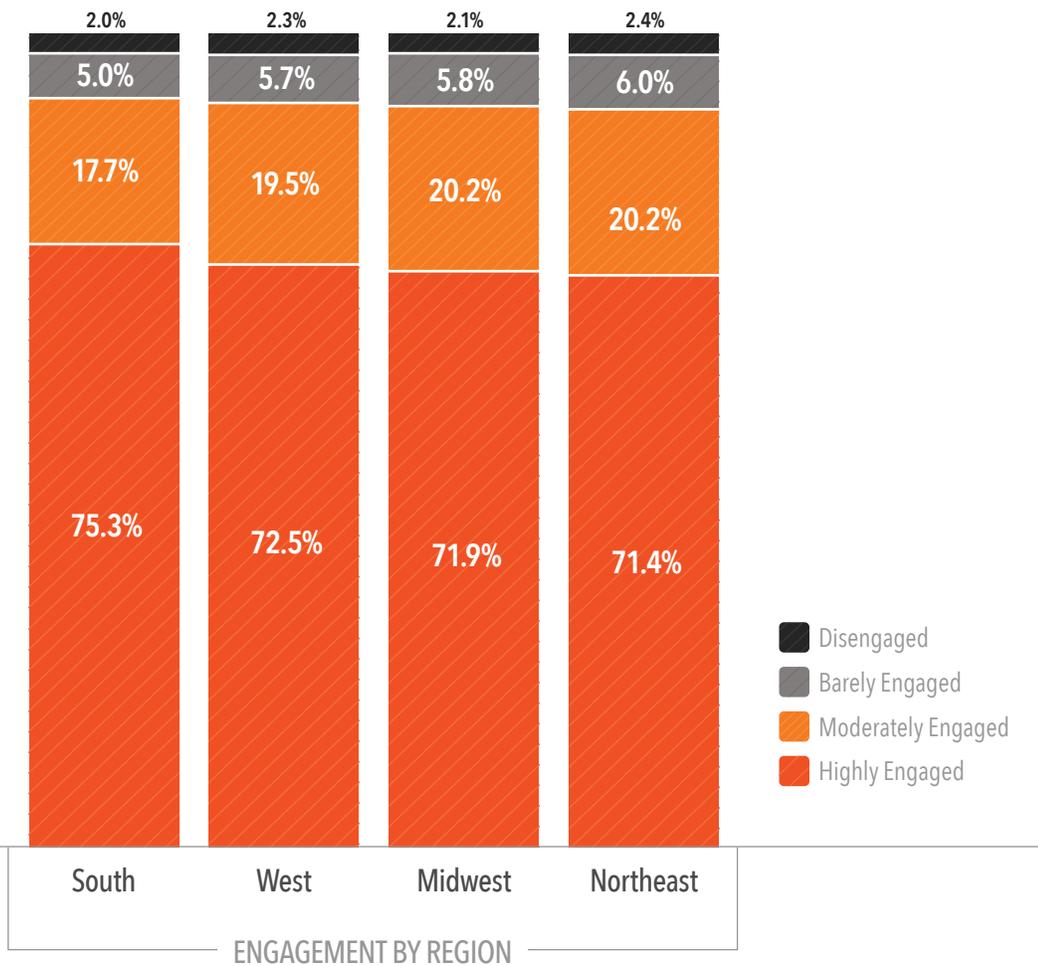
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# Location

The next section will cover geographic trends, based on data collected from Best Places to Work regional contests. Forty-three cities participated in a Best Places to Work program in 2018.



# Northeast is Less Engaged



# Huntsville the Most Engaged City, Dethroning Nashville

RANK	CITY	STATE	HIGHLY ENGAGED
1	Huntsville	Alabama	83.9%
2	Nashville	Tennessee	83.3%
3	South Florida	Florida	79.0%
4	Sacramento	California	76.7%
5	Atlanta	Georgia	76.7%
6	Austin	Texas	76.6%
7	Birmingham	Alabama	76.1%
8	Tampa Bay	Florida	76.1%
9	Orlando	Florida	75.9%
10	Dallas	Texas	74.9%

# Pittsburgh at the Bottom as Least Engaged City

RANK	CITY	STATE	HIGHLY ENGAGED
34	Omaha	Nebraska	71.2%
35	Baltimore	Maryland	71.0%
36	Buffalo	New York	70.6%
37	Columbus	Ohio	70.6%
38	Philadelphia	Pennsylvania	70.3%
39	Minneapolis	Minnesota	70.3%
40	Louisville	Kentucky	69.4%
41	Greensboro	North Carolina	69.4%
42	Denver	Colorado	69.2%
43	Pittsburgh	Pennsylvania	68.5%

# Professional Demographic Analysis

Just as we saw differences among demographic groups in the previous section, we also see differences when looking at employment designations and professional demographics. In this section, we compare and contrast perceptions through the lens of the following demographics:

