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# Satisfaction is Not Engagement

Only engagement is a human capital metric



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Only engagement is a human capital metric

Engagement has become a new management buzz-word. What does it mean and is it just another management fad?



It is important to point out that employee engagement is not the same thing as employee satisfaction. For more than 30 years, companies have measured employee satisfaction or organization climate or organization culture in an effort to learn what managers might do to improve organization performance.

In the last 5-10 years, research has shown that satisfaction, climate, and culture do not drive business results, only employee engagement does.

So what, exactly, is engagement? The approach we use to measure engagement has two components:

- Motivation: how hard an employee is willing to work, how much they want to do their best – in other words, how motivated someone is to do their job well.
- Commitment: how much an employee wants to do the right thing for the company; how much they want to stay with the company, even if offered more pay elsewhere.

*Engagement consists of two components: motivation and commitment.*

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Our research shows that people who say they are more motivated are judged to be higher performers by their bosses. Higher performers are what drive your business results.

The more that people are committed to your company, the lower your voluntary turnover and the lower your recruiting and training costs.

*Engaged employees  
work hard and care  
about their company.*

Satisfied employees are not necessarily motivated. They may be happy, but they also may not be energized to do their best at all times. Satisfied employees may not even be committed; they may be quite willing to take another job that offers a little more pay.

**Therefore, you want engaged employees! But, how to do you get your employees engaged?**

One of the first maxims of management is: “*You can’t manage it if you don’t measure it.*” You must measure employee engagement as a human capital metric, much like financial or operating results. Here’s how:

**Use a high-quality survey**

1. Use a survey that directly measures engagement reliably and validly. Not all do. We use an 8-item scale as our engagement index; four items measure motivation, four measure commitment.
2. Use a survey that reliably and validly measures the most likely root causes of engagement so



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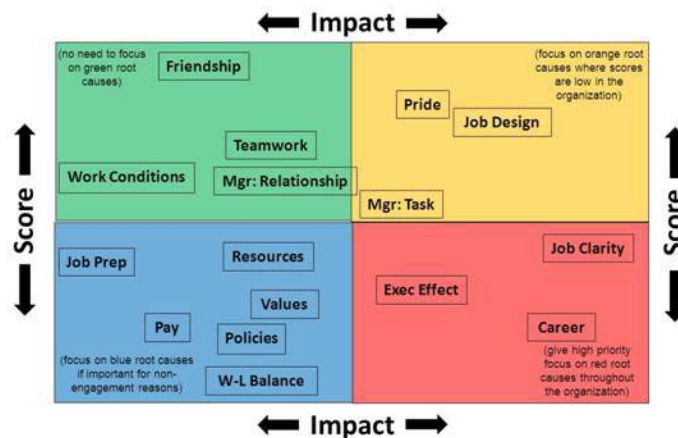
you know where to focus management action. Our survey measures 16 root causes in a way that provides superior reliability and analytical scope.

Few surveys, even some offered by the largest engagement survey companies, meet these criteria.

**Insist on actionable impact analysis**

Too often, all you receive is an analysis of your high and low scores compared to norms. What you really want to know is which root causes impact engagement the most. Often, it is not your

lowest scores that have the most impact. Focusing on low scores is not always the right thing to do! A properly done impact analysis should show you exactly how much improvement in each root



cause will result in a specific change in engagement. Our root cause impact analysis does exactly that. Every company is different. Your focus for action becomes very clear.

**Every manager gets their own report**

In the past, survey results would go only to HR and top management. From there, the communication process – especially to managers – about what the survey said and what actions should be taken became lengthy and confusing.

With engagement as a human capital metric, each manager should get their own report showing the engagement of the people reporting to them. Every manager

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can thus see where action is needed. By receiving their own engagement human capital metric report on a regular basis, managers can track progress.

**Take action**

If you want engagement to drive your business results, make it a human capital metric integral to your balanced scorecard and part of every manager's KPIs. Contact us and we will give you the benefit of our extensive experience and expertise in how to do just that.

**About Louis Allen Worldwide**

Louis Allen Worldwide is an organization effectiveness and change management consulting firm with world-class expertise and worldwide capability. We help clients drive business results through improved organization, leadership, and management execution.

We offer comprehensive organizational consulting, human capital metrics, and management development programs to help you improve organization effectiveness and drive meaningful change.

