

# DRIVING EMPLOYEE ENGAGEMENT

Insights Report on the Key Drivers of Employee Engagement

2022



## DEAR READERS,

the pandemic has had a dramatic impact on the labor market in multiple sectors and regions, revealing an alarming development: a steadily increasing shortage of knowledge workers. But companies' demand for staff is not the only thing that has changed; future employees are also expressing different needs. Especially the Millennials who represent 60% of today's workforce have set new priorities: free time over money, mental health instead of burnout, and purpose in place of status symbols. Home office and new work have virtually become the norm overnight.

To effectively address both challenges – shortage of skilled workers and advanced employee requirements – organizations around the globe need to develop new skills to reach, engage and retain their employees. From hundreds of projects in this field, we learned that an effective employee engagement strategy is the central and probably most powerful lever in this context. However, the sheer range of tools and strategies in this field go beyond the scope of HR decision-making responsibility. Employee engagement encapsulates a variety of tools, communication strategies, and modern leadership principles. Increasingly, these are also linked to the IT technologies used and the

equipment of workplaces. While there are various solid definitions of employee engagement, there is still no approach to measuring its characteristics or making it comparable. And one thing is certain: before anything can be specifically improved, the status quo must be reliably determined. For that reason, we set ourselves this goal: to enable an organization to measure how well it is doing in terms of motivation and employee retention. To develop a sound methodology, we thought bigger right away. We wanted to include multiple scientists and experts from around the world and from different research fields to help us in this endeavor of crafting an approach that is robust and reliable. While we are initially presenting our collective insights and findings as a study with this document, a replicable methodology that we will make available to companies of all industries and sizes will follow shortly. Stay tuned!

 **Mark Muschelknautz**  
Chief Marketing Officer at Hailo

The following chapters shall provide you with a deep dive into the status quo of employee engagement:

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HAILO X TRENDBÜRO

# INTRODUCTION

The average person [works 1,842 hours](#) a year. This corresponds to 92,100 hours throughout a career of 50 years. Bringing these numbers into sharp focus makes the importance of employee wellbeing and engagement clearer than ever. **As times have changed, New Work has become the new normal.** In today's world, the boundary between physical and digital is blurred. At the same time, employers find themselves at war for talents of the new generation in new currencies: participation, purpose, shared values and work-life harmony have been identified as crucial drivers of employee engagement. This trend study takes a **deep dive** into the topic of **employee engagement**.

Source: Karl Thompson, *Revise Sociology*, 2017

‘There are only three measurements that tell you nearly everything you need to know about your organization’s overall performance: employee engagement, customer satisfaction, and cash flow. It goes without saying that no company, small or large, can win over the long run without energized employees who believe in the mission and understand how to achieve it.’

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 **JACK WELCH**  
Former CEO of GE

## DEVELOPMENT OF THE NARRATIVE

# EMPLOYEE ENGAGEMENT

The term employee engagement is widespread in corporate and private parlance and [71% of executives](#) say that having **engaged employees** is a significant factor in the company's **success**. But what exactly is employee engagement?

In order to shed some light on the matter, this study will take a deep dive into how the term is **defined** and the **different focuses** of these definitions, along with the latest **facts and figures**. It thus provides an overview of the **current literature** on employee engagement.

Source: Trendbüro, 2022

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# UNDERSTANDING EMPLOYEE ENGAGEMENT

# EMPLOYEE ENGAGEMENT

The term **employee engagement**, in everyday usage, is often used synonymously with other terms that refer to employees. In addition, workplace trends are constantly changing and influenced by the times we live in. To fully understand the concept of employee engagement, it must be distinguished from other employee-related concepts.

**Employee experience** is often mistakenly used as a synonym for employee engagement, but it needs to be differentiated.

**Satisfaction** and **happiness** are touchpoints that contribute to the employee experience but do not directly lead to engagement.

In summary, **engagement is the result** of all employee touchpoints.



Source: Smarp, Employee Engagement (2021)

# DIFFERENT FOCUSES



## PASSION, COMMITMENT

‘Employee engagement is the extent to which employees feel passionate about their jobs, are committed to the organization, and put discretionary effort into their work’

(custominsights.com, 2021)

‘An engaged employee is fully absorbed by and enthusiastic about their work [...] and has a positive attitude towards the organization and its values’

(Smarp.com, 2021)



## INTRINSIC MOTIVATION

‘Employee engagement is the ability to capture the heads, hearts, and souls of your employees to instill an intrinsic desire and passion for excellence’

(Fleming and Asplund, 2007)

‘Engagement is the emotional commitment the employee has to the organization and its goals’

(Forbes, 2012)



## MINDSET

‘Employee engagement describes the level of enthusiasm and dedication a worker feels toward their job’

(investopedis.com, 2020)

‘The strength of the mental and emotional connection employees feel towards their place of work’

(Quantum Workplace, 2021)



## PERFORMANCE

‘Employee engagement is the condition in which employees offer more of their capability and potential’

(Engage for Success.org, 2021)

‘Employee engagement is the employees’ willingness and ability to contribute to company success’

(Willis Towards Warson, 2019)

### WORKING DEFINITIONS



Employee engagement is a concept that goes **beyond employee experience**.  
Engaged employees have a strong intrinsic motivation and desire regarding their work and organization.  
Successful employee engagement increases the performance of an organization’s employees.

## NEED FOR CHANGE

According to a study by the [Society for Human Resource Management](#), the average cost per new hire is \$4,129. Employees who quit early therefore create large costs for the company. Bearing this in mind and knowing that **51% of U.S. employees are not engaged at work and 13% are even actively disengaged**, there is a clear need for companies to bring about positive employee engagement.

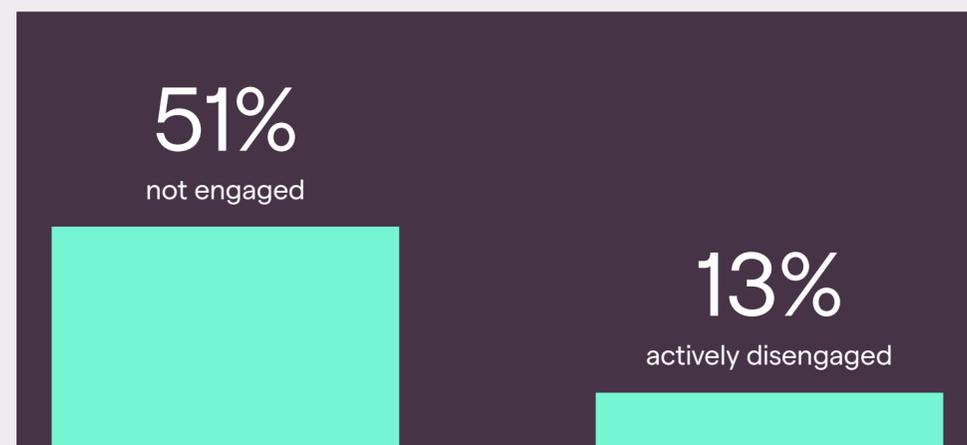


Figure: Own representation based on Gallup, 2020

## NEW WORK

The pandemic is also having a major impact on employees. For example, the global engagement rate in 2020 decreased by two percentage points to 20%. Managers must address this trend of decline and its impact on workplace culture, employee retention and performance.

