

Employee Engagement Index

Whitepaper



THE ORIGINS OF EMPLOYEE ENGAGEMENT

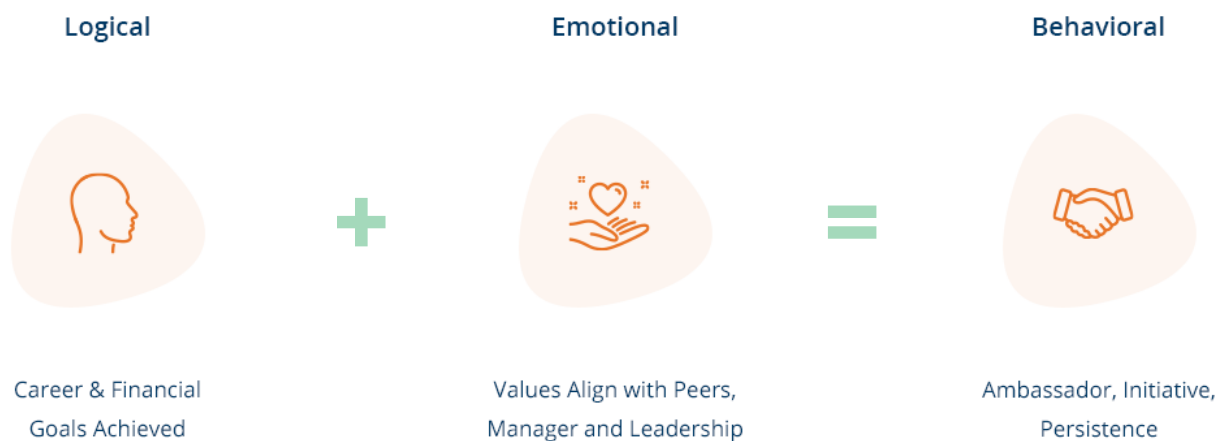
The term “employee engagement” came up about a dozen years ago; however, organizations have long been trying to figure out what motivates employees to feel connected to their work and, as a result, perform their best. Although the area of employee engagement used to be considered a matter strictly for human resources departments to explore, the concept has exploded in recent years. It’s now a focus of all different levels of an organization, from front-line supervisors right up to the CEO’s office and board of directors.

TALENTMAP’S ENGAGEMENT MODEL

All TalentMap survey instruments are based on our extensive, exhaustive research on employee engagement. We have arrived at our understanding of engagement through a combination of years of “in the field research” as well as secondary research. Applying our Head, Heart, and Hands engagement framework described below, we define employee engagement as follows:

Employee Engagement is measured by determining the degree to which employees demonstrate commitment, ownership and discretionary effort towards their work, team, and organization. This extra effort is a direct result of the logical, behavioral and emotional connection employees have to their organization.

The Cognitive, or “Head” component relates to employees’ logical evaluation of company’s goals and values. The Emotional (Affective), or “Heart” component taps into whether employees have a sense of belonging and pride in the company. Finally, the Behavioral dimension, or “Hands” component captures the outcomes that employers desire such as retention and willingness to “go the extra distance” for the company when necessary.





ENGAGEMENT ITSELF IS ACTUALLY A MEASURE OF THE COMBINATION OF THESE THREE COMPONENTS

Engaged

These employees are loyal and psychologically committed to the organization. They are more productive and innovative, three times less likely to leave the organization, less likely to have accidents on the job, and less likely to steal.

Not Engaged

These employees may be productive, but they are not psychologically connected to their company. They are less inclined to give the best of themselves to the organization. They are more likely to miss work days and more likely to leave.

Actively Disengaged

These employees are physically present but psychologically absent. They are unhappy with their work situation and insist on sharing that unhappiness with their colleagues.

Based on current literature and our own research, as illustrated in the diagrams below, we are able to establish a direct correlation between levels of employee engagement, productivity and patient/client/stakeholder satisfaction. Our TalentGage survey is a comprehensive instrument based upon our understanding of engagement and corporate culture.

