

The Engagement Gap: executives and employees think differently about employee engagement

**@BRIAN
SOLIS**



New survey data shows that employees and executives have different views about employee engagement and the things organizations do to improve it. This is the result of the Engagement Gap. Employee engagement programs, while well intentioned, often miss the mark. This white paper describes the Engagement Gap, and shares survey results captured by Jostle Corporation in partnership with Brian Solis. The data suggests that effective employee engagement programs focus on turning organizations into more meaningful, congenial, and transparent communities.

The Engagement Gap: Employee engagement programs help. A little.

Whether you know it or not, your company's employee engagement is not as engaging as it could be. Without understanding the connection between employee engagement and the tools and strategies you use, corporate culture and productivity suffers, or worse, results in employee discontentment and disengagement.

The problem is that employee engagement programs are commonly focused on improving internal communication and collaboration. But all too often in communication, there's a disconnect between what you want to talk about and what employees want to talk about.

As you can imagine, with executives and employees, the overlap here isn't big enough. This creates significant gaps not only in how engaged people are at work but more so in how engaged they could be. And, these gaps are leading to millions lost in productivity and also the loss of great talent. For example, according to [Gallup](#)¹, actively disengaged employees cost companies \$450-to-\$550 billion in lost productivity each year.

Disengaged employees cost companies \$450-to-\$550 billion in lost productivity each year.

So, if workers are so woefully unhappy and unproductive, costing companies hundreds of billions annually, why isn't leadership making more progress on the problem? Why aren't executives investing more in engaging their human capital as a key enabler of efficiency, innovation and customer satisfaction? In other words, what can executives do to lead people more effectively so that they can drive their company's future growth?

It's imperative for executives to understand these gaps and get serious about closing them.

What is employee engagement?

Employee engagement, believe it or not, is something that is difficult to define. Unfortunately it means different things to different people.

In the 1990s, William Kahn, professor of organizational behaviour at Boston University, [observed](#)² that employees have a choice as to how much of themselves they're willing to invest in their jobs. It's incredible, when you let that sink in for a moment, that it's easy to assume an all or nothing attitude.

As Mark C. Crowley [summarized](#)³: Instead Kahn "discovered that employees were far more emotionally and physically engaged when they experienced:

1. **Psychological meaningfulness:** a sense that their work was worthwhile and made a difference
2. **Psychological safety:** a feeling they were valued, accepted, and respected – and able to perform in a positive work environment
3. **Availability:** routinely feeling secure and self-confident while possessing the emotional and psychological energies to perform their job"

Note that pay isn't on the list. This research reinforces these notions as being at the core of employee engagement.

For those looking to close the Engagement Gap and invest in a productive and encouraging company culture, your employee engagement program must prioritize these three elements. Everything begins, however, with simply recognizing that things could be better, acknowledging that you need new tools, and most importantly, listening to employees about where they are and where they want to be.

Introducing the Engagement Gap

Over the last several months, I worked with [Jostle Corporation](#) to understand a phenomenon I refer to as "the Engagement Gap." This is a rising occurrence in the workplace where company culture underestimates the importance of, or misunderstands the practice of, employee engagement and what's needed to cultivate it.

We surveyed employees and executives separately in order to expose the gaps between their views of employee engagement and communications.

About half our respondents were either employees or executives in organizations that had a formal engagement program. All in all, we surveyed 318 employees and executives, split 66 and 33 percent respectively.

To identify and close the Engagement Gap, executives must acknowledge the problem. And, they must invest time, energy, and even budget to solve it, aggressively, every day.

Interestingly, 99% of executives believe that their employees have a major impact on the company's success. At the same time, they believe that current employee engagement programs are contributing to that success. On average, executives ranked the priority of employee engagement at 8.3 out of 10.

The Engagement Gap: company culture underestimates the importance of, or misunderstands the practice of, employee engagement and what's needed to cultivate it.

Caring about employees and believing employee engagement matters is running at 80% effectiveness. This is indicative of a notable Engagement Gap.

So – they get it, employee engagement matters to executives. Or at least they say it does. However, data from our survey suggests that while they may want better employee engagement, they aren't doing a great job of moving the needle on the issue. It's not that companies don't get the importance of it, it's that they don't yet see it as a problem and as a result are focusing on the wrong things.

Indeed, the future of work faces a significant human capital problem. The solution here is not a technical one. It's not about social networks or gamification. It's also not about meetings and retreats, emails or newsletters. No amount of employee events, perks or team-building exercises will solve the problem without a few fundamental elements in place.

