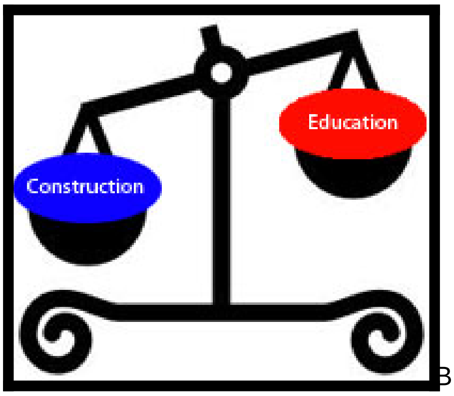
Is Your Sector Competitive When It Comes to Employee Engagement?



Business owners attribute competitive advantage to their business model, value proposition, innovation, as well as the "smarts" I mentioned in this post on Patrick Lencioni\'s session (among others) at our conference last month with Inc. Magazine. But as a new special report by *Workforce Management* makes clear, employee engagement is just as much a driver of competitiveness – and thus, revenue growth, market share, and other desired results.

One of my key takeaways from Garry Kranz\'s great report is the two graphs he shares on the most and least engaged workers by sector, as researched and reported last month by GfK Custom Research North America. Sectors with the highest levels of engagement, based on GfK\'s survey of over 5,000 employees, include:

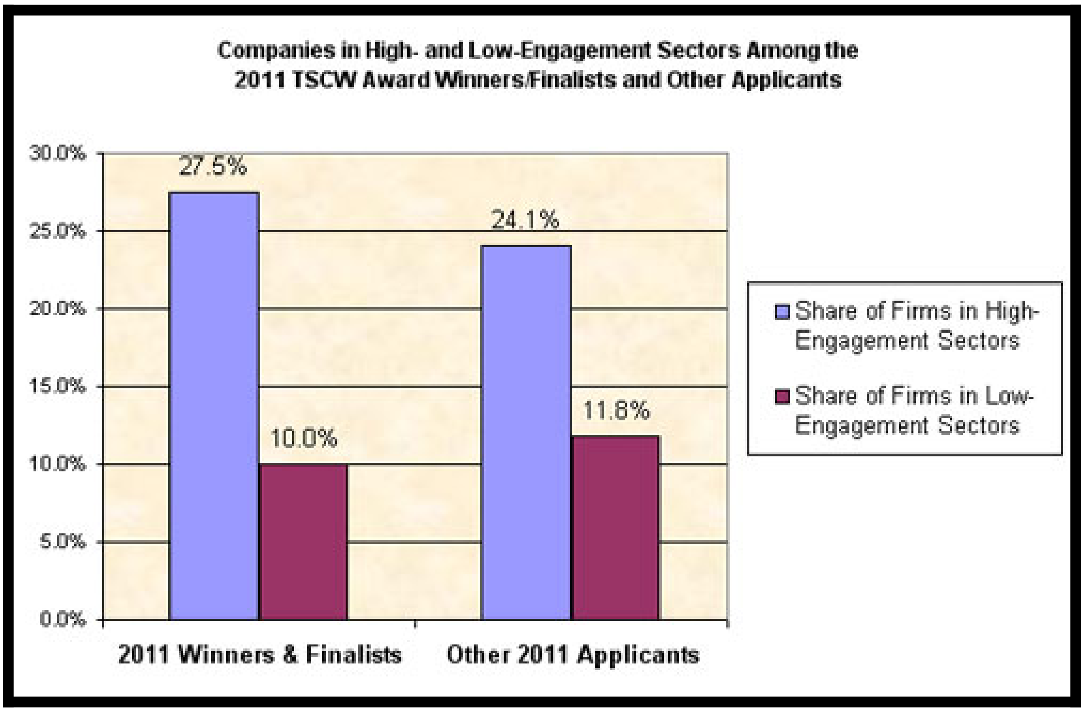
- Construction
- Professional/Business Services
- Information Technology

And those with the lowest engagement (or, conversely, highest *dis*engagement) include:

- Retail
- Real Estate
- Education
- Manufacturing

Is *your* sector among those above? (If it is, hopefully it\'s in the high-engagement group.)

I was curious as to how the sector representation of the recent winners and finalists of Winning Workplaces\' 2011 Top Small Company Workplaces award, and the remaining applicants – some 350 firms in total – compare to GfK\'s high/low engagement sector findings. **Comparing apples to apples (the same sectors in both surveys) here\'s what I found**:



Undoubtedly, part of what made this year\'s award winners and finalists competitive was that they came from more sectors with typically higher engagement, and fewer sectors with lower engagement, when compared to the remaining applicant pool.

Here\'s the really interesting thing, though: despite our company research sample\'s small size relative to many of their marketplace peers – firms eligible for our award have no more than 500 workers – and, therefore, their more limited budgets for employee development strategies, in many cases they are still outperforming their often larger competitors. For some people practices insight into how they accomplish this, see what Kenexa Research Institute Exeucutive Director Jack Wiley says in the *Workforce Management* report:

[S]ome organizations say they have managed to sustain engagement levels during the prolonged recession. Typically, those employers systematically gathered feedback from employees, analyzed responses and implemented changes as needed, Wiley says. "They measure engagement with the same rigor they apply to customer service or financial data."

This tendency is definitely in effect among the small firms that rise to the top of our award evaluation process each year – not just based on their engagement activities, but on the bottom-line results they bring, including lower turnover and higher average employee tenures.

One more thing: As I discussed in this post based on new university research, spending to cultivate more highly engaged employees is not truly working for you unless it is used to build a career path for them, especially for your top performers. You should check out this revealing, related research I came across today via WorldatWork. They share Right Management's new survey finding that 75% of organizations lost high-performing employees they did not want to lose during the past year.

Pay special attention to the last paragraph of the WorldatWork write-up: a Right Management senior exec cited supports the case of providing a career path for top talent to avoid losing these critical assets (at this critical time!).

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