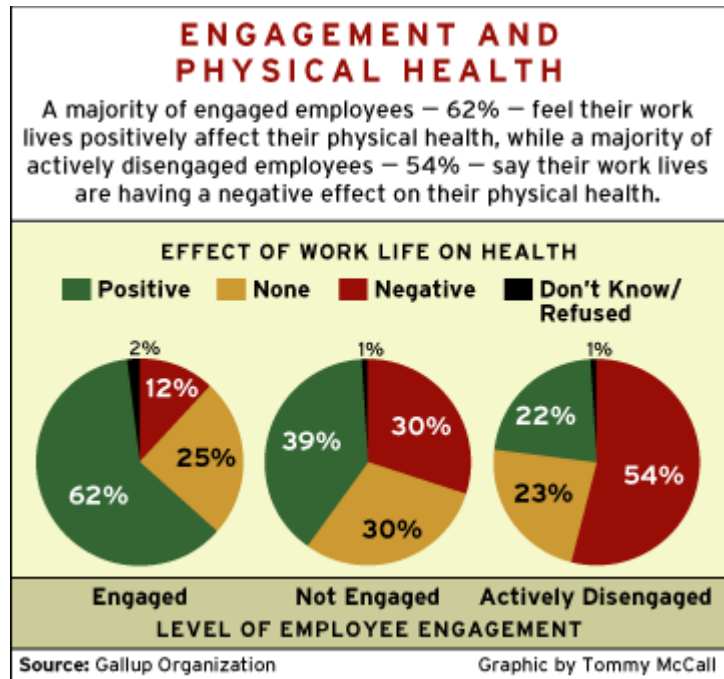


Employee Engagement Keeps the Doctor Away

by Steve Crabtree

The skyrocketing cost of health insurance is scaring many executives more than anything else these days. In the latest Gallup survey of small business owners, more than two-thirds (68%) say they think healthcare costs are hurting the current business climate "a lot." No other issues -- including high energy costs and job outsourcing -- drew as many such responses.

No wonder senior executives are worried. Recent reports by Hewitt Associates noted that healthcare costs are expected to rise at an average rate of 11% in 2005, but employers say they're capable of absorbing an annual increase of only about 9%. Executives desperately seeking ways to keep a lid on payouts are trying various tactics, from investing in wellness programs to cutting benefits for employees' spouses or retired employees. But they may overlook a factor strongly linked to employees' physical and psychological well-being, one over which they have a great deal of influence: how engaged employees are at work.



Physical health

The latest *Gallup Management Journal* Employee Engagement Index survey asks American employees how they think their daily work experience affects their physical and psychological health -- negatively, positively, or not at all. First, let's look at the overall numbers: 43% of employees feel their work lives affect their physical health positively, 29% say negatively, and 27% say not at all. Those numbers could represent a half-empty or half-full glass: Some may be struck by the fact that a plurality of respondents feel their jobs *enhance* their physical health, while others may find it disturbing that almost 3 in 10 say their jobs are *harming* them physically.

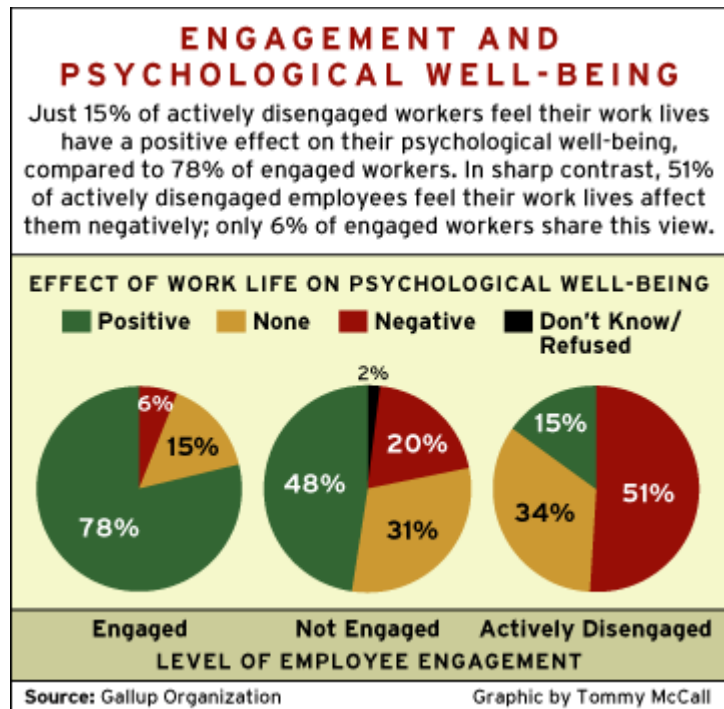
Interestingly, isolating job categories that are more likely to be physically demanding -- such as service workers, skilled tradesmen, semi-skilled workers, and laborers -- yields little difference: 43% of such workers say their day-to-day jobs affect their physical health positively, as did 43% of those more likely to have desk jobs. Thirty-one percent of those in jobs more likely to involve physical work feel their jobs are harmful to their physical health; 28% of those in less physical jobs say the same.