To identify and close the Engagement Gap, executives must acknowledge the problem. They must also aggressively pursue and understand the root cause of disengagement. And, they must invest time, energy, and even budget to solve it, aggressively, every day. Technology is then an enabler for a program that is strategically designed to close the gap and improve employee morale and empowerment.

The state of employee disengagement

Regardless of whether the cause of the gap is that executives don't care about employee engagement or they're just not focusing on the right things, the Engagement Gap only widens when employee needs and aspirations are misaligned with executive priorities and assumptions.

The size of the gap is measured by the differences in perspective between employees and executives when it comes to contentment and satisfaction. And it's only solved when stakeholders understand

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33% of our respondents were executives.

the state of employee outlook and ambition, and invest in the right programs to put everybody and everything on the right track.

Executives claim to value employees

Most executives, at least those we surveyed, are optimistic when it comes to employees, their value, and also the levels to which they are engaged.

A whopping 94% of executives said that their employees have skills and experience they admire. (The other 6% presumably have pretty significant issues.) We also saw 99% of executives say that employees have a major impact on the company's success. That's good news; a cause for some careful optimism.



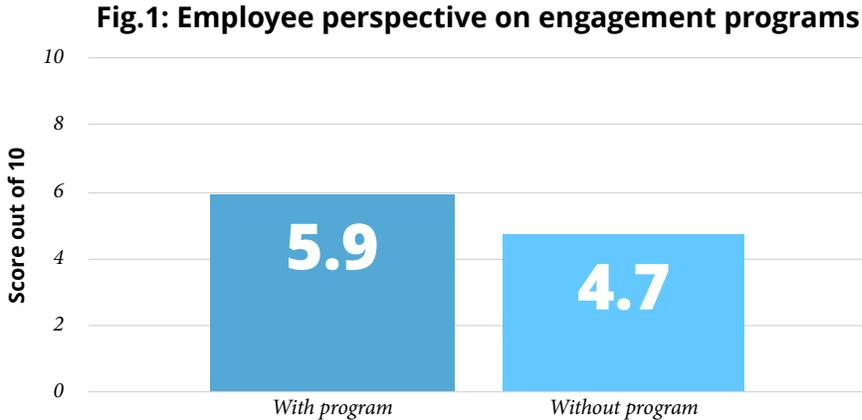
Employee engagement or the lack thereof

We asked both employees and executives questions on a range of issues related to employee engagement. We compared the two groups' answers to see if we could find any patterns or differences in their points of view. Employees were asked to describe themselves and their perceptions of executives. Executives were asked to

50% of our respondents worked at companies with engagement programs.

describe their impressions of employees as well as their own opinions on certain issues. All answers were on a scale of 0-10.

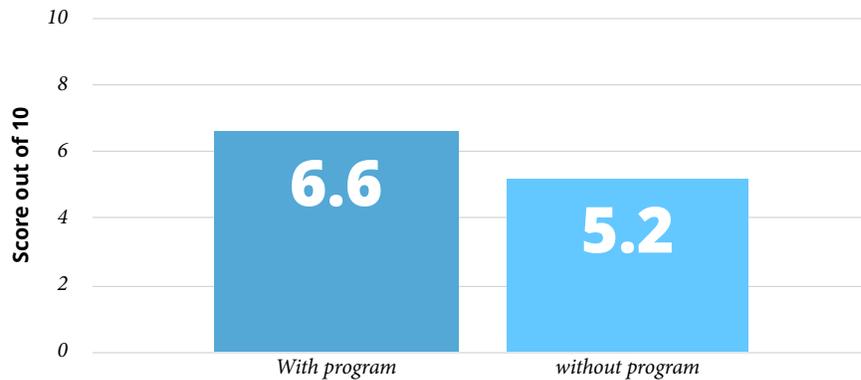
On average, employees rated their own engagement at a “meh” value of 5.5 out of 10. Then we cut the data to see if the presence of an engagement program at the company had an impact on engagement. Turns out that those programs do make a statistically significant difference – the average was 5.9 for those with a program, and only 4.7 for employees without (see Fig. 1). That’s a solid 25% boost. The problem is that 5.9 out of 10 is still only a 59% - a D- at a lenient academic institution. The non-program score would have you retaking algebra in summer school. Essentially, most businesses in our survey are failing, with or without a program.



Executives have (slightly) more faith in the program

Talk to executives and you’ll get a slightly different story. In companies with active engagement programs, executives rate their employee engagement at an average of 6.6 (vs 5.9 for employees) and those companies without one, only 5.2 (vs 4.7 for employees) (see Fig. 2). So executives are somewhat optimistic relative to their employees, but they too are only giving themselves a D+ on average, even with an employee engagement program.

