A whitepaper by Flip

Frontline employee engagement

The ultimate no-nonsense guide

Flip

About this guide

Employee engagement is set to be the topic of 2024, with four out of five business leaders stating that it's a key strategic priority for them this year.

The idea of employee engagement is nothing new; it's been floating around since the 90s. Over the decades since, it's earned a reputation for being 'fluffy' – in large part because it's difficult to define or measure. And because business leaders tend to overlook the impact of frontline workers on overall business performance, employee engagement strategies have struggled to deliver robust results, reliably.

That's why this guide exists.

By combining wider industry insights with our own proprietary research that surveyed 1,704 business leaders across HR, Operations, IT, and more, this guide answers three key questions about frontline employee engagement:

What is it?

How do you measure it?

Why does it matter?

But that's not all. In a follow-up report, we'll look at how successful existing approaches to employee engagement are. And don't worry – we've not asked workforce managers and HR directors to mark their own homework. We've gone straight to the frontline to find out what's working, and what's not.

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Introduction: 2024's hot topic

Since the term 'employee engagement' first graced the pages of **business management journals in the 90s**, it's exploded in popularity.

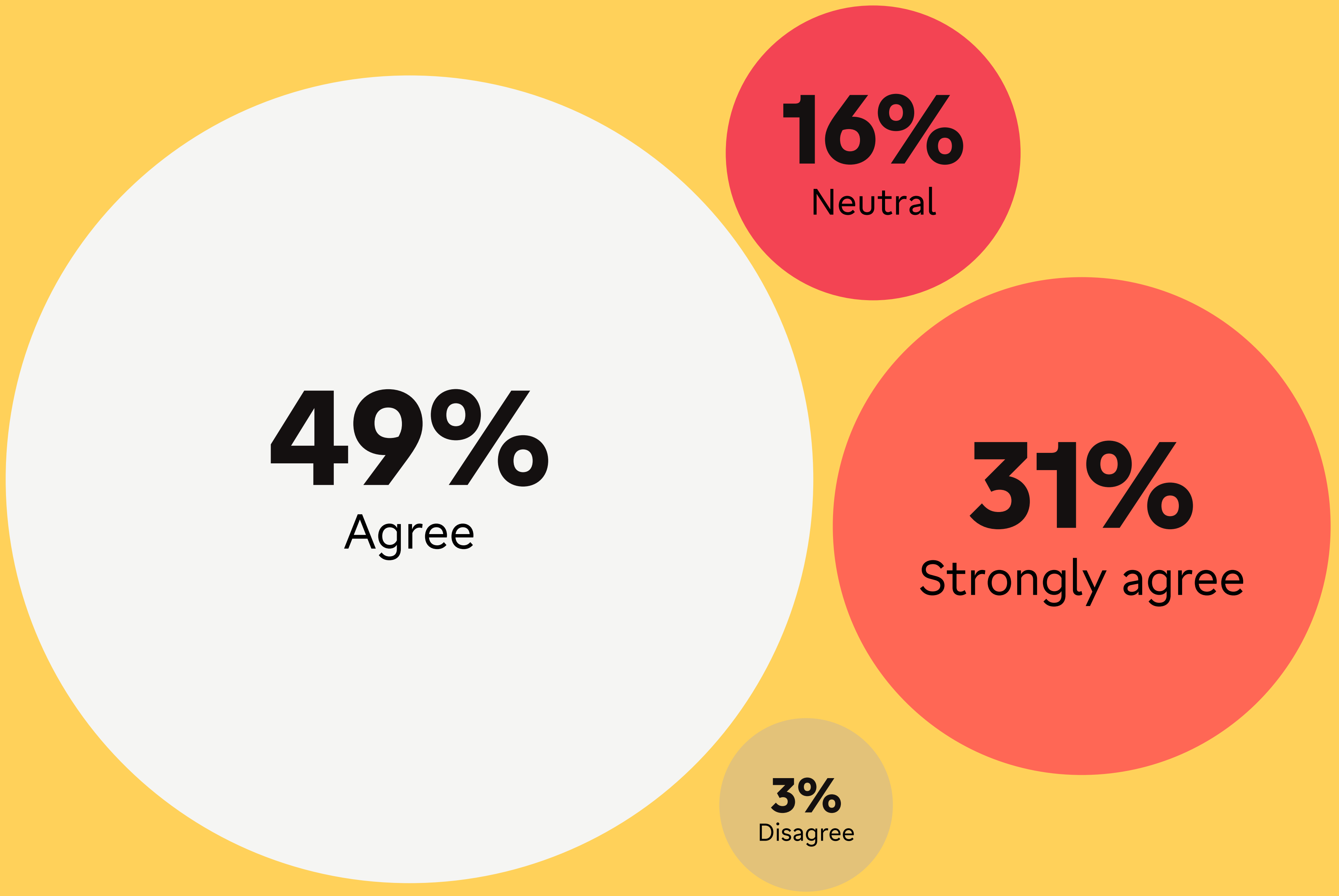
When the COVID-19 pandemic up-ended the world of work, businesses faced new challenges to staying competitive – or even just staying in business – and interest surged further.

Why? Because, as we'll explore, **organisations with high employee engagement tend to outperform their competitors.**

Low employee engagement, on the other hand, compounds challenging circumstances to make operating a successful business that much harder. Given the current economic climate and labour market, that makes high engagement a must-have.

Of the **1,704 business leaders** we surveyed, 80% have given it a top spot on their 2024 priority list.

'Employee engagement is a key strategic focus for our organisation'



That share rises even higher when we delve into the data, with respondents from the UK and US most likely to agree it's crucial to this year's strategy. When we split by industry, **manufacturing tops the list**, with **healthcare and logistics not far behind.**

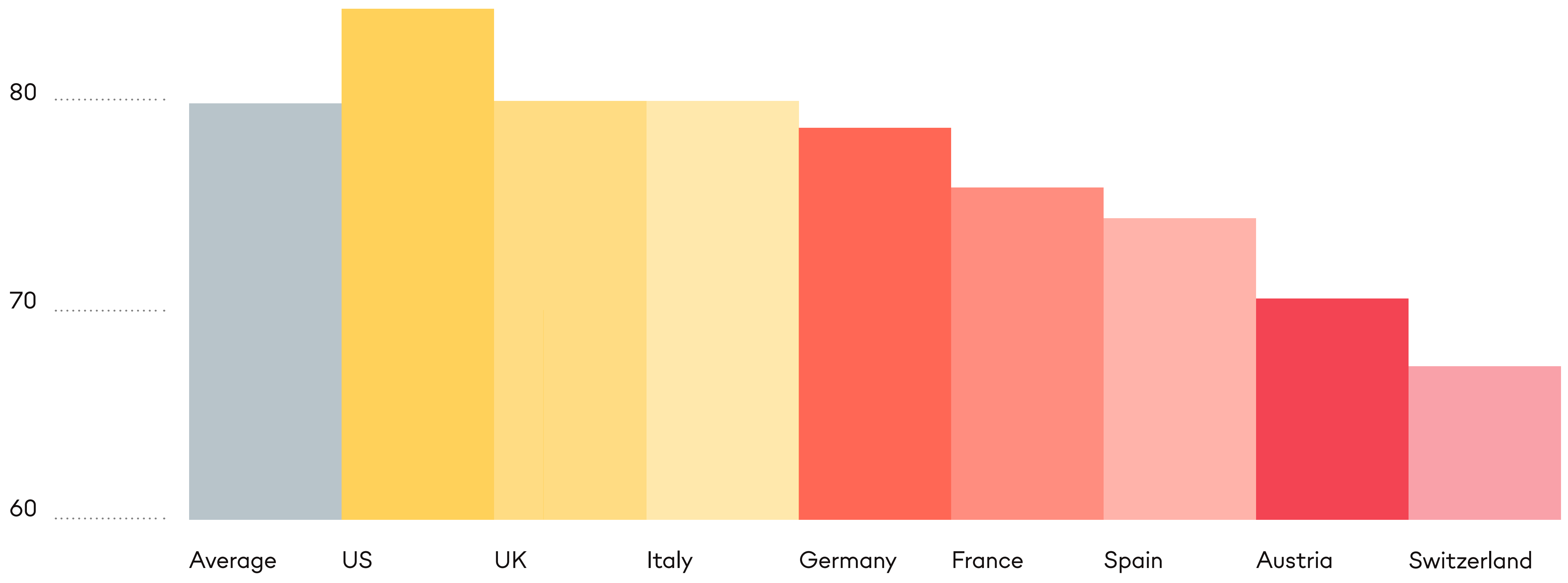
Regardless of industry or geography, one correlation appeared repeatedly. **The higher the proportion of frontline workers, the more that businesses are prioritising employee engagement.**

Though our respondents came from a wide variety of functions and industries with diverse challenges and priorities, they overwhelmingly had one thing in common: A strategic focus on employee engagement.

The problem is, though we all agree it's important, none of us can quite agree on what it means. So let's start there.

Percentage who agreed or strongly agreed that 'Employee engagement is a key strategic focus for our organisation'

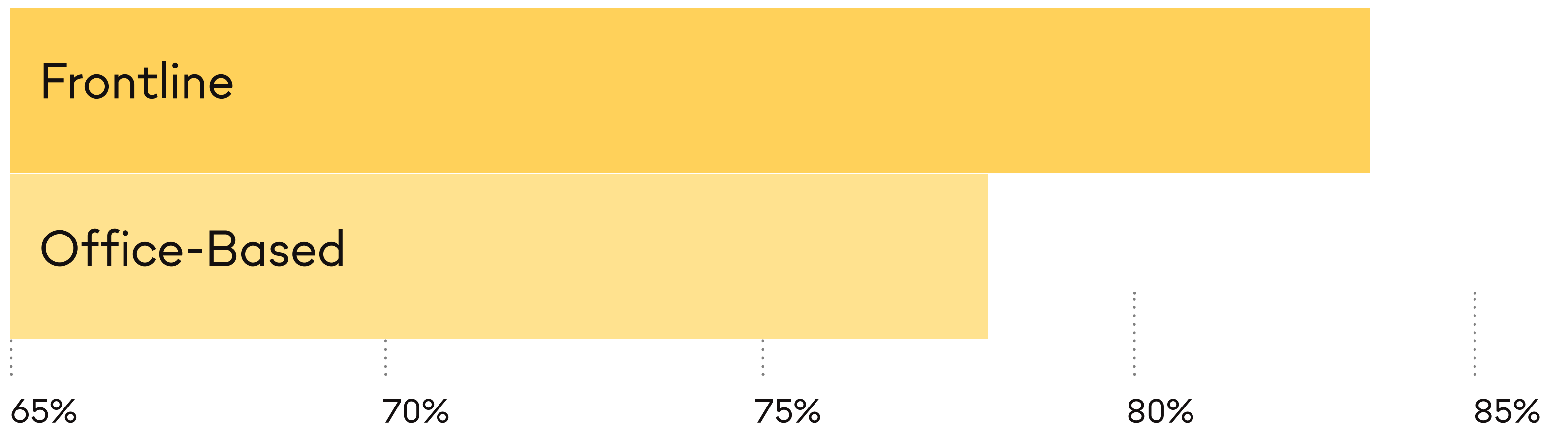
By Location



By Industry

Manufacturing: 84%
Healthcare: 83%
Transport & logistics: 79%
Hotels & restaurants: 77%
Retail: 76%

By Proportion



What is employee engagement?

We're by no means the first to try and answer that question – everyone from enthusiasts and academics to thought leaders and analysts has weighed in.