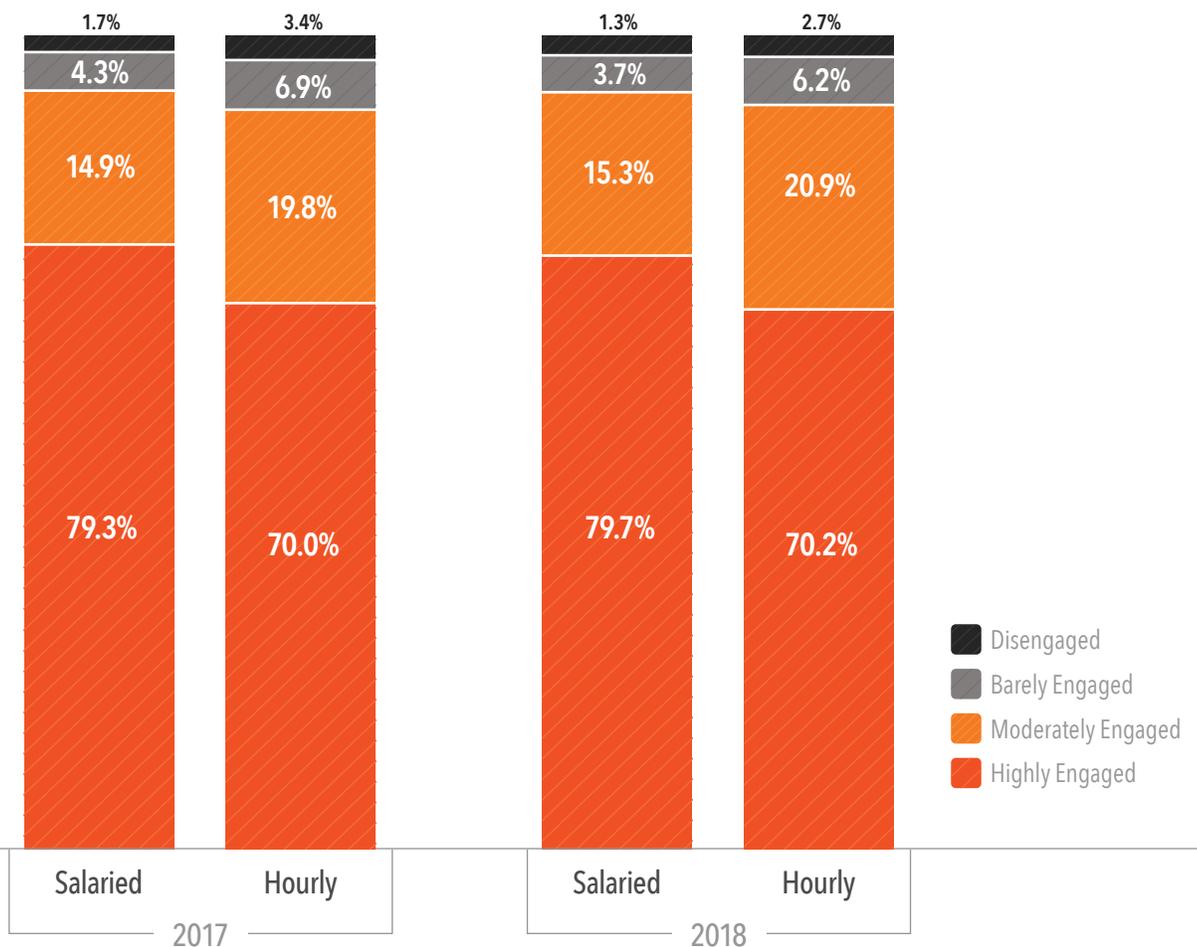
— **PAY TYPE**

— **POSITION LEVEL**

— **TENURE**

— **DEPARTMENT**

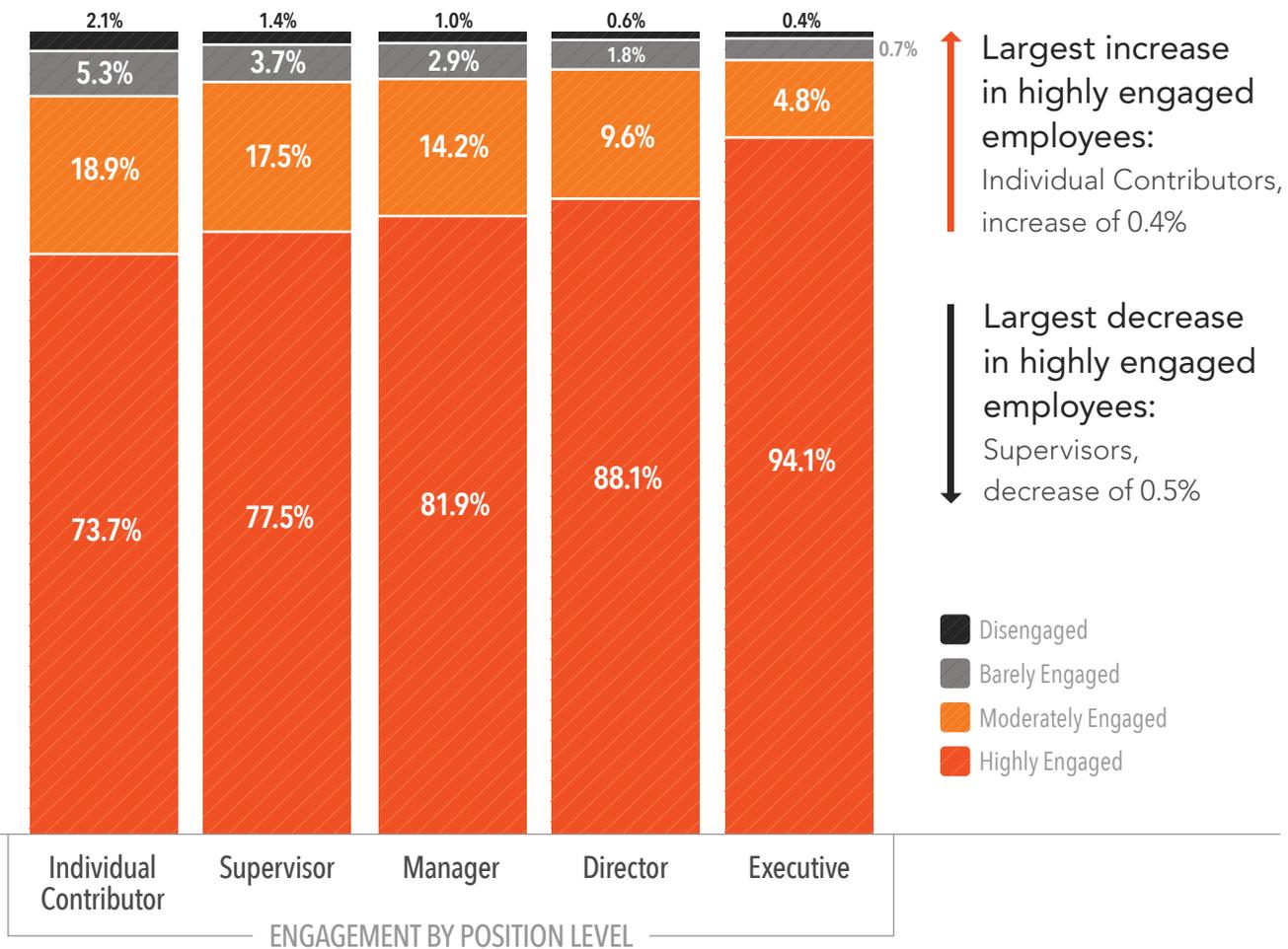
