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Much has been studied about the impact of employee engagement on company performance, and there is general agreement that increased engagement drives results: Gallup, for example, suggests a 20% or better boost to productivity and profitability for companies with high engagement. Such companies, however, may be few and far between: Gallup also reports that only 30% of American workers, and 13% of global workers, are engaged in their jobs.

Taken together, it's easy to see why so many companies are talking about it and making it a priority. But when you look at how engagement gets measured, that's where things start to break down a bit.

The typical approach is an annual engagement survey where employees are effectively asked, through various types of questions, to rate their own level of engagement. Assuming honest survey responses, this approach provides good input into the employee attitude side of the equation (for example, how engaged they perceive themselves to be), but, unfortunately it doesn't do a good job of gathering objective data on just how engaged employees actually are (for example, discretionary effort). While knowing what employees think certainly has value, this data suffers from the same challenges of any other survey-based effort: it becomes dated quickly, there's availability bias from respondents thinking of only recent events, and potentially gamed results — people telling you what they think you want to hear rather than what they really think.

The field of people analytics is opening the door to much better data, and there are more direct measures for companies trying to better understand engagement levels. A company might begin by analyzing the following:

- **The amount of work that occurs outside of normal working hours (e.g., evenings and weekends).** This is a good indicator of discretionary effort.
- **The number of network connections and time spent with people outside of immediate team or region.** Building of broad networks beyond core team is a sign of high engagement.
- **The percentage of participation in ad-hoc meetings and initiatives vs. recurring meetings and processes.** Participation in only highly structured events can be an indicator of low engagement.
- **Time spent collaborating directly with customers outside of normal scope of work.** This and other measures like it can indicate people are highly engaged enough to help their colleagues even though they might not get credit for it.

This approach allows you to measure *actual* engagement rather than *self-perceived* engagement. Further, you can deploy a number of additional metrics to understand what may actually be driving these engagement levels. Some metrics we have found to be valuable are:

Management quality and time investment, which can consist of:

- Time spent in one-on-ones with their manager per week. Engagement typically increases as an individual gets more time with his or her boss.
- Time spent in presence of skip-level leadership. Engagement can increase as people get more exposure to colleagues up the ladder.
- Network quality and breadth of their manager. Engagement often increases in people who have well-connected direct managers.
- The percent of a manager's time spent with team. A number that's too low or too high typically decreases engagement.

Influence from colleagues — because the engagement levels of colleagues is infectious — including:

- The ratio of highly engaged employees vs. low on a current team.

- The ratio of highly engaged employees vs. low with a person's most frequent co-collaborators.

Relationships:

- The number of strong tie connections, defined as strong relationships characterized by frequent and relatively intimate interactions. Engagement typically increases as people have more, and stronger, relationships.
- The number of weak tie connections, which are infrequent interactions with people outside of an individual's core working team. Engagement typically increases as people are exposed to ideas from beyond their core relationships.
- Variability of network over time, or the extent to which an individual's core network fluctuates month over month. Very high volatility can indicate a rapid change in role and be unsettling for employees, while very low variability can indicate someone stagnating.

Work schedule:

- Hours per week spent in meetings with more than 20 attendees. Not surprisingly, engagement typically decreases the more time people spend in very large group settings where it is hard to be much more than an audience member.
- Calendar fragmentation, which is when people don't have enough meaningful time — about a two-hour break — to work between meetings and other events. Engagement typically decreases when people are overly fragmented.

When this information is paired with traditional attitudinal data such as satisfaction scores, pulse surveys, or annual survey-driven engagement measures, they come together to give an even more accurate picture of what engagement truly means — and where your company is falling short. You can then monitor changes in the data in the form of anonymized dashboard tools, often in real-time, or it can be shared transparently with employees so they have a better context for engagement and how they compare with their colleagues in aggregate.

Through my work with Workplace Analytics, I've seen first-hand the results that measuring employee engagement can have on firms. One company with an extraordinary talent shortage ran a study with several quarters of anonymized voluntary attrition data in combination with a number of people analytics metrics to see if there was a correlation. The results were staggering. You could literally see a steady week-by-week change in behaviors for employees starting a full 52 weeks in advance of the event, leading right up to the moment they quit. With very high correlations, these employees were spending less time interacting with people outside of their department or region, less time in ad-hoc interactions, and less time being active outside of normal working hours, among other things. What this data makes clear is that the majority of these employees hadn't decided to quit a year in advance; rather, their engagement levels started dropping… and dropping… and dropping… until they got to the point where they realized it was time to quit. With this information in hand, the company started measuring engagement and providing feedback to managers with plenty of time to make appropriate adjustments to retain their top people.

There are many factors that contribute to employee engagement — ranging from corporate culture to management style to competing priorities outside of work — and the pertinent factors are different for each employee. This complexity is what makes it so challenging to measure and understand engagement in an actionable way. While still in its infancy, people analytics is beginning to give organizations the data and tools to understand what drives engagement, perhaps even better than employees understand themselves. Qualitative data from Gallup's engagement survey and others like it has been sufficient to prove the case for greater investment. Now, with the ability to directly measure engagement, there is no telling what organizations and employees themselves will learn about what drives them.

Ryan Fuller was the CEO and co-founder of VoloMetrix, a leading people analytics company acquired by Microsoft in 2015. Within Microsoft, Ryan leads a business unit focused on making organizational analytics capabilities broadly available. Previously he was a management consultant at Bain & Company.