Fig. 2: Executive perspective on engagement programs



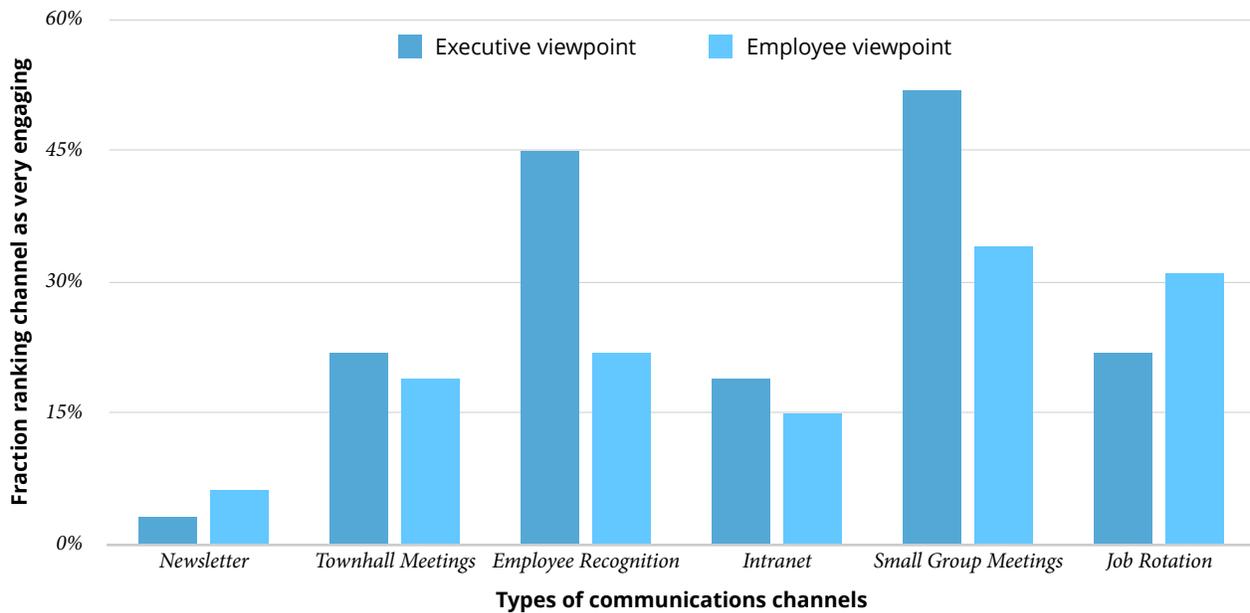
Communications – can you hear me now?

Most employee engagement programs have a variety of elements to them, ranging from newsletters and town hall meetings to employee recognition and 1-1 meetings. However, these communications channels are only as good as how well they are used. Is real, meaningful communication happening in these ways? Do they make employees feel valued or engaged? So we asked how engaging employees and executives feel these channels are.

What you'll see is that executives are generally in line with employees' feelings about most communication channels – specifically the ones they rarely use and do not directly invest in – the intranet, newsletters, and town hall meetings. Employees are, however, more likely to rank them as total losses. On the other hand, executives have a dramatically more positive view of employee recognition and small group meetings – activities that they likely participate in directly.

Though often considered a cornerstone of employee engagement programs, intranets and enterprise social networks (ESNs) are not delivering engagement for either executives or employees. Only 15% of employees see the value in them (see Fig. 3). To say that there's room for improvement would be a gross understatement.

Fig. 3: Perception of how communication channels engage



A few questions come up here. First, why are these communications channels, generally run by the internal communications group, such poor performers? Second, what, if anything, is working?

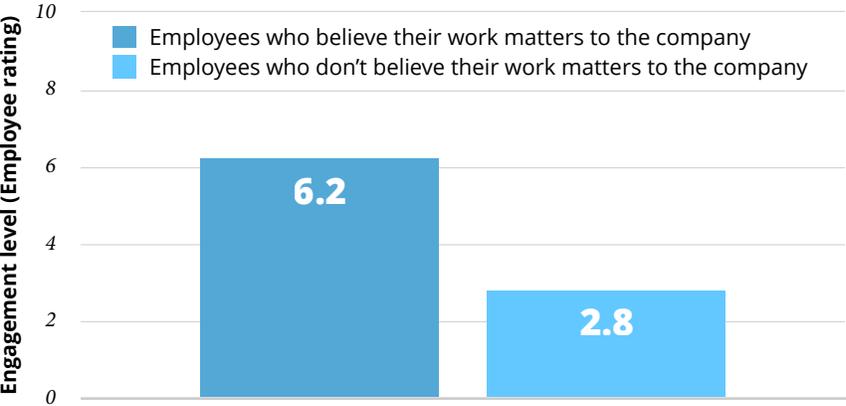
Work must have purpose to be engaging

The most dramatic impact we saw on engagement figures was a belief that their work mattered. We asked employees about this in terms of how their work mattered to the company, their customers, or to a larger cause.

