

Employee Engagement & Experience

A measurement and metrics framework

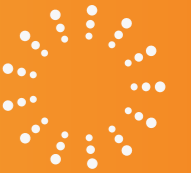


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Introduction



If you're an HR leader, you're constantly thinking about engagement and the overall employee experience. You need to retain your best talent, get better results from the workforce, and you believe that highly engaged employees produce their best work.

But, if you're in a larger company, there's no way you can speak individually to all of your employees to find out what their experience is like working for your organisation as the scale of such a project is vast, and any findings would be next to impossible to collate effectively.

Instead, there are several strategies and tools you can use to listen to your people, measure employee engagement and improve the employee experience. There are also metrics that we at WorkBuzz have seen which help drive home the validation on how increasing engagement levels positively impacts not only on the happiness of your workforce, but also your organisation's performance.

Tracking these metrics consistently helps demonstrate clear benefits from investing in employee engagement over time, and can show if the things you are doing to increase engagement levels are having the desired impact or not.



The question is, what are the metrics you need to be tracking? And how can these be linked back to any investment made in employee engagement?

Let's get started!

Why should you measure employee engagement and experience?



You don't need to tell your senior management that engagement and employee experience is important. They instinctively know it is. What they possibly don't know is how to collect and interpret data and then turn that into concrete actions to improve engagement and organisational performance. That's where they need your help.

For example, scoring an average of 60% in an employee survey against a statement such as 'I trust senior leadership' doesn't mean much on its own. It may even seem like a positive result. However, if you know last year's average score was 80%, you've potentially got a big problem emerging. And as an HR or business leader, you know this problem could soon start showing up in higher sickness or absence levels, higher voluntary turnover, possibly including the employees you can least afford to lose. Your best employees have the most choice in a 'hot' labour market. This costs you money both directly and indirectly if you lose them.

That's why it's important to measure your workforce engagement levels frequently to establish trends. Measuring employee engagement just once a year or once every two years isn't enough. You need to understand changes in employee engagement from one period to the next, and take action just as quickly. You will already look at things like sales or finance metrics this way monthly, per

quarter, by the half year or, often, all of the above. You now need to do the same with your people metrics. Why? Because what gets measured, gets managed.

In this respect, customer perception research has led the way for many years. Organisations that have customers, need to know on a frequent basis how the customer is feeling, and react to this in real time, to drive loyalty and willingness to recommend, increase spend, and to reduce churn.

A consistent 'temperature' check will reveal how your employees are thinking and feeling about your organisation in real time, giving you the chance to respond ahead of any consequences of their dissatisfaction in advance before it's too late. You'll get a higher quality and quantity of work from your employees if they believe you're listening and responding to their concerns as a normal part of how you do business. This is of course how your organisation's productivity and performance then improves.



What are the best ways to measure employee engagement and experience?



At this point, it's worth quickly defining employee engagement, although many definitions exist. Typically, employee engagement (and experience) is a rational and emotional level of connection to an organisation and a role, which unlocks the potential of each individual, their motivation, and maximises their discretionary effort towards their work.

The best way to measure employee engagement and experience is via regular pulse surveys, often run on a quarterly basis. Although the best frequency for your organisation will depend on what your managers are ready for, and whether your workforce is digitally connected – which makes surveys easier to administer. By regularly asking specific questions, you can obtain a holistic view of what matters most to your workforce. You can then make plans to tackle the issues that emerge, either organisation wide, or on a more targeted basis.

Your survey results will let you know where to focus your efforts to have the biggest impact on employee engagement. After defining and implementing plans to correct what is bothering your employees the most, running regular surveys or pulse checks, is how you gauge the progress you're making.

If you do conduct an employee engagement survey, you must act swiftly afterwards. There's nothing worse than

asking employees what they think and then doing nothing about it. Make sure your managers are ready to act before starting any survey process. Nobody should be too busy to do this. Those who claim they are might be your real problem and the feedback you get on them will let you know if that's the case. Any survey is only as good as the actions you take, and the impact those actions have on improving engagement and the overall employee experience

The WorkBuzz platform enables you to segment your survey data. This can be done based on manager, department, tenure, gender, race, age, and more, and you can also benchmark yourselves against companies in the same industry or sector using our proprietary dataset.

We want to help you understand the drivers of engagement in your business, advise you on what matters most, and then see this insight reflected in improvements to your people metrics that deliver a specific monetary or other impactful value for you.

