

Now more than ever, it's critical to show the value of employee communication and engagement and to keep pace with trends that will shape the future of our work. This document compiles research that can help you build a business case for your communication and engagement efforts, and it highlights some emerging challenges and opportunities to keep in mind as you develop strategies and tactics.

The State of Employee Engagement

While we know that engagement is critical to organizational success, research continues to show that most organizations still have not prioritized or succeeded in finding solutions that create a highly engaged workforce:

- ▶ Overall, just 33% of U.S. employees are engaged—however, among top organizations, engagement is 70% on average. *(Gallup, 2017)*
- ▶ Only 21% of employees strongly agree that they are managed in a way that motivates them to do outstanding work. *(Gallup, 2017)*
- ▶ The lost productivity of disengaged employees costs U.S. companies \$483–\$605 billion each year. *(Gallup, 2017)*
- ▶ 69% of employees report that engagement is a problem in their organization. *(Psychometrics, 2016)*
- ▶ 80% of employees who are dissatisfied with their manager are disengaged. *(Dale Carnegie, 2016)*
- ▶ 78% of companies have a documented employee engagement strategy, but less than half, 47%, measure success. *(Maritz, 2018)*

Outcomes of Effective Employee Engagement

Organizations that prioritize and successfully address engagement realize competitive advantage and bottom-line results:

- ▶ Improving employee engagement by 5 points is linked to a 3% increase in revenue. *(Aon, 2018)*
- ▶ Companies with engaged employees outperform those with low engagement by 202%. *(Dale Carnegie & Associates, 2017)*
- ▶ Companies with highly engaged employees have 147% higher earnings per share than their peers do. *(Gallup, 2017)*
- ▶ On average, engaged workgroups achieve 10% higher customer ratings and 20% higher sales. *(Gallup, 2017)*
- ▶ Business units with highly engaged employees realize lower absenteeism (41%), turnover (59%), safety incidents (70%), shrinkage (28%), and quality defects (40%). *(Gallup, 2017)*
- ▶ Only 37% of engaged employees are looking for new job opportunities, vs. 56% of not engaged employees, and 73% of actively disengaged employees. *(Maritz, 2018)*

The State of Employee Communication

Communication is changing rapidly, creating challenges that must be addressed for today's organizations to reach employees, build trust, foster collaboration, and remain effective:

- ▶ Only 15% of employees say their company is doing a good job of fostering open communication. *(15Five/Entrepreneur, 2016)*
- ▶ 60% of employees report receiving more irrelevant company information than important information they actually need. *(Dynamic Signal/Survata, 2018)*
- ▶ 75% of employees report wasting significant time looking for important information. *(Dynamic Signal/Survata, 2018)*
- ▶ 65% of organizations report that an increasing volume of communication is the largest internal communication challenge. *(Harris/Interact, 2017)*
- ▶ Just 40% of internal communicators believe employees understand IC's contribution to organizational strategy. *(Gatehouse, 2016)*
- ▶ 60% of internal communicators are not currently measuring the effectiveness of employee communication. *(IABC, 2016)*

Outcomes of Effective Employee Communication

Organizations with high-performing communication achieve measurable business results:

- ▶ Well-informed workers are 77% more likely than others to be high-performing employees. *(Gartner, 2018)*
- ▶ Companies with highly effective employee communication have 47% higher total returns to shareholders than other companies do. *(Willis Towers Watson, 2017)*
- ▶ Top-communicating companies have, on average, 31% higher valuation, compared to poorer communicating competitors. *(Willis Towers Watson, 2017)*
- ▶ Companies that communicate most effectively are 50% more likely than other companies to have turnover below the industry average. *(McKinsey Global Institute, 2017)*

Executive and Manager Communication

Research confirms that leaders at all levels play a critical role in both communicating with and engaging employees. Yet leadership communication is often identified as an area for improvement in both engagement surveys and communication audits:

- ▶ 44% of employees do not believe their senior leaders are providing clear direction about where their organization is headed. *(IBM/Globoforce, 2017)*
- ▶ Only 13% strongly agree that their leaders communicate effectively with the rest of the organization. *(Gallup, 2017)*
- ▶ 40% of employees believe that leadership's ineffective use of communication is impacting their ability to be successful. *(Dynamic Signal/Survata, 2018)*
- ▶ Managers who communicate change effectively can improve their direct reports' performance by as much as 29%. *(Willis Towers Watson, 2017)*
- ▶ A manager's ability to inspire employees account for up to 70% of the variance in employee engagement scores. *(Gallup, 2016)*

- ▶ 69% of managers say they are often uncomfortable communicating with employees. *(Harris/Interact, 2017)*
- ▶ 34% of employees said their reason for leaving their job was a bad relationship with their boss or manager. *(Ajilon, 2018)*
- ▶ In companies where both leaders and managers are perceived by employees as effective, 73% of employees are highly engaged. *(Willis Towers Watson, 2017)*