'The emotional commitment the employee has to the organisation and its goals.'
Forbes

'The involvement and enthusiasm of employees in both their work and workplace.'
Gallup

'The harnessing of organisation members' selves to their work roles'
William Kahn

'Being positively present during the performance of work by willingly contributing intellectual effort, experiencing positive emotions and meaningful connections to others.'
CIPD

The difficulty defining employee engagement

While they're great for giving us a 'feel' for what employee engagement might look like in a workplace, **these definitions aren't particularly concrete.** That's a problem.

To justify investment in employee engagement, we'll need to show what our current level of engagement is, and how we'll measure the success of any initiatives to improve it. How do you measure emotional commitment, 'harnessing of the self', or – worse – 'authentic and recognised connections'?

Troubling this further is the huge number of terms that overlap with employee engagement, or are commonly conflated with it. Think: Employee value proposition, workforce well-being, staff satisfaction, employee experience, or talent optimisation.

There are, however, a few that bring us closer to a workable definition. **McKinsey** mentions **'satisfaction and commitment'**, and refers to the employees who are **'building value'**, while **Deloitte** defines employee engagement as a metric that 'indicate[s] **how much discretionary effort workers are willing to expend** for their organisation's benefit.'

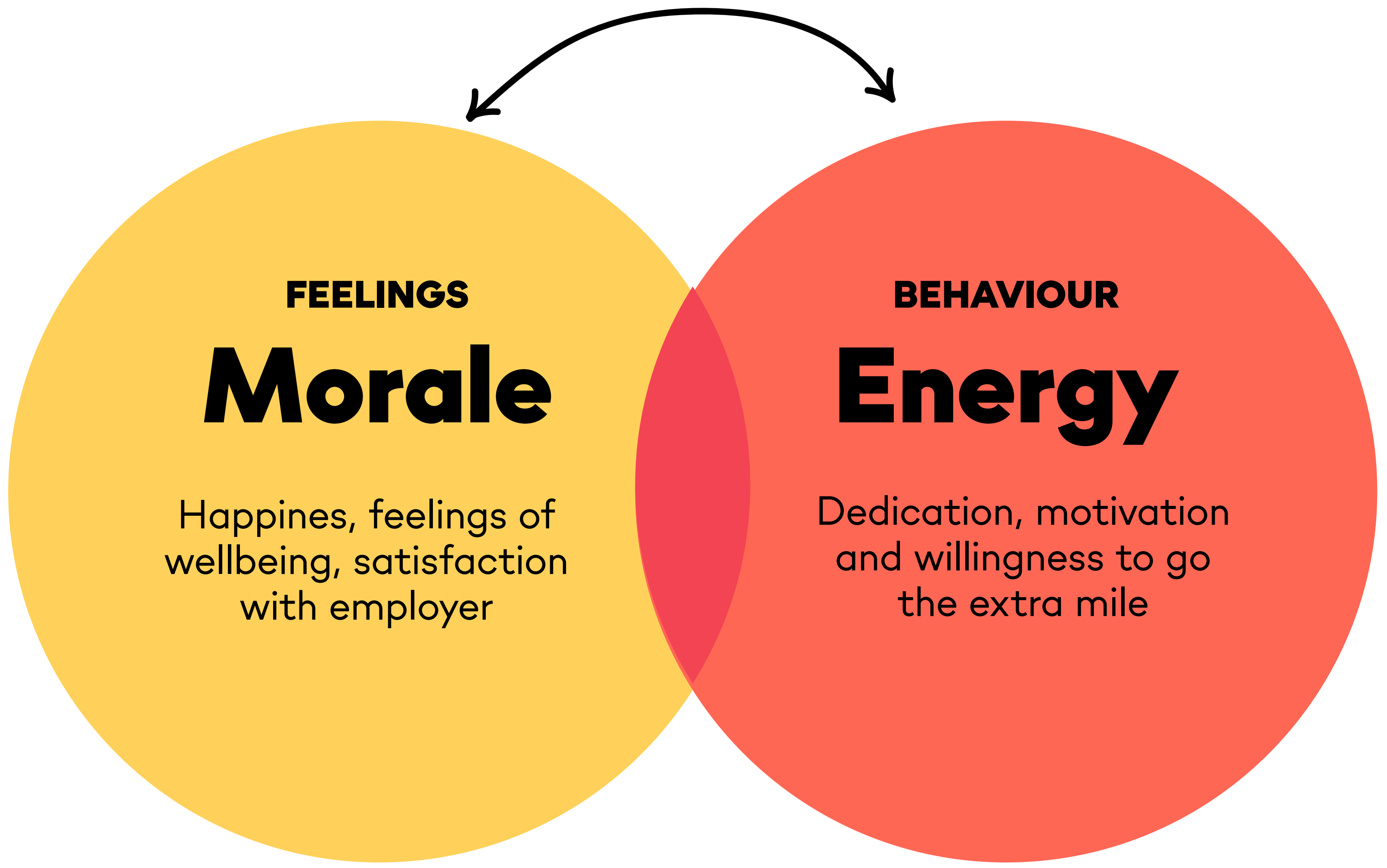
Morale + energy = engagement

Our favourite definition is an oldie but a goodie from the **Hay Group**, who view employee engagement as 'a result achieved by stimulating employees' enthusiasm for their work and directing it toward organisational success.'

When we boil it down as simply as possible, **employee engagement is a way to understand how an employee feels and behaves on the job.** It is a combination of two characteristics: **morale and energy.**

They're closely related, of course; an employee who feels healthy, happy, and proud to work for their employer is much more likely to expend effort for the benefit of their colleagues and the company.

But neither one alone is sufficient to drive true engagement. Plenty of definitions conflate engagement with general feelings of satisfaction or well-being as if they're the same thing, but **an employee can have high morale or high energy without being highly engaged:**



	'I'm so happy with my job – I get paid for barely doing anything!'	'I can't stand my job, but I'd hate to let my colleagues down.'
Morale	✓	✗
Energy	✗	✓

Engagement is an outcome

The Hay Group definition points out another defining feature of engagement: It's an outcome.

Though it can't be chalked up to business practices entirely, engagement is largely influenced by the decisions and behaviour of the employer across a given worker's employee lifecycle.

These 'inputs' form the bulk of a closely related concept: Employee experience (EX).

Any successful employee engagement programme will be strategically designed to improve the overall employee experience. But remember: To satisfy the needs of different segments of the workforce, It's best to take a tailored approach. Frontline workers, for example, will have different requirements compared to their back-office colleagues.

Ambition
Employee value proposition

What you claim to offer; how you market the business to potential candidates & existing workers.

Inputs
Employee experience

What you actually offer workers during the course of the employee lifecycle.

Foundational needs

Fair compensation & benefits
Job security
Career growth potential
Leave policies
Work/life balance
Health & safety

Operational needs

Manageable workload
Training & development
Clear processes
Access to knowledge
Available technology
Ease of communication

Performance needs

Relationship with manager
Clarity of goals
Onboarding effectiveness
Flexibility
Collaboration
Recognition & reward

Social & cultural needs

Relationships with colleagues
Company vision
Leadership behaviour
Transparency
Diversity & inclusivity
CSR / ESG

Outcome
Employee engagement

The feelings and behaviours that result from a positive employee experience.

Morale + Energy

Impacts
Business outcomes

The benefits the business derives from the feelings and behaviour of engaged employees.

How engaged are employees?

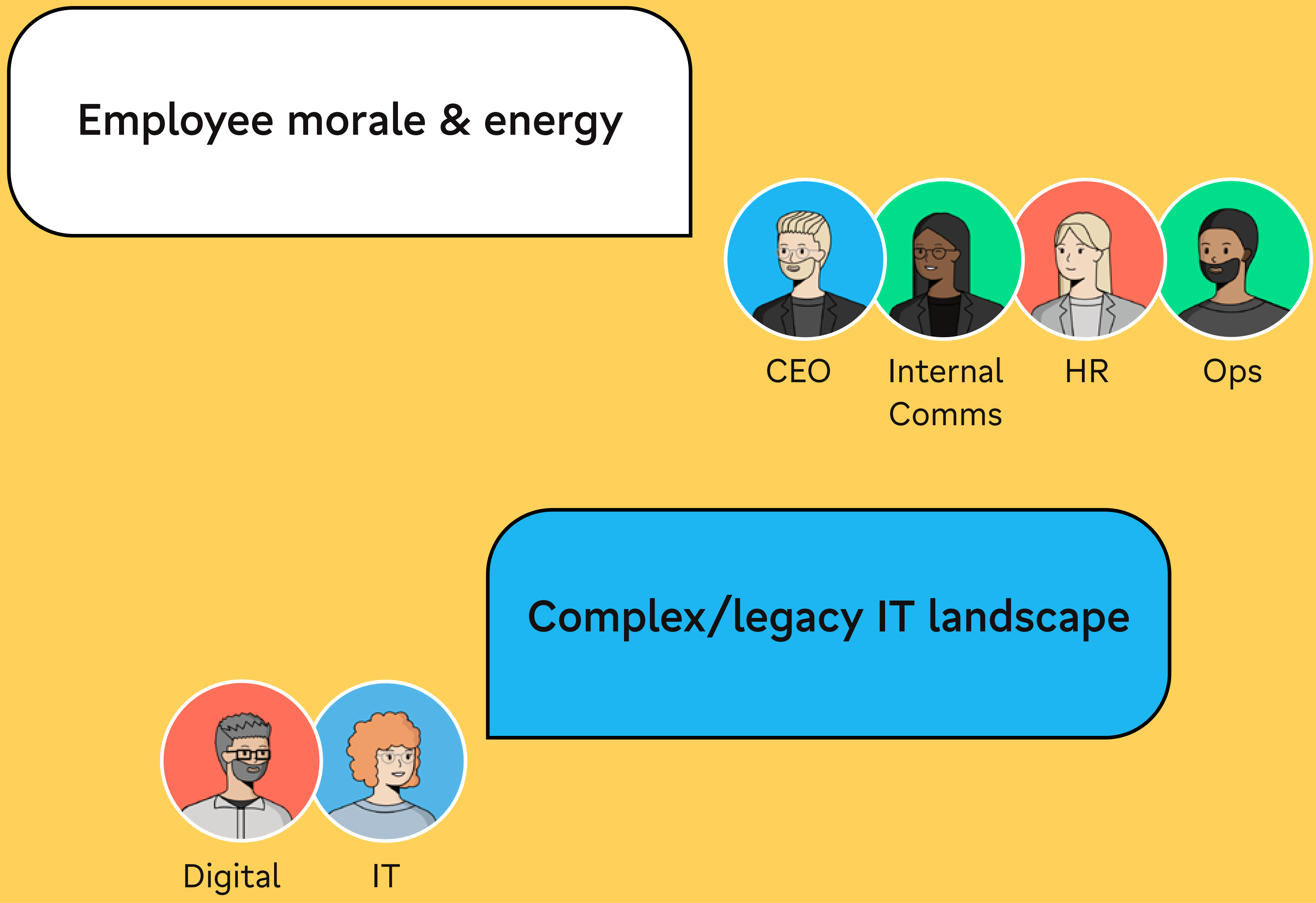
Industry benchmarks indicate widespread low engagement, with Gallup's most recent **State of the Global Workplace Report** finding just 13% of European workers are engaged. It's yet worse on our side of the channel – **engaged employees make up just 10% of the UK workforce.**

Our survey suggests similar conclusions. Nearly half of all respondents identified 'low workforce energy and morale' as one of their three biggest challenges, with hotspots in the UK and DACH.

While Operations is feeling the most friction, low energy and morale was the most frequently cited challenge across almost all functions – including top company brass.

It just missed out on the top spot for two departments: IT and Digital Transformation. Both report struggling more with a complex, legacy IT landscape. Overwhelmingly these respondents say employee engagement is a strategic priority, but their efforts to support business partners in HR and Operations are blocked by unsuitable tools and tech.

