

# Engagement Isn't Always the Best Indicator of Employee Attitudes

By Douglas Klein, Maura Mills, and Justin Black

## Introduction

It is the goal of most companies to assure that all of their employees are engaged – and that their level of engagement isn't a function of their ethnicity (or other demographic variables). Yet, research has shown that the most common measure of employee engagement is often unable to detect attitudinal differences during changing economic conditions, and under-reports differences across ethnic minorities when differences exist. This will be demonstrated with data.

This article concludes with concrete suggestions for how to best assess whether corporate values and management practices are experienced uniformly by all employees, or whether they differ based on ethnicity.

The construct of employee engagement has gained popularity over the past decade as a major predictor of organizationally-relevant outcome variables such as retention, performance and customer satisfaction, all of which affect a company’s bottom-line. However, common measures of engagement have not been able to truly differentiate attitudinal differences among key employment groups and during changing economic conditions when such differences are known to exist. This is especially surprising when one considers the set of survey questions used to assess engagement. Typically, engagement is measured using an average of the percentage of employees responding favorably to survey questions assessing some combination of the following attitudes: overall satisfaction with the company, pride in their organization and their work, willingness to stay if offered similar pay/benefits elsewhere, willingness to recommend the company to others, and willingness to perform above and beyond their in-role expectations in order to benefit the organization (sometimes called ‘citizenship performance’).

**Engagement and the Recession**

For example, since the beginning of the recession in December 2007, the Bureau of Labor Statistics reports that the U.S. economy has lost more than 7.2 million net jobs (only recently gaining back 1.6 million jobs, January through February 2010 inclusive). Unemployment rates still remain approximately 200% higher than pre-recession rates, job openings remain 32% lower, hiring is still 18% lower, and people are still spending more than 3.9 times longer on the unemployment rolls. It is likewise true, however, that the recession has also negatively affected those employees who have not lost their jobs. For instance, Sirota Survey Intelligence has found that many current employees are emotionally and physically exhausted in addition to remaining concerned about pay, benefits, and long-term career development and security. Consistent with what has come to be known as ‘survivor syndrome,’ the widespread layoffs associated with the recession have led to increased demand on the surviving employees. Indeed, the Bureau of Labor Statistics reports that output per employee has risen since the start of the recession.

Yet, the sense of engagement among those still employed has remained relatively constant across companies throughout the recession.

**Table 1: Engagement by Year**

% Favorable	By Year		
	2007	2008	2009
<b>Engagement*</b>	79	79	78

\* Sirota Survey Intelligence, 2010: across 23–30 companies, 800,000 employees

So, in the end, employees might be thinking, “Despite the negative effects that the current poor economy has had on me directly and indirectly, I still have a job and this is still a good company to work for.” In other words, engagement is a relative concept.

### **Engagement and Ethnicity**

Likewise, if the Great Recession is unable to create sustainable differences in levels of Engagement, as shown above, we should not be surprised to find under-reported differences across major Ethnic groups as well. Consistent with this, after reviewing over 800,000 employee responses in 40 companies at various points during the last 5 years (2005-2009), Sirota Survey Intelligence reports that minority employees are just as engaged at work as are their Caucasian colleagues:

- Whites in management are 80% favorable on engagement, while minorities are 81% favorable.
- Whites in non-management are 76% favorable on engagement, while minorities are 79% favorable.

While this data refutes a commonly held belief that employee engagement differs dramatically between Whites and minorities, differences do in fact remain when other key work-related attitudes are assessed.

For example, Black employees continue to perceive less fairness in the workplace than all other ethnic minorities.