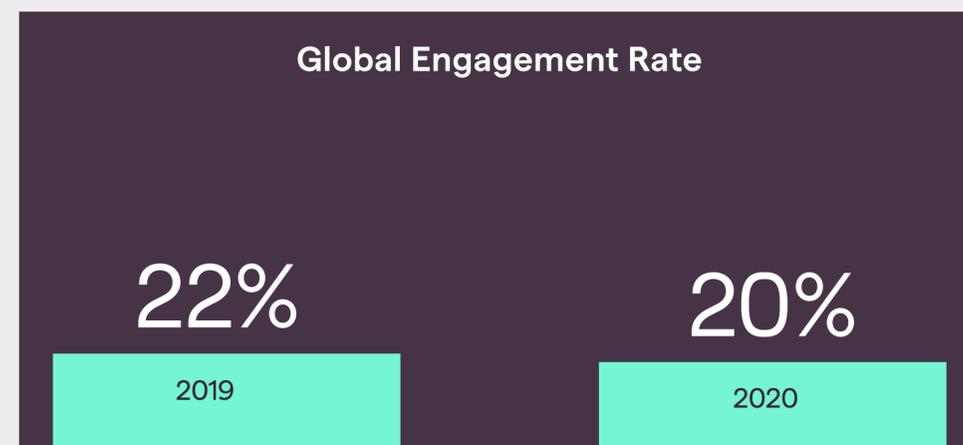


Figure: Own representation based on Gallup's State of the Global Workplace: 2021 Report

## MEASUREMENT

Research has shown, 58% of employees would like companies to measure employee engagement more frequently. The most commonly used tool to measure employee engagement is the [Gallup Q12 meta-analysis](#) which is based on twelve simple and brief agree/disagree questions. To dig deeper into the subject of employee engagement, a more elaborated tool is needed that allows for more differentiated, solution-oriented results.



Figure: Own representation based on Achievers, 2020



# BENEFITS OF SUCCESSFUL EMPLOYEE ENGAGEMENT



## EMPLOYEE ENGAGEMENT

# BENEFITS

This study offers deep insights into employee engagement and its definitions, analyzes the various drivers and showcases how employee engagement is manifested in specific organizations.

In the next step, however, it is particularly important to understand **what the benefits of employee engagement are for the employee and for the company in general.**

## PRODUCTIVITY

Employees who feel engaged at work are more inclined to spend greater effort or energy on their job and are therefore more productive. This is supported by the finding in studies that engaged employees are 17% more productive than their non-engaged colleagues.

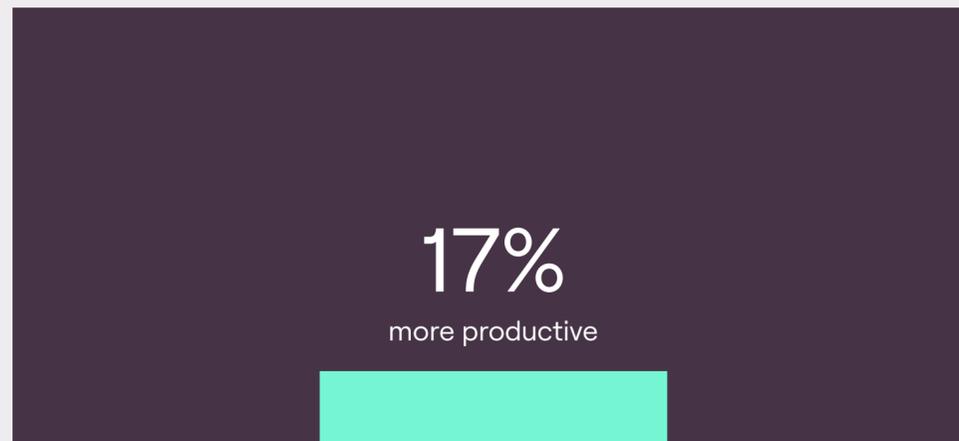


Figure: Own representation based on Quantum Workplace, 2020

## WELLBEING

The right workplace culture can reduce stress and pressure at work. Culture therefore affects how employees feel about their jobs, and this in turn affects their health and wellbeing. According to a Deloitte study, 94% of companies and 88% of job seekers say a healthy workplace culture is critical to the company's success. The result of successful employee engagement is a positive culture and a healthy atmosphere in the workplace.



Figure: Own representation based on Deloitte, 2021

## LOYALTY

Employee loyalty is one of the most important benefits that can be achieved through employee engagement. This is backed up by a study stating that employee absenteeism is 41% lower among engaged employees compared to non-engaged colleagues, which demonstrates the immediate link between high employee engagement and a high degree of employee loyalty.

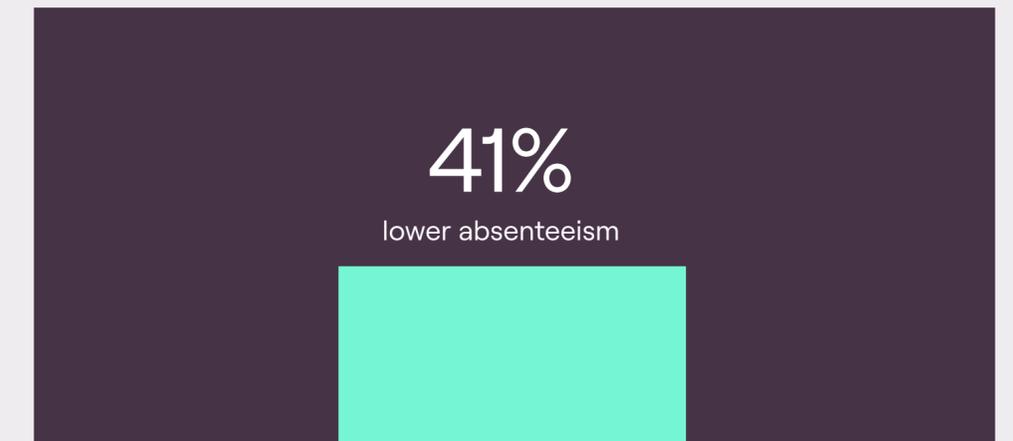


Figure: Own representation based on Gallup, 2021

## ADVOCACY

Compared to their branded channels, firms can reach up to 561% larger audiences when employees speak positively about the company they work for and act as a kind of brand ambassador. This happens when employees are engaged and feel excited and proud to work for the company, leading them to independently become positive advocates of the brand and the company they work for.