The most commonly cited challenge by function

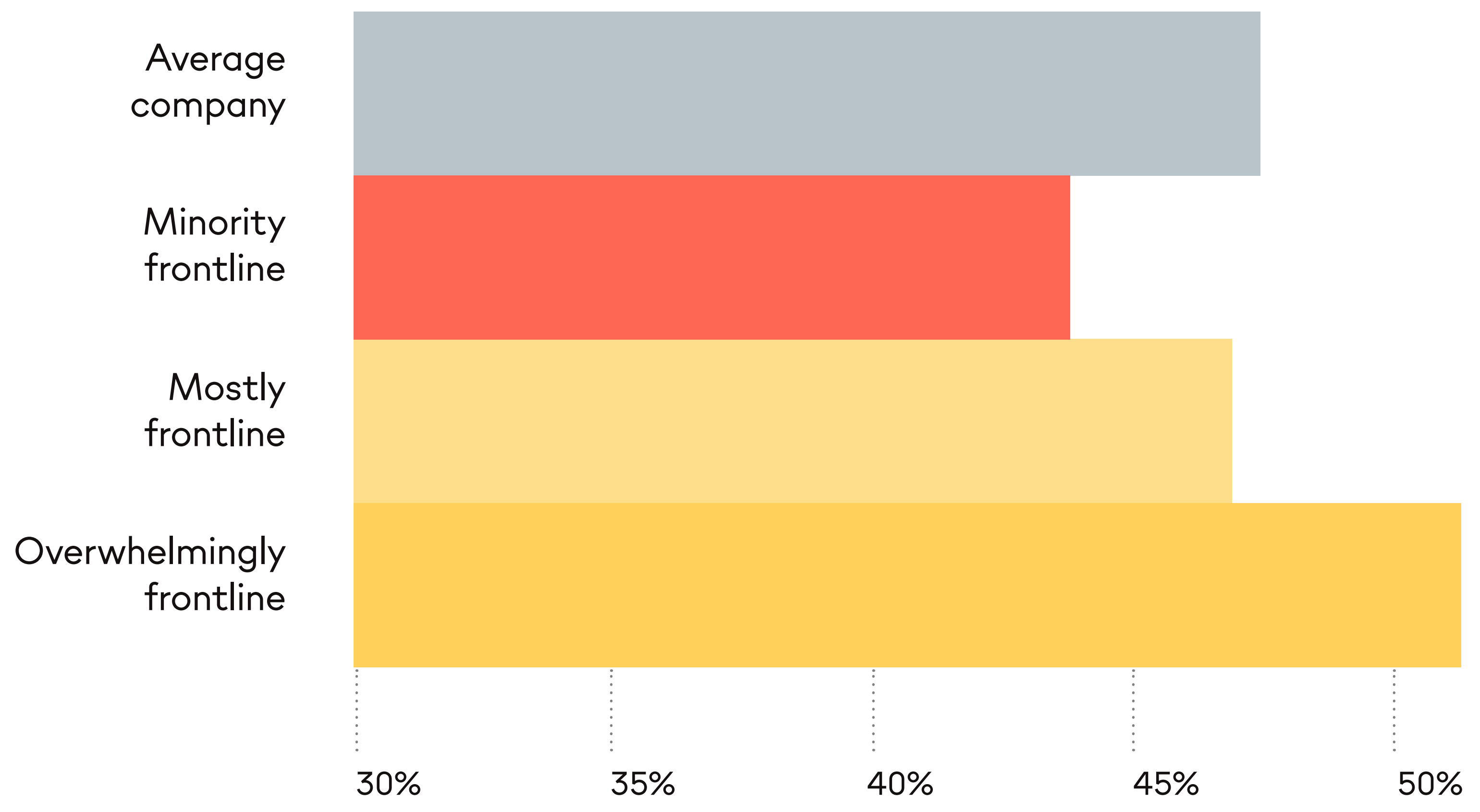


The outlook is even less promising on the frontline.

Gallup finds **lower engagement levels for 'on-site' workers** compared to hybrid or remote employees in every region but one. Our data tells a similar story, with leaders from hospitality, retail, and other industries that depend heavily on frontline labour citing worker energy and morale concerns more frequently.

Segmenting specifically by proportion of frontline workers confirms it: **Employee engagement presents a greater challenge for frontline-majority businesses.**

Percentage of all respondents who cited energy & morale as top 3 challenge



BONUS REPORT

Get employee engagement insights directly from the frontline

Who better to ask about the state of frontline employee engagement right now than the employees themselves?

To find out what really makes frontline workers tick, we surveyed 1,000 of them across manufacturing, retail, logistics, and other key frontline industries in the UK and Germany.

In our exclusive report, you'll get answers to burning questions like:

- **Which employee engagement initiatives actually work?**
- **Why do frontline employees really leave their jobs?**
- **What's holding back frontline productivity?**
- **How valued do frontline workers feel?**
- **What do frontline teams actually think about new technology?**

Packed with industry-specific findings and actionable insights to help you build your employee engagement strategy. And with a third of all UK respondents reporting they do the bare mini-mum needed to keep their job, you'll want to get working on that strategy right away.

Access report →

Why does it matter?

When you factor in higher employee morale and energy, figuring out why employee engagement matters isn't rocket science.

Employee engagement goes beyond individual performance; **when your strategy's done right, it directly impacts business outcomes like employee retention, productivity, and growth.** This is especially true for frontline engagement, as these workers create disproportionately high value for the business.

Simply put: Businesses with more of those highly engaged employees measurably outperform their peers. Competitive advantage is always a focus, but it becomes mission-critical when times are tough.

Ambition

Employee value propositon

What you claim to offer; how you market the business to potential candidates & existing workers.

→

Inputs

Employee experience

What you actually offer your workers during the course of the employee lifecycle.

→

Outcome

Employee engagement

The feelings and behaviours that result from a workers having a positive employee experience.

→

Impacts

Business outcomes

The benefits the business derives from the feelings and behaviour of engaged employees.

The turbulent 2020s

Low employee engagement will compound every single challenge in 2024 and beyond by driving up costs, driving down productivity, and driving away staff, making any competitive edge even more difficult to seize.

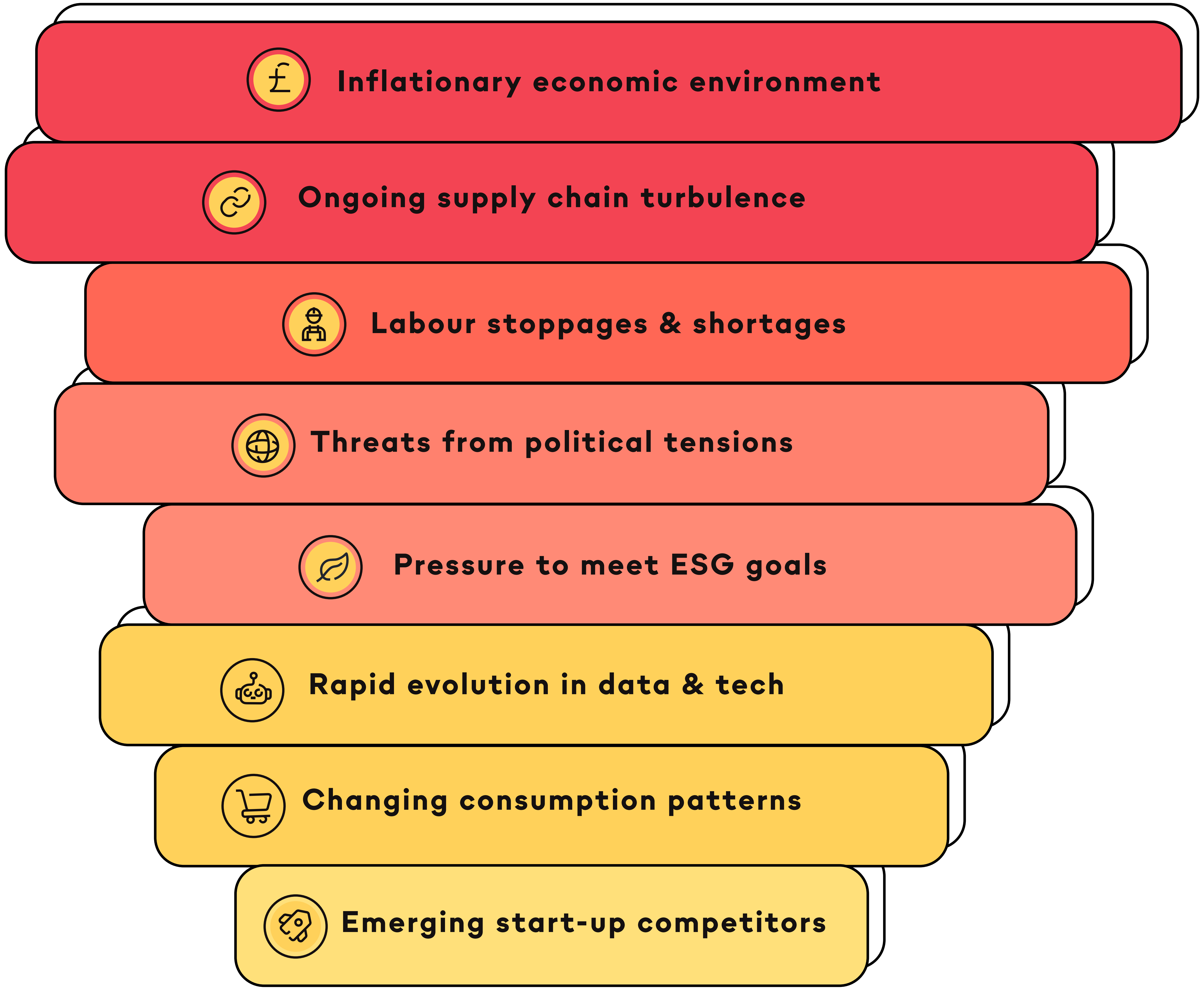
Low morale and energy in the workforce isn't the only hurdle the corporate world is facing. Unless you've been hiding under a rock (and we wouldn't blame you), you know **it's a bad time to be in business.** Far from building back better after the chaos of the pandemic, companies across the world are still fending off crises on every front.

The global economic downturn is likely to get worse before it gets better, with the IMF predicting that **a third of the world will be hit with a recession** this year. Businesses aren't the only ones feeling the inflationary pressure, and as **consumers cut back on spending** due to the increased cost of living, corporate earnings are likely to drop.

In the wake of the pandemic's shortages, lean supply chains are under **further pressure** from political turmoil and the effects of climate change. And while knowledge worker-heavy companies have reduced headcount following pandemic-spurred hiring sprees, vacancies remain above pre-pandemic levels, with industries that depend on frontline workers reporting **high numbers of unfilled roles.**

Even when attracting staff doesn't pose a challenge, keeping them happy does. **Labour disputes characterised 2023**, with hundreds of thousands of workers across the **UK** and **US** downing tools in pursuit of better conditions or fair pay.

And as if that's not enough to contend with, businesses are still expected to **decarbonise**, to ensure the social sustainability of their business models, to **digitise** their operations and embrace AI, and to compete with emerging agile business models to meet **rapidly changing** consumer demands. **Even in a crisis, we're asked to do more with less.**



Engagement:

A risk you can manage

Faced with a business bin fire at the macro level, it would be easy to conclude that we've got bigger fish to fry than a few unhappy employees.

But as we know, engagement **isn't just about satisfaction**. Low employee engagement will compound every single challenge in 2024 and beyond by driving up costs, driving down productivity, and driving away staff, making any competitive edge even more difficult to seize.