Engaging Workforce	Engaged Attitudes	Engaged Behaviors	Business Results
<ul style="list-style-type: none"> – Compensation – Customer Focus – Management – Information – Innovation – Vision – Feedback – Growth – Leadership – Teamwork – Work Environment – Work/Life Balance 	<ul style="list-style-type: none"> – Proud – Focused – Optimistic – Determined – Resilient – Flexible – Committed – Connected – Motivated – Inspired – Emotionally Invested 	<ul style="list-style-type: none"> – “Can-Do” Attitude – Collaborative – Ambassador – Persistent – Helpful – Takes Initiative – Goes the Extra Mile 	<ul style="list-style-type: none"> – Greater Productivity – Employee Attraction & Retention – Achievement of Organizational Objectives – Reduced Absenteeism, Burnout – Stakeholder Satisfaction – Better Performance – Improved Bottom-line

Our employee engagement model and framework builds upon years of academic research and then further developed with our own primary and secondary research and “in the field” insights. Our research has shown that organizations who effectively address the dimensions outlined in the diagram below will experience high levels of employee engagement. TalentMap’s employee engagement index consists of six items. Two items measure the “Head” the logical connection, two items measure the “Heart” the emotional connection and finally, two items measure the “Hands” – the willingness to put forth extra effort (discretionary effort).



The TalentMap engagement survey instrument combines best of breed research conducted over the past 15 years by experts in the field including Dan Denison, Jim Collins, David Maister as well as Gallup's Research on employee engagement. TalentMap has combined this research with its own primary research to arrive at the most comprehensive model of employee engagement to date. Our instrument has evolved over the years and currently, our most up to date version is TalentGage 4.0. The survey questions have been developed by our industrial organizational psychologist, Dr. Tom Foard (see project team resume below) and fully tested for validity and reliability. A full psychometric analysis and explanation of our TalentGage Questionnaire development can be made available upon request.

VALIDITY OF DATA PRODUCED

All TalentMap surveys have been developed by an industrial organizational psychologist, Dr. Tom Foard. Each standard item on the TalentEntry, TalentGage and TalentExit surveys has been stringently tested for validity and reliability. TalentMap uses rigorous and proven statistical methods to determine questionnaire (instrument) validity and reliability. Our methods are designed, tested and audited by Dr. Tom Foard (Industrial/Organizational Psychologist). The chart below provides highlights from a report that represents a comprehensive review of TalentMap's employee engagement survey. The analysis included data collected from the launch of the survey up to and including data collected in December 2006. This data represents over 10,000 observations spread across 36 different organizations.



The initial step in this analysis is to look at the basic statistics of each item to make sure that no unusual qualities are present in that item. Items are typically analyzed as continuous variables with the assumption of normal distributions. We examine if the full range of responses (on the historical Likert 5-point scale) was used in all cases indicating that at least some of the respondents experienced these items as highly negative. However, it is also well understood that the distribution of these items is typically not centered on the midpoint of the scale and these items followed that pattern. They tend to have a strong response bias toward the positive direction primarily because if the participants have too much difficulty with satisfaction with their organization, they tend to leave the organization. The ones who remain are people relatively satisfied with the organization.

