

# How to win executive buy-in for employee engagement

## A (really) brief overview of employee engagement

When an organization is committed to improving employee engagement, results are seen in a variety of ways. Engaged employees work more efficiently, they're focused, and communicate openly about their experiences, challenges and triumphs. Genuinely invested in their work, little stands in the way of their success and that of their organization.

TalentMap's own data, gleaned over nearly two decades, underscores how employee engagement surveys are the window into the world of your workforce. Asking the right questions, analyzing responses and acting on feedback make a marked positive difference.

### Measurable Benefits

- Customer loyalty increases by 56% above the average
- Employee retention is 44% above the average
- Safety record improves by 50%
- Productivity increases by 50%
- Overall profitability increases by 33%

While it may seem like you need a degree in statistics or psychology to make sense of surveys and their inherent complexities, it doesn't have to be like that. As leaders of employee engagement and organizational change, you get to decide which survey provider you wish to partner with, and what kind of survey and survey mechanics you want to introduce to your organization.

This guide to winning executive buy-in for employee engagement is a compact resource to help set you on the right path when thinking about introducing an employee engagement survey to your organization. This five-part tool features:

**Section One:** Where to Start

**Section Two:** Employee Engagement's Impact on Absenteeism and Turnover

**Section Three:** The Impact of Employee Engagement on Productivity and Growth

**Section Four:** The Return on Employee Engagement Investment (ROI)

**Section Five:** How to Counter Objections Persuasively

There are lots of survey providers out there who can help you with communication, interpretation and sharing results so that complexities are eliminated or reduced. With this kind of support, employees across all levels are able to understand the how, why and what-for. Collectively, your organization is able to work effectively with actionable survey results.



## Section one: Where to start

Start small. It's OK to set simple goals the first time you introduce a survey. Under-commit and over deliver to build trust and increase future survey participation and support.

At the outset:

1. Consider introducing a survey if the payback outweighs your investment or if your organization is dealing with dramatic change management issues.
2. Surface and address all objections to undertaking a survey before you venture down this path. Some of the most common are named and addressed in Section Five.
3. Know and communicate your goals and expectations for the survey.
4. Practice timely, open and transparent communication throughout the survey process.
5. Engage a trusted third-party survey provider to partner with you to guarantee respondent confidentiality and assert the credibility of your survey and its results.
6. Dedicate sufficient funding and human resources i) to conduct your survey effectively and ii) to act upon prioritized actionable results.
7. Secure executive champions and engage influencers from within the employee population. They help give credibility to the survey process and implementation of post-survey actions.

## Section two: Employee engagement's impact on absenteeism & retention

Today's employees are aware they're responsible for managing their own careers. Our research at TalentMap consistently points to professional development and growth as the most consistent predictor of employee engagement.

Engaged employees are significantly more optimistic about their ability to achieve their career objectives (64% versus 31%). Unfortunately, traditional thinking says the best way to learn and grow is to find a new job. The Bureau of Labor Statistics reports almost one quarter (23.6%) of U.S. employees voluntarily quit their jobs in 2015. Organizations lose money when they lose people.

### THE GOOD NEWS IS...

A growing body of research reports that highly engaged organizations have the potential to:

- Reduce staff turnover by 80% to 90%
- Reduce absenteeism dramatically
  - **The Workforce Institute on Absenteeism** noted a 41% drop in absenteeism when teams are engaged in their work



## Section three: The impact of engagement on productivity & growth

In addition to savings associated with reduced turnover and absenteeism, global research indicates that engaged organizations grow profits much faster than their competitors.