# Gap Between Hourly and Salaried Employees Remains



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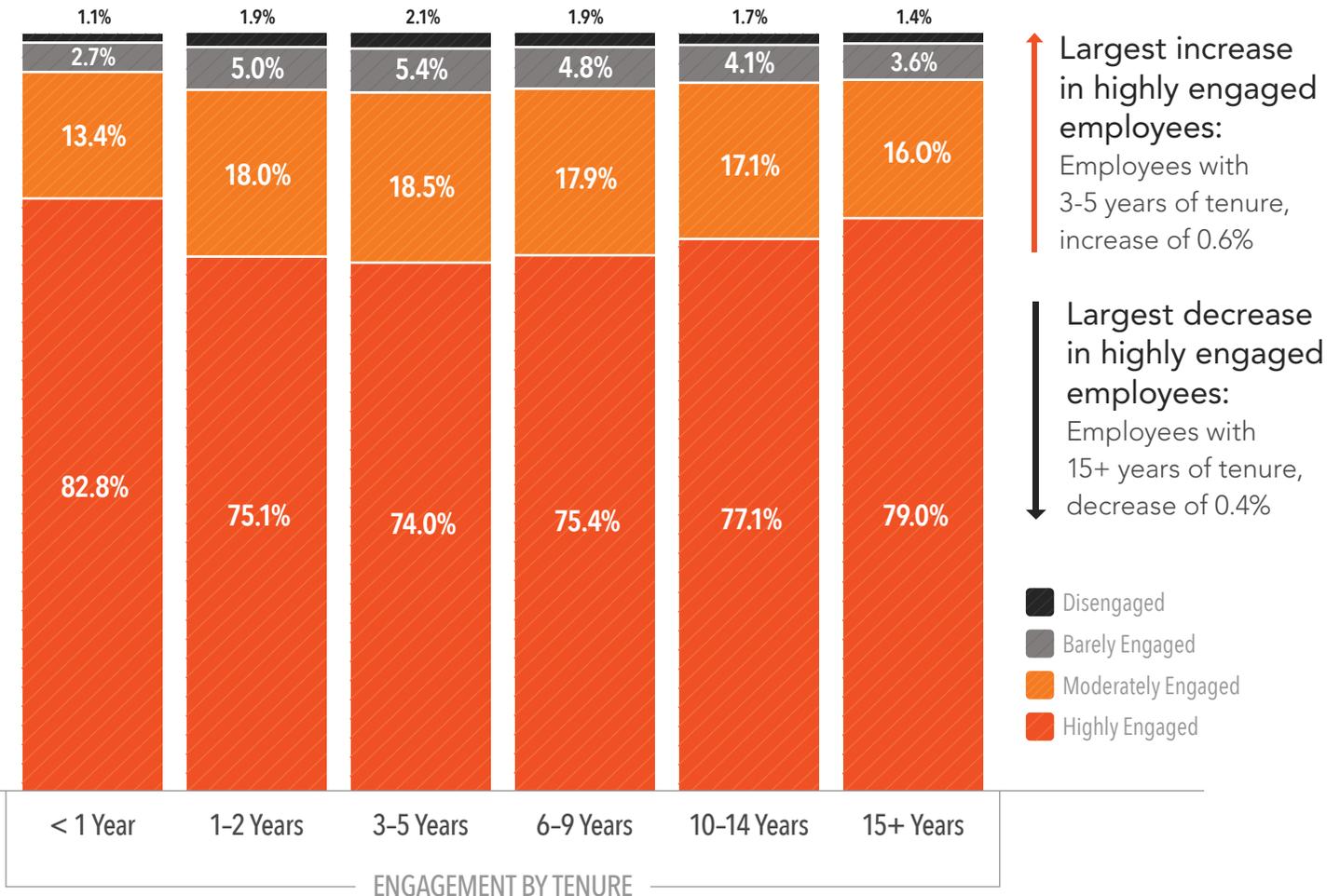
# Engagement Increases with Rank