**Table 2: Development and Fairness by Major Ethnic Groups (2005-2009)**

% Favorable	Management (N=189,000)				Non-Management (N=635,000)			
	White	Black	Hispanic	Asian	White	Black	Hispanic	Asian
<b>Fairness</b>	75	<b>61*</b>	74	<b>68*</b>	66	<b>59*</b>	67	64
<b>Development</b>	84	<b>78*</b>	83	84	77	77	81	79
<b>Advancement</b>	61	60	62	59	49	53	<b>57*</b>	53

\* Significantly different than Whites. Source: Sirota Survey Intelligence, 2010

Table 2 illustrates that among management-level employees, Blacks are 61% favorable on fairness versus Whites (75%), Hispanics (74%), and Asians (68%). Similarly, among non-management employees, Blacks are 59% favorable on fairness versus Whites (66%), Hispanics (67%), and Asians (64%).

Also, Black managers perceive less developmental opportunities in the workplace than do manager of other races. Specifically, Blacks are 78% favorable on developmental opportunities versus Whites (84%), Hispanics (83%), and Asians (84%). Interestingly, however, although they perceive fewer *developmental* opportunities available to them, Black managers perceive opportunities for *career advancement* to the same degree that their counterparts from other racial groups do: Blacks are 60% favorable on advancement opportunities versus Whites (61%), Hispanics (62%), and Asians (59%).

Black managers (like White managers) feel as though they are promotable within their organizations. The difference, however, lies in the finding that Black managers seem to be less satisfied with the developmental opportunities they are receiving. To put this in a socially relevant context, it is true that over the years Blacks have had to endure far more discrimination and unfairness than any other ethnic minority in America. The Civil Rights Act (specifically Title VII) and the EEOC were only established a mere 45 years ago, and there are still many companies that are adhering only to the letter (vs. the spirit) of that law.

Table 2 also highlights that while the attitudes of non-management Asian employees regarding fairness are quite similar to that of Whites (only varying a few points in either direction), Asian managers do in fact perceive less fairness (although their concern isn't nearly as strong as that of Black employees). More specifically, among Management employees, Asians are 68% favorable on fairness versus Whites (75%), Blacks (61%), and Hispanics (74%).

Employee perceptions of fairness are complex. Sirota Survey Intelligence has reported that employees consider everything from compensation philosophy to company policies and procedures – in addition to their day-to-day treatment by their managers – when deciding whether they feel “fairly treated” at work. It would be a mistake to conclude that how Asians experience unfairness would necessarily have to be the same as Blacks. Our experience has shown that Asian employees often under report events such as incidents of experienced unfairness, are often perceived as unwilling to socialize with others, and have to fight certain unjustified stereotypes of passivity.

On the other hand, Hispanic employees (both within management and non-management) are typically the most engaged group. In addition, non-management Hispanic employees are also most favorable when considering their advancement opportunity.

**Table 3: Engagement & Advancement by Major Ethnic Groups (2005-2009)**

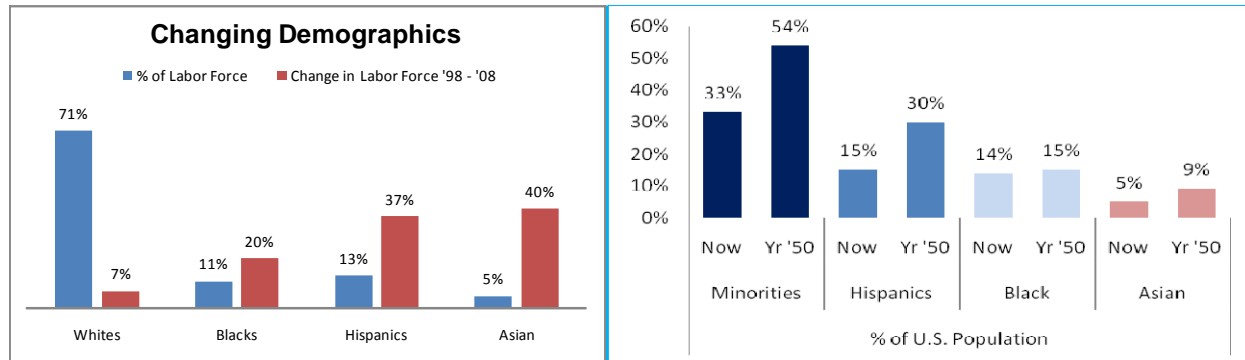
% Favorable	Management (N=189,000)				Non-Management (N=635,000)			
	White	Black	Hispanic	Asian	White	Black	Hispanic	Asian
<b>Engagement</b>	80	78	<b>89*</b>	77	76	78	<b>83*</b>	78
<b>Advancement</b>	61	60	62	59	49	53	<b>57*</b>	53