We have started creating a library of case studies to help you learn from our existing clients and we are capturing many easy-to-implement actions from these successful organisations to help you and your managers learn and improve. We can put you in contact with them too – using the power of our network and community.

What drivers of employee engagement and experience should you measure?

To help you get started, we've listed 10 engagement drivers we think questions in your employee engagement survey should track, and why they're important:



1) Leadership – Trust in the senior leadership team

Employees look to leadership teams to communicate the company vision and encourage buy-in. Employees need to trust the senior leadership team, believe the company is well managed, and feel the company is headed in the right direction. If employees do not 'trust the process' or buy-in to the company vision, they'll be less engaged and less likely to perform to a high standard because they'll feel their efforts are wasted.



2) Growth – Opportunities for personal and professional growth

Ambitious proactive employees are not content to rest on their laurels. They want to 'future proof' their careers by equipping themselves with new skills and understanding of the latest technologies and ways of working. An organisation that invests in growth and provides internal development opportunities, is a further reinforcement that it values and appreciates its employees – especially those willing to go the extra mile. This investment might be the difference between an employee staying or leaving your organisation. It could particularly make a difference with your younger employees. It should be part of your brand.



3) Teamwork – Strength of the relationship to colleagues

When an employee has a positive relationship with colleagues, they're much more likely to feel engaged at work. Any job has its ups and downs but having a supportive group of colleagues to turn to helps employees get through the tougher times. When it comes to wellbeing, often it's your day-to-day colleagues who can spot any changes in behaviour and offer real time support.



4) Managers – Positive and supportive manager/employee relationships

Did you know that your organisation's success is closely tied to the quality of your managers? The presence of supportive managers positively affects your culture, so it's worth checking to see how your employees feel about who they are working for. When an employee leaves an organisation, they may have decided to leave a manager first. It goes much deeper: do you select the best people to be people managers based on the ability to inspire and lead teams, rather than the fact they were the best person at doing the technical part of their job; do you train them up and support them into a new management role; do you give them enough time and support to do the people management part of their role? A survey can give you these answers.



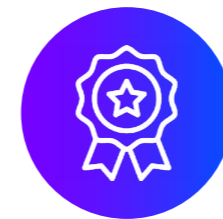
5) Flexible working – Work arrangements that suit employees' needs

The typical nine-to-five working pattern might not suit all employees. Some might have caring responsibilities, some might have to collect their children from school, and some may be managing health issues. Flexible working is a known driver of high engagement, so it's important to understand how satisfied employees are with their flexible working arrangements and whether any improvements can be made.



6) Empowerment – Level of autonomy

Did you know that leaving your employees alone to get on with things might be the best thing you can do? We used to want managers to keep a very close eye on employees, but today's workplaces are changing rapidly. Two people in the same role may not get things done in the same way. What matters is what works for each of them. It's worth realising that each employee thinks differently about this and that by being flexible to their circumstances and requirements, a manager can enhance the contribution an employee makes.



7) Reward and recognition – Making employees feel appreciated

Recognition should be a part of every organisation's culture. When an employee goes beyond the normal expectations of a role, appreciation from a manager, colleagues, and even customers can reinforce that behaviour – making it all worthwhile and encouraging more of the same in the future. Otherwise, your employees could start to question why they're putting in extra effort. You want them to give you that extra effort as a matter of course. They also need to see a clear differentiation between great performance and a performance which is below expectations.



8) Wellbeing – Prioritising employee 'health' factors

Employee wellbeing goes hand in hand with a positive employee experience. If employees don't feel 'well' – whether that's their mental wellness, physical wellness, social wellness, career wellness, or financial wellness – they'll struggle to stay engaged at work. Employees will also struggle to stay engaged if they don't think your organisation is prioritising their wellbeing.



9) Diversity and inclusion (D&I) – Working in an inclusive environment
 Do employees feel like they belong at your organisation? If employees feel like they are valued, respected, included, and belong at an organisation, it creates a more positive culture which contributes to an improved employee experience.

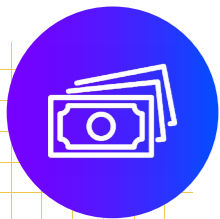


10) Purpose – Alignment with your organisation's strategy
 Do your employees understand what your organisation is trying to achieve? There are good reasons to believe that if your employees have a solid grasp on your organisation's strategic priorities, they make better day-to-day decisions, aligned to the priorities you've chosen. They need a clear organisational North Star.