And while you can't personally fix the economy or secure the Suez Canal, **low employee engagement is a risk you can manage.**

'Increasing numbers of businesses recognise that getting employee engagement right is really crucial. I think in a post-COVID world especially, people recognise that this is universally important. You ignore it at your peril.'

– Chief People Officer, Telecommunications

The costs of low employee engagement

Low engagement presents a threat in two key ways. First: It increases the likelihood that employees will leave the business. Second: It erodes the performance of employees who stay. These cause havoc in turn, lowering output and quality, customer service and satisfaction, and even safety and security.

Put bluntly, poor engagement translates to major brand and business risks.

The cost of losing employees

£10,360

average cost to replace one frontline employee.

FLIP Research

26.9%

average voluntary turnover rate across UK businesses.

CIPD →

43%

difference in staff turnover between high engagement and low engagement teams at high-churn businesses.

GALLUP →

Employee turnover

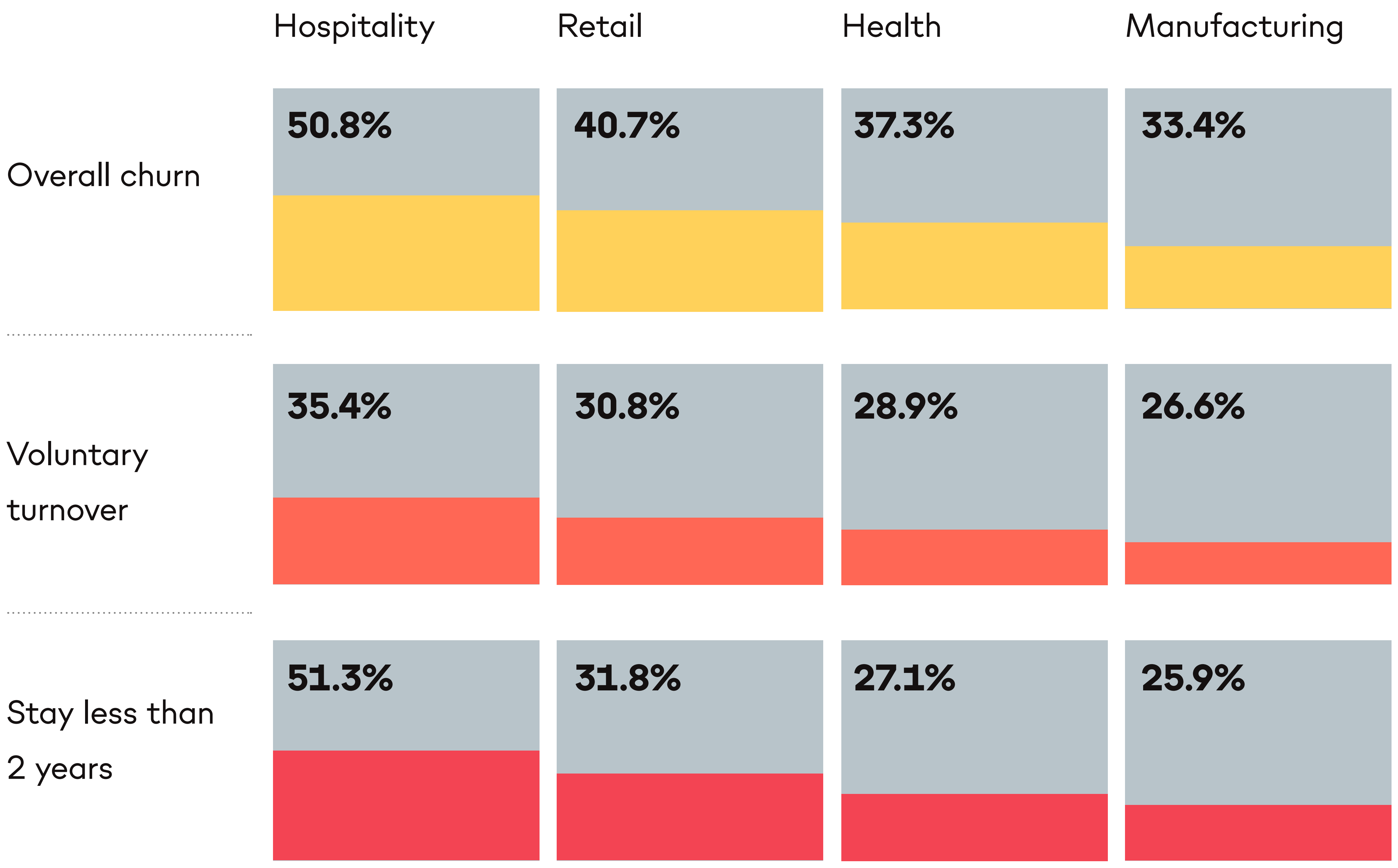
Recent years have seen **significant increases in employee turnover** as the pandemic forced us all to reconsider our relationship to work.

While turnover should slow somewhat in 2024, the average voluntary turnover rate for UK workers is around **27%** annually, with industries that depend heavily on frontline workers experiencing churn that's higher still.

To put into perspective the damage that high turnover can cause, it's worth looking at **the cost of losing a single employee**. It will depend on your industry, training costs, salaries, and much more – but higher-end estimates put it at as much as **200%** of the employee's annual salary. Lower estimates point to around **16%**.

That's a wide margin, and for most employees, the cost will be somewhere in between. Very high price tags are more likely for specialised roles, while lower estimates tend to exclude the hidden costs a business will rack up when they lose an employee. **SHRM**, for example, estimates that **'hard costs' only make up around 40% of the expense of recruiting.**

High churn and short tenures across key frontline-heavy industries



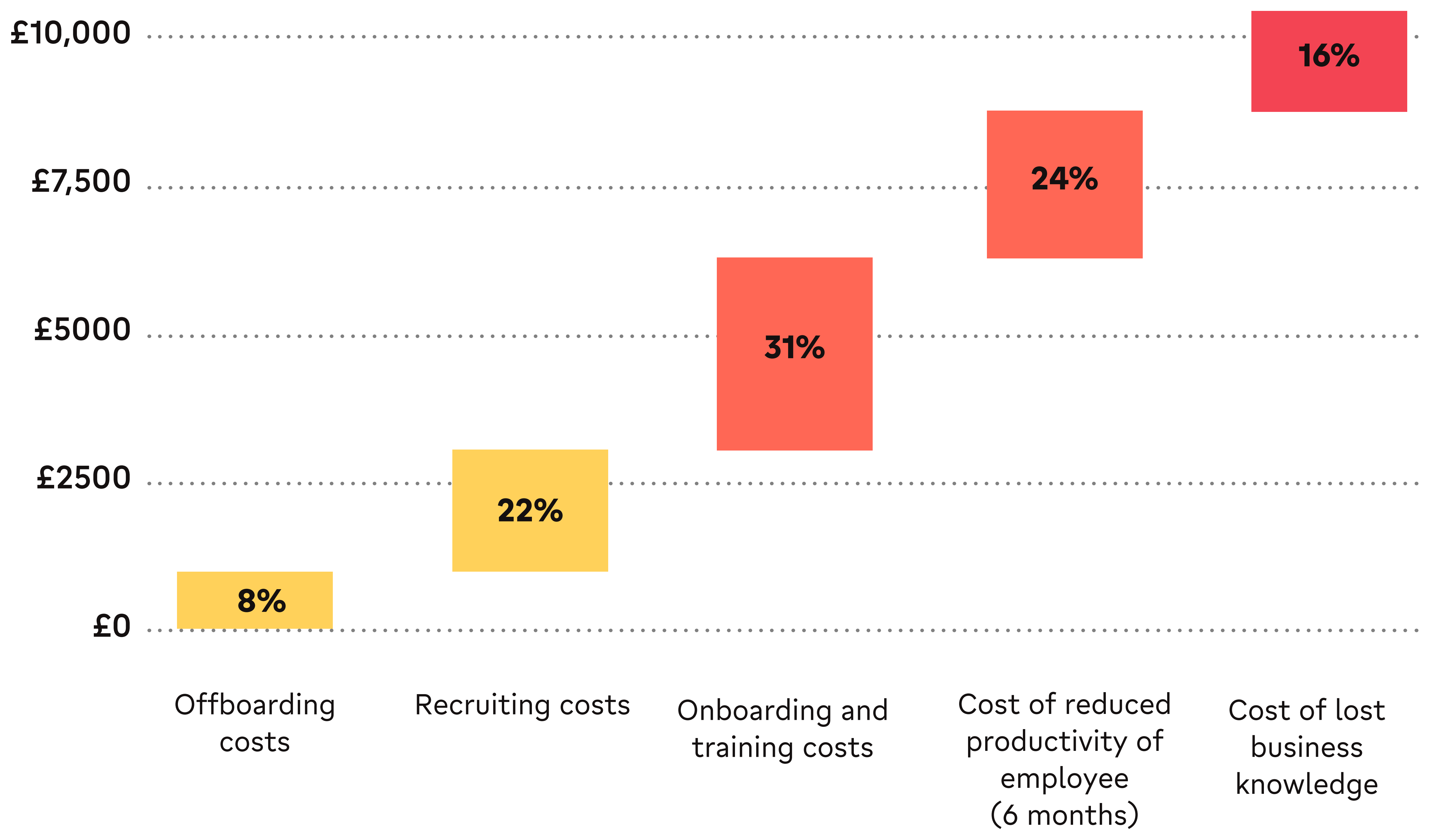
Source: 'Why staff turnover data matters' – CIPD analysis of APS longitudinal data Jan 2020 to Dec 2021

To get a realistic figure that's applicable to frontline work, we turned to Flip customers across manufacturing, retail, food services, and other frontline-dependent industries in the UK & Europe, combining their expert insights with industry benchmarks and research data.

In addition to recruiting and training costs, we factored in the hard costs of onboarding and offboarding, along with the 'soft costs' of lost productivity and knowledge. Only where applicable do the calculations include compliance costs and software licences, in addition to prorated salary costs for staff.

Running the numbers returned **£10,360, or over 40% of the outgoing frontline worker's annual salary.**

The cost of replacing a frontline employee



This will be a considerable underestimate for some companies; the model uses fairly modest assumptions to ensure it reflects the broadest range of our customers. The calculations are based on a 35-hour working week, with an hourly wage of £12.50 for a frontline employee and £17.50 for a manager. We assumed five interviewed candidates per successful hire and a £50,000 annual salary for HR and IT staff.

For industries like manufacturing – or for any business facing worker shortages in specialised roles – the total could be much higher.

'Pffft, five figures is pocket change for some businesses!' we hear you say. And you're not wrong. But plug in a 27% average voluntary turnover rate, and those costs start to add up fast.

The cost of replacing a frontline employee

	Cost in EUR	Cost in GBP	% of total
Offboarding costs	**€943.53**	**£802.00**	**8%**
Recruiting costs	**€2,856.47**	**£2,228.00**	**22%**
Onboarding and training costs	**€3,753.41**	**£3,190.40**	**31%**
Cost of reduced productivity of employee (6 months)	**€2,677.65**	**£2,476.00**	**24%**
Cost of lost business knowledge	**€1,957.65**	**£1,664.00**	**16%**
Total	**€12,188.71**	**£10,360.40**	100%

How high engagement helps

It should go without saying: **Highly engaged employees are more likely to stay.**

Gallup analysis finds that businesses with high engagement see an average of 18% lower employee turnover. For traditionally high-churn businesses like retail or food services, the difference found was 43%. Gartner's ballpark is higher still, arguing that organisations that can successfully engage workers by improving their employee experience can reduce turnover by almost **70%**.

Plug in those figures instead, and it's the savings that add up quickly – and neglecting disengaged employees becomes a very expensive oversight.