The future of work is a focus on purpose. Without purpose there's no foundation for employee engagement. In our survey, we asked employees to rate their own level of engagement in the workplace. We found a very strong correlation between feeling that their work matters and their level of engagement. Linking engagement to purpose brings executives and employees together around a common cause or good. Most notably, those employees who do not believe that their work matters to the company have the lowest engagement figures, less than 3 out of 10. That's a very toxic number.

If your company is filled with 3's you are failing fast. While believing that your work does matter is not a panacea (they rank at an average of 6.2, positive, but not ecstatic), it is by far the most dramatic engagement indicator we saw in this data (see Fig. 4).

Fig. 4: Impact of employees believing their contributions matter to their company



The strong suggestion here is that employee engagement programs should focus on helping employees believe their work matters. Helping employees understand how their work fits into the big picture and how things are going will have a greater impact on their level of engagement than recognizing them at town hall meetings. While having an intranet, for example, may not impact engagement in and of itself, using the intranet to openly and authentically share and communicate about what is going on helps people feel that their work matters.

Engagement is not about dancing for your employees. It is not about checking boxes on a communications checklist. It's about imbuing the company culture with a sense of being driven by meaningful outcomes. Employees must feel vested in the intentions and the outcomes of the organization. They must believe their work matters.

Employees must believe their work matters.

Employee engagement programs are a means, but to what end?

True employee engagement is defined by many factors that tend to get overlooked in favour of platforms, channels, and technology. Programs tend to focus on the wrong things. It is likely a matter of how they are used. Are they treated as propaganda meant to gloss over or manipulate people? You know what that looks like. Are these being used to help people believe that their work matters? Or are they filled with meaningless or disjointed information? Are they relevant and helpful? Or are they platforms for authentic content intended to engage, inform, inspire or teach.

It is a matter of using those communication channels to say something that matters or seeking out new ones when they fail. We need to demand that our communications channels are bringing people together around a common, clear purpose.

When they fail, and the majority of them are failing, executives must seize that opportunity to figure out why. They cannot accept a failure to communicate meaning and purpose. They cannot accept a failure of a culture where people feel as though they don't belong.

The decline of corporate culture

Raising employee engagement has become one of the highest priorities for organizations all around the globe, according to a [2015 Conference Board CEO study](#)⁴. Rebecca Ray PhD, Executive Vice President for Human Capital and Engagement Research at the Conference Board led the study. She found that employee engagement can never be bought; it must be earned: "The culture you create or the culture you destroy will determine the success of your business," she [exclaimed](#)⁵. When it's left to chance, your culture is simply what it is.

“The culture you create or the culture you destroy will determine the success of your business.”