- **Jacob Martin analyzed 250 companies for Harvard Business Review** and found organizations focused on employee engagement “had more than four times the average profit and more than two times the average revenue. They were also almost 25% smaller, which suggests higher levels of productivity and innovation.”
- **The Enterprise Engagement Alliance Engaged Company Stock Index**, created to draw attention to the connection between an organization’s performance in the stock market and its relationships with customers, employees, and communities, found...
  - Operating income at companies with low engagement are on average 32.7% lower than companies with more engaged employees; companies with a highly-engaged workforce experience a 19.2% growth in operating income.
  - Net income for companies with high engagement advanced 13.2%; companies with low engagement saw a decline of 3.8%. Results reflect stock market performance from October 1, 2012, to September 30, 2016 against the performance of the S&P 500 average.
- **A Jackson Organization study showed** companies that effectively appreciate employee value enjoy a return on equity and assets more than triple that experienced by firms that don’t. Fortune’s “100 Best Companies to Work For” stock prices rose an average of 14% per year from 1998-2005, compared to 6% for the market overall.
- **Research from Watson Wyatt** shows that companies with strong engagement experienced three times the growth of companies with weak engagement; engaged employees generate 43% more revenue than disengaged ones.





## Section four: The return on employee engagement investment (ROI)

Cost is a common objection used to put off or dismiss employee engagement programs. When it comes to finding and allocating funds for employee opinion insights it's how these initiatives convert to dollars that's key. Concrete, measurable, bottom line dollars.

How does engaging employees through surveys and other means measure up in terms of ROI? The previous section highlights a few success stories.

To make a persuasive case specific to your organization, do an online search for highly engaged organizations similar in size or scope. What are they're doing right? How does that translate in terms of quality, output, performance and profitability? Draw comparisons between your organization's data and that of highly engaged organizations.

Factor your organization's direct and indirect turnover costs into the equation.

Direct costs include processes and paperwork for handling departing employees in addition to sourcing, hiring and onboarding a new hire.

Indirect costs are harder to quantify but can be substantial. These include the loss of productivity on the part of the outgoing employee, on the part of team colleagues who have to fill in once they're gone and on the part of the new hire while they get up to speed.





## Section five: How to counter objections persuasively

You're serious about strengthening employee trust and engagement. Serious in your belief that involving employees in identifying barriers to productivity and innovation will help your organization achieve business goals. You're conversant with empirical studies and reports describing the financial and nonfinancial impact of employee engagement. But your leadership team isn't quite there yet.

To derive value from any survey process, leadership must commit to investing the resources necessary to effectively communicate, and to implement actionable, prioritized survey findings in a timely fashion.

Before any survey process is introduced, your leadership team needs to understand and agree upon what level of dollar and people support can be invested in addressing an employee engagement survey process and actionable outcomes.

The following are common leadership questions and objections around employee engagement alongside counter approaches and talking points to win them over.

### **“EMPLOYEE ENGAGEMENT IS NOT A PRIORITY”**

#### **What to say/do:**

If employee engagement isn't a priority in your organization, think like an executive. They're relatively easy to understand. They care about dollars first followed by what they're measured and rewarded on. They may say other things are important but, if they're not directly measured or rewarded on a factor it won't get much more than lip service. Executives are usually measured on corporate goals, their own personal goals or objectives, and other criteria built into their bonus formula.

You want your leadership team to genuinely care about engagement, to make it a priority. Show a direct connection between lower engagement scores and something they're measured and rewarded against.

If you're bold, work with compensation to include improving engagement scores in performance and bonus criteria. If you do, the odds of finding engaged executives reaching out and asking for your help to enhance the employee experience in your organization are high.

A second approach is to show a statistical correlation between a fall in engagement scores and a fall in revenue or business results. If there is no connection, your best option is to apply engagement actions to a weakly performing business unit in order to turn it around or to use the split sample approach.

A final but weaker alternative is to convince business unit leaders of the value of engagement and have them lobby the CEO and CFO.



## “IT’S A BAD TIME TO SURVEY”

“Now is not a good time to conduct a survey (e.g. we’re heading into negotiations). We’re not able to act on any survey findings (e.g. no time, senior leadership is taxed out). We should hold off on such an undertaking.”