Frontline employee turnover

Predicted annual cost by voluntary turnover rate (£)	Turnover %	50	100	500	1,000	5,000	10,000
Cost at average rate	26.9%	£139,342	£278,684	£1,393,420	£2,786,840	£13,934,200	£32,788,410
Cost with 18% reduction[1]	22.1%	£114,260	£228,521	£1,142,604	£2,285,209	£11,426,044	£26,886,496
Cost with 43% reduction[2]	15.3%	£79,425	£158,850	£794,249	£1,588,499	£7,942,494	£18,689,394
Cost with 70% reduction[3]	8.07%	£41,803	£83,605	£418,026	£836,052	£4,180,260	£9,836,523

Potential annual savings by turnover reductions (£)	Turnover %	50	100	500	1,000	5,000	10,000
Savings with 18% reduction[1]	22.1%	£25,082	£50,163	£250,816	£501,631	£2,508,156	£5,016,312
Savings with 43% reduction[2]	15.3%	£59,917	£119,834	£599,171	£1,198,341	£5,991,706	£11,983,412
Savings with 70% reduction[3]	8.07%	£97,539	£195,079	£975,394	£1,950,788	£9,753,940	£19,507,880

1-Gallup low turnover orgs 2-Gallup high turnover orgs 3-Gartner estimate

The costs of employees not caring

Though low engagement predicts more resignations, not every disengaged employee will leave.

So finally, some good news? Eh... not quite. Disengaged employees who stay pose risks to the business, too. They call in sick more often, make more mistakes, contribute fewer ideas, and satisfy fewer (if any) customers.

When we asked our survey respondents why they were investing in employee engagement, they frequently mentioned recruitment and retention. However, by far and away the most commonly cited reason was efficiency – making the most of the employees who stay.

'Retention isn't a problem for us, but motivation is. Ours is a tough sector – plagued by poor [industry] poll results and poor margins. So quite a lot of our focus is around increasing worker motivation and giving people morale in quite severe and difficult circumstances.'

– Chief People Officer, Telecommunications

Absenteeism

£500-1000	annual absence costs for one frontline worker **(Institute for Employment Studies)**
7.8	sick days per UK worker in 2023 **(CIPD)**
81%	difference in absenteeism between highly engaged & disengaged teams **(Gallup)**

Though you'd expect fewer people to phone in sick in the 'post-pandemic' era, **UK absenteeism rates hit their highest levels in over a decade in late 2023.** That's an **increase of 34%** over pre-pandemic rates. While we can attribute some of that increase to the lasting effects of COVID-19 infections, the most common reasons for those absences were 'minor illnesses' and mental ill health.

The business cost of sick leave varies, but calculations from one large retailer put the annual absence costs of a single sales floor employee at between **£520 and £1321**. And that's in 2001 money. In 2018, pure absence costs for mental health alone cost UK employers **£7 billion**, with **17.5 million** days lost to work-related stress, depression, or anxiety.

These lost days have a ripple effect on overall engagement. By reducing manpower in the team, absences put further pressure on colleagues, fuel the ongoing **burnout epidemic**, and **amplify the negative impacts on the business.**

> 'Frontline employees take almost twice as much sick leave as HQ workers and they stop working for longer periods. It's really impacting productivity.'
>
> – Chief Information and Technology Officer, Local Government

Whether it's **burn-out or bore-out** to blame, low engagement inflates absence rates – and racks up absence costs. But the **right employee engagement strategy can bring the costs down substantially.** Meta-analysis data from Gallup shows an **81% difference in absenteeism** rates between business units with top- and bottom-quartile engagement levels.

Productivity, safety, and operational excellence

125% higher productivity for engaged workers in specialised roles **(McKinsey)**

85% higher cost due to lower productivity of disengaged workers **(Gallup)**

64% fewer accidents in engaged business units **(Gallup)**

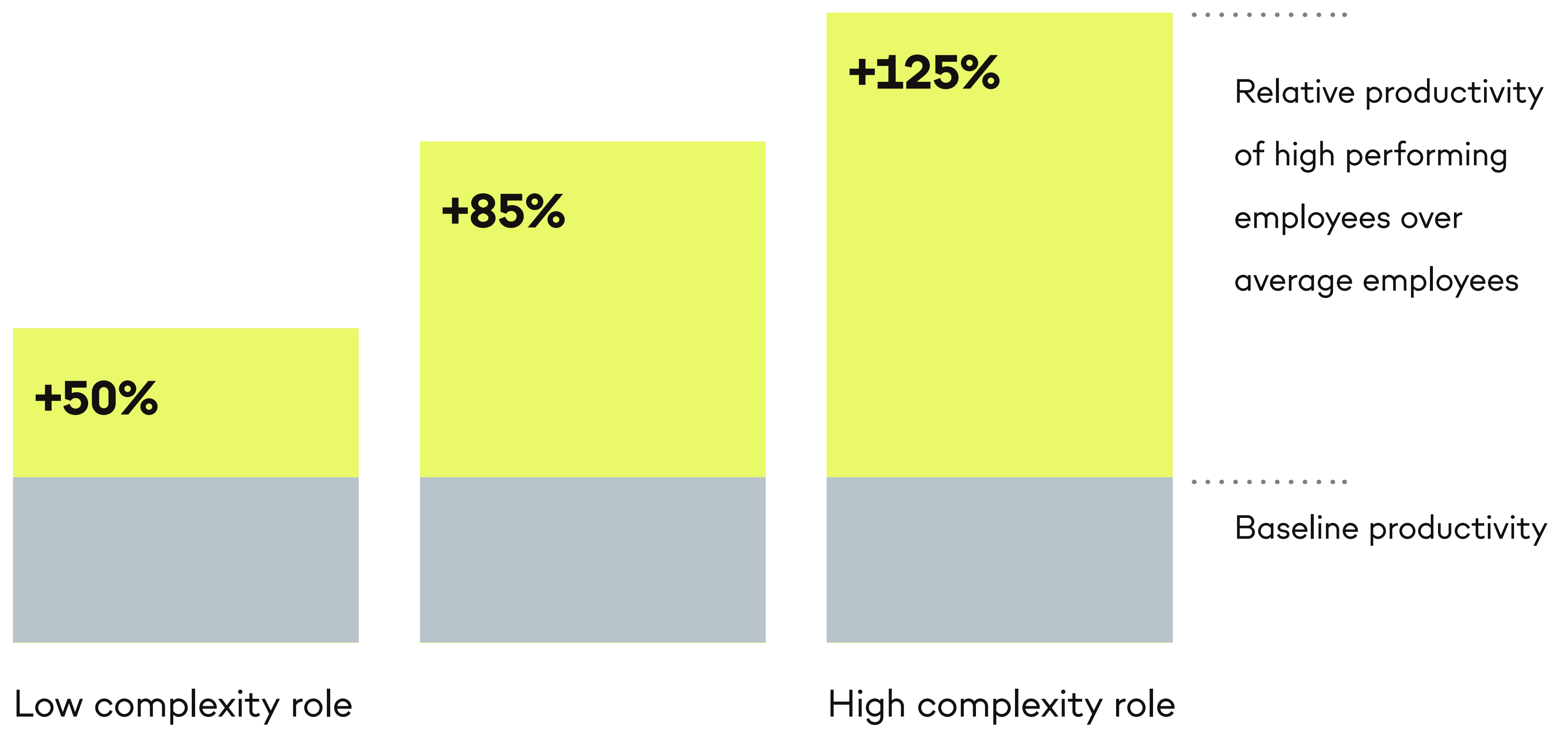
When workers are engaged, they're willing to put in more 'discretionary effort' at work. **Highly engaged employees are team players who happily go the extra mile.** They graft hard, proactively identify and solve problems, flag safety concerns, and contribute innovative ideas.

Employees themselves agree, with a **McKinsey survey** noting that the higher a worker's 'satisfaction and commitment', the higher they rate their own performance. And they're not just patting themselves on the back – meta-analysis data supports it. Engaged teams experience **64%** fewer accidents at work, **41%** fewer quality defects, and a **28%** lower rate of theft shrinkage.

Performance boosts are especially valuable in certain industries. Patients under highly engaged healthcare teams, for example, are **58%** less likely to endure a significant safety incident such as death or a fall.

Engagement also brings unbelievable bang for its buck in industries like manufacturing that rely on skilled workers. While high performers are already 50% more productive than average performers in low-complexity roles, the difference jumps to 85% in medium-complexity roles. For complex skilled work, your top talent is **125% more productive**.

Percentage of productivity gain of high performers over average performers



Not only do highly engaged workers get more done in less time, they do it better – reducing the chance of costly errors, quality defects, and safety incidents

Engagement breeds innovation

Europart's frontline-powered innovation pipeline

Europart is the European market leader in spare commercial vehicle parts and other workshop equipment. It's also gained multiple accolades as one of Germany's most innovative businesses.

To boost its innovation pipeline, Europart collects proposals and feedback from employees. With the help of Flip's employee platform, workers from across the business can directly submit their ideas to management – right from their employee app.

The app's launch spurred a flood of ideas, with an almost 100% increase in innovation suggestions in the first year alone.

With 98% of those bright ideas being implemented, Europart's high employee engagement is delivering real value back to the business.

Read Europart case study →

Customer satisfaction, profitability, and growth

18% higher sales from highly engaged teams **(Gallup)**

170% higher operating margins **(Towers Watson)**

23% higher profitability of highly engaged business units **(Gallup)**

More discretionary effort goes beyond improving efficiency: It also drives top-line growth.

Highly engaged teams drive **higher customer loyalty** and **18% higher sales**. When **Hitachi launched an employee engagement project** to increase worker satisfaction and productivity, the boost was better still; the initiative produced a 34% increase in sales per hour at its call centres and a 15% increase in retail sales.

Businesses who continue to neglect employee engagement will surrender the upper hand to competitors who do invest in their workforce.

But for the clearest idea of why low engagement is a risk to business competitiveness, we can turn to the old faithful: Cold hard cash. Highly engaged business units are **23% more profitable** than their low engagement counterparts, with up to **three times higher operating margins**. They also enjoy **higher earnings per share** (EPS).

'We have a 24-hour worldwide operation covering retail stores, stock, and distribution centres, and we want to be more profitable, so it's really import-ant that workers feel connected to the business – especially those frontline shift workers who come in, do their time, and leave.'