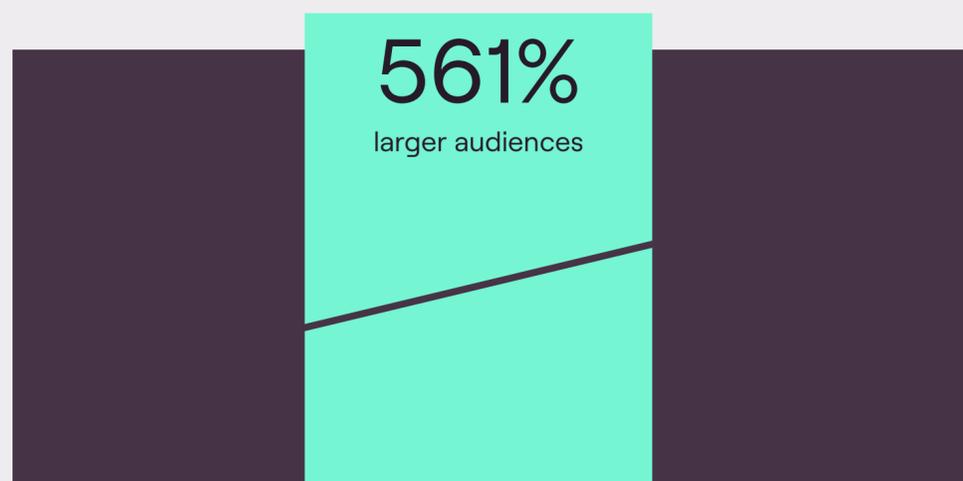


Figure: Own representation based on Smarp, 2022

## PROFITABILITY

Research shows that highly engaged employees have a 21% superior profitability than their co-workers, which can lead to companies with a particularly engaged workforce achieving 20% higher sales compared to their competitors with fewer engaged employees.

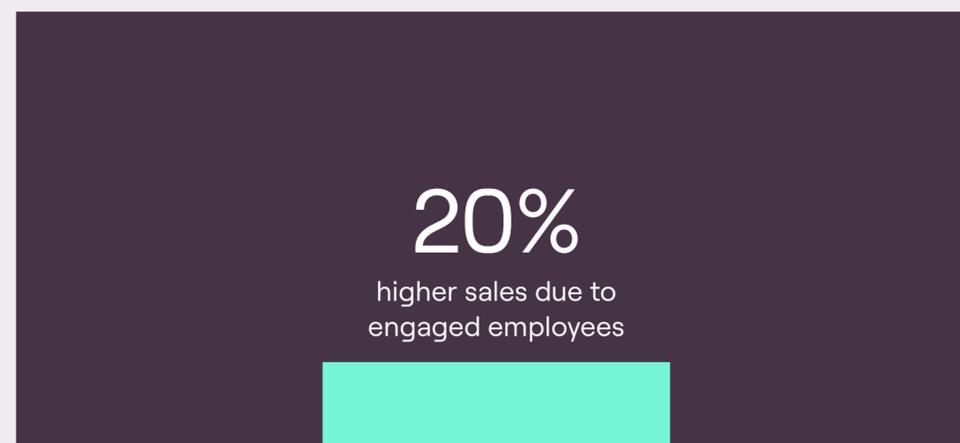


Figure: Own representation based on Gallup, 2022

## CUSTOMER SERVICE

Successful employee engagement impacts the customer service that employees provide to their customers. As a result, the customer has a better experience and spends more money at the company, which in turn leads to higher profitability. It has been shown that 7 out of 10 customers spend 13% more money when they receive excellent customer service.



Figure: Own representation based on Marketingcharts, 2022

‘Highly engaged employees make the customer experience. Disengaged employees break it.’

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 **TIMOTHY R. CLARK**  
CEO LeaderFactor



# KEY DRIVERS OF EMPLOYEE ENGAGEMENT

# DEFINE THE DRIVERS

One of the most important steps in developing an employee engagement strategy is to **define the drivers** of employee engagement in general.

Based on literature reviews, studies and various online sources, **four drivers of employee engagement were identified, analyzed and summarized.**

In the continuing course of this report, each driver is examined in detail and backed up with facts, figures and manifestations.

## VALUE-DRIVEN COMPANY CULTURE



## WORK-LIFE HARMONY



## TRUSTWORTHY LEADERSHIP



## HOLISTIC GROWTH





PURPOSE, RECIPROCITY, INCLUSION,  
COMPANY VALUES

# VALUE-DRIVEN COMPANY CULTURE

The 'employee of the future' is more value-driven than any other employee you know now. A growing number of applicants tend to compare a company's value proposition to their personal values to judge how well they fit. It is therefore crucial to base the **company's value proposition**.

**Transparent, reciprocal internal communication, meaningful tasks** that support a greater **purpose** and a vibrant **team spirit** that promotes **inclusion** and **diversity** on all levels are the keys to an engaging company culture.

## FINDING PURPOSE

Purpose-driven employees see their job as contributing to a greater good, rather than as a means to pay their bills. The [2015 U.S. Purpose Index study](#) found that **purpose-oriented employees have 64% higher levels of fulfillment** in their work, while [nine out of ten](#) employees are willing to earn less for more meaningful work.

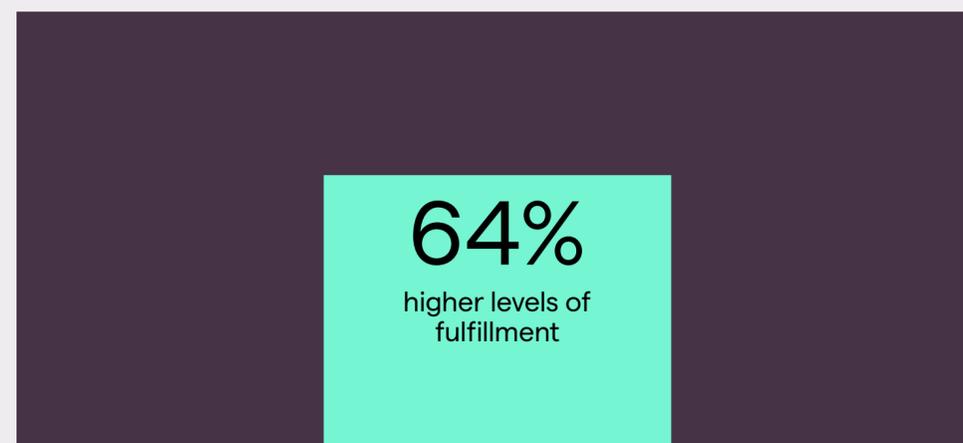


Figure: Own representation based on 2016 Global Purpose Index

## COMMUNICATION IS KEY

Unclear internal communication leads to uncertainty, disengagement, rumors, and decreased productivity. [Research](#) has shown that employees who feel listened to by their superiors are almost 5 times more likely to have high job enthusiasm, while they are 21 times more likely to feel committed to their organization compared to those who do not feel listened to.



