

Engagement at Work: Its Effect on Performance Continues in Tough Economic Times

Key Findings From Gallup's Q^{12®} Meta-Analysis of 82 Thousand Business Units

MANY ORGANIZATIONS HAVE HAD TO ADJUST to the “new normal” economic climate following the Great Recession of 2007 to 2009. For many companies, this adjustment has involved layoffs or other restructuring of business practices and teams. One question many business executives have pondered is whether the effect of employee engagement on business outcomes differs in tough economic times, either by becoming less important or becoming more important.

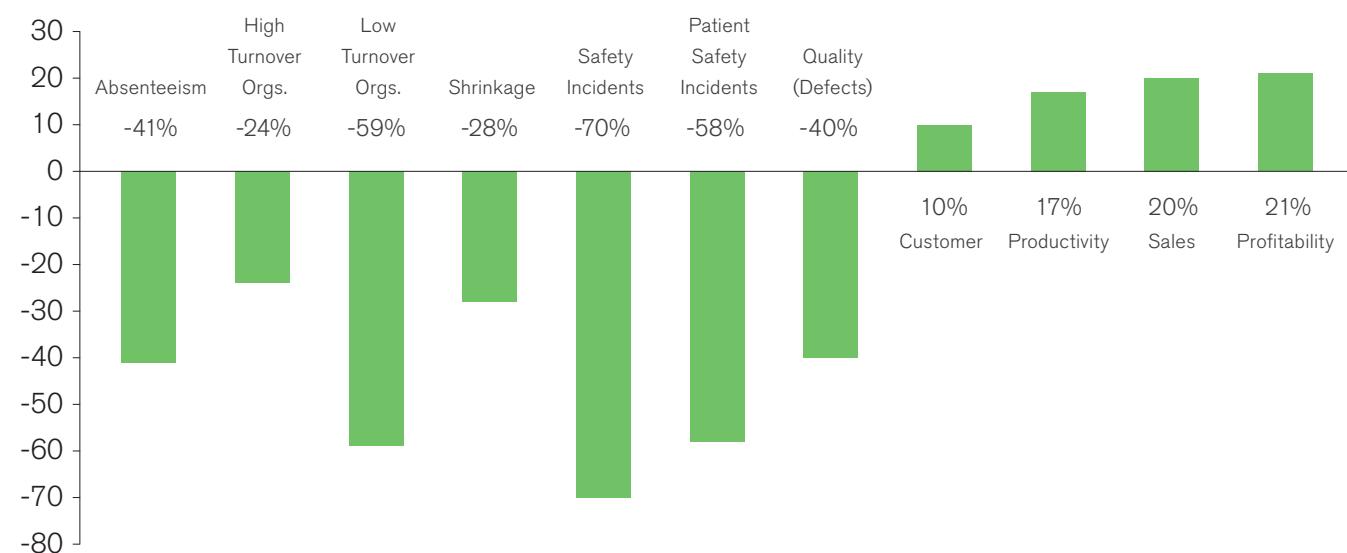
Gallup research conducted in 2016 — which examined **82,248** business or work units and included **1.8 million** employees in **230** organizations, across **49** industries and in **73** countries — makes clear that employee engagement strongly relates to key organizational outcomes in any economic climate. Even during difficult economic times, employee engagement is an important competitive differentiator for organizations.

More specifically, Gallup found that:

- Business or work units that score in the top half of their organization in employee engagement have nearly double the odds of success (based on a composite of financial, customer, retention, safety, quality, shrinkage and absenteeism metrics) when compared with those in the bottom half. Those at the 99th percentile have four times the success rate compared with those at the 1st percentile.

Q^{12®} Meta-Analysis: Outcomes

Difference between top and bottom engagement quartiles



- The relationship between employee engagement and the most commonly measured metrics of profit, productivity, customer engagement and employee retention is nearly identical to Gallup's 2012 results.
- The relationship between employee engagement and performance at the business or work unit level is significant and highly generalizable across organizations. This means that workplace practitioners can apply the Q¹² measure — Gallup's survey for measuring the aspects of employee engagement that link to business outcomes — to various situations with confidence.

More About This Study

The concept of employee engagement has become a common idea in the business world, as many studies have demonstrated its importance to organizational performance and shown how companies can measure and act on it. Many large-scale studies started in the late 1990s have demonstrated that business units with more engaged employees have better odds of achieving the outcomes their organizations desire such as revenue, profit, customer engagement, safety, quality work and employee retention.

Since 1997, Gallup has conducted a series of large-scale studies, referred to as meta-analyses, to examine the effect of employee engagement on organizations' bottom lines. The 2016 meta-analysis is the ninth iteration of Gallup's ongoing investigation into the link between employee engagement and organizational performance. The current meta-analysis confirms what Gallup has seen with all previous meta-analyses: Employee engagement consistently affects key performance outcomes, regardless of the organization, industry or country.

Learn more!

For more information about Gallup solutions for optimizing business performance visit www.gallup.com or contact Gallup Client Support at 877.425.5871 (U.S.) or +1.402.951.3600 (International).