Historically, the higher the position level, the higher the level of engagement. In 2018, the position level gap continued decreasing between individual contributors and supervisors

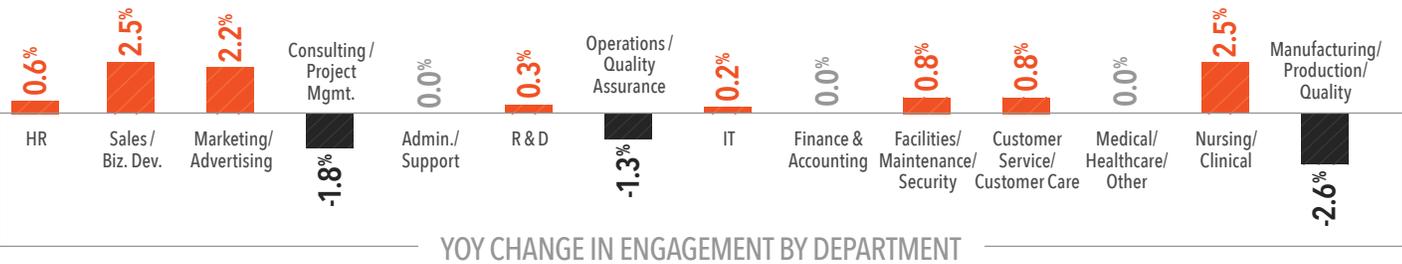
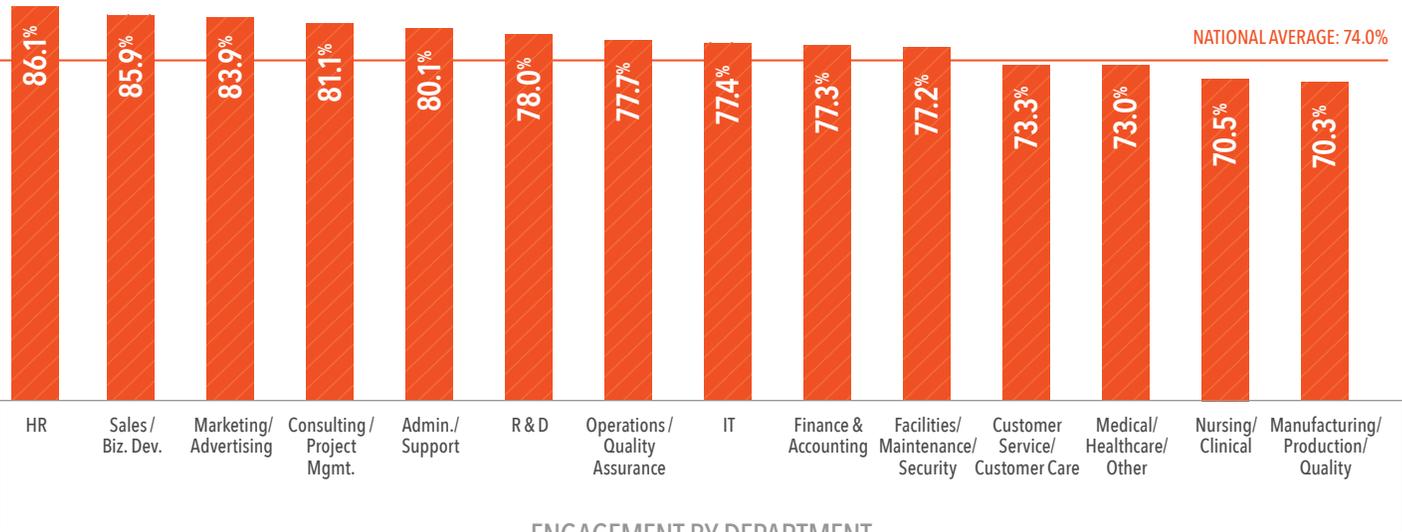