Figure: Own representation based on Guide Spark, 2021

## DIVERSITY & INCLUSION

The term diversity refers to the creation of heterogenous teams by integrating people from a range of different backgrounds in terms of nationality, ethnicity, age, gender, sexual orientation, abilities and religion. Research shows that when **diverse teams** made a business decision, they [outperformed individual decision-makers up to 87% of the time](#).



Figure: Own representation based on managers.co.uk, 2021

‘To win the hearts of Generation Z, companies and employers will need to highlight their efforts to be good global citizens. And actions speak louder than words: Companies must demonstrate their commitment to a broader set of societal challenges such as sustainability, climate change, and hunger.’



## FEMALE EMPOWERMENT

**Sedoxo**, a French listed company for food services and facility management, took [female empowerment to a new level](#): 55% of all employees are women – that’s an increase of 38% since 2009. 58% of the board members are female and the organization runs a total of 14 Gender Balance Networks. They observed that employee engagement increases by 4 percentage points when the workforce reaches an optimal gender balance.



## APPRECIATION OF THE INDIVIDUAL

There are many innovative ways for companies to actively demonstrate diversity and inclusion in order to give every single employee a sense of belonging. While **Google** offers [medical advocacy](#) to transgender employees, **Intuit** ensures [pay equity](#) across all genders and ethnicities and **MasterCard** offers [social media one-on-one sessions](#) for older employees who would like to familiarize themselves with the platforms.



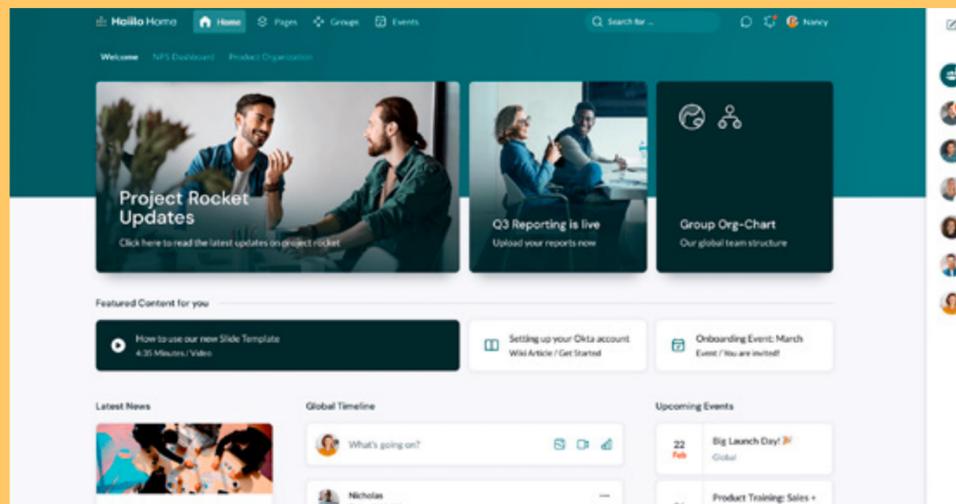
## EMPLOYEE INVOLVEMENT

**Southwest Airlines** invited all employees to participate in the [design process of their new uniforms](#). This way, the employees felt valued and heard. Democratizing decision-making processes that affect all employees fosters communication on an even footing and, in turn, strongly drives employee engagement.



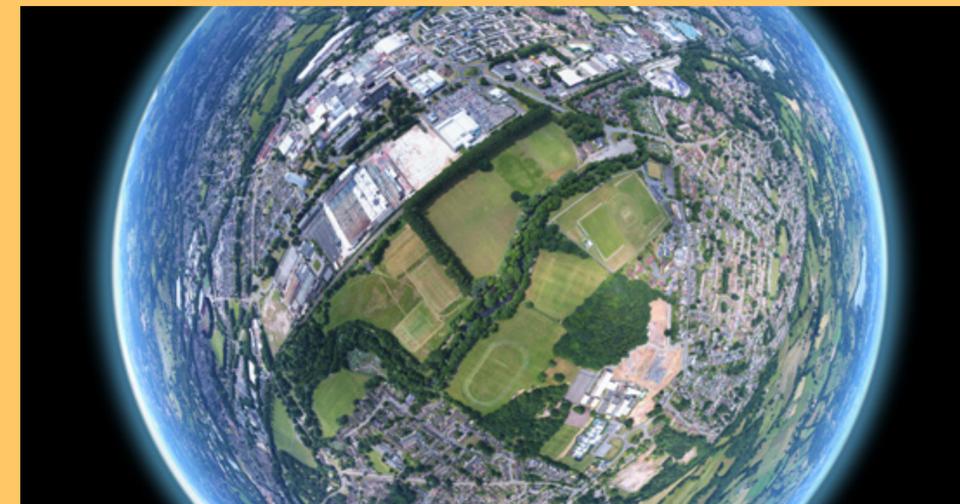
## EFFECTIVE INTERNAL COMMUNICATIONS

To keep employees engaged and ensure the effectiveness of internal communication, companies like **TED** and **Amazon** base their internal communication efforts on research findings: Neuroscience studies have revealed that most people have an [attention span of 10 to 18 minutes](#). Therefore, [internal meetings at TED](#) last for a maximum of 18 minutes. The Amazon comms team relies on research revealing that people tend to stop reading messages exceeding 100 words. Consequently, Amazon's internal communication is split into bite-sized pieces.



## SOCIAL INTRANET = NEW WORK 4.0

Large German corporations such as **Daimler**, **Bosch**, **Telekom** and the national railway company **Deutsche Bahn** have [adapted their social intranet](#) to new operate on 4.0 standards: The goal of dialogic communication in real time is to promote an open, knowledge-based, transparent and feedback-oriented corporate culture. The intuitive utility of such corporate communication software enables lively interaction and boosts employee engagement.



## EMPLOYEES AS EARTH KEEPERS

The U.S. outdoor apparel brand **Timberland** intends to give meaningfulness and a greater purpose and to the daily work of employees by [encouraging each employee to be an Earth-keeper](#). The title incorporates the company's core values: creating responsible products, protecting the environment, and making a difference in the communities in which they live and work.