– Transformation Lead, Retail

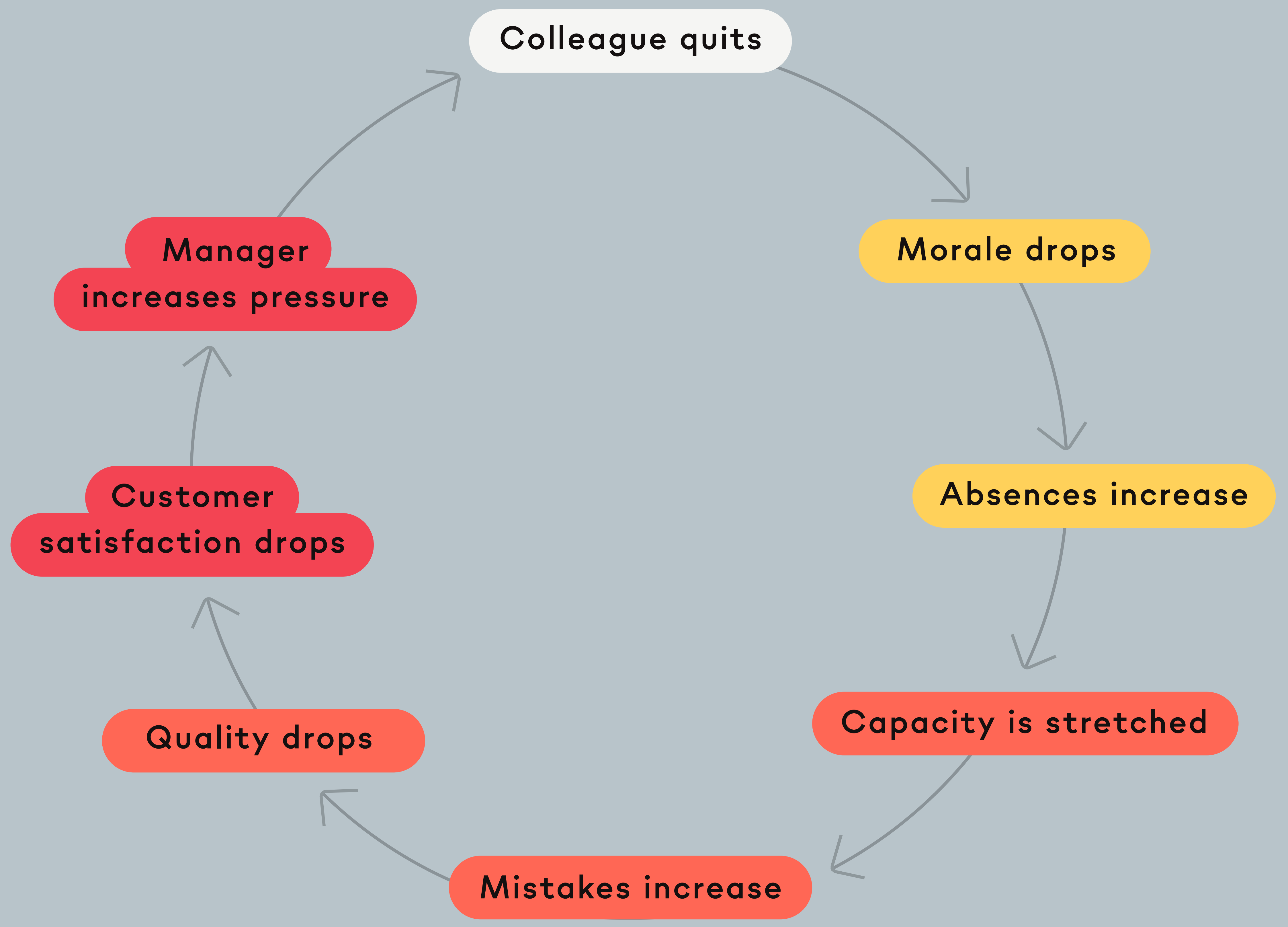
So along with enjoying higher retention, productivity, sales, and profitability, **companies with high employee engagement are more resilient when times are tough.**

The negative engagement feedback loop

A final word to the wise on the risks of disengaged employees. While we've separated the impacts out into discrete categories here, they're intimately linked.

Take retention, for example. Losing a valued colleague will bring even a highly engaged employee's energy and morale down. If they're more absent as a result, their colleagues have to bear the burden. Overworked and disgruntled, they make more mistakes or provide substandard customer service. The drop in quality causes the manager to come down hard on the team. Valued colleagues start to think about leaving – and on it continues in a negative feedback loop.

Low engagement is contagious.



How much is your disengaged frontline costing you?

Disengaged employees are always expensive – but how big is the bill for your business? With our savings calculator, it's never been easier to find out.

Using current industry data and real experiences from Flip customers, our free calculator estimates the cost of low engagement to your company – and shows just how much you could save by effectively reaching and engaging your frontline employees.

Simply plug in your industry, company size, and some basic operational information, then hit submit. In no time, you'll receive a personalised report breaking down current costs and potential savings across key areas of concern.

Calculate your costs of low engagement →

How do you measure improvement and success?

Difficulty proving the ROI of employee engagement initiatives was a common challenge amongst the business leaders we surveyed. A third of respondents placed it in their top three concerns, rising to nearly half of retailers.

Even with reams of analyst evidence linking high engagement to better business outcomes, **difficulty predicting and proving value makes stating the business case for any investment much harder.** With no investment, engagement will likely nosedive further.

In part, this difficulty proving value stems from challenges measuring engagement in the first place. Two-thirds of our survey respondents strongly agreed that establishing clear metrics for engagement is 'very challenging'.

32%

of frontline business leaders cite proving ROI or business impact as a major blocker to getting support for employee engagement initiatives.

67%

UK frontline business leaders find it very challenging to demonstrate clear metrics on workforce management and engagement.

Beyond eNPS

The majority of the business leaders we directly interviewed use Employee NPS as their primary measure of engagement – reasoning that only engaged employees will recommend the business as a place to work. It's a great start, but it has some limitations.

Firstly, eNPS isn't a perfect measure of engagement. While it's a useful indicator, we know that **a satisfied employee isn't always an engaged employee.**

In turn, this limits its relationship to many of the business outcomes we explored earlier; a high Net Promoter Score doesn't guarantee an employee is 'directing [that] enthusiasm toward organisational success.'

Finally, because a standard **eNPS is descriptive rather than analytical**, it gives no insights into the employee experience. Simply, it doesn't reveal why a response was given. We could add free text input for more information, but the response data will be harder to use, and the increased friction for employees could drive down response rates.

To overcome these limitations, we need to combine eNPS with other measures and make informed choices about how we collect other data.

	'I'm so happy with my job – I get paid for barely doing anything!'	'I can't stand my job, but I'd hate to let my colleagues down.'
eNPS	**9 Promoter**	**2 Detractor**
Morale	✓	✗
Energy	✗	✓
Engagement	✗	✗

Employee NPS

✓ Quick to complete – drives response rate	✗ Imprecise measure of engagement
✓ Linked to engagement	✗ Gives no context on engagement drivers
✓ Parallels customer NPS	✗ Limited relationship to business outcomes

Blended data, better insights

We know that **employee engagement doesn't sit in isolation.** It's determined by the employee experience and serves as a leading indicator for the key business benefits we've explored. So while it can be measured alone, that wouldn't provide the full picture.

To comprehensively evaluate engagement, we need data to answer three key questions:

Employee engagement

What are morale and energy levels like within the workforce?

Employee experience

Are we meeting workers needs?

Business outcomes

Are morale and energy levels impacting business KPIs?

The best sources, metrics, and collection methods will depend on many factors (like your industry, company size, or workforce make-up), but here are some examples as a starter for ten.

Looking into all three dimensions in parallel allows us to draw correlations and comparisons. This helps to prove the impact that employee experience upgrades have on employee engagement levels – and to contextualise their value back to the business.

Why	How	What	When
Engagement outcomes	Employee poll	• eNPS • Morale self-report score • Energy self-report score	Monthly, or quarterly
	Tool usage data	• Pulse survey response rate • EX survey response rate • HR, comms, and productivity tool usage rates	Quarterly
Employee experience (EX) inputs	New hire survey	• Onboarding effectiveness	One-off

	Employee survey	• Met/unmet ratings for needs
		  • Foundational needs (e.g. compensation)
		  • Operational needs (e.g. workload)
		  • Performance needs (e.g. incentives)
		  • Social and cultural needs (e.g. leadership)
			Biannually or annually

	EX data	• e.g.
		  • Promotion rate
		  • Pay disparities
		  • Training completion rate
			Quarterly

Business impacts	Business KPIs	• Retention & absenteeism e.g.
		  • Retention rate
		  • Voluntary turnover rate
		  • Absence rate
		• Productivity, safety, and OpEx, e.g.
		  • Cost per unit or cost per sale
		  • Error rate, incidents, near misses
		  • Time to issue resolution
		• Customer satisfaction and profitability e.g.
		  • CSAT / NPS
		  • Revenue per employee
		  • Profit per employee
			Quarterly

Getting the most out of surveys

Any measurement method will rely heavily on self-report data from employee surveys. They're a great tool, but they need to be used wisely for the most accurate and actionable results.

Anonymity

Anonymity. Surveys produce the best data when respondents can be honest without worrying they'll face repercussions, so **individual employees shouldn't be identifiable by default.** That said, completely anonymised responses present barriers to analysis and improvement, so limiting personal data to characteristics like job role, age, or time in the business offers a happy medium.

Survey design

Oodles of open-ended questions and too many free text fields can generate more information than you can meaningfully process and act upon – if it doesn't put employees off responding entirely, that is. **Collect free-input qualitative data only where it's really needed** – quantitative data is easier for employees to provide, and easier for you to analyse.

Timing

If surveys arrive too often or they take an age to complete, they'll negatively impact the employee experience. **Pestered employees will get 'survey fatigue'**, and your ability to measure engagement will suffer. Combining short, more frequent pulse checks with longer but infrequent surveys minimises overall friction whilst delivering rich, actionable insights. In our table above, for example, we've suggested monthly or quarterly 'pulse checks' alongside longer employee experience surveys once or twice a year.

Channels and tools

How you distribute surveys makes all the difference to response rates and the quality of your data. Digital distribution is better, but it isn't always bulletproof.

This is especially true on the frontline. Emailing out your survey links will suit back office workers, but what about employees who don't have (or use) a company email address? You could pin up a notice in every single staff room, but how many employees are really going to scan that QR code or manually type out that URL? There's no guarantee they even saw it.

To avoid low response rates and skewed data, **distribute surveys in easily accessible channels that frontline employees actually use.**

It’s time to complete your daily employee experience survey! Don’t worry – it’s only 64 open-ended questions about your morale, motivation, wellbeing, workload, training needs, pay satisfaction, growth aspirations, alignment with the company vision, and views on senior management.

And remember, it’s completely anonymous... probably!

Ummm... I’d rather not. Thanks but no thanks!!

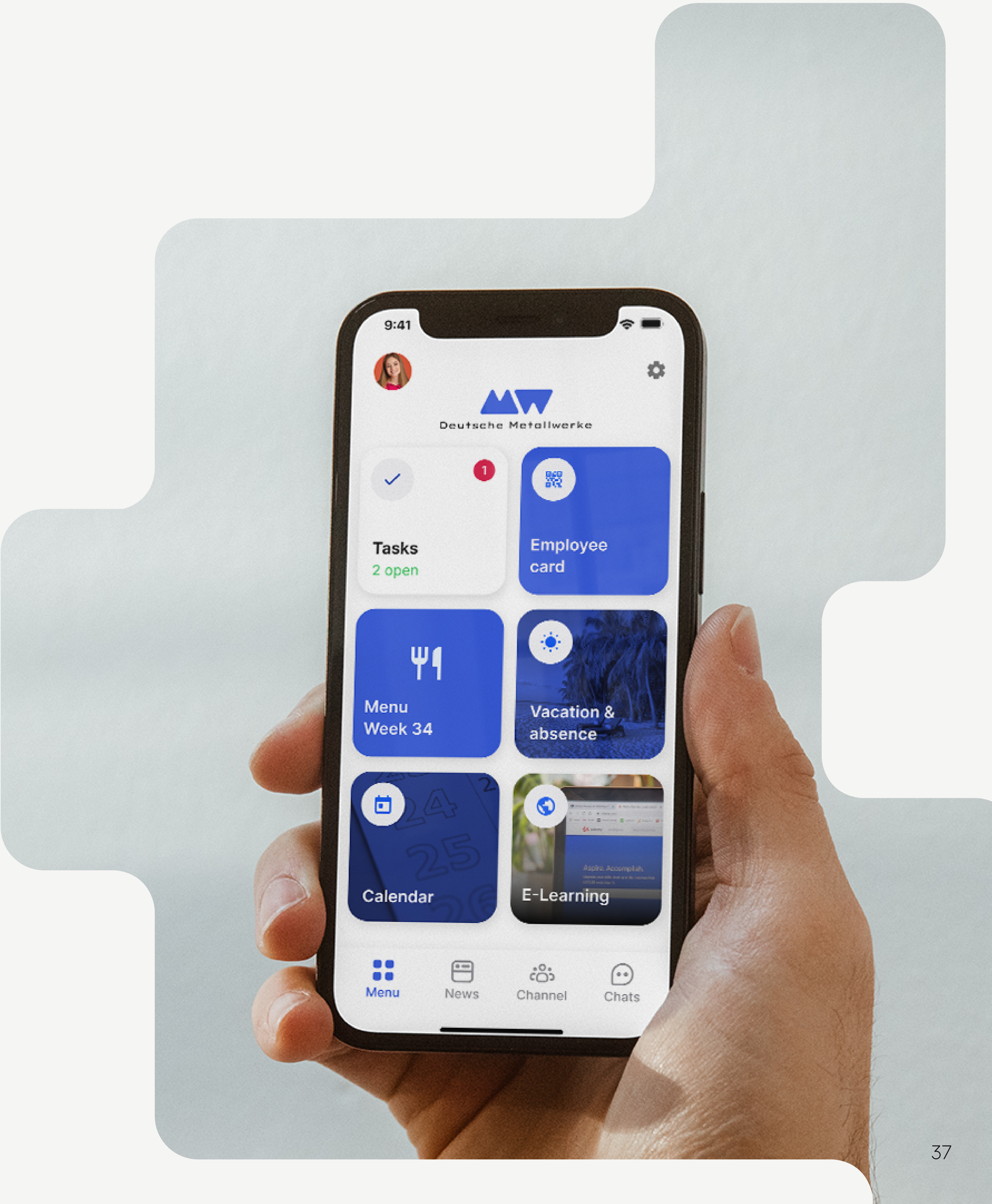
Explore the all-in-one app they'll actually use

To engage frontline employees, you have to reach them first.
That's where Flip comes in.

