

# EMPLOYEE ATTITUDES AND ENGAGEMENT

**K**enexa, an IBM Company, asked attitude questions in its annual Compensation Outlook Survey with the purpose of exploring HR's perception of engagement, pride, retention and other factors affecting human capital. This data was compared to a similar survey of attitudes of visitors to Salary.com (Kenexa's consumer website), and to World Norms from Kenexa's Employee Engagement database. This paper explores the data similarities and differences across this dataset.

## MIND THE GAP

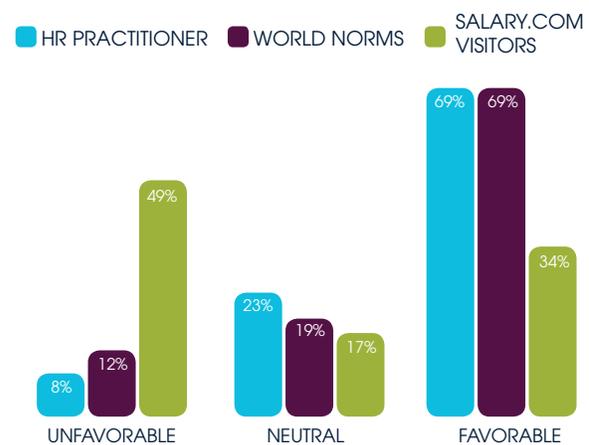
The data indicates a large gap between the Salary.com visitors and HR perception in every HR related category, while the World Norms data hovered somewhere between the two. It must be assumed that both the Salary.com visitors and World Norms data each have some inherent bias. A valid assumption would be that the visitors to Salary.com are biased toward workplace dissatisfaction because they are visiting a career site. We might also assume the World Norms data is skewed towards more highly engaged employees (i.e. more willing to complete a survey for HR) or more self-edited answers, depending on an individual's trust in survey anonymity. Still, in every category, HR's perception of employee attitudes is off the mark.

## ENGAGEMENT AND RETENTION

Engagement is a critical metric, particularly as the economy crawls its way out of a recession. As employees have been asked to take small or no salary increases for a number of years, staying in tune with employee feelings and engagement will be key to holding on to critical talent. And yet, a disconnect between what HR says employees think and what they really think does exist. Sixty-nine percent of HR professionals think employees have a high level of engagement, as do World Norms, while Salary.com visitors show engagement levels of 34 percent (see Figure 1). Moreover, 81 percent of HR professionals believe employees would recommend the organization as a good place to work, while World Norms are at 72 percent and Salary.com visitors are at 38 percent. If your employees won't recommend your organization, how can you draw in new talent? When it comes

to retention, the disconnect is evident with 83 percent of HR professionals believing employees will stay with the organization in the coming year, while only 57 percent of World Norms and 41 percent of Salary.com visitors indicating their intention to stay.