# New Employees Remain Most Engaged

Engagement tends to be highest among new employees, decreases to the lowest point for employees with 3-5 years of tenure, and reverses the trend by increasing for the next groups. This year, all groups except one increased in engagement.



# HR is the Most Engaged Again



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# Personal Demographic Analysis

People experience and perceive the workplace in different ways. In this section, we examine how different demographic groups perceive the workplace via their engagement. These personal demographics include:

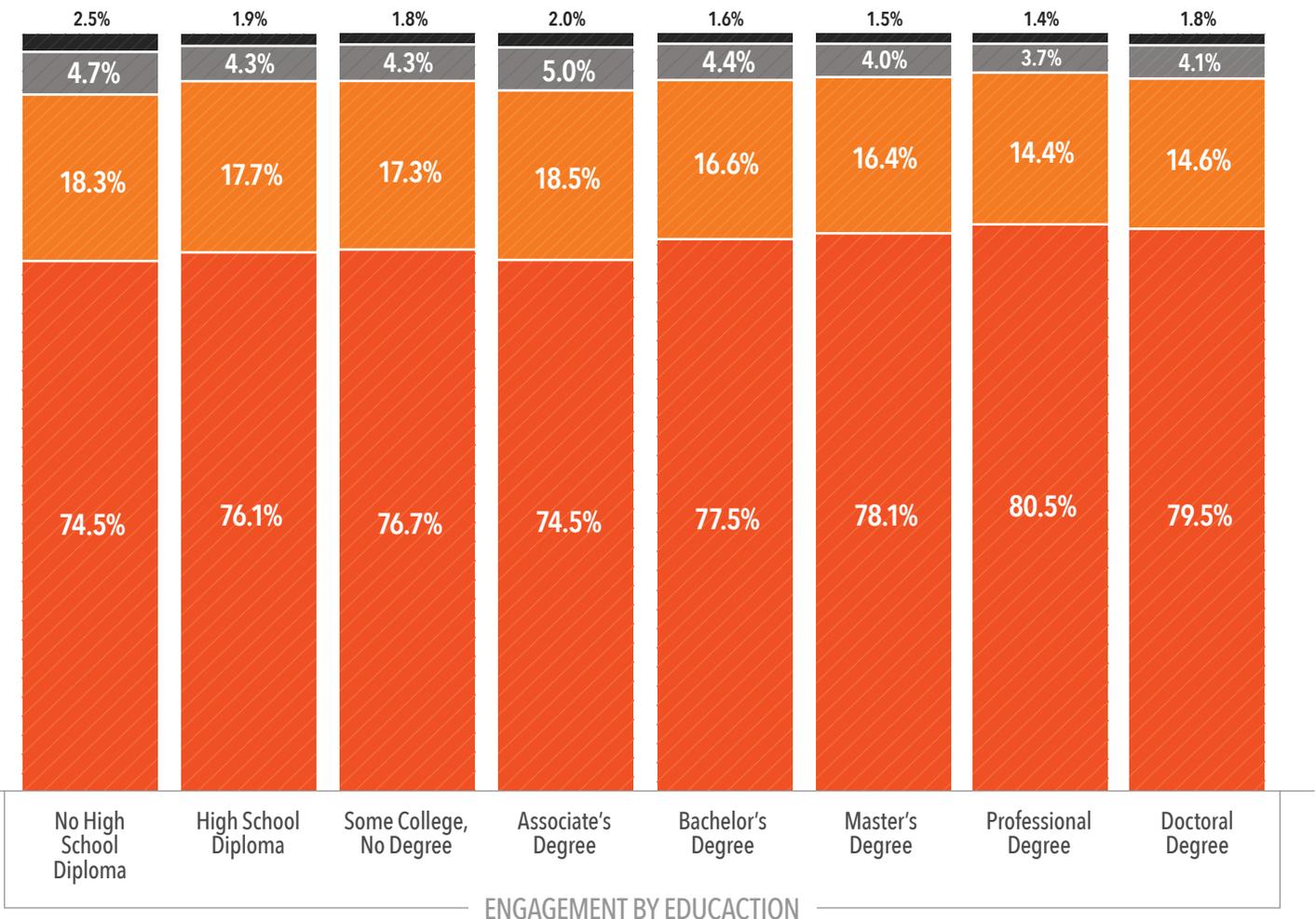
— EDUCATION

— AGE

— GENDER

— RACE

# Higher Engagement With Higher Education

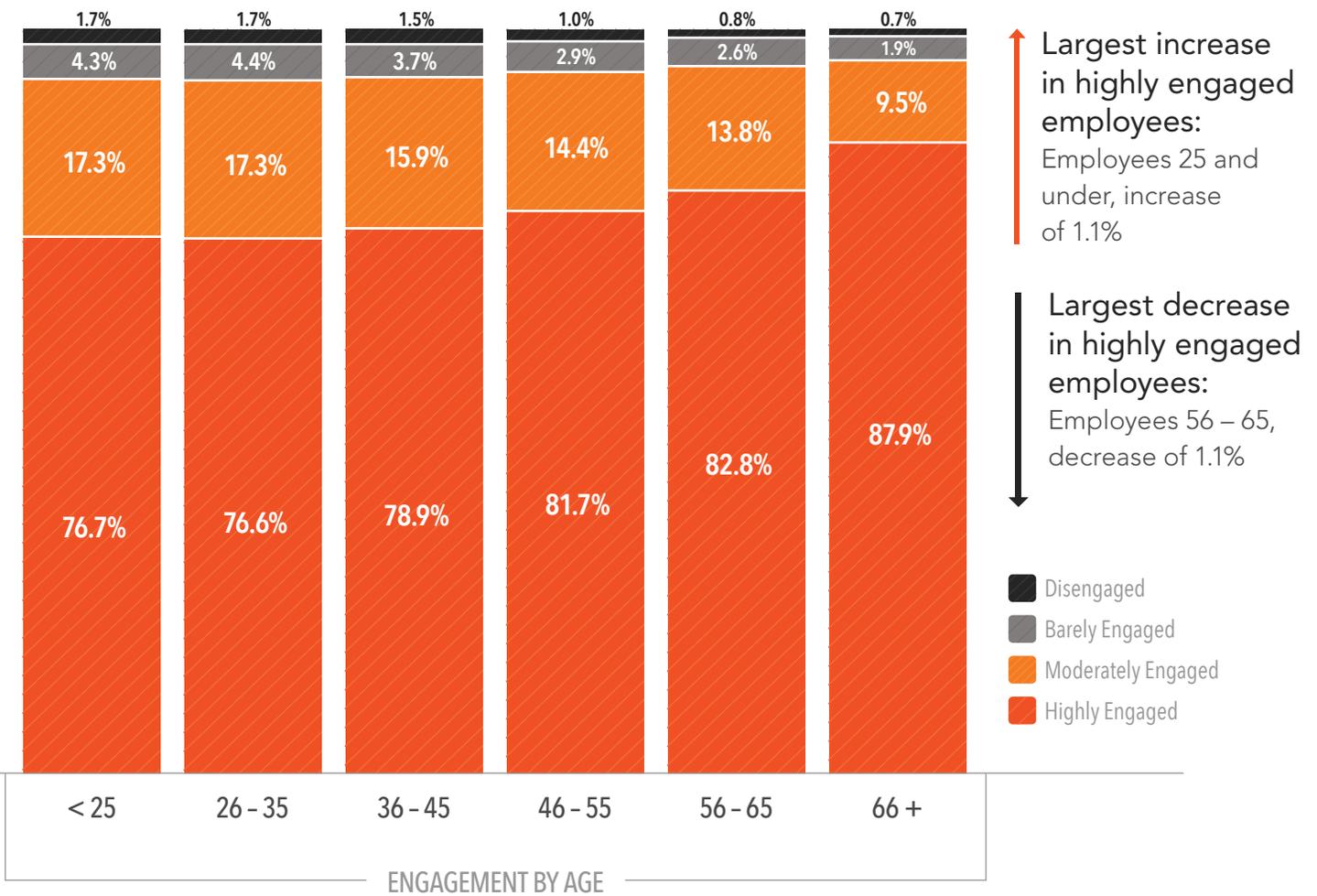


↑ Largest increase in highly engaged employees:  
Professional degree, increase of 1.7%

↓ Largest decrease in highly engaged employees:  
Doctoral degree, decrease of 0.2%