Additional drivers for consideration, include:



1) Sense of accomplishment
 Your employees get a sense of accomplishment when they achieve the goals they've agreed to and when they've enjoyed putting in the effort to do this. It's important that the work they do is meaningful and that you understand what matters to them.



2) Pay
 What you pay your employees dictates a big part of their lives – if they don't earn enough money to feel stable and secure, this impacts on their productivity and on their willingness to stay with you. Pay is often cited as the main driver of engagement if you ask an employee directly. It isn't always, but if you aren't valuing your workforce properly and others are, you are at a greater risk of losing them. Right now, with the increasing cost of living and inflation, and attrition levels facing many organisations, demand may possibly be outweighing supply of talent, causing pay to be a differentiator.

But if an employee is working under increased pressure, with less resources/ headcount and with far more challenges in their role, would paying them more remove all these possible causes of wellbeing issues? That is a conversation many organisations are having to face.

When organisations measure employee engagement, and the elements of the employee experience driving this, they get back more than they give. Asking the right questions in your survey will make certain that your work as an HR or business leader is as impactful as possible. By asking the right questions, you will be able to launch data-driven initiatives that focus on the most urgent areas for improvement in your organisation, using the insights that our survey tools and platform provides. Taking those actions is what creates organisational success and performance benefits. And tracking the right people metrics will allow you as a leader to prove it.

Engagement score

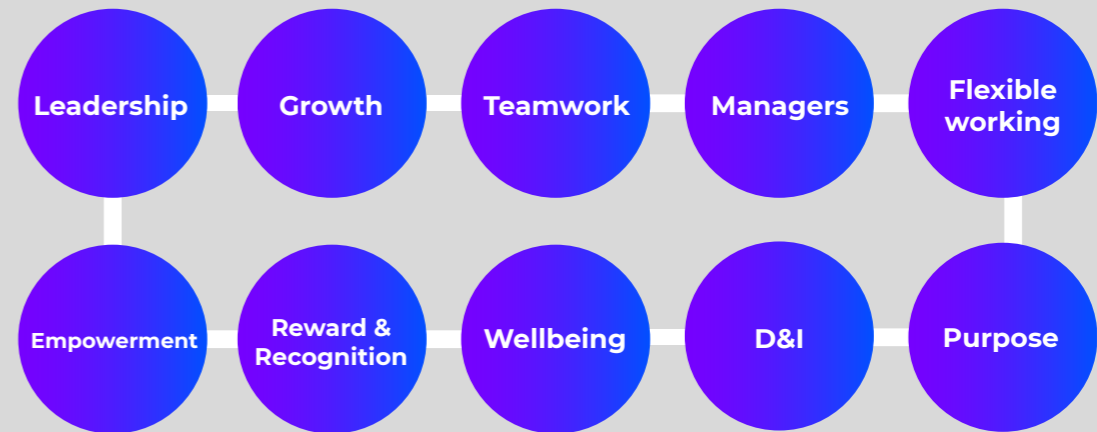
Say
 I am proud to work for ABC Company
 I would recommend ABC Company as a great place to work

Stay
 I see myself working at ABC Company in 12 months' time, even if a comparable job was available elsewhere

Strive
 I am motivated to do my best work



Employee experience



Business outcomes

Increased retention
 Reduced absenteeism
 Improved productivity
 Improved safety
 Improved customer satisfaction
 Improved performance



Tracking the right people and organisational performance metrics



After you've started tracking the engagement drivers from your survey results, and trying to influence improvements, you will need to track people and performance metrics to show that your organisation is indeed making progress. This requires you to establish some agreed metrics up front, and then tracking them over time.

The overarching metric your engagement survey needs to track is the Employee Engagement Score.

This comprises of several key outcome statements:

- I am proud to work for XXXX
- I would recommend XXXX as a great place to work
- I see myself working at XXXX in 12 months' time, even if a comparable job was available elsewhere
- I am motivated to do my best work

It is important to not confuse outcome questions/statements with input ones. The inputs of the employee experience that affect employee engagement can be different for different organisations, even within the same sector, and even in the same organisation from year to year,

region to region, and department to department.

