Employee Engagement vs Employee Satisfaction

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Introductions

Jan Brockway

Sr. Director, Product Management
ADP Inc.

Robert Mattson

Director, Product Marketing
ADP Inc.

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Buzz Words D'Jour

HIGH PERFORMANCE

SATISFACTION

RETENTION

Engagement

DISCRETIONARY EFFORT

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Satisfaction or Engagement

- **Do you want satisfied employees or engaged employees?**
- **Are those terms mutually exclusive?**
- **Can you have one without the other?**
- **Which has an impact on the bottom line of the organization?**

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Engagement or Satisfaction

- **Employee Satisfaction**
  - A measurement of an employee's "happiness" with current job and conditions; however does not measure how much effort willing to expend
- **Employee Engagement**
  - A measurement of an employee's emotional commitment to an organization; amount of discretionary effort an employee expends on behalf of the organization

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Is Employee Engagement Important?

- **Seventy percent of business leaders say Yes**
- **However, only 20% believe their current initiatives are driving business outcomes**
- **Big Payoff: Organizations that build employee engagement show 23% GREATER revenue expectations than organizations that have low engagement**

Building Engagement Capital, Corporate Leadership Council, March 2012

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Engagement VS Satisfaction

- **Some organizations don't believe you need to focus on engagement because turn over is low and employees seem content**
- **Are you willing to leave an extra 23% on the table?**

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Poll #1

- **What kind of employee surveys are performed at your organization?**
  - ❑Employee Satisfaction
  - ❑Employee Engagement
  - ❑Both Satisfaction and Engagement
  - ❑We don’t perform employee surveys

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Top 10 Contributors to Employee Job Satisfaction

1. **Job security: 63%, for the fourth consecutive year, as the top most important determinant of job satisfaction. (67% of employees are very satisfied or satisfied with their job security.)**
2. **Opportunities to Use Skills and Abilities: 62%. (74% are satisfied or very satisfied in their workplace.)**
3. **Organization's Financial Stability: 55%. (63% are satisfied or very satisfied.)**
4. **Relationship with Immediate Supervisor: 55%. (73% are satisfied or very satisfied.)**
5. **Compensation: 54%. (61% are satisfied or very satisfied.)**
6. **Benefits: 53%. (65% are satisfied or very satisfied.)**
7. **Communication between Employees and Senior Management: 53% (54% are satisfied or very satisfied.)**
8. **The Work Itself: 53%. (76% are satisfied or very satisfied.)**
9. **Autonomy and independence: 52%. (69% are satisfied or very satisfied.)**
10. **Management's Recognition of Employee Performance: 49%. (57% are satisfied or very satisfied.)**

Source: Society for Human Resource Management (SHRM) 2011 Employee Job Satisfaction and Engagement Survey

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Top 10 Employee Engagement Conditions

1. **The work itself: 76%**
2. **Relationships with co-workers: 76%**
3. **Opportunities to use skills and abilities: 74%**
4. **Relationship with immediate supervisor: 73%**
5. **Contribution of work to organization's business goals: 71%**
6. **Autonomy and independence: 69%**
7. **Meaningfulness of job: 69%**
8. **Variety of work: 68%**
9. **Organization's financial stability: 63%**
10. **Overall corporate culture: 60%**

Source: Society for Human Resource Management (SHRM) 2011 Employee Job Satisfaction and Engagement Survey

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Engagement and Satisfaction Drivers

Combined rankings ordered by lowest total rankings in both studies
(NR = Not Ranked in Top 10)

Engagement Ranking	Factor	Satisfaction Ranking
3	Opportunities to use skills and abilities	2
4	Relationship with immediate supervisor	4
1	The work itself	8
NR	Job security	1
9	Organization's financial stability	3
2	Relationships with co-workers	NR
6	Autonomy and independence	9
5	Contribution of work to organization's business goals	NR
NR	Compensation	5
NR	Benefits	6

Source: Society for Human Resource Management (SHRM) 2011 Employee Job Satisfaction and Engagement Survey

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Engagement and Satisfaction Drivers

Factor	Comparison E/S (+/-)
Relationship with immediate supervisor	0
Opportunities to use skills and abilities	1
Autonomy and independence	3
Organization's financial stability	6
The work itself	7
Benefits	5+*
Compensation	6+*
Contribution of work to organization's business goals	6+*
Relationships with co-workers	9+*
Job security	10+*

*** +** Indicates that the item was not ranked in the top 10 of either engagement or satisfaction and hence could have a greater variation
Source: ***Interpreted from*** Society for Human Resource Management (SHRM) 2011 Employee Job Satisfaction and Engagement Survey

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An Engagement Measurement Model

- **Engagement Pyramid**
  - 1st (top) level – How can we grow?
  - 2nd level – Do I belong?
  - 3rd level – What do I give?
  - 4th level – What do I get?