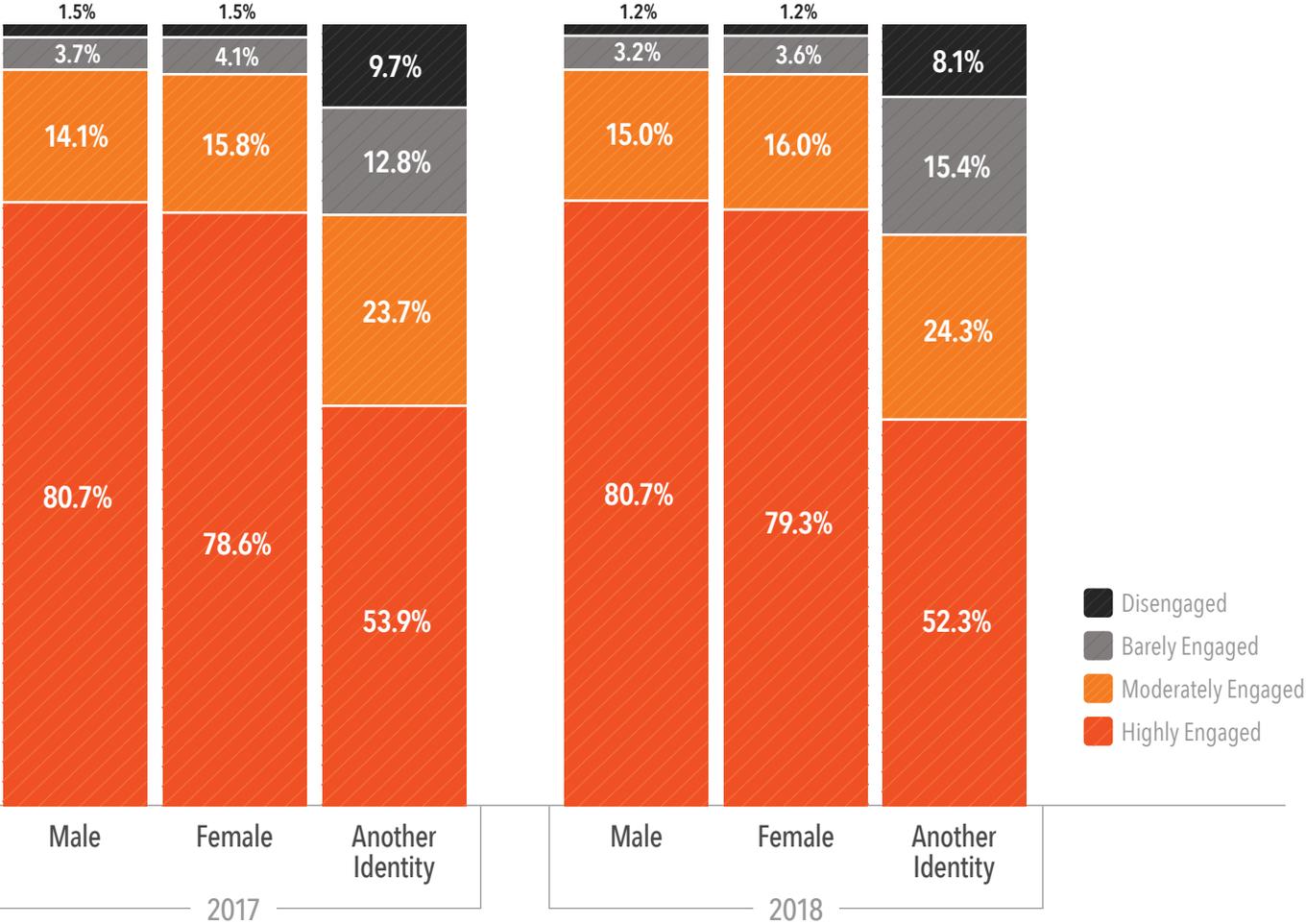
- Disengaged
- Barely Engaged
- Moderately Engaged
- Highly Engaged