### What to say/do:

- There may never be an ideal time to conduct a survey. Conversely, any time is a good time to start.
- By conducting a survey when times aren’t necessarily great, your organization demonstrates openness to honest feedback.
- Sharing results, even if negative, demonstrates transparency.
- Implementing a follow-up process to engage employees and move the organization forward demonstrates leadership.
- Using a DIY approach with sophisticated yet simple to use software and expert guidance, or opting for a total survey solution managed by a trusted third-party vendor like TalentMap, demonstrates a respect for concerns and a commitment to successful outcomes.

## “IT COSTS TOO MUCH”

“How do you counter the position that there’s no money in the budget for an employee engagement survey?”

### What to say/do:

- An engagement survey is an investment in employees, in customers, and in the internal and external reputation of your organization.
- Surveys are an inexpensive investment relative to the return. They can range from as low as \$25 per employee to \$250 plus.
- The money for an employee engagement survey may be found in the current fiscal year’s discretionary budget or you can plan now to include it in next year’s budget.
- The reality is, if your organization loses one key employee over the next year, the lost productivity and replacement cost of that one employee, alone, is greater than the cost of the survey.
- If you’re able to reduce operating expenses by even 1% because of improved employee productivity, innovation, reduced absenteeism and reduced employee turnover, the savings will be far greater than your investment in an employee engagement survey.



## NUMBER SKEPTICISM

“How do you handle skepticism around statistics and the costs to replace an employee? Generic industry numbers are all over the map – is it 1.5 times the salary? 200%? Somewhere in between? What’s the best way to justify numbers?”

### What to say/do:

Pull together your own figures and numbers you can reference with confidence. When you do the number crunching, findings are persuasive. Ask people about the amount of extra work they take on when someone leaves. Check in with managers about how long it takes for a new hire to ramp up to full speed. Look at your HR data, budgets and internal costs:

- The # of employees in your organization
- Voluntary turnover rates (%)
- Average wage in your organization
- Basic & comprehensive voluntary turnover costs
  - Administrative costs: time and money spent on paperwork, conducting an exit interview, tying up loose ends, and transferring the employee’s workload.
  - Replacement costs: Creating and advertising the job, sorting resumes or hiring and paying fees to staffing agencies, spending time conducting interviews, selecting the best candidate and negotiating terms, creating letters of offer, arranging benefits and payroll, and sometimes paying travel or moving expenses for the new hire.
  - Orientation and training: Introducing a new employee to the organization; setting the person up with a workstation, an e-mail account, a phone line, and office supplies is just the start. Employers also spend a lot of time and resources on corporate and specific skills training for new hires, all the while enlisting support from the new hire’s coworkers and supervisor.
  - Disrupted productivity: The biggest financial hit by far comes from lost productivity. For the exiting employee, productivity is lost in the weeks, months, or even years prior to leaving. Furthermore, this disengaged employee is a potential disrupter to your organization’s culture, making those around them unhappy and less productive. When the new employee arrives, getting familiar with new tasks takes time and involves a learning curve. Productivity is low for an extended period. For coworkers, the time and distraction of dealing with the disengaged employee, covering their workload when the employee leaves and then training the new colleague is substantial; it’s likely their own work suffers.
  - External relation issues: When an employee leaves, relationships with customers and other stakeholders can suffer. The employee may have built a trusting relationship with a client, supplier or other external party with a connection to your organization that dissolves when they leave. Or perhaps those same stakeholders hear about the rate of turnover at your organization and start thinking about alternate options. Building a solid reputation takes years of hard work, a proven track record of delivering consistently on promises and most importantly, employees who care.



If you're talking about a highly skilled, senior-level person such as a chief information officer, it might take half a year to fill the position. There's massive productivity impact during that time and the interview process involves half a dozen people – not low-cost employees but HR and executives.

**TIP!** Be careful of making connections between engagement and turnover, because not all executives consider turnover a negative thing. When you use turnover, work with the CFO office to calculate the dollar cost of the turnover and present that dollar impact before you mention the turnover percentage rate.

## THEY LIKE THE IDEA OF SURVEYS BUT...JUST DON'T BELIEVE IN THEM

“There's doubt that surveys produce meaningful information, that responses aren't really legitimate.”