Our employee experience platform was purpose-built for businesses with hard-to-reach workforces.

Secure and easy to use, it provides a single digital interface between a business and its workforce, connecting every employee with the right people, news, info, and tools — all from a handy app in their pocket.

Discover Flip →



Segmentation analysis

No matter how much data you collect or how effectively you build your measurement model, it will be of limited value if all workers are assessed as a one-dimensional category.

Maybe morale is particularly low in one region, or middle manager energy is waning due to high stress. Perhaps the leadership vision doesn't motivate younger workers, or women in the company feel under-recognised and under-rewarded.

Unsegmented data makes it impossible to know. When these nuances are collapsed, we can't layer dimensions to learn about the engagement of a specific group of workers – we can only draw broad-brush conclusions. **This means poor targeting of any action or investment.**

With segmentation, it's much easier to identify reasons for low engagement within certain groups and apply known context to the data. That builds a foundation for targeted tactics to address unmet needs in specific segments of the workforce.

That benefits everyone, but it's absolutely paramount for engaging the frontline.

Conclusion: The companies of tomorrow are investing in frontline employees today

Every single area of a business benefits from highly engaged employees, with upsides ranging from better employee retention and lower absenteeism to improved productivity, customer satisfaction, and even profitability. An effective employee engagement strategy enables businesses to survive and thrive in both boom times and bust.

It's already high on the corporate priority list, but with analyst firms and business leaders alike reporting stubbornly low levels of engagement, it's clear that **there's still some way to go.**

The distance to cover is greater still on the frontline. These vital workers form 'the face of the operation', and the value they contribute is **disproportionately high**. Yet they present a **higher risk of disengagement** than their back office counterparts.

Engaging any worker means creating an employee experience that meets a broad range of their needs. Thanks to pandemic-era developments that changed our ways of working, the employee experience has improved for many back-office workers. We're enjoying better work-life balance and working more productively, supported by a suite of communication and collaboration tools that keep us connected to our colleagues and our companies.

It's no surprise that frontline engagement is flagging. The work is decidedly different, and the needs of frontline employees just aren't being met.

But you can't man the tills from the kitchen table or work the assembly line from another time zone. **Our vision of the future of work simply doesn't work for the frontline.**

Frontline labour combines inherent limits on flexibility with comparatively lower pay, fewer perks, and slower career growth. The work is more arduous, the health risks higher, and the job security lower. Some 'solutions' make it harder still, with communication and productivity suffering as workers navigate tools and technology designed for a totally different job.

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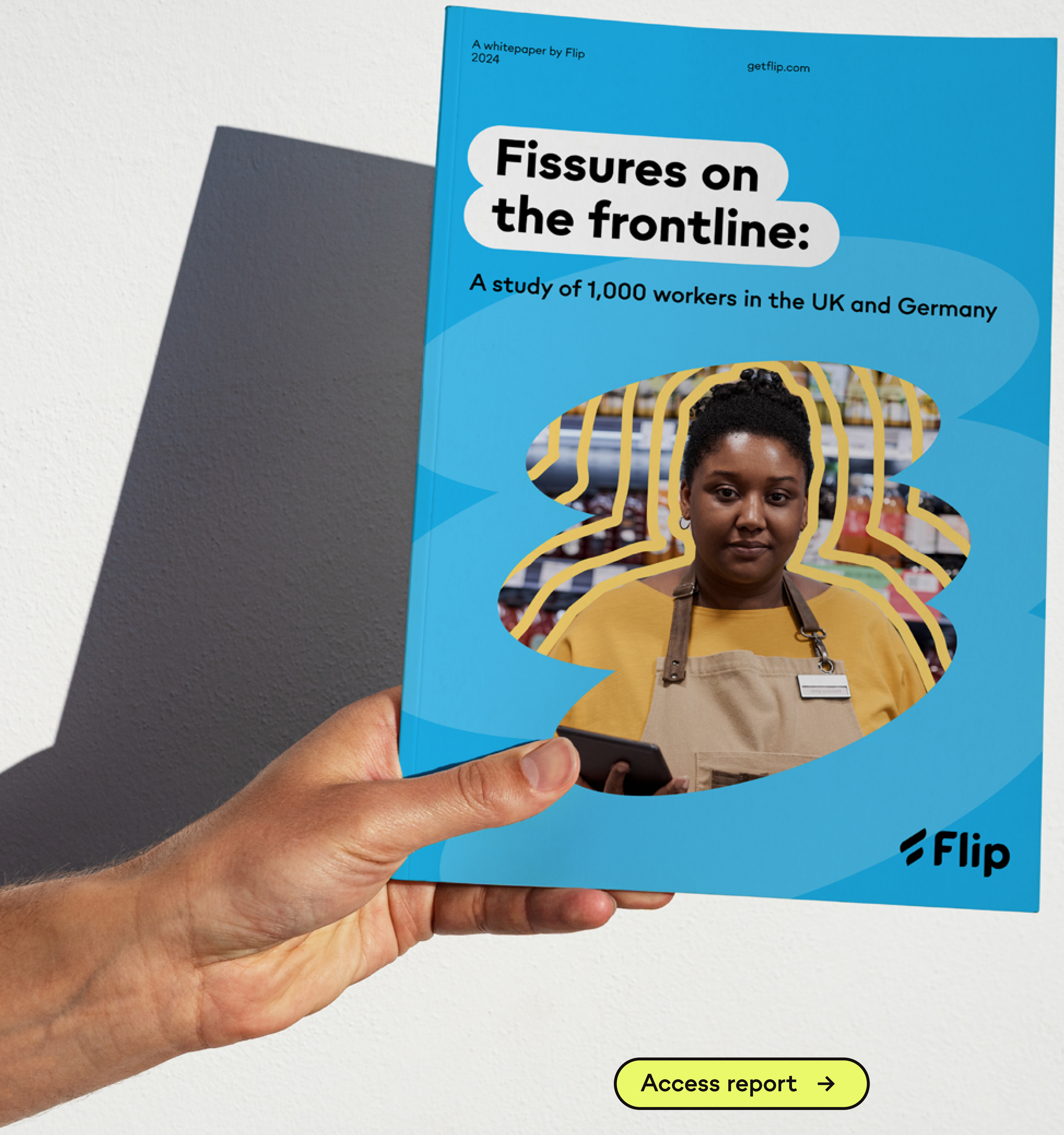
The good news is that business leaders already understand the frontline requires a different approach; 78% of the UK respondents we surveyed agreed or strongly agreed that these workers' needs are distinct from other parts of the business.

The burning question is **what those needs are – and how to meet them.** But as luck would have it, our next report has answers.

EXCLUSIVE REPORT



Access report →

Build your frontline engagement strategy with frontline intel

Unless retailers, manufacturers, and other frontline-dependent businesses can build an employee experience that engages frontline workers, the costs of low engagement will just keep adding up.

But how do you design an engagement strategy that's fit for the frontline? Well... who better to ask than 1,000 employees across key industries in the UK and Germany.

In our exclusive report on the state of the frontline workforce, frontline employees across manufacturing, hospitality, retail, healthcare, and more reveal their unmet needs and unique challenges. It's jam-packed with actionable insights into frontline employee engagement, including:

- What's holding back frontline productivity
- How valued frontline workers really feel
- Why frontline workers leave their jobs
- Which employee engagement initiatives actually work (and which don't!)
- What frontline teams really think about new technology

Methodology

Want to check our working? We get it.

For the best insights into the current state of workforce management and employee engagement efforts, we combined a quantitative survey with qualitative interviews.

Our audience consisted of business leaders (Head of, Director, VP, and C-Suite job titles) across key functions responsible for employee engagement and workforce management, and across all industries.

Quantitative survey

Our quantitative survey sample consisted of 1,704 leaders at companies across all industries.

The questions asked about their priorities and goals, strategy, success measures, current tools, planned investments, unmet needs, and outlook when it comes to employee engagement.

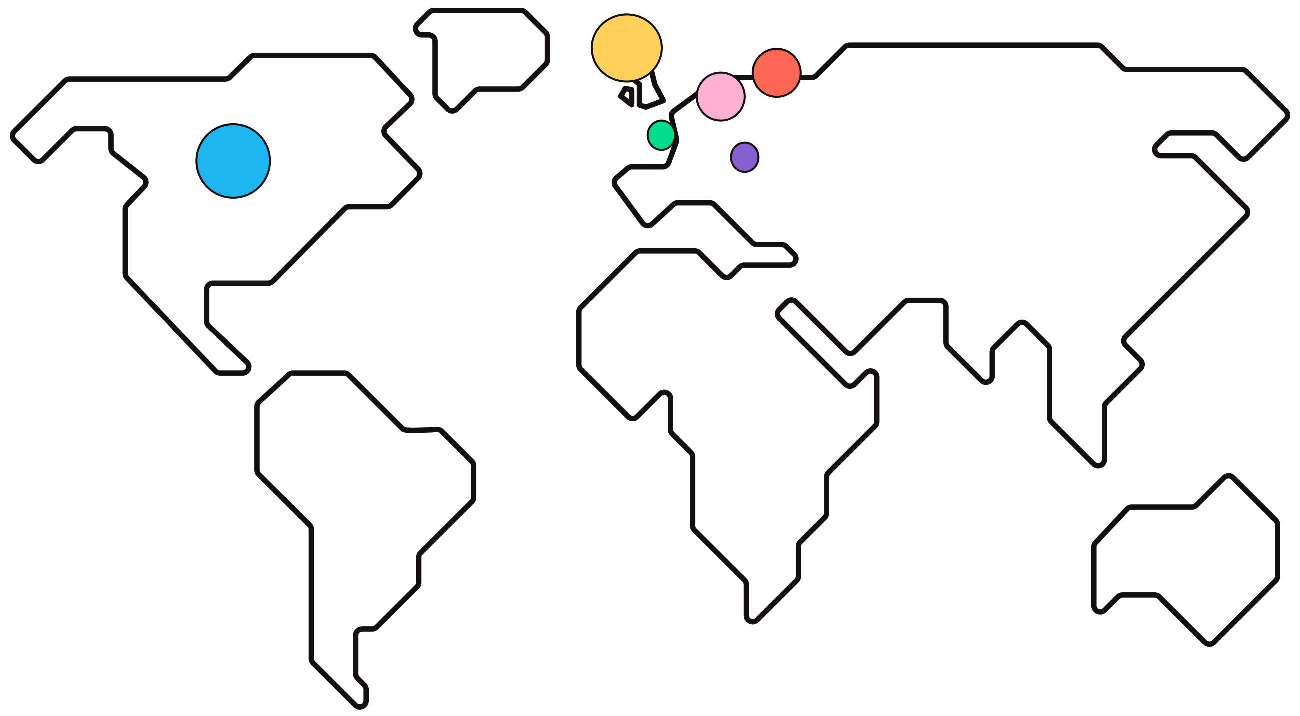
Qualitative interviews

To supplement the quantitative survey, we conducted individual hour-long in-depth interviews with 30 senior HR, IT, Operations, and Comms decision-makers at large companies and enterprises across the UK and EU, targeting specifically businesses with a high proportion of frontline workers.