FLEXIBILITY, SAFETY, PHYSICAL HEALTH  
AND MENTAL WELLBEING

# WORK-LIFE HARMONY

Welcome to the age of **the peace of mind**. In order to respond to the rising quest for harmony between professional and personal life, it is crucial for employers to shift their focus from work hours to completion of work. By encouraging employees to **work flexibly and self-sufficiently** while ensuring the employees' **physical health and mental wellbeing**, organizations make an important step towards successful employee engagement. Employers who advocate for physical health and **safety** of their employees show that they care while ensuring **lower absenteeism** at work. A company's engagement here can take form of an investment in adequate work equipment and work-facilitating resources.

## NEXT GENERATION

Generational studies revealed different attitudes towards work. While Boomers live to work, Millennials prioritize living over working. With Gen Z entering the labor market, a higher value is assigned to mental health and a well-balanced work and private life.

Generation	Birth Period	Work & Life
Baby Boomer	1946-1960	'Live to Work'
Generation X	1961-1981	'Work to Live'
Generation Y/ Millennials	1982-1994	'First Live, then Work'
Generation Z	1995-2009	'Here's my Work; there's my Life'

Figure: Own representation based on Simon Schnetzer, 2021, Generation XYZ and Andrius Valickas, 2017, Different Generations' Attitudes towards Work

## PEACE OF MIND

Worldwide, anxiety and depression lead to more than [\\$1 trillion](#) in lost annual income due to the corresponding decline in employee productivity and wellbeing. Burnout and instable mental health have a clear impact on employee retention rates. Almost [80% of all employees](#) say they would quit their current job for a company that cares more about their mental health.



## AGE OF FLEXIBILIZATION

Working remotely, flexible working hours and 'workation' are terms often used these days to describe flexible working models that allow for a better work-life harmony. A survey by [OWL Labs](#) found that after COVID-19, 92% of people expect to work from home at least one day per week and 80% expect to work at least three days from home per week.

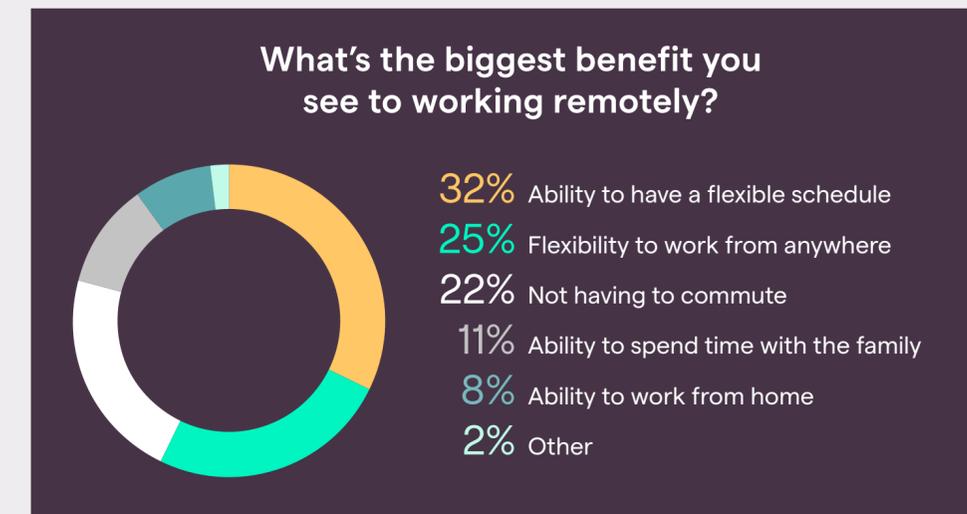


Figure: Own representation based on 'The 2021 State of Remote Work'



## THREEDOM OF WORK

In August 2020, **HUGO BOSS** introduced its hybrid working model '[Threedom of Work](#)' to its 3,200 employees in Germany. The concept involves mandatory office attendance from Tuesday to Thursday to ensure that meetings can be held reliably and to keep up the community spirit. On Mondays and Fridays, employees are free to choose where they want to work. In this way, HUGO BOSS listened to its employees who asked for a hybrid model combining the perks of working remotely with the familiar advantages of the office.



## WELLBEING BUDGET

To demonstrate that the mental health of employees is a top priority, **Salesforce** offers a monthly wellbeing budget to their staff. The budget of roughly \$100 is directly transferred to the employee's bank account and can be used for a gym membership, massages, yoga classes or a personal coach – to name just a few potential sources of wellbeing. How the employees spend the budget is entirely up to them – there is no requirement to send proof to the employer.



## PAID, PAID VACATION

The US software company **FullContact Inc.** figured that employees perform better at work and feel more engaged if they go on vacation once in a while to restore their energy. The company has therefore implemented a [new vacation policy](#). Each year, every employee gets \$7,500 as a vacation budget. The only rules attached are the obligations to actually go away on holidays, to fully disconnect and to refuse to work throughout the entire vacation.



## WORKATION

During the pandemic, remote work became the new normal for many industries. To turn remote work into a more pleasurable experience that brings sunshine into people's lives and strengthens the sense of community, the German online fashion retailer **ABOUT YOU** offered a workation trip to its employees. During winter, employees were invited to spend up to one month on the Canary Islands to work and to enjoy their vacation – together.



## HORMONAL CYCLE

80% of all women report having experienced menstrual problems so severe that they could not work as usual. As a response to this rarely addressed issue, Kristel de Groot, founder and CEO of the food supplements startup Your Super, allows her female employees to take days off – the so-called Moon Days – when they are in period pain. This gesture signals that she understands and includes all her employees' needs and cares about their wellbeing.



## EMPLOYEE ASSISTANCE PROGRAM

**Microsoft** has launched the Microsoft CARES Employee Assistance Program, which offers stress management programs, parenting resources, marital couple workshops, emotional and behavioral support as well as grief counseling and many other resources for human struggles.



AUTONOMY, CLARITY,  
CHALLENGE AND SUPPORT

# TRUSTWORTHY LEADERSHIP

Managers are responsible for [70% of the variance](#) in employee engagement. They are the direct **link between employees and the C-Suite**. They are responsible for conveying the **company mission, vision and values** while ensuring transparent and **clear internal communication**. Managers have a significant impact on the **team spirit** as well as the **career path and personal growth** of their team members. They are tasked with **challenging, supporting and training their employees** to make **autonomous, consistent** decisions. By incorporating all these responsibilities and ensuring frequent and **clear feedback** – from manager to employee and vice versa – managers turn into engaging leaders.

‘Before you are a leader, success is all about growing yourself. When you become a leader, success is all about growing others.’