\* Significantly different than Whites. Source: Sirota Survey Intelligence, 2010

Table 3 illustrates that Hispanics within non-management are 57% favorable on advancement opportunities versus Whites (49%), Blacks (53%), and Asians (53%). Table 3 also illustrates that Hispanics in general rate their level of engagement the highest as compared to Whites, Blacks, and Asians.

These are particularly interesting findings when we consider that Hispanics represent the fastest growing minority in the United States workforce, as seen in Figures 1a and 1b.

## Figures 1a & 1b: Changing Employee Demographics



(Sources: Bureau of Labor Statistics and U.S. Census)

While it may be true that the historical work opportunities for immigrants (and their progeny) are better in the United States than in their countries of origin, we need to ensure that the growing Hispanic segment of the workforce is being prepared to succeed not only in the physically demanding (so-called 'blue-collar') jobs in which they have historically had a high representation, but are also being trained as knowledge workers so that they can more frequently populate white-collar jobs. If such inclusion is not made a priority, it is not outside the realm of possibility to imagine that the pride and enthusiasm that these Hispanic workers currently feel at such a high rate is likely to gradually subside.

In their book, *The Enthusiastic Employee*, Sirota, Mischkind, and Meltzer (2005) examined the attitudes of 2.5 million employees and identified the critical employment needs that, when met, create a highly engaged workforce – regardless of race, gender, ethnicity, nationality, job-level and virtually any other tracked employee demographics. They discovered that the proactive management of diversity, and that of employee engagement, were inextricably linked with one another – and that companies had gotten it backwards. That is, they argued that companies misstep by trying to solve for diversity, while they should rather be striving to solve for morale or corporate culture. Such a solution would include creating needed cultural changes within the organization that would in turn lead to more highly committed employees, more inclusionary corporate practices, and, overall, a more successful and flourishing organization. It is much easier to demonstrate how companies with stronger, more positive cultures outperform their peers in the marketplace than it is to show that companies promoting minorities and women are accomplishing the same thing.

In fact, while engagement measures can certainly help in identifying differences among ethnic minorities (for example, we saw that Hispanics are rightly predicted as the most positive), Sirota Survey Intelligence research shows that assessments of specific leadership and management practices and employee work attitudes are far more directional and actionable than focusing on engagement alone.

### **Actions to Be Taken**

Considering that workplace dynamics are complex, it is important to measure and monitor the attitudes of employees on an ongoing basis. Relying solely on overall measures (like engagement) can mask important differences in work experiences across demographic groups (and time periods, as we saw when considering the effects of the recession). Whether corporate values and management practices are experienced uniformly by all employees, or whether they

differ based on ethnicity, can only be determined (and then addressed) through systematic employee assessment and subsequent planned action.

Thus, the strongest lever a CEO has by which to generate a committed and enthusiastic workforce is the culture created through company and leadership practices. Addressing diversity from a demographics perspective – while necessary for legal compliance purposes and the assessment of success – is a tactical response, not a business strategy. The goal is a culture for all (uniformly perceived) rather than a culture for some – and this can only be achieved by focusing energies beyond questions like, “Are my people engaged?” and toward concerns such as, “Why don’t all my employees perceive our culture similarly?”

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Douglas Klein is the President of Sirota Survey Intelligence.  
Maura Mills is an Assistant Professor at Hofstra University.  
Justin Black is a consultant at Sirota Survey Intelligence.  
All inquiries can be sent to [dklein@sirota.com](mailto:dklein@sirota.com).