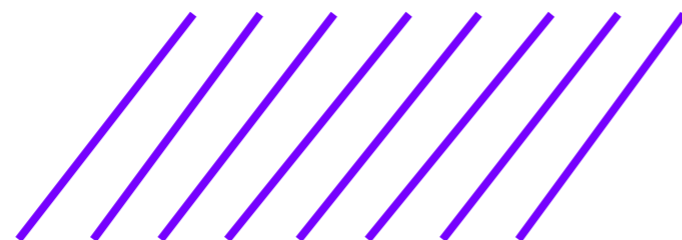
Outcome questions like pride, advocacy, and motivation have been proven in many studies to be reliable indicators of engagement, and proven proxy measures for people and performance metrics such as attrition.

Having a strong outcome-based engagement score allows you to use this as the anchor or dependent variable, to not only use to test which elements of the experience affect it the most, but also to test the strength of its relationship with your own organisational metrics.

Metrics you may want to think about on your people and performance metrics scorecard underneath your employee engagement score, are as follows:

1. Voluntary employee turnover rate

2. Employee sickness and absenteeism rate



1. Voluntary employee turnover rate

Voluntary turnover occurs when an employee leaves a company on their own. Most of the time, turnover is a bad thing, and a higher turnover rate usually happens when employee engagement is dropping. Turnover rate measures how many employees are leaving your organisation over a defined period of time.

$$\text{Departures} / \text{employees} \times 100 = \text{turnover rate \%}$$

You need the following information to calculate your turnover rate:

1. Average number of employees for the period
2. Departures during the period

The average number of employees during the period can be calculated by adding the number of employees at the start of the period to the number of employees at the end of the period then dividing the sum by two. This can be calculated as a rolling average if you are always comparing a start point and an end point the same time distance apart.

Then **divide the number of employees who left the organisation** by the **average number of employees during the year** and **multiply this by 100** to get the period **turnover rate**.



Calculating the cost of turnover

Reducing the voluntary turnover rate in your organisation will save you money. Whilst we can't capture every single expense, or all of the intangible costs, we can get a good sense of the cost of turnover for the period by analysing just four major buckets – cost of hiring, cost of onboarding and training, cost of learning and development, and cost of time with an unfilled role (which might include lost productivity or backfill costs from interim or agency workers).

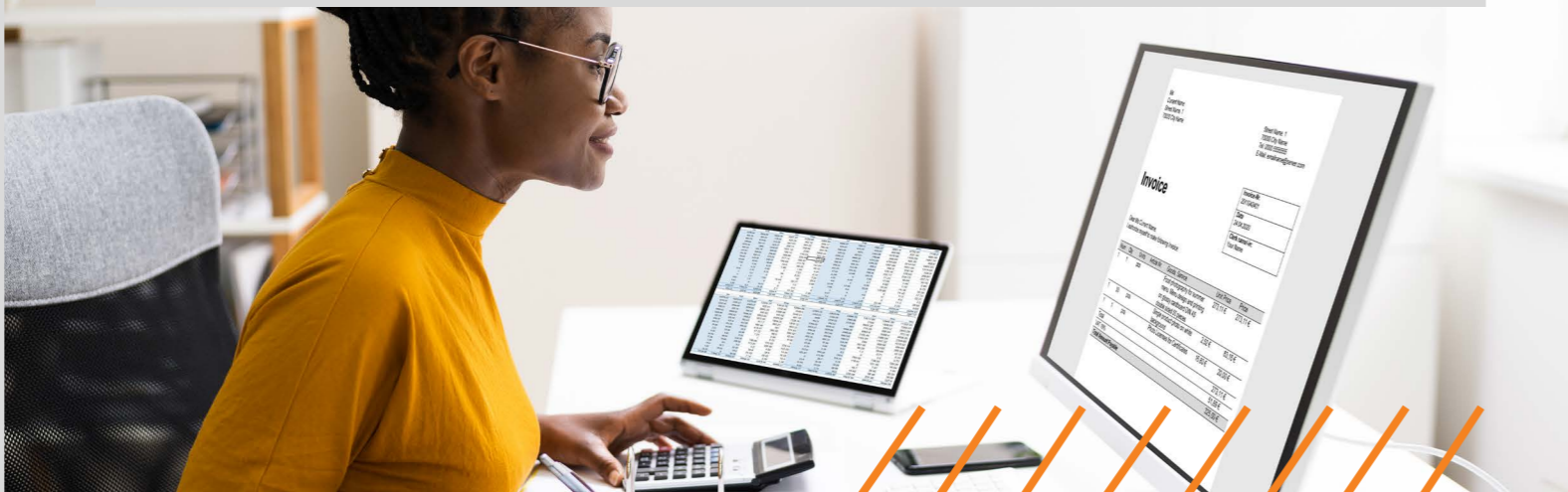
Hiring + onboarding + development + unfilled time X number of employees X turnover rate = cost of turnover