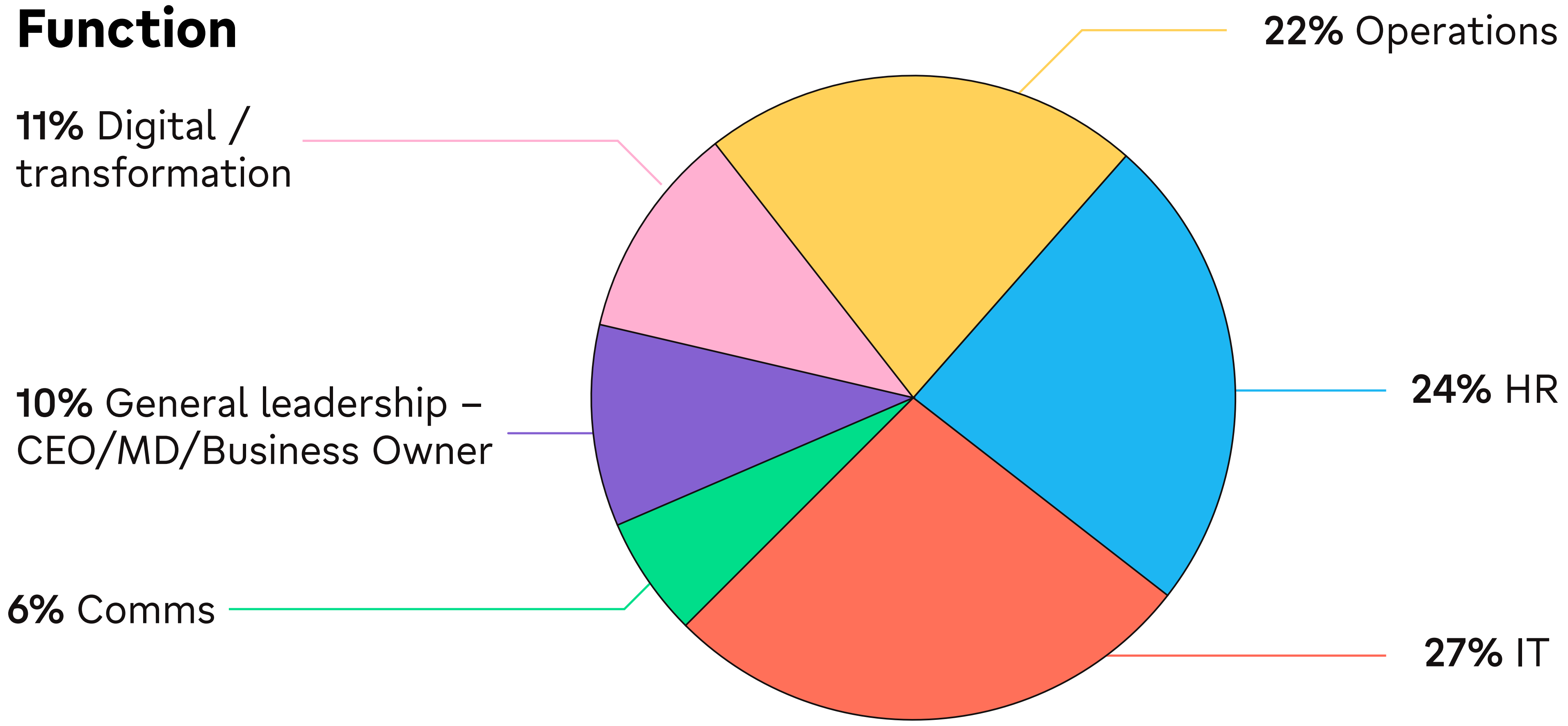
The respondents' backgrounds

Geography

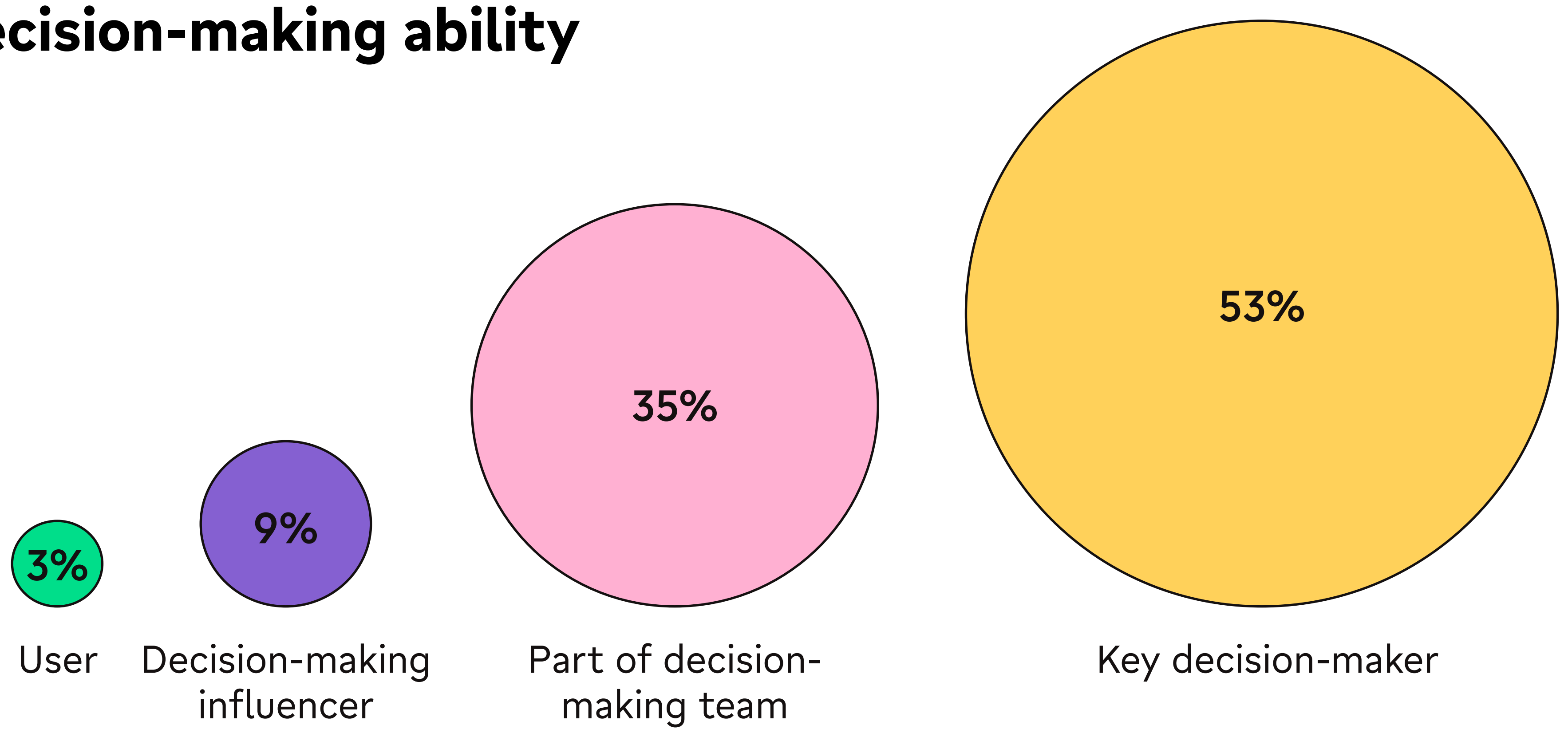
- 401 US (23.5%)
- 400 UK (23.5%)
- 303 DACH (17.8%)
- 300 France (17.6%)
- 150 Italy (8.8%)
- 150 Spain (8.8%)



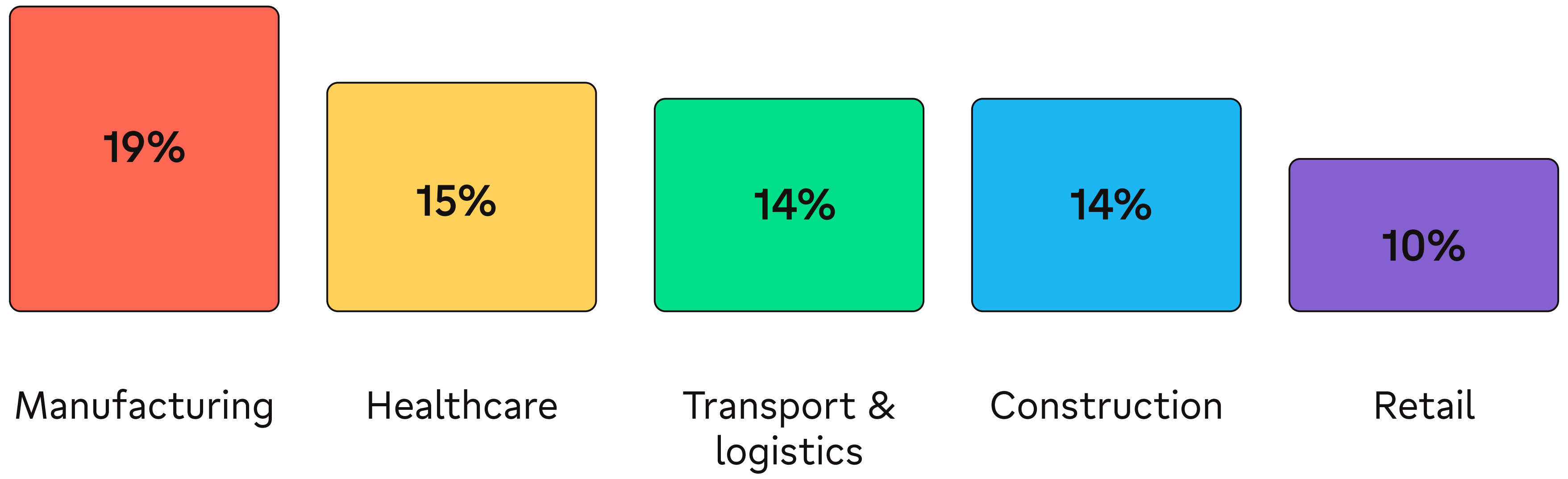
Function



Decision-making ability



Top industries



How much is a disconnected frontline costing you?

Get a line-by-line estimate of how much money your organisation could save due to employee retention, streamlined communications, process improvements, and more! All it takes is a few clicks.

Access our free cost savings calculator →

About

Flip is the employee experience platform that heavyweights like Bosch, Porsche, and McDonald's Germany use to reach and rally their whole company, from head office to the shop floor. It's renowned for its super easy-to-use white-label app, which connects employees with the right people, news, and knowledge in an instant, and makes everyday tasks like coordinating shifts and sharing success effortless.

Get to know the Flip app →

getflip.com