

# FROM ANECDOTES TO ANALYTICS

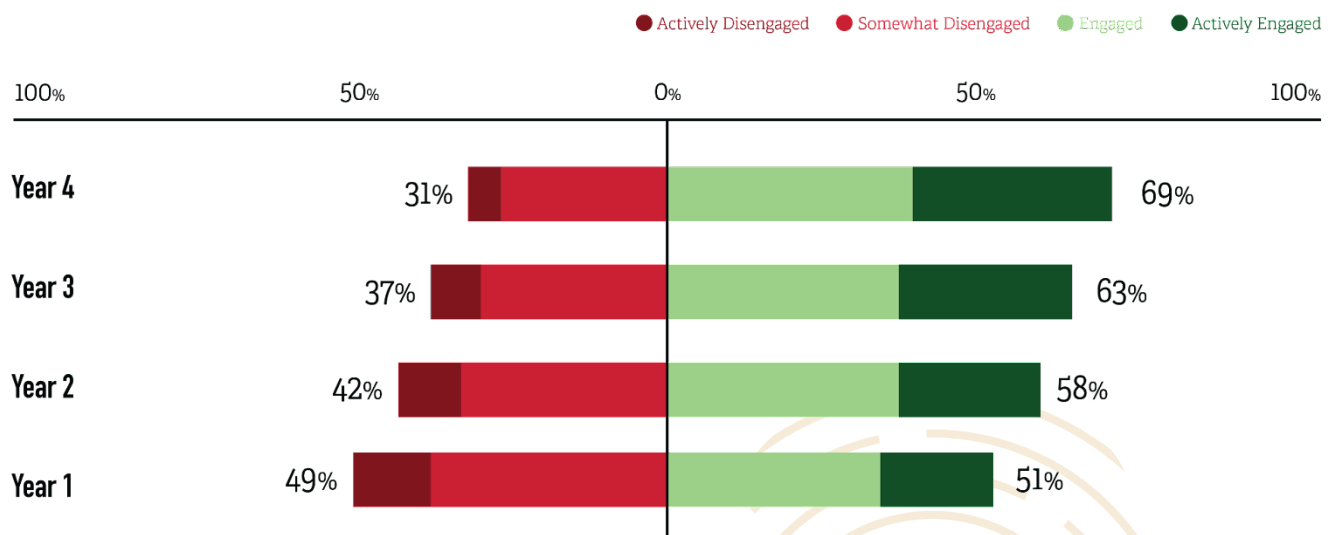
Transform Your Company  
Culture Through Measurement

# From Anecdotes to Analytics: Transforming Company Culture through Measurement

By E3 Solutions

You can't manage what you don't measure. In almost every area of business - finance, manufacturing, marketing, accounting, and so forth - companies rely on science and data to determine strategies for high performance. When it comes to the health of a company's culture, however, most organizations rely on anecdotal data or rotate through pop leadership fads in an attempt to increase engagement and retention. This unsystematic approach rarely - if ever - works long term and provides skewed results that often divert focus from the areas of greatest need.

Evidence suggests that companies who measure engagement have a higher percentage of engaged employees and lower turnover rates than those who do not. Clients who measure with CultureID, for example, have an average increase of 11% engagement every year that they survey. Further, there is a significant increase in the percentage of Actively Engaged employees - those in the highest level category of engagement - and correspondingly, a significant decrease in Actively Disengaged employees - those in the lowest level category of engagement.



Other companies share similar findings:

- Gallup's State of the Global Workplace report found that companies that regularly measure employee engagement have, on average, *14% higher engagement levels* than those that do not measure.
- According to a study by the Society for Human Resource Management (SHRM), organizations that measure employee engagement at least once a year have *turnover rates that are 23% lower* than those that do not measure or measure less frequently.
- Engagement surveys can be predictive of employee behavior. Inside Facebook, HR found that employees who don't complete their company's annual surveys were *2.6 times more likely to leave in the next six months*.



The proven benefits of using a survey to boost engagement levels are powerful and far reaching. With higher levels of engagement, companies gain:

- **Improved business outcomes.** According to Gallup's meta-analysis of 192 organizations across 49 industries, companies with high levels of employee engagement outperform those with low engagement by *21% in profitability*.
- **A healthier bottom line.** Gallup estimates that a disengaged employee costs a company, on average, *34% of their annual salary every year*. That means a company loses \$3,400 for every \$10,000 a disengaged employee earns.
- **Increased employee attendance.** Towers Watson's Global Workforce Study found that organizations with high levels of engagement had *65% lower absenteeism rates*.
- **Higher quality performance.** Research by Aon Hewitt revealed that organizations with high engagement levels experience a *19% increase in operating income* compared to those with low engagement levels.
- **Enhanced customer satisfaction.** A study by Temkin Group found that companies with highly engaged employees have a *12% higher customer satisfaction* rating than companies with disengaged employees.

CultureID survey participants often share personal thoughts on the benefit of measuring as well, samples of which can be found below:

- *"I like the fact that we do these surveys to check the pulse of the organization and ensure that improvements are being done in order to increase our work culture in a positive way and that in effect causes an increased retention for years and years of good employees."*
- *"Things like this survey make me feel as though someone knows changes need to be made and wants to be able to get the information to change them. That makes me feel like I have a voice again."*
- *"[This company] is always looking to improve. This survey is an example as to why I love [this company] so much, they care about the culture and health of the employees."*
- *"Keep providing opportunities like this survey to help improve the culture. It lets staff know that we need to improve and value them as employees."*

To maximize the value of a survey, organizations must ensure they select a tool that measures the "right" things. In this case, that means finding a true engagement survey as opposed to one that masks itself as such but actually only measures satisfaction or happiness. When you collect data on the hardwired drivers of human behavior - as we do with CultureID - the outcome is a complete roadmap for leaders to be able to strategically increase engagement, reduce turnover, and create a culture where employees can thrive. *Why lead in the dark?*