Business Strategy Communication

We know it's important to articulate where the organization is headed and how employees can contribute. However, effective strategy communication is still a challenge in many organizations:

- ▶ Employees' understanding of the business strategy and how their work contributes to company performance is one of the top drivers of engagement. *(Melcrum, 2016)*
- ▶ 48% of executives say their company doesn't effectively communicate business strategy in ways that help employees "live it in their jobs." *(McKinsey, 2017)*

Organizational Purpose

Statistics clearly show that a clear, compelling purpose (or the reason your organization exists) is key to motivating and engaging employees to drive personal and organizational success:

- ▶ Employees who say their company has a clear, admirable purpose are 3 times more likely to stay with their organizations, report 1.7 times higher job satisfaction and are 1.4 times more engaged in their work. *(Georgetown University, 2017)*
- ▶ 73% of employees who say they work at a purpose-driven company are engaged, compared to just 23% among employees who don't say they work at a purpose-driven company. *(Deloitte, 2017)*
- ▶ 82% of employees who say their organizations have a strong sense of purpose believe their organization will grow this year, compared to only 46% among other employees. *(Deloitte, 2017)*
- ▶ 70% of executives say employees' desire for purpose is impacting their ability to recruit and retain top talent, and 65% say it is transforming traditional approaches to recruitment and development. *(Covestro, 2018)*
- ▶ Among 10 potential reasons for leaving their job, employees chose "Finding an organization with a higher purpose and stronger mission" more than any other reason. *(Office Team, 2018)*

Change Management and Communication

Organizational change is on the rise as entire industries strive to keep pace with rapid technological, economic and cultural shifts, resulting in constantly changing business strategies. Organizations that embrace and adapt to change most effectively are best positioned to be successful:

- ▶ Increasingly, a 5- or even 3-year strategic plan has become a thing of the past. *(Deloitte, 2017)*
- ▶ 61% of C-suite executives believe that a rapid, short-term (3- to 6-months) evolution of strategies will become the norm. *(IBM Institute for Business Value, 2018)*
- ▶ 83% of executives believe that traditional organizational models must give way to more dynamic approaches in order to retain talent and remain competitive. *(Deloitte Insights, 2017)*

- ▶ Of people who said they have experienced organizational change at work, 65% feel uncertain about their ability to help the organization achieve its goals, vs. only 25% among employees who have not experienced organizational change. *(American Psychological Association, 2017)*

Intranets

Company intranets remain important work and communication tools, but as business and technology changes, the role intranets play in organizations continues to evolve:

- ▶ Intranet development times are getting shorter (influenced by Lean and Agile methods), down from 4 years in 2012 to 1.2 years in 2018. *(Nielsen Norman Group, 2018)*
- ▶ Among companies with the best intranets, the average number of core team members is 14, down from 19 in 2015. *(Nielsen Norman Group, 2018)*
- ▶ This year, most intranet investments are focused on 5 areas: anytime/anywhere access, social networking, collaboration, application integration, and personalization. *(Analytics Insight, 2018)*
- ▶ The intranet features employees most want in 2018 include consolidated tools, organization and system-wide search, and uniform and streamlined work processes. *(Debble, 2018)*
- ▶ Companies are now focusing more on updating their intranets' visual design to create a more compelling user experience and meet the expectations of today's employees. *(Elcom, 2017)*

Social and Mobile

Organizations are increasingly embracing social and mobile internally, and while some are achieving results, many struggle to determine the role these technologies will play:

- ▶ Employees of companies that use internal social media are 60% more likely to say their company is innovative and 39% more likely to recommend their company's products and services. *(APCO Worldwide, 2016)*
- ▶ 66% of companies use enterprise social media, but only 20% of employees are active users. *(McKinsey Global Institute, 2016)*
- ▶ 75% of companies with enterprise social networks say adoption has been slow. *(Altimeter, 2016)*
- ▶ The top barriers to social media adoption are "management doesn't perceive a clear need," "employees don't understand the value," and "lack of budget." *(Cisco/Comscore, 2016)*
- ▶ Some companies are turning to employee apps to complement or replace their intranets, but "app fatigue" is on the rise, with business professionals worldwide now using an average of 9.4 apps at work. *(Harmon.ie, 2018)*
- ▶ 73% of internal communicators said that increased use of mobile would be a top priority in the next year; however, only 40% rated mobile apps as effective forms of communication. *(Gatehouse, 2018)*

[Visit our website](#) for additional resources that provide insight on a variety of topics related to engagement and communication. Also, if you would like to discuss how Bridge Consulting can help you make the most of your investments in these critical areas, contact Chris Gay at 614.775.9706 or chris.gay@bridgecnslt.com.