### What to say/do:

Your CEO and members of the senior leadership team may be seeking reassurance. Reassurance can come from the following sources:

- a. Other trusted members of the executive team who voice their support for a survey
- b. A trusted third-party survey partner who can provide objective evidence that demonstrates the workability and value of a survey from a scientific and evidence-based perspective
- c. The senior HR who understands and finds solutions to concerns





## “WE ALREADY KNOW WHAT EMPLOYEES WILL SAY”

“The CEO and/or some members of the leadership team believe they already know what employees think, therefore there’s no need for a survey.”

### What to say/do:

- Leaders often believe they’re getting open, honest, and full feedback from employees, but lots of studies suggest a different reality.
- Once an organization reaches a workforce of 20 or more, several factors distort, dilute, and even stop information from reaching the leadership team. These include:
  - fear of reprisals
  - fear of hurt feelings
  - the broken telephone effect of information passing through multiple levels of management and changing form before reaching the C-suite
  - ineffective listening
  - a lack of comfort or knowledge around how to deliver feedback
- Launching an engagement survey is a strategic decision.
- The executive team must be ready for feedback – the good, the bad, and the ugly – from a psychological perspective and logistically.

An **Organizational Readiness Checklist** (available from TalentMap) provides sound clues as to what’s really happening in your organization. If your leadership believes they know what people think, your checklist score should be low. But if the score is high, it’s likely your executive may not really understand the organization as well as supposed.

TALENTMAP

**Employee Engagement Survey (EES)  
organizational readiness checklist**

**CHECK ALL THAT APPLY TO YOUR ORGANIZATION:**

- Our business results are flat or getting worse (i.e. we are not meeting our numbers). Customers are voicing their dissatisfaction.
- Performance levels of previously high performing contributors are declining.
- Good employees are leaving.
- Exit interviews point to problems around employee trust and engagement.
- Most employees are going on disability/sick leave and/or we have higher levels of absenteeism.
- We have a growing number of employee relations issues.
- Trusted, high-performing employees are raising concerns regarding employee morale.
- Negative comments regarding our organization are proliferating on Glassdoor.
- Employees are feeling overwhelmed by work demands and are struggling to keep up.
- Hiring is getting more difficult; increasing freights are turning us down at the offer stage.
- We lack meaningful systematic two-way communication at all levels within the organization.
- We have no systematic way to collect information from employees that identify the obstacles of our business success.
- Sticking with the status quo to address engagement and morale is no longer an option.
- Our executives recognize that there is a problem with employee morale, engagement, and productivity, and is seeking to understand root causes and solutions.
- Our executives have the courage to seek out, share, and solve for root causes.
- We have the resources needed to effectively manage the internal organizational aspects of the survey process.

— Total

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## LACK OF CONTROL

“What do we do if employees use the open-ended questions to deliver devastating and harsh personal feedback directed at members of the executive? What do we do if employees rate functional leaders and the overall organization poorly? Once we commit to sharing all results, we lose all control.”

### What to say/do:

It may be tempting to hold back certain survey results especially if results look bad for a specific group. It's important though, to share findings openly for the following reasons:

- Transparency breeds trust. To strengthen or rekindle employee trust and engagement, share everything, no matter how bad or hurtful this may be. Open communication is a big first step towards plausibly demonstrating commitment and leadership.
- Whatever fear there is about sharing certain bits and pieces of feedback, the fact is, this information is probably already known and circulating among employees it's just not being shared uniformly or with the executive team.
- Employees are worthy of being trusted with all information. If something shared is outrageous or inappropriate, trust employees to feel equally put off.

If in the end leadership doesn't feel comfortable making the decision to share results openly and honestly, then your organization should probably hold off on conducting a survey. Anything less than a survey that gets at root causes of issues will fail.

## LEADERSHIP IS THE PROBLEM

“What if survey results identify areas where executives need to change? How do we make sure they 'listen' to this feedback and actually change?”

### What to say/do:

- Most engagement surveys show that executives and their actions are a primary cause of low engagement.