For example, consider a **150-person company** with an **11% turnover rate** for the period. If they spend on average **£25K per person hiring, £10K on onboarding, £20K on development** and **lose £50K from unfilled time** when filling a vacancy, then their cost of turnover will be **£1.73M**.

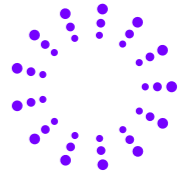
Reducing this by 2%, would immediately yield **£315K of savings**.

Your own employee engagement or pulse survey could give you these insights, which when acted upon, will achieve similar in your own organisation, if voluntary turnover is a problem you are trying to solve.

The potential for cost savings will far outweigh the cost of obtaining these insights if WorkBuzz is your partner.



2. Employee sickness and absenteeism rate



Sickness and absenteeism occurs when employees regularly fail to show up for work. Absenteeism can be a red flag for employee engagement. It usually increases as employees become disengaged.

This metric measures what percentage of employees were absent over a period of time. A high employee absenteeism rate may indicate a high level of employee disengagement, but it also severely impacts on the ability of the rest of the team to get work done. This can cause a chain effect, impacting their wellbeing, and causing more absenteeism.

Sickness and absences / workdays X 100 = sickness and absenteeism rate

To calculate the absenteeism rate, you need the following numbers:

1. Days of sickness and absenteeism for the period
2. Total workdays for the period

Then you **divide the days of sickness and absence** by the **number of workdays** and **multiply this by 100** to get the **period turnover rate**. Again, this can be calculated as a rolling average, providing the period gap measurement is kept consistent.



Calculating the cost of sickness and absenteeism

Reducing the sickness and absenteeism rate in your organisation will save you money. This is usually the second highest employment cost after salaries. Working out what it costs and how to reduce those costs is a finance mystery that can be solved by HR.

If all you need is a rough approximation of what sickness and absenteeism is costing your organisation, then you can use a simple trick: multiply the daily wage bill of the employee by two, and this will give you a good idea of the overall cost of absenteeism i.e., every employee not working for you on a given day is costing you twice that much each day they are off.

If you need it calculated more accurately, here's how to do it. Some common costs to identify are:

- Lost wages/salaries (in the case of paid sick leave)
- Benefit costs on top of wages/salaries
- Premium pay of temporary help
- Premium pay of overtime help
- Substandard production (quantity and quality)

Total compensation lost to absent employees + premium costs = Total cost of sickness and absenteeism

Example costs (assumption benefit cost is 30%):

Total work hours lost to absenteeism for the month = 124

Average wage/salary per hour, per employee = £10

Cost of employee benefits per hour, per employee (£10 x 30%) = £3

Total combination lost per hour, per absent employee

If absence is paid (£10 + £3) = £13 **OR** if absence is unpaid = £3

Total compensation lost to absent employees (124 x £13) = **£1,612** (paid sick leave)

Premium costs – for the purpose of this equation, the post is backfilled but at a higher rate = (temporary help + overtime for existing employees) = **£2,000**

Total cost of absenteeism for the month = £1,612 + £2,000 = **£3,612**

Linking employee engagement results with improved business metrics

WorkBuzz will provide you with the insights which, if acted upon, could secure this potential financial upside for your organisation.

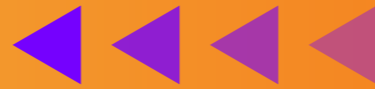
WorkBuzz believes that if you establish a set of consistent people metrics for your organisation, then these metrics will show you how the performance of your organisation improves when employee engagement levels improve (using your standard business/financial/performance metrics). And that specifically there are then other things you must keep measuring if you are interested in saving your organisation unnecessary costs.

For each of the metrics stated, if collected at a team level or similar, it is possible to map these by team against their engagement scores. There are many more metrics organisations can collect, and these can be different for each organisation, depending on what they do e.g., manufacturing may collect data on accidents and near misses, but whatever the metric, if collected at a micro team level, they can be linked to survey data.