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 **JACK WELCH**  
Former CEO of GE

## EMPOWERING AUTONOMY

Modern, trustworthy leadership means a shift from ‘command and control’ to ‘train and trust’ to enable self-reliant decision-making throughout the company. [Research](#) shows that **87% of employees** think their organization would be more **successful if their frontline employees were empowered** to make autonomous decisions.

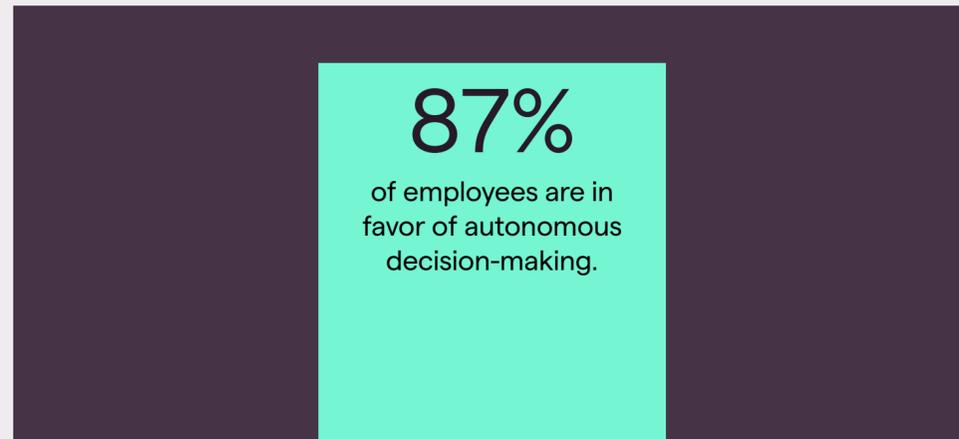


Figure: Own representation based on Lattice, 2021

## EMBRACING FEEDBACK

Trustworthy leadership is based on an appreciative feedback culture involving frequent recognition of achievements and healthy criticism. While research has shown that [65% of employees](#) want more feedback, [64% of HR leaders](#) are convinced that a digital always-on feedback system motivates employees to contribute to the organization’s listening culture.

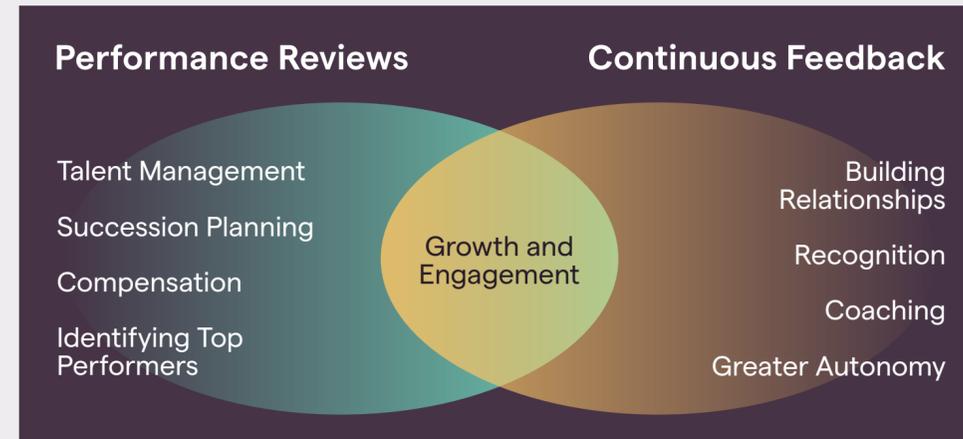


Figure: Own representation based on Lattice, 2021

## CHALLENGE AND SUPPORT

A positively challenged employee is an engaged employee. This does not mean employers should overload their people with demanding work and leave them to fend for themselves. Rather, a healthy balance of challenging work and support is the key to successful employee motivation and engagement.

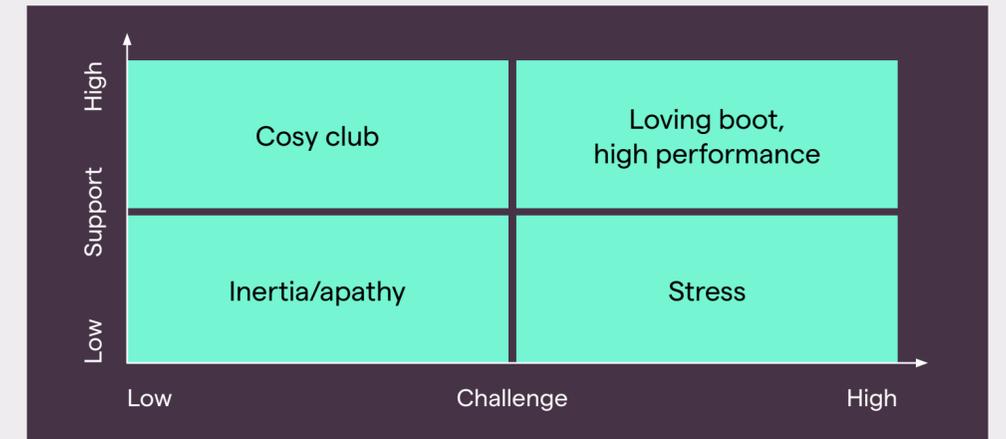


Figure: Own representation based on John Blakey, 2013



## EMPLOYEE EMPOWERMENT

The online shoe and fashion retailer **Zappos** implemented an [organizational self-management system called Holacracy](#). It empowers employees with more autonomy regarding decision-making processes, disrupts conventional job descriptions and flattens organizational hierarchies. The Holacracy system encourages employees to use their own creativity and judgement to accomplish tasks.



## FREQUENT EMPLOYEE FEEDBACK

[65% of employees want more feedback](#) from their managers. Therefore, frequent gathering of employee feedback is crucial to keep employees engaged and let them know that their voices are being heard. To lower the barriers for employees to give feedback to managers, digital feedback tools that function intuitively and similarly to familiar social media platforms can help to obtain more feedback on a weekly or even daily basis.



## THE PYGMALION EFFECT

The [Pygmalion Effect](#), also known as the power of expectations, describes how supervisors' expectations have a direct influence on the performance of their team members. Employees consciously and subconsciously incorporate their managers' expectations and act in line with these. Therefore, trustworthy leaders will frequently communicate what they positively anticipate about team members, their skills and their performance.



## REALISTIC GOAL-SETTING

Setting challenging but realistic goals is the key to keeping employees engaged. Many successful companies use the [concept of SMART goals](#) as orientation. **SMART** stands for **S**pecific, **M**easurable, **A**chievable, **R**elevant, and **T**imely. By sticking to these parameters, managers minimize the frustration potential and make sure employees know exactly what they are setting out to do. At the same time, it is crucial that managers are available for consultation and support.



