

presents:

# WHAT CULTURE AND ENGAGEMENT HAS TO DO WITH EMPLOYEE RETENTION

## THE UNITED STATES HAS A CRISIS WITH TALENT!



of employees are unengaged year after year

Source: Gallup



of employees are likely to leave their job in the next 12 months

Source: Simpplr Research



Record low unemployment rate

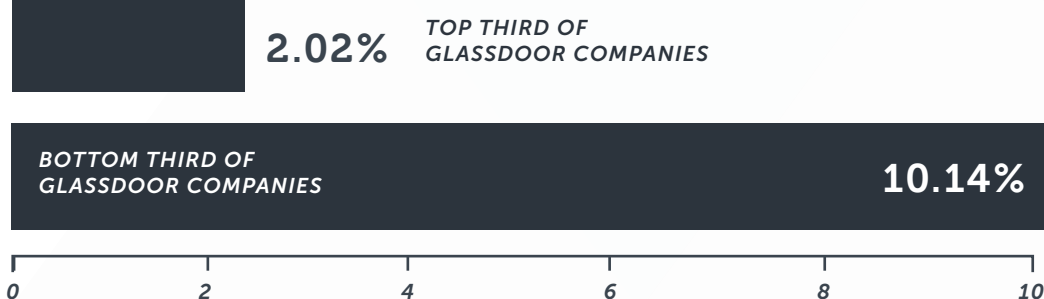
Source: US Department of Labor

### So we decided to conduct a study. And we:

- Scoured through Glassdoor™ data throughout the entire Wilshire 5000 Index
- Surveyed the same audience to ask about what drives employee engagement
- Hired a smart PhD candidate to crunch numbers and perform statistical analyses

**Holy cow!** Did you know that employees at companies with poor Glassdoor reviews are 5x more likely to leave than employees at companies with good Glassdoor ratings?

### Percentage of Respondents "Highly Likely to Leave My Job" by Overall Glassdoor Cohort:



Source: Simpplr Research



## IT TURNS OUT THAT CULTURE AND SENIOR MANAGEMENT ARE TWO OF THE LEADING DRIVERS OF YOUR GLASSDOOR SCORE.

On Glassdoor, as goes culture so goes senior management



Source: Simpplr Research

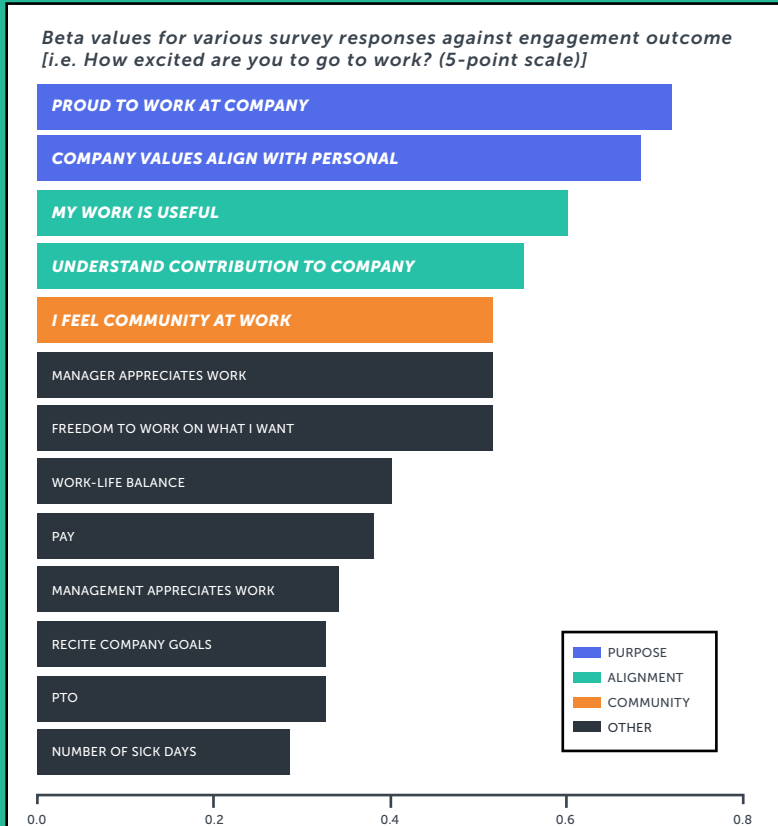
The fact that R<sup>2</sup> is 0.8 suggests an **obscenely high relationship** between these variables and the overall Glassdoor score.

So what? To be a remarkable leader and earn a high glassdoor score, you need to build a great culture.