**FIGURE 1: EMPLOYEES HAVE A HIGH LEVEL OF ENGAGEMENT**

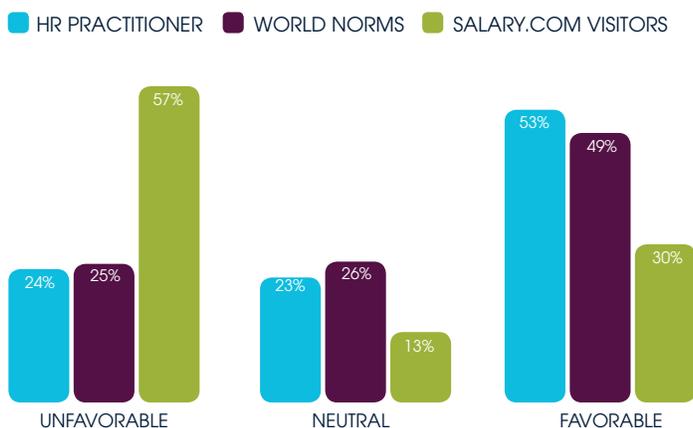


## COMPENSATION AND BENEFITS

With regard to compensation, 53 percent of HR professionals think employees are fairly compensated, compared to 49 percent for World Norms and 30 percent for Salary.com visitors (see Figure 2). The ability to offer competitive compensation is largely driven by budget and senior management's understanding of how critical competitive compensation is. During the last few years of a volatile economy, many organizations had to make tough decisions—cutting costs across the organization. The data shows that HR professionals do understand that these decisions affect their competitiveness, which in turn affects the organization's ability to attract, retain and motivate employees. Given that 47 percent of organizations acknowledge that they do not pay competitively, an interesting topic to explore may be the ways in which HR offsets its lack of competitive wages.

Looking at benefits data, 71 percent of HR professionals believe employees receive a competitive benefits package, compared to 63 percent for World Norms and 48 percent for Salary.com visitors. The gap in the concept of competitive benefits may also be affected by the sharply increasing costs in healthcare. While the organization may actually have competitive benefit plans, employee perception can be different. Without proper communication, the only thing the employee knows is that out of pocket costs have increased.

**FIGURE 2: EMPLOYEES FEEL THEY ARE COMPETITIVELY COMPENSATED**



### PERCEPTION IS REALITY

While the factors are interesting in and of themselves, it is the data in aggregate that shows how deep the disconnect runs. Fundamentally, we know that employees are motivated by fair and equitable pay. It is the reason pay for performance is a concept that every organization strives to incorporate into its culture. Yet, while 53 percent of HR professionals think pay is competitive, 69 percent think they have high engagement and 83 percent think they will retain employees in the coming year. This disconnect alone within the HR results is cause for concern. Are we as HR professionals saying that pay isn't critical?

The wake-up call will come if organizations have a retention crisis. If we average the World Norms and Salary.com data to try and cancel out some of the bias, then 49 percent of employees aren't planning to stay with their organization in the coming year. Coupled with the lack of employees willing to recommend their organization as a good place to work, some HR departments might find themselves in a recruiting crunch.

The fact is when it comes to employees and their engagement in your organization, it doesn't matter what your programs do, it is about what employees think they do. Understanding the gap between employee and HR perception is the key to changing employee messaging to increase engagement and affect the company's bottom line.

### MANAGERS WHO CAN'T COMMUNICATE

Communication is an important component in the perception versus reality gap. HR professionals need to consider the source of employee communication. Even

the most well-intentioned HR programs fail with groups of employees, despite the most robust communication roll-out. How are some programs viewed positively by some and negatively by other, similarly situated employees? Unfortunately, while fault often times lies with HR, the overarching problem is bad managers. Frankly, most managers aren't managers because of their good people management and effective communication skills. Managers become managers because they are excellent individual contributors who get promoted to a management role. HR's failure to train managers to communicate can ultimately undermine the success of any program because employees don't get the message from HR—they get it from their managers.

### CONCLUSION

This disconnect in the data between HR professionals and employees is not a sign that HR doesn't fully grasp the effects of decisions on populations or the criticality of thoughtful programs for employees. What we find in this disconnect is that HR has become too distanced from the employee population, leading to a misunderstanding of where the employee mindset is. Consistent communication with employees, in any form that is appropriate for that employee population, is key. Ultimate success lies in proper manager training. Managers need to be prepared to discuss and promote programs, as well as collect feedback for HR on how those programs are perceived. ■

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### ABOUT KENEXA, AN IBM COMPANY

To us, business has always been personal—and it's always been about making the workforce smarter, which is why we're proud to be the platform for a Smarter Workforce. We look at it from two angles—empowering people and transforming business. Our tools enable businesses to attract and keep the best people, develop their skills, cultivate new leaders and capitalize on their collective intelligence by applying human insights, social tools and workforce analytics to transform the way they work. We provide deep insight and experience in employee engagement, talent management and leadership development mixed with the world's best technology and social platforms, giving us the unique ability to build a Smarter Workforce.