Item Characteristics of Items

Item	N	Min	Max	Mean	SD	Skewness	Exceed
I believe I can make a positive impact	6265	1	5	4.2835	0.7740	-1.2847	5.0575
We have necessary skills to do the job	6077	1	5	4.1680	0.8538	-1.1438	5.0218
Understand what I am expected to accomplish	7003	1	5	4.1014	0.8066	-1.1119	
Imm. Mgn. seems to care about me	6890	1	5	3.9569	1.0411	-1.0621	
Proud to tell others I work for this org.	7493	1	5	4.1707	0.8335	-1.0200	5.0042
Customer sat. is primary focus to our org.	6214	1	5	4.0058	0.9622	-0.9887	
Employees are committed to high quality work	5961	1	5	3.8920	0.9044	-0.9691	
My work is challenging	7506	1	5	3.8141	0.9338	-0.9266	
I am optimistic about future of this org.	7509	1	5	3.9608	0.9275	-0.9213	
Job satisfaction	10366	1	5	3.8698	1.0336	-0.9168	
I am encouraged to offer my opinions and ideas	6214	1	5	3.8462	1.0501	-0.8932	
I would recommend this org.	7521	1	5	3.8888	1.0048	-0.8531	
I have access to the information I need	6264	1	5	3.6592	0.9018	-0.8526	
Materials and equipment I need to do my job	7623	1	5	3.7612	1.0288	-0.8482	
Our org. has long-term purpose and direction	6739	1	5	3.7065	0.9419	-0.8315	
Organization satisfaction	6451	1	5	3.7111	1.0229	-0.8307	
Satisfaction with benefits	5842	1	5	3.6570	1.0562	-0.8275	
Imm. mgn. acts consistently	6904	1	5	3.7235	1.0926	-0.8221	
Job provides me with a sense of personal accomplishment	7401	1	5	3.8084	0.9812	-0.8175	
My manager includes me in decisions	6178	1	5	3.7072	1.0985	-0.7708	
Trust and confidence in sr. leaders ability	6405	1	5	3.6014	1.0216	-0.7568	
Imm. mgn. gives me constructive feedback	9606	1	5	3.6838	1.0918	-0.7431	
Learning is an important objective	5877	1	5	3.7361	1.0168	-0.7284	
Imm. mgn. sets clear and measurable goals	6905	1	5	3.6469	1.0439	-0.7234	
This org. inspires me to do my best work	7539	1	5	3.7876	0.9721	-0.7129	
Maintain a balance between work and home	10304	1	5	3.5768	1.0727	-0.7064	
Co-operation with different parts of the org. is encouraged	6200	1	5	3.5402	1.0281	-0.7050	
Understand what needs to be done to succeed	6735	1	5	3.5265	0.9470	-0.7038	
People work like they are part of a team	6248	1	5	3.5832	1.0815	-0.6988	
Sr. leaders set ambitious but realistic goals	6419	1	5	3.5051	0.9794	-0.6930	
Clear link between my work and org. objectives	6132	1	5	3.7153	1.0487	-0.6862	
Amount of work required is about right	10303	1	5	3.4717	1.0776	-0.6679	
Opportunity to do what I do best every day	6976	1	5	3.6402	1.0231	-0.6410	
Opportunities to learn and grow professionally	10168	1	5	3.6104	1.0874	-0.6373	
Understand how I will be measured or evaluated	9623	1	5	3.5539	1.0785	-0.6173	
In the last 6 months manager talked to me about my progress	6603	1	5	3.5011	1.1997	-0.6112	
St. leaders clearly communicated their goals	9176	1	5	3.4270	1.0607	-0.5689	
Customer comments lead to improvements	5907	1	5	3.6225	0.9724	-0.5622	
Shared vision of what the org will be like in the future	6616	1	5	3.3915	0.9673	-0.5574	
Sr. leaders act consistently	6330	1	5	3.4011	1.0014	-0.5532	
Failure is viewed as an opportunity for learning	5835	1	5	3.3935	1.0415	-0.5361	
Sr. leaders painted a compelling picture	6606	1	5	3.4543	1.0055	-0.5344	
Performance evaluation process if fair	6475	1	5	3.3753	1.0194	-0.5141	
We respond well to competitors	5578	1	5	3.4720	1.0131	-0.4978	
People share information willingly	6213	1	5	3.4014	1.0841	-0.4615	
We systematically adopt new ways to work	5882	1	5	3.3650	1.0354	-0.4492	
Satisfied with my non-cash rewards / perks	5605	1	5	3.3420	1.0994	-0.4491	



There can still be situations where the items are too far from normal to be useful in a statistical analysis. For our purposes we have identified two conditions that the item must meet to be considered problematic. First, its skew (a measure of how much the distribution is biased to one side or the other) must have a value greater than one. Second, the value of the mean of the item plus one standard deviation must be greater than the maximum value for the item (in this case 5). Finally, we conduct a factor and scale analysis to look for the existence of scales and the relative strengths of the scales.

SCALE ANALYSIS

This analysis was undertaken to determine if the a priori categories set out in the design behaved as a statistical scale based on the data collected. Analysis was conducted using Cronbach's Alpha but also incorporated review of the inter-item correlations and item-total correlations. Cronbach's Alpha should be as high as possible but the size of the correlation coefficients for the various items within a scale should only be moderate. Otherwise, each item does not contribute separately and there may be a problem with over-determination in the data.

Generally, the Cronbach's Alpha for these items is good, especially for scales with only four (or in one case three) items. Alphas range from 0.731 to 0.901. The item-total and inter-item correlations are somewhat high although there does not seem to be over determination of the underlying matrix. The following tables outline the findings from the scale analysis.

Scale Statistics							
Scale	Num Items Retained	Alpha	Min Item Total	Max Item Total	Min Inter-Item	Max Inter-Item	N
Compensation	4	0.731	455	605	330	649	5243
Personal Growth	4	0.763	477	645	351	579	6481
Performance	4	0.810	522	690	363	650	6350
Teamwork	4	0.859	649	774	503	656	6066
Information	3	0.883	750	793	687	774	6093
Quality	4	0.739	477	593	295	524	5576
Cust. Sat	4	0.805	601	638	477	531	5343
Imm. Man.	4	0.883	690	801	550	702	6008
Sr. Lead.	4	0.899	743	807	658	765	5464
Org. Vision	4	0.901	779	793	659	730	5718
Engagement	6	0.890	511	796	347	718	6497