Taking it one step further, you can look at multiple employee survey time stamps and metrics data, so you can start to track and project/forecast 'what if' scenarios, looking at how an engagement index change over time impacted a metric over time, or how a metric may have impacted engagement. Like customer satisfaction learnings, and the employee lifecycle, there is so much more to talk about.



HS2 estimates £2-3m saving from improving staff retention



Staff retention increased by 9% – estimated saving £2-3M



Absenteeism reduced by 1.6%



Received Clear Assured Platinum Award for their efforts to improve equality and diversity



Response rate increased by 6%



Staff engagement increased by 19%

High Speed Two Ltd (HS2) is the organisation tasked with building Britain's high-speed rail network. It is the largest project ever invested in by the UK government. HS2 is a 'mega project' of a size and scale never previously attempted in the UK.

When Neil Hayward, former Chief People Officer, joined HS2 back in 2017, he found a company that was in danger of failing:

"There were clear signs of distress in terms of HS2's reputation, and performance. Their people were disengaged and unmotivated. A lot of change was required. The Board signed off a new People and Organisation Strategy which committed us to doing things differently, with a focus on building HS2 as 'an effective client organisation with the right capabilities' and developing 'a talented workforce

and an inclusive culture.' Employee voice – a cornerstone of engagement – wasn't working at HS2.

It had run a traditional bi-annual staff engagement survey – it was a laborious process and by the time the results were shared with people managers, the feedback was dated. And the single snapshot in time wasn't keeping up with the rate of change at HS2."

WorkBuzz and HS2 co-created a vision for what a world-class employee experience would look like at the company, and how we could revamp its employee engagement strategy. We set out to modernise its employee voice by introducing much more agile, quarterly pulse surveys and empowering managers with real-time feedback.

NB Neil Hayward has now left HS2 and is pursuing a plural career as a Non Executive and Board Advisor

Shortly before we were due to launch, the Covid-19 pandemic took hold in the UK, with the first lockdown announced. HS2 pivoted and within just four days, they were launching a remote working and wellbeing pulse.

The survey ensured that every colleague had the tools they needed to work from home productively, that they were receiving regular communications from the HS2 leadership team, and also helped HS2 identify what support was needed for employee wellbeing.

Most importantly, the questions were relevant to employees and provided actionable insights. Through a series of bi-monthly wellbeing pulses, HS2 could track and adjust its approach, with response rates and wellbeing levels measurably improving as employees could see positive change resulting from their feedback.

Back in 2018, when HS2 started their transformation, only 76% of their employees responded to the then bi-annual staff engagement survey. Now they have consistently higher response rates much more frequently (82%+) and

their staff are significantly more engaged, too (19%+). The insights have also helped sharpen HS2's already impressive diversity and inclusion focus. In 2021, HS2 became the first UK company to achieve the prestigious Clear Assured Platinum Award for their efforts to improve equality, diversity, and inclusion.

Even more importantly, after 18 months of the pandemic, HS2 remains on track to deliver Phase 1 of the programme to schedule and cost, having kept construction working at more than 250 sites up and down the line of route through an approach that has put staff wellbeing and safety front and centre throughout. In addition, using WorkBuzz's predictive turnover analysis, churn has slowed, and hiring costs have reduced.

"WorkBuzz helped me define what we wanted employee experience to mean at HS2. They brought passion, extensive experience, and a very agile and intuitive employee engagement platform, giving us insights, in real time, at every stage of an employee's experience journey with us." – Neil Hayward, former CPO at HS2



Stonbury sees a 68% decrease in minor injuries since introducing WorkBuzz



75% decrease in RIDDOR incidents



68% decrease in minor injuries



AFR (Accident Frequency Rate) has reduced from 0.64 to 0.25



EMEA Inspiring Workplaces Awards - Bronze Winner - Inspiring Culture Award

In 2017, Stonbury's Director of People and Culture, Loraine Thomas, recognised a need for the business to better support their people.

After completing research into employee engagement, Loraine identified that a surveying platform, which could elicit employee feedback and communicate results to the wider business, would be a key driver for providing this support.

As part of the business case, it was imperative that the surveying platform could provide actionable insights and data-driven outcomes, which would be accepted by their board. Stonbury didn't want this to be a tick box exercise, but something that would be used to drive new initiatives and processes to provide a better employee experience for their team.