Executives must first see and appreciate that engagement has a direct impact on productivity, retention and innovation before they'll take engagement survey results seriously. Even after you've convinced them that engagement has an impact, it's harder to convince them that “they” are part of the problem.

Remember executives are focused on money and business goals. The most effective way to get their attention is to demonstrate how business units with low engagement scores have weak business results and vice versa.

In difficult situations you can turn to your third-party vendor to deliver tough information.



## PRIOR BAD EXPERIENCES

“We tried this before. Results were disastrous. Leaders and employees disliked the experience. Nothing came of this initiative.”

### What to say/do:

- It’s important to understand why prior experiences were bad. Were these a result of:
  - Expectations?
  - Survey process?
  - Questions asked?
  - Survey provider?
- To achieve a successful survey outcome, it’s essential leaders know what they want to accomplish – up front, and to design the survey in such a way as to meet those expectations.
- Together, define some guiding principles (e.g. we will publish all survey results; good or bad).
- Collectively, agree upon expectations and goals (e.g. to act on two or three S.M.A.R.T. opportunities)
- Select a third-party survey provider who aligns with your culture, guiding principles, and has the proven ability to deliver on objectives.

## CONFIDENTIALITY

“Employees will think they’re unable to take the risk of being honest with feedback in case they’re identified.”

### What to say/do:

- If the survey is handled incorrectly, employees do have a legitimate concern. This concern can easily be addressed by:
  - Using a trusted survey organization outside of your own to receive, analyze and report survey feedback, anonymously. This third-party approach will safeguard anonymity.
  - Aggregating survey results where survey participants in any functional group (e.g. HR) number fewer than five; combining responses with those of another function (e.g. IT). With sufficient numbers, no one individual participant’s feedback can be determined with certainty.
  - Communicating before, during and after the survey to address concerns
    - Use email and face-to-face meetings with leaders and employees
    - Communicate with intent
    - Face concerns head on
    - Address rumors and be open and transparent
  - Properly done, communication will build employee trust and engagement, even before survey results are known and acted upon.



## FEAR OF REPRISAL

“Participants who are honest with their feedback or leaders with low survey scores might believe they’ll be reprimanded.”

### What to say/do:

- Survey results are not intended to provide the means for punishing team leaders if scores and survey responses to open-ended questions are negative.
- Survey results are also not intended to provide the means to hunt down and punish employees, who in sharing their honest feelings, say things that are negative or hurtful.
- Before undertaking any employee survey, this must be:
  - Agreed to by the executive team
  - Clarified with all leaders, to whom employees will look for guidance around participating honestly in any survey
  - Emphasized to all employees.
- The intent of the survey is to help address obstacles that are impeding employee engagement and productivity.
- Some of these obstacles will most likely relate to leadership styles, communication, and decision-making both at an individual and organizational leadership level.
- So long as leaders and employees understand the objective, leaders can become more receptive to feedback and use these insights effectively, and employees can increase their trust and willingness to share constructive feedback with leaders.





## “IT’S JUST A PLATFORM FOR COMPLAINERS”

“A survey doesn’t allow us to ensure that the bad employees’ feedback gets weeded out.”

### What to say/do:

- It’s not possible in a survey process open to all employees to selectively include some and exclude others. To do so would give the perception that leaders are “gaming” the process, and do more harm than good to employee trust, engagement, and survey participation.
- The good news in encouraging all employees to participate is three-fold:
  - Good or performing employees vastly outnumber bad or non-performing employees, and this should be reflected in survey responses and scores.
  - Not all bad or underperforming employees are so because they are unwilling or incapable of performing.
    - Often-times, there are obstacles getting in the way of their being productive. The survey in fact provides an opportunity to further reduce your number of non-performing employees by surfacing and allowing you to address obstacles to their being successful.
  - Employees know who the non-performers are; sometimes ahead of managers.
  - Should survey results be tilted towards the wants of nonperformers, and not realistic in terms of real obstacles to higher employee engagement and productivity, through the post-survey communication process, performing employees will find a way to let leaders know what concerns are legitimate, and what is frivolous.