SOURCE: http://www.hopkinsmedicine.org/

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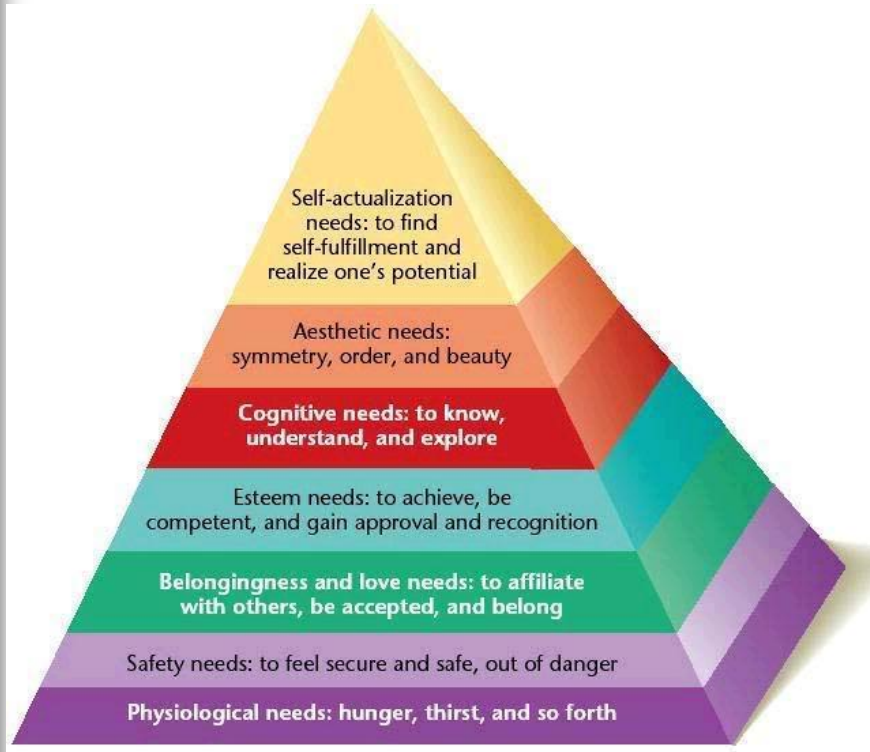
Maslow's Hierarchy of Needs vs. Engagement Model



SOURCE: http://www.hopkinsmedicine.org/

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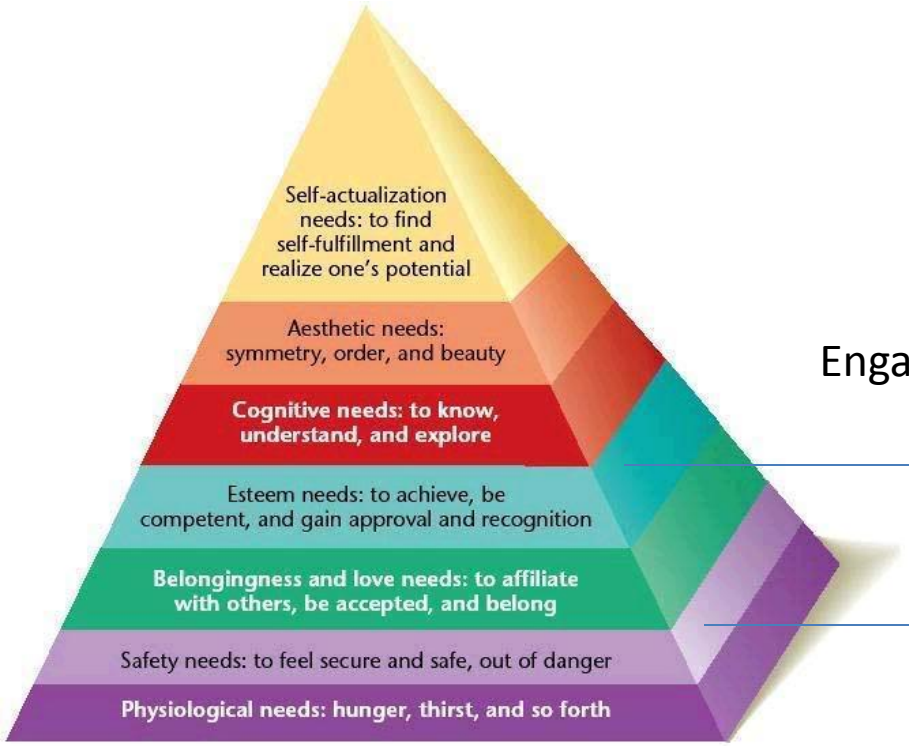
Maslow's vs. Satisfaction and Engagement



Engagement + Satisfaction = Result

Engagement

Satisfaction

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Poll #2

- **How effective is your organization in reacting to the results of employee surveys?**
  - ❑I see definite changes
  - ❑Employee Engagement
  - ❑Both Satisfaction and Engagement
  - ❑We don’t perform employee surveys

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Address Both Engagement & Satisfaction

- **Career Development and opportunity are key drivers in both satisfaction and engagement**
  - Opportunity to develop new skills and knowledge
  - While promotions are great, providing opportunities to expand expertise, learn about new areas of the company, etc can be strong motivators
- **Clear, consistent expectations are also key**
  - What is expected of me, how will I be measured and judged?
  - How does what I am doing help the bottom line of the organization?
- **Feedback from Managers in the moment**
  - Balance feedback acknowledging accomplishments and providing coaching

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Implications of Talent Management Technology

- **Talent Management technology provides a framework to capture and measure the behaviors and activities that can drive employee engagement**
  - Are managers providing feedback?
  - Do employees have goals?
- **Can an extrapolation be made between managers who exhibit the behaviors that drive employee engagement and managers with highly engaged workforces?**

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Survey or Pulse?

- **Most organizations measure engagement and/or satisfaction through annual surveys; then develop an action plan to address**
- **Similar to Performance Management 365, could technology facilitate more frequent measurements, even predictive reporting that would yield stronger results?**

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Summary

- **Engagement and Satisfaction are both important but satisfaction without engagement will have less impact on the business results**
- **There is an opportunity to start thinking about engagement and satisfaction as living, breathing processes with measurements throughout the year**

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Questions?

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Thank You

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