Stonbury reached out to WorkBuzz to discuss the requirements and goals for their employee engagement strategy. After the initial consultation, they were impressed with our ability to provide a more tailored, bespoke service, which aligned with their needs as a business. Flexibility was going to be critical for the project to be a success.

To get things started, we recommended running a baseline survey to gain an understanding of what was working well and where improvements could be made. This provided a variety of valuable insights and offered a benchmark for growth for Stonbury.

Since their initial baseline survey, Stonbury have developed the way they listen to employees over time, moving away from the traditional annual surveys to more regular, quarterly pulses.

They work closely with WorkBuzz to develop the question sets linked to changes in the business and take away insight from each results call with WorkBuzz on where to focus their efforts to maximise engagement and tackle challenges in the areas that need support.

The initial survey results highlighted some concerns around employees feeling confident to speak up and implement safety standards. This didn't align with the company's ethos of 'Making safety our priority', which focused on ensuring people feel safe at work and feeling empowered to challenge unsafe behaviour and stop a job.

In response to these findings, the following year Stonbury launched Empowerment Cards. One card authorises an individual to stop any work activity that they believe cannot be undertaken safely. The cards are signed and authorised by the Chief Operating Officer, Ian Mellor, empowering all employees to challenge and ask questions and, if necessary, stop work if they feel that the task they are asked to do is unsafe.

As a result of the cards being introduced, Stonbury have seen a 31% increase in

employees feeling empowered to stop any work activity that is unsafe, and a 12% increase in employees who feel safe to challenge the way things are done.

Stonbury also now think about safety in broader terms than just basic physical health and safety – they consider mental health, psychological safety, and how they create a culture of inclusivity worthy of consideration/just as important.

By using the surveys, Stonbury have reinforced terminology used internally to help them start conversations as their surveys close and have embedded their new ethos of 'Be safe, be healthy and be kind'.

Stonbury also make use of the WorkBuzz platform's ability to use logic to ask on-site employees different questions – very much focusing on their PPE offering where many valuable responses were returned. This has enabled them to set up a PPE and Workwear Taskforce – making a huge difference to ensure PPE is right for site workers and improving engagement.

More than these results, Stonbury feel differently about their safety culture now.

"There's always work to do, but there is more of a willingness for employees to disclose errors of judgement – honest errors aren't punished, but there is more of a focus on how we learn from them and make improvements. It's shifted the responsibility of health safety from appointed officers with clipboards, to making EVERYONE responsible for it."

Loraine Thomas, Director of People and Culture at Stonbury



Summary

We believe that there are two questions that your work as an HR or business leader should consider when you are designing your approach to employee engagement and thinking through how to improve the experience your employees are having when they work for you.

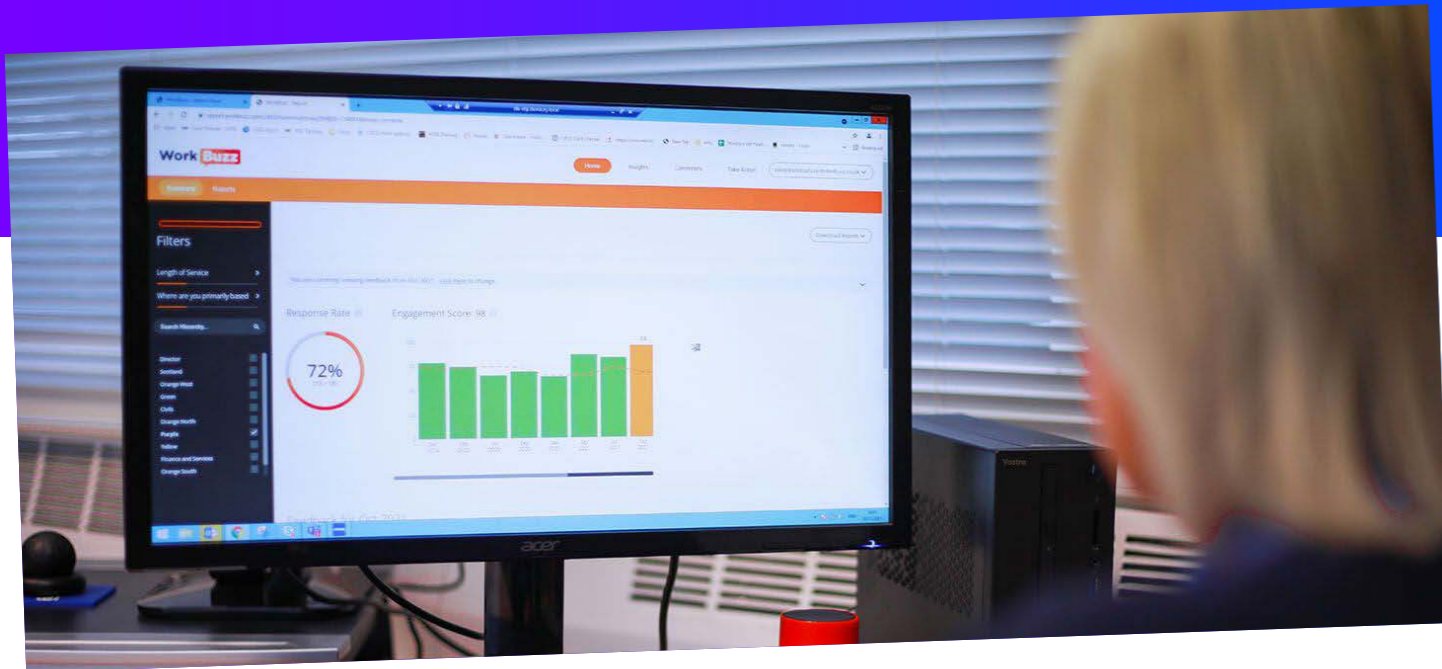
The first of these is: Do increases in engagement cause improvements in the performance of your organisation?

