

employee engagement in the tech industry



material minds



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employees are not highly engaged

The technology industry in Canada and across the border may not be the best place to work for employees, as they don't seem to be highly engaged in their work. Material Minds and Red Canary conducted a survey in March 2013 that reached 350 individuals employed in the technology industry. The survey shows that employees, for the most part:

- Are not highly engaged;
- Aren't highly supportive of their employer's mission;
- Don't get enough recognition; and
- Don't get enough feedback.

When asked whether they would recommend their company as a good place to work to a friend or colleague, only 23% of Canadians and 29% of American tech employees would strongly agree. In a manner similar to that of Net Promoter Scores, we have calculated Net Engagement Scores for respondents using a similar methodology. These scores break down as follows in Canada.

- Promoters – 23% (Loyal employees who will put out extra effort.)
- Passives – 36% (Satisfied but unenthusiastic employees.)
- Detractors – 41% (Unhappy employees who are actively disengaged.)

This computes to a Canadian Net Engagement Score of -18% versus a Net Engagement Score for US employees of -1% (Still awful but not quite as bad.) The fact that there are so many detractors should give Canadian technology employers reason to sit back and take note. (Net Engagement Score is calculated by taking the percentage of employees who are Promoters and subtract the percentage who are Detractors.)

Other findings of the research show that:

- Employees know what is expected of them; but
- Don't have enough time to do their work; and that
- Americans tend to be more highly polarized in their opinions about their work.

detailed results

The following detailed tables show the results of the survey and compares Canadian responses to US responses. This first chart looks at Promoters, those whose answer to the following questions was Strongly Agree.

Strongly Agree

	Canada	US
I know what is expected of me at work.	29%	43%
I have the amount of time I need to do my work right.	13%	31%
In the last seven days, I have received recognition or praise from my boss for doing good work.	12%	16%
My boss seems to care about me as a person.	24%	26%
My boss encourages my development.	20%	22%
At work, my opinions seem to count.	23%	26%
The mission/purpose of my company makes me feel my job is important.	18%	18%
In the last 6 months, my boss has talked to me about my progress.	18%	22%
This last year, I have had the opportunity at work to learn and grow.	26%	25%
I would recommend this as a good place to work to a friend or colleague.	23%	29%

This second chart calculates Net Engagement Scores in the same manner that Net Promoter Score is calculated. It subtracts Detractor Scores (Strongly Disagree, Disagree and Neither Agree nor Disagree) from Strongly Agree results.

Net Engagement Scores

Net Engagement Scores	Canada	US
I know what is expected of me at work.	13%	30%
I have the amount of time I need to do my work right.	-28%	-3%
In the last seven days, I have received recognition or praise from my boss for doing good work.	-38%	-31%
My boss seems to care about me as a person.	-11%	-10%
My boss encourages my development.	-24%	-18%
At work, my opinions seem to count.	-4%	-6%
The mission/purpose of my company makes me feel my job is important.	-25%	-19%
In the last 6 months, my boss has talked to me about my progress.	-22%	-20%
This last year, I have had the opportunity at work to learn and grow.	-5%	-5%
I would recommend this as a good place to work to a friend or colleague.	-18%	-1%

comments

As expected, comments are mixed. While there are some positive comments as follows:

- My boss provides me with the flexibility that I need to approach challenges using my expertise and skill to solve problems
- I work for a tech company with a very (sic) culture, has an amazing work environment, and very challenging work. I have an amazing boss who sets clear goals, provides me with amazing projects, continually recognizes my achievements, and provides me opportunities for career growth.
- I enjoy my job. It's the best place I have worked so far.

There are a host more negative comments:

- My boss is the guy who gives bosses a bad name. Not only is he incompetent in the position he's doing, his management skills are decades old to the point where he uses Maslow's Hierarchy of Needs and spends our one-on-one time doing all the talking. It won't be a shock when the whole team walks out the door soon.
- My boss cares singularly on one topic only: his personal survival. Full stop.
- It's all about the buzzword of the week. This year, it's all about collaboration, but very few people are truly collaborative in my company - they take what they want without contributing anything. I'm lucky that I have an excellent boss, otherwise, I'd be looking for work elsewhere.

And in one surprising twist, there are quite a few comments that indicate that while their immediate boss is fine, upper management is not of the same caliber.

- Immediate boss is great. Upper management is a disaster.
- The boss is cool; it's usually the boss' boss' boss that's the issue.
- My boss truly cares about his employees and seeing them succeed and is probably the most apolitical / straightforward person that I have every worked for. Unfortunately, going further up the management ladder, the director couldn't care less about my role.

implications

The research on employee engagement and its link to results is overwhelming. The following is a summary of a few studies that are key:

- According to Aon Hewitt there is a direct link between employee engagement and customer engagement. Their study showed that “Teams classified as “high performance zone for engagement” had a 37% net promoter score (NPS) versus 10% NPS for teams “outside of high performance zone for engagement.”
- Gallup's Q12 Meta-Analysis of 23,910 business units compared top quartile and bottom quartile engagement scores. Their study also showed those in the bottom quartile of employee engagement averaged 31% – 51% more employee turnover.
- Hewitt Research looked at employee engagement in companies with double-digit growth.
 - 60 to 70 percent of engaged employees had average total shareholder's return (TSR) stood at 24.2 percent.
 - 49 to 60 percent of their employees engaged, TSR fell to 9.1%
 - Companies with engagement below 25% suffered negative TSR.
- Gallup's study found that those in the top quartile of engagement scores averaged 12% higher profitability.

The results of this study would make it likely that the tech industry also has poor customer satisfaction, higher than expected turnover, low total shareholder return and lower profitability than they should be getting.

While tech companies are typically good at focusing on improving product and improving process, they might want to consider a greater investment in their people to produce better returns.

methodology

Material Minds and Red Canary created a survey that asked respondents to select between the following responses to a series of 10 questions.

- Strongly Agree;
- Agree;
- Neither Agree nor Disagree;
- Disagree; or
- Strongly Disagree

A total of 350 responses were obtained from Canada and the US.

Scoring of the responses was done in accordance with principles established by Satmetrix, the developers of the Net Promoter Score. Their principles were used to develop a Net Engagement Score for each question and divide employees into three categories: Promoters, Passives, and Detractors.

Promoters (Strongly Agree) are loyal employees who will put in the extra effort to make sure that something is done in an exemplary manner.

Passives (Agree) are satisfied but unenthusiastic employees who will do their jobs but won't go the extra mile.

Detractors (Neither Agree nor Disagree, Disagree, or Strongly Disagree) are unhappy employees who are actively disengaged, going through the motions and may even be sabotaging a company's success.

Net Engagement Score is calculated by taking the percentage of employees who are Promoters and subtract the percentage who are Detractors.

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