## “TURNOVER IS LOW”

“...therefore, we’re doing something right, employees must be satisfied.”

### What to say/do:

The key in a low turnover environment is to shift the focus away from retention and toward productivity and meeting organizational goals.

- Show how service levels, goal attainment and quality improve when employees are highly engaged. Use examples from Section Three.
- Not all employees who stay put are necessarily productive.
- Satisfaction is not the same as engagement.
  - While contented employees may like their work, an individual’s satisfaction doesn’t imply better performance on the job; in fact, there’s negligible evidence, if any, showing a concrete correlation between satisfaction and performance.
  - Engaged employees are statistically, scientifically proven to be more emotionally invested in the success of their organization. They have a more objective, logical approach to their function, fit and how their career aspirations can be achieved alongside the performance of their employer. Going above and beyond, performing at the summit of their skill set – and then some – truly sets the engaged employee apart from a satisfied one.
- Employee job satisfaction = satisfactory work.
- Employee engagement = invested high-level performance.

It’s also important to remember there are many factors that impact productivity.

- Involve workers in determining the barriers to productivity and innovation.





## “WE WILL CREATE UNREALISTIC EXPECTATIONS”

“If we do the survey once, we are obligated to do so on a regular basis. Employees will be looking for a response to their input.”

### What to say/do:

- There is absolutely no obligation to do a survey more than once.
- However, most organizations that conduct regular surveys, find these to be helpful for multiple reasons:
  - creates greater transparency & trust within the organization
  - identifies and pro-actively addresses new obstacles to employee engagement and productivity
  - increases employee pride in the organization and willingness to refer candidates for open positions
  - increases employer brand and reputation
  - contributes to external recognition as a top employer

In terms of frequency, survey providers recommend employers conduct an engagement surveys once every 12 to 18 months and to do so before operating budgets are set for the coming year in case there's an investment to be made based on survey results.

## CREDIBILITY OF HR

“HR's credibility is not where it could or should be. It is not highly regarded or particularly trusted. No one on the HR team has prior survey experience.”

### What to say/do:

It's impossible for HR to productively and effectively lead an employee engagement survey process if there's a lack of trust in HR. This can be a serious barrier to employee participation and sharing of honest feedback.

If you're serious about building employee engagement within your organization, HR can address the lack of survey experience by partnering with a credible survey provider/organization that transfers knowledge and credibility to HR through the survey process.

HR must first, however, face and address the credibility issues and be comfortable that in proposing or leading a survey undertaking, they and the organization will trust them with this.



## Conclusion

We hope this guide to winning executive buy-in helps your efforts in kick-starting your employee engagement initiatives. For more information on employee surveys and action planning, visit [www.talentmap.com](http://www.talentmap.com)

### Additional Resources & References:

- <https://www.talentmap.com/action-planning/>
- <https://www.talentmap.com/how-hr-leadership-earns-csuite-status/>
- <https://news.gallup.com/businessjournal/163130/employee-engagement-drives-growth.aspx>

## About TalentMap

A thought leader focused exclusively on workplace engagement measurements and research, TalentMap is passionate about understanding the people behind organizational success: Employees.

Since its start in 1998, TalentMap has conducted tens of thousands of employee engagement survey projects and surveyed more than 14 million employees. Working in partnership with public and private sector organizations of all sizes across North America, TalentMap's deep understanding of methodologies and assumptions unique to different sectors alongside volumes of benchmark data accrued over the years have become valued resources for organizations that value their people.

TalentMap employee engagement survey tools – readily customized from hire to retire – are based on years of research, field experience, and scientific measurement. The company also offers expert consulting services, deployment, data collection, analysis reporting, and post-survey action planning. It's a proprietary workplace intelligence process – developed and delivered by people-oriented people consumed with helping leadership teams and HR professionals create positive organizational change.

**FOR MORE INFORMATION, VISIT [WWW.TALENTMAP.COM](http://WWW.TALENTMAP.COM)**