## ELEPHANTS, DEAD FISH, VOMIT

**Airbnb** has created an [internal feedback culture](#) that focuses on those topics most companies shy away from. During frequent team meetings, employees are encouraged to address delicate topics which they call elephants, dead fish and vomit: Elephants are those topics everyone notices but no one talks about. Dead fish are historical incidents that still affect the present, and vomit refers to topics that employees strongly want to get off their chests by sharing them with the team.



## INNOVATION TIME OFF

Innovative companies like **3M** and **Atlassian** came up with a concept that encourages the development of a creative mindset to drive personal growth and corporate innovation at the same time. Employees are allowed to use a certain amount of their paid work time to be creative. For example, it was the '15% time' policy at 3M that led to the development of the iconic [post it note](#) in 1974.

OPPORTUNITY, REWARDS,  
COMPENSATION AND VELOCITY

# HOLISTIC GROWTH

A strong driver for employee engagement is a perspective shift from viewing employees as profitable resources to recognizing them as thriving human beings. By investing in the **professional as well as personal growth of employees**, companies enable holistic growth. Employee engagement is achieved by setting out **opportunities** and a potential career path that can be accelerated through strong performance. Growth and performance accelerators include **monetary compensation** in the form competitive salary, bonus programs, stocks and shares as well as **non-monetary rewards such as corporate benefits and recognition of achievements**. Another strong factor allowing for holistic growth is the **agility** of a company when it comes to responding to the **velocity** of a world that is in a constant state of flux.

‘Employees who believe that management is concerned about them as a whole person – not just an employee – are more productive, more satisfied, more fulfilled. Satisfied employees means satisfied customers, which leads to profitability.’



**ANNE M. MULCAHY**

Former Chairperson and CEO of Xerox

## FINANCIAL BENEFITS

As personal finances are the most significant stressor for nearly half of employees (46%), it is crucial for employers to offer financial security to their employees as well as paying a fair wage. Payment of bonuses for excellent work and financial participation in the company's success are a fundamental driver of employee engagement.



Figure: Own representation based on pwc, 2017

## CAREER OPPORTUNITIES

94% of employees will stay longer at the company if their employer invests in employees' careers, while 74% of workers say that a lack of employee development opportunities is holding them back from reaching their full potential.

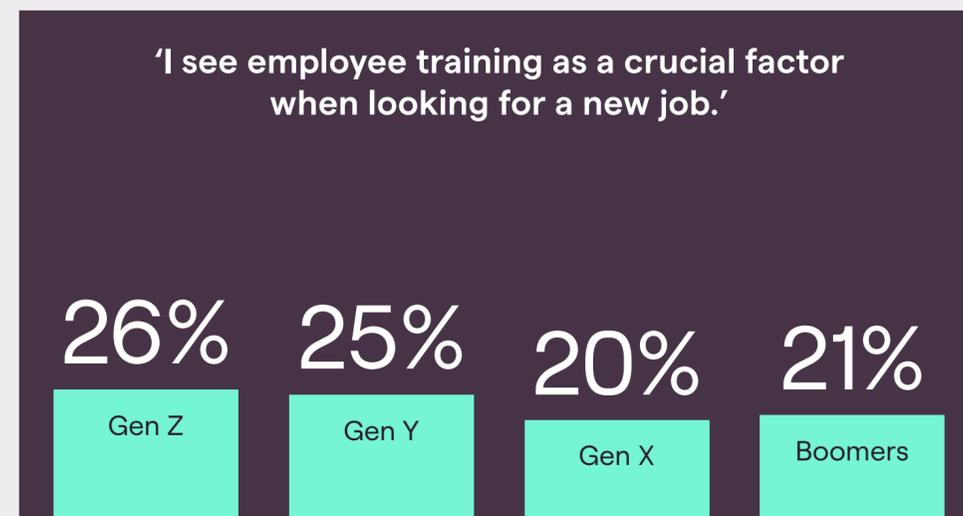


Figure: Own representation based on LinkedIn's Global Talent Trends 2020 report

## PERSONAL DEVELOPMENT

Corporate investment in the personal development of employees leads to higher employee engagement, maintains employee loyalty and attracts potential talents. According to an employee survey by Accenture Strategy, **61% of employees would leave their current job for more customized learning and development opportunities.**

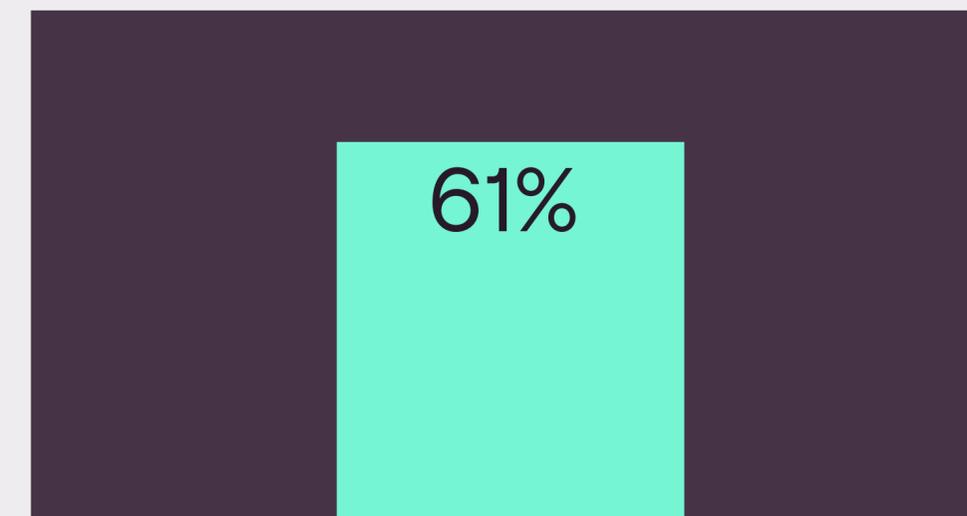


Figure: Own representation based on an Accenture Strategy survey, 2019



## GROWING LEADERS

The [EYnovation program](#) run by **Ernst & Young** strives to have young talents become leaders by having them work in collaboration with innovative startups and scaleups. The goal of these alliances is to develop their leadership skills while supporting young companies throughout their growth phase. The initiative allows young talents to move outside of the corporate context and develop their leadership skillset in a young, fast-paced, environment.