## SIMPPLR RESEARCH: WHAT DRIVES CULTURE AND ENGAGEMENT? (SINCE THEY'RE SO IMPORTANT)

We ran a survey to the same Glassdoor audience, ran regressions, and learned that the top 3 drivers are:



**PURPOSE:** Showing employees how their work (and the work of the company) has a positive impact

**ALIGNMENT:** Making sure that employees and executives are on the same page and that everyone understands how their work is impactful

**COMMUNITY:** Creating an environment where employees feel safe, connected, and supported

### PURPOSE:

Focus your organization and actively promote what your organization is about.

The place where we work shapes who we are and becomes part of our identity

This isn't just a millennial mindset! Purpose is important to everyone.



### ALIGNMENT:

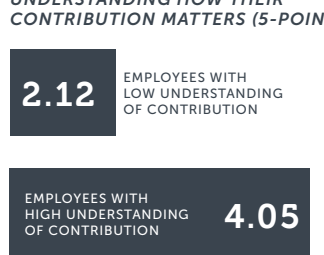
Companies need to be **painstakingly clear** on corporate priorities.

For employees to be engaged, they need to understand how their contribution impacts the broader organization.

MIT Research shows an astonishingly few employees can recite strategic priorities.

Too many companies lose focus on communicating strategy.

EXCITEMENT TO WORK BASED ON UNDERSTANDING HOW THEIR CONTRIBUTION MATTERS (5-POINT SCALE)



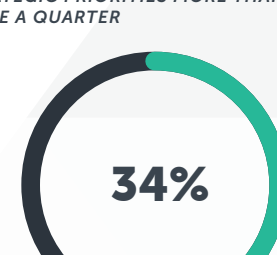
Source: Simpplr Research

POOR UNDERSTANDING OF STRATEGIC PROPERTIES



Source: MIT Sloan Review, February 2018

COMPANIES WHERE EXECUTIVES REITERATE STRATEGIC PRIORITIES MORE THAN ONCE A QUARTER



Source: Simpplr Research

Employees **don't even realize** themselves they need to know priorities to be engaged

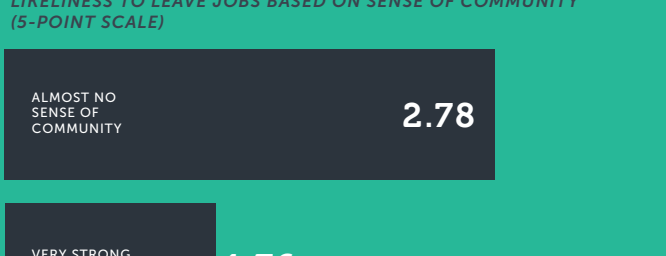
Leaders need to communicate vision and strategy more frequently than **4 times a year!**



### COMMUNITY:

Companies need to go out of their way to build community for all employees

LIKELIHOOD TO LEAVE JOBS BASED ON SENSE OF COMMUNITY (5-POINT SCALE)

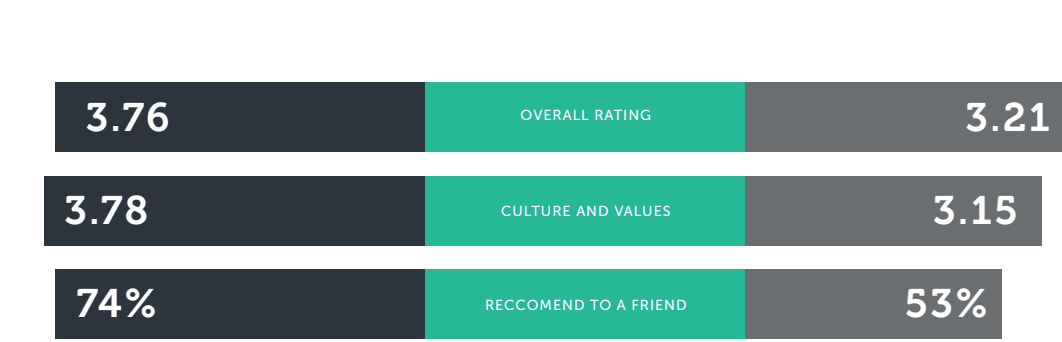


Source: Simpplr Research

Employees that do not feel a sense of community are **2x more likely to leave** in the next 12 months than those who feel a strong sense of community



## FINALLY, WE LOOKED AT SIMPPLR CUSTOMERS ON GLASSDOOR:



Companies need to do a better job at supporting and selling the **importance of internal communications** because engagement and retention are a huge problem in today's workforce.

We are not inferring causality!



**Bottom Line:** Companies that invest in culture:

- Reduce the rate of voluntary employee turnover
- Outperform on Glassdoor
- Attract better candidates with higher Glassdoor scores

To view research findings, visit: [simpplr.com/engagementresearch](http://simpplr.com/engagementresearch)