# Engagement (Mostly) Increases With Age



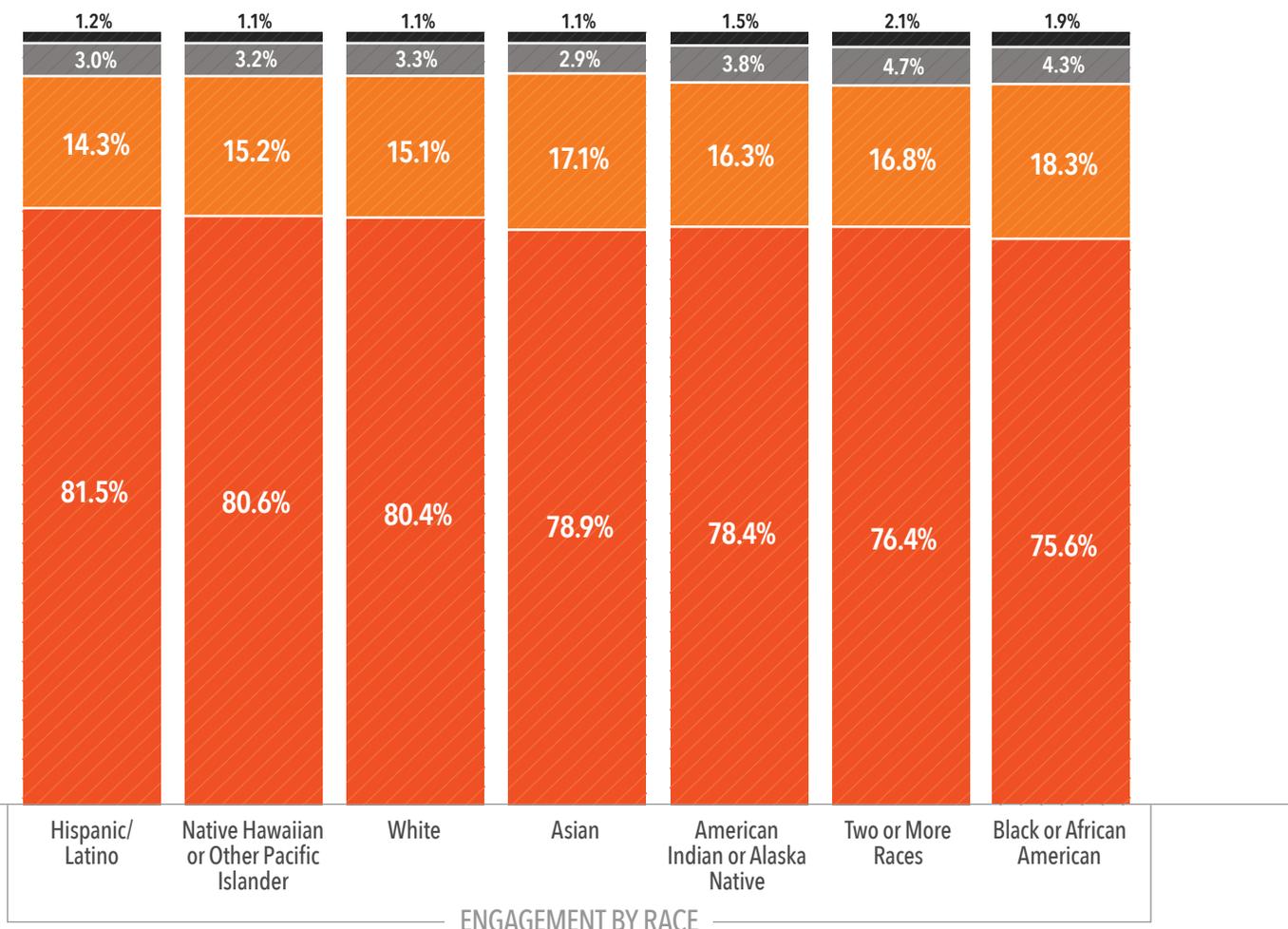
# Low Engagement Among Gender Minorities

Although the engagement gap between males and females decreased, employees who indicated their gender as being another identity continue to have the lowest levels of engagement across all professional and personal demographic groups.



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# African American and Multiracial Employees Least Engaged



↑ Largest increase in highly engaged employees:  
Native Hawaiian or Other Pacific Islanders, increase of 2.7%

↓ Largest decrease in highly engaged employees:  
American Indian or Alaska Native, decrease of 1.2%

- Disengaged
- Barely Engaged
- Moderately Engaged
- Highly Engaged

# Methodology

## SURVEY INSTRUMENT

Employee engagement is the strength of the mental and emotional connection employees feel toward their places of work. Quantum Workplace measures engagement using our e9 Model of Employee Engagement (“the e9”), a set of nine survey items that measure various aspects of employee engagement. The e9 has been found to be a reliable measure of employee engagement and has been validated against a variety of indicators.

The non-e9 items shown in the key drivers analysis represent actionable items that are part of Quantum Workplace’s Best Places to Work survey instrument.

## Analysis Methods

### EMPLOYEE ENGAGEMENT PROFILES

Employees are classified into four groups based on the average of their responses to the e9. Highly engaged employees have an average rating between 5.0 – 6.0 on a 6-point rating scale. Moderately engaged employees have an average rating between 4.0 – 4.9. Barely engaged employees have an average rating between 3.0 – 3.9, and disengaged employees have an average rating between 1.0 – 2.9.

Prior to 2016, Quantum Workplace used a different model for calculating profiles. In the previous model, employees were classified into four groups based on the average of their responses to all survey items, rather than just the e9 items. The new model removes employee sentiment about workplace culture elements and focuses only on employees’ feelings of engagement. You’ll notice this shift when looking at year-over-year trending prior to 2016.

### DRIVER ANALYSIS

Quantum Workplace evaluated the relationship between actionable survey items and the e9 to reveal which factors have the highest correlation with employee engagement.

### SURVEY PARTICIPANTS

This report examines data collected through Best Places to Work over the course of the past 11 years. The 2018 data were collected from more than 600,000 employees from over 10,000 organizations that took the survey between January 1, 2018 and December 31, 2018.

### ABOUT BEST PLACES TO WORK

Founded in 2004, Best Places to Work is the original contest created to honor companies where talent is valued and engaged. The contest is held annually in nearly 50 markets and garners participation from more than 10,000 organizations. Quantum Workplace partners with various local publications, professional organizations, and other sponsors to conduct the survey and recognize America’s Best Places to Work.

# So, are you ready for 2020?

It's not too late to equip your organization with the software that will help it weather the coming challenges.

## WITH QUANTUM WORKPLACE YOU CAN:

- provide one central spot for engaging employees
- empower employees to take engagement into their own hands
- measure and monitor employee engagement
- give managers what they need to drive workplace culture

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