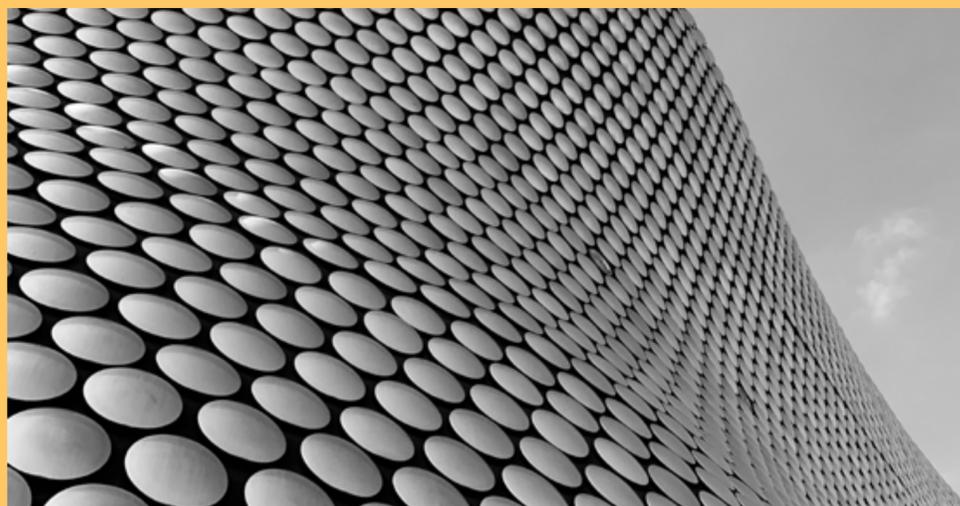
## CITIZEN PHILANTHROPY

The [1-1-1-Philanthropic Model](#) refers to Salesforce's annual practice of dedicating 1% of equity, product or employee time to philanthropic causes and the non-profit sector. As part of this concept, **Salesforce** employees get seven paid days off work every year to be used as [volunteering time](#). The goal is to turn employees into high-impact citizen philanthropists who serve as tomorrow's workforce enablers by harnessing their professional skills for projects that are not related to Salesforce.



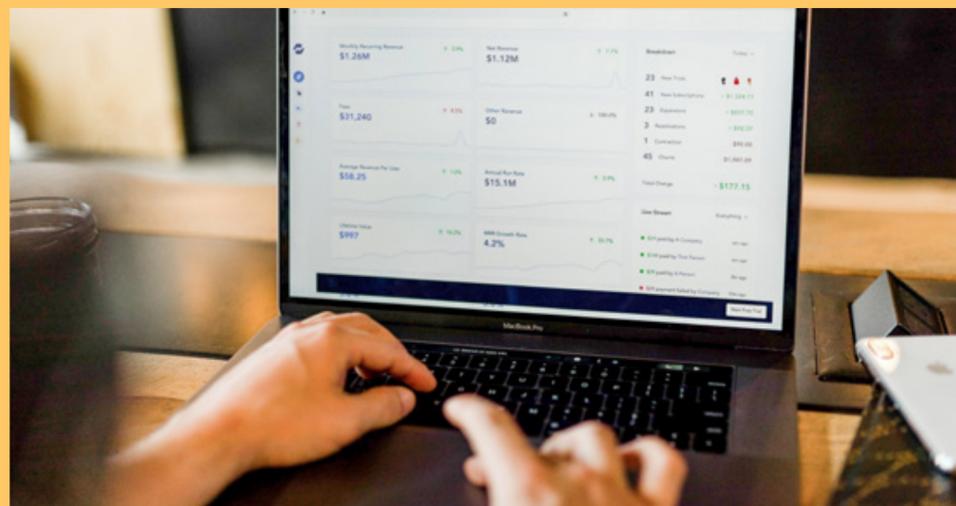
## RECOGNIZING ACHIEVEMENTS

The **Siemens** [Champions program](#) is a peer-to-peer appraisal program that encourages Siemens employees to recognize the achievements of those co-workers who have excelled in their job description, who have inspired others with their behavior and who have shown strong commitment and engagement to meet customer deadlines. Winners are announced publicly at an annual Gold Awards ceremony.



## STRENGTHS-BASED CULTURE

A [2016 survey by Gallup](#) found that strengths-based companies have better employee and customer engagement as well as higher sales and profit. Companies like **McDonald's**, **Zalando** and **Henkel** use the digital peer feedback tool [Stärkenkompass](#) to interactively analyze the strengths of their employees. With this tool, employees can match their self-reflection with peer-reflection to identify their strongest competences, paving the way for strengths-based career development.



## FINANCIAL PEACE OF MIND

Besides paying a fair salary, many companies such as **Meta** and **Google** offer their employees on-site financial advisory services for investment, taxes, credit, life insurance, competitive retirement plans, equity awards and more. Another way to keep employees engaged and interested in the growth of their organization is an employee stock ownership plan. Many startups mimic the way **Amazon** handles employee stock plans by having them become more attractive the longer the person stays with the company.



## EDUCATIONAL LEAVE

Large strategic consultancies including **McKinsey** and **Boston Consulting Group** trust in the idea of life-long learning. They offer [educational leave programs](#) that allow consultants who performed well during their first two or three years with the company to take paid time off to complete an MBA or PhD. By paying these employees a fair percentage of their initial wage, the company receives a commitment that they will return after their educational leave.

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# IMPLICATIONS

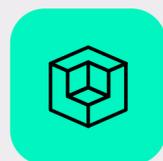
## EMPLOYEE ENGAGEMENT

# IMPLICATIONS

The pandemic increased the focus on employee engagement and shifted mindsets regarding employees: **See the employee as a human and not only as a resource to make profit.** This is the key takeaway for companies that aim for holistic and sustainable employee engagement.

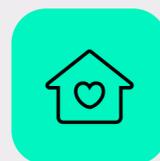
Based on the deep dive into the definition and drivers of employee engagement presented here, it is important to understand that each company needs to **adapt the drivers** to the individual needs **of their employees** to create an ideal, personalized employee engagement strategy.

# EMPLOYEES NEED TO FEEL THAT THEY...



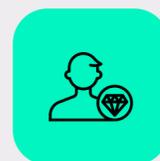
... MATTER

Employees want to be part of a larger whole and follow the purpose of the company.



... BELONG

A sense of belonging is important for employees. This is reflected in the corporate culture they experience.



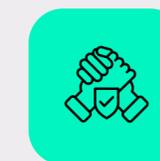
... ARE  
ENABLED

Employees are empowered, which means they have all the information and resources they need to perform their jobs to perfection.



... CONTRIBUTE

For employees, it is important that their tasks are meaningful and that they are recognized, so that they clearly make their own contribution to the company.



... ARE  
RESPECTED

Being respected, having mutual trust and sharing the organization's values is another crucial aspect for employees.



To form the backbone of successful employee engagement, companies must incorporate the above-mentioned human needs and conduct frequent employee surveys to gather feedback. Hailo has developed an employee canvas model as a helpful tool to measure employee engagement within every organization. **Contact [Hailo](#) for more information.**

Source: Jostle (2021)

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