– Rebecca Ray PhD

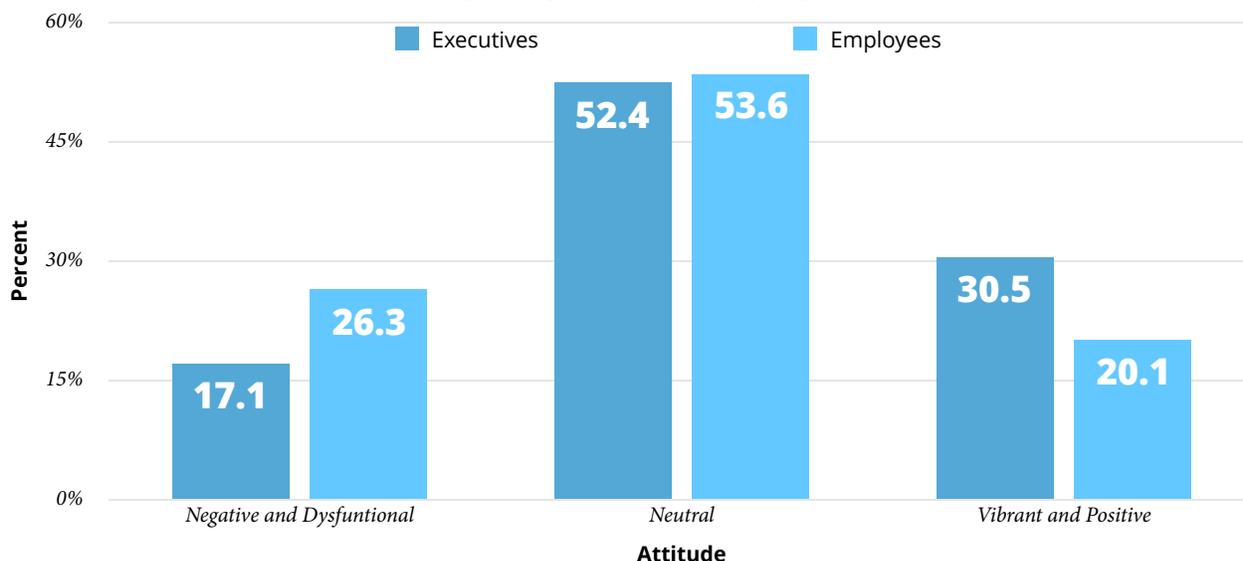
Corporate culture is often under-appreciated in business. It's often a reflection of employee engagement, or active disengagement, in purpose and reward to help people work and work together. Stan Slap, author of [Under the Hood: Fire Up and Fine-Tune Your Employee Culture](#)⁶, and my dear friend, believes that you can't fundamentally trust an employee culture to protect the company with its own good judgment. You must have a healthy respect for the humanity that powers an employee culture; for it is a living organism that can make or break any management plan. Think of it as your employees' shared beliefs about the rules of survival and emotional prosperity.

In our research, we found that a little more than half of employees are neutral on their company culture. But more than a quarter felt it was dysfunctional. That's not a good number. It is balanced, however, by those who feel it is positive and vibrant. Unsurprisingly, executives are slightly more optimistic here as elsewhere (see Fig. 5).

You won't be surprised that we also found a strong positive correlation between a positive view of culture and engagement. Other strong positive correlations: respect for the leadership team, pride in working for your company, and a belief that employee engagement matters to executives.

None of those results are surprising, but all represent the real opportunity. Stop trying to engage your employees. Start making your organization a more meaningful, congenial, and transparent community.

Fig. 5: Opinion on company culture



Engagement: New perspective and tools are needed

In this important study with Jostle Corporation, I aimed to introduce you to the Engagement Gap, and give you an accelerated path to closing it. It exists everywhere, even in your company.

“...we need to focus our efforts on ensuring that we have a mission that matters, and that people can see how their work impacts that mission.”

– Brian Solis

We're all learning that even though companies use communications channels and programs, it doesn't mean they work or are as effective as employees need them to be. It's time to change that. It's time to discover your Engagement Gap and reinvent the tools and programs that put the engagement into your employee engagement program. In other words, instead of asking people if they are engaged or trying

to engage them directly, we need to focus on if they feel their work is meaningful, and focus our efforts on ensuring that we have a mission that matters, and that people can see how their work impacts that mission.

Employee engagement matters. Corporate culture matters. And, purpose is the essence of why employees are driven to collaborate and excel. But it takes vision and leadership. Executives must stand for something and bring it to life to achieve meaningful engagement. Doing so gives employees something they can take pride in and align with to give purpose and significance to their work every day. This is the future of leadership and work.

“Real leaders make it personal, for they know that, short of homicide, the worst thing one human being can do to another is to make them feel small: They’re not. They can’t. They won’t ever be.”

– Stan Slap

About the authors



[Brian Solis](#) is a digital analyst, anthropologist, and also a futurist. Solis studies the effects of disruptive technology on business and society. More so, he humanizes technology's causal effect to help people see people differently and understand what to do about it. He is an award-winning author and avid keynote speaker who is globally recognized as one of the most prominent thought leaders in digital transformation and innovation.

Brian has authored [several best-selling books](#). His next book "X," explores the intersection of where business meets design to create engaging and meaningful experiences.



[Deb Lavoy](#) has spent a career pursuing ideas and technology to build stronger teams and make work better for people. She is the Founder and CEO of [Narrative Builders](#), a consultancy that builds narratives that convey the power of a business, product or idea.

About Jostle Corporation

At Jostle we're on a quest to make workplaces better – more vibrant and more productive. We're empowering leaders and employees to communicate richly - building and sustaining cultures that encourage participation, commitment, and a sense of belonging. Jostle's **People Engagement**[®] platform cuts across the barriers of role, location, and mindset to enable vibrant communications, discussions, and collaboration.

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Research data

The analysis contained in this white paper is based on responses obtained from an original survey authored and deployed by Jostle Corporation, in collaboration with Brian Solis. Raw survey results are available via bev@jostle.me.

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