We suggest that you establish a history of engagement via regular pulse surveys and consider how these results compare to the desired outcomes captured on your organisation performance scorecard. Then you will hopefully see how these two things are very much related.

The second is: Do engagement interventions cause increased levels of engagement and thus performance?

We believe they do, but this varies from organisation to organisation, and it all depends how systematic you are in acting upon what your workforce is telling you. What we know is that it is possible to see how responding to what bothers your employees can help save you money.

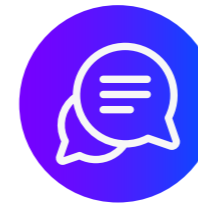
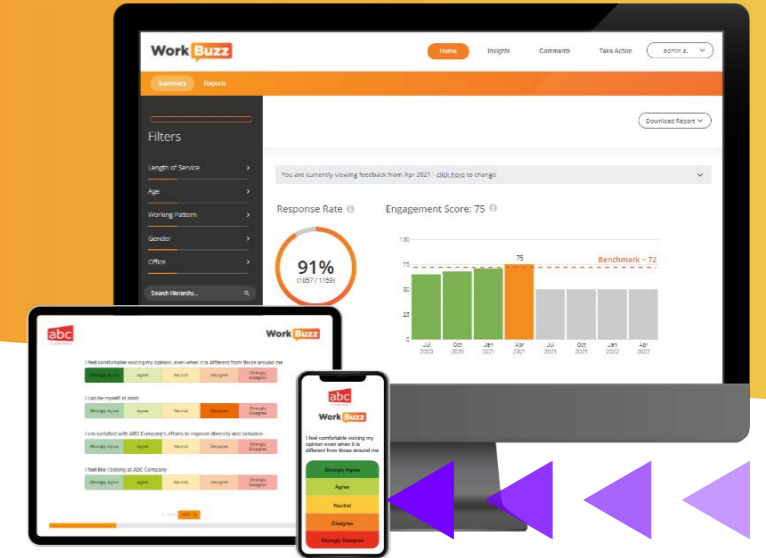
You will never be able to completely mitigate employee turnover and sickness; but you can put proven channels in place to reduce them and minimise the wider impact, and cost to your business.



About WorkBuzz

An employee engagement platform for driving measurable change

WorkBuzz helps you gather real-time feedback from your people, improve employee engagement and build a culture your team are proud to be part of.



Listen to your employees at a frequency which suits your business – annual surveys, pulse surveys and on-demand polls available as standard.



Understand key staff challenges around hybrid working, employee wellbeing, diversity and inclusion, and employee retention. Use our best practice question libraries or work with our team to create your own.



Act upon feedback and implement positive change. Work with our team to understand what your data is telling you, and what actions you need to take. Benefit from an engaged, more productive workforce, and see an improvement in employee wellbeing, output, and retention.

Deliver an exceptional employee experience. Get started with a demo of the [WorkBuzz platform](#)