But here's the key: There are *big* differences according to employees' engagement levels -- that is, whether they are engaged, not engaged, or actively disengaged -- regardless of job type. (See sidebar "The Three Types of Employees.") Among engaged employees, a clear majority -- 62% -- feel their work lives positively affect their physical health. That number plummets to 39% among not-engaged employees and 22% among the actively disengaged. More alarming is the fact that a *majority* of actively disengaged employees -- 54% -- say they think their work lives are having a negative effect on their physical health. Thirty percent of not-engaged employees and just 12% of engaged employees say the same.

Psychological well-being

The numbers are slightly better when it comes to *mental* health. Overall, 52% of employees say their work lives positively affect their psychological well-being, 21% feel the effect is negative, and 27% say there is no effect.

But the differences by engagement level are even more dramatic here: 78% of engaged workers feel their work lives benefit them psychologically. Just under half (48%) of not-engaged employees and a meager 15% of actively disengaged employees say the same. Conversely, just over half (51%) of actively disengaged employees feel their work lives are having a negative effect on their psychological well-being, compared to 20% of not-engaged workers and just 6% of engaged workers.



The survey also asks employees whether they had three or more days in the past month when work stress caused them to behave poorly with their family or friends. Overall, almost a third (32%) say yes. But again, the differences by engagement level are striking: Just over half (51%) of actively disengaged employees say yes, compared to 35% of not-engaged employees and 18% of engaged employees.

All of this leads to obvious questions: What's the connection? How can engagement with one's job have any bearing on healthfulness? First, as any good researcher will tell you, correlation doesn't imply causality. In this case, it may be that those who say their jobs positively affect their health are simply more optimistic overall and therefore are more likely to be engaged in their work. But for managers and hiring professionals, that doesn't change the implication: Engaged employees are more likely than others to view their jobs as healthy.

Besides, there are intuitive reasons to think engagement at work may in fact lead to better health. Employees who respond favorably to GMJ's engagement questions typically have more resources to help them deal with work pressures than those who don't. For example, the data indicate that employees who say they have a "best friend" at work cope with stress more productively than those who don't. (See "Motivating Employees When the Pressure's On" and "Item 10: I Have a Best Friend at Work" in See Also.) Given recent estimates that a third of all adult Americans -- over 65 million of us -- suffer from high blood pressure, anything that reduces job stress for a significant number of people could have major health implications.

Consider also the results of an influential 1990 study at the University of Sheffield on job redesign. After workers on a factory-room floor were given the training and freedom to make repairs to their own equipment rather than having to call a supervisor every time they experienced a problem, they reported fewer occupational injuries (and their job satisfaction increased to boot). The implication: Workers who feel they have control over their own destiny at work -- a key aspect of engagement -- are more likely to stay focused and less likely to make preventable mistakes.

What about the conditions that make for a *psychologically* healthy workplace? Gallup's 12-item employee engagement survey, the Q¹², is a good barometer of a fulfilling workplace environment. But Gallup also asked employees to name, in their own words, the single most important factor in maintaining a sense of comfort and well-being at work. Responses were varied, but the most common had to do with communication and interpersonal dynamics among workers:

- open communication (named by 14%)
- respect (11%)
- positive relationships with coworkers/getting along with everyone (9%)
- teamwork (6%)
- trust (6%)

In other words, employees are likely to feel the biggest stress-buster is a workplace environment designed to foster open, respectful, and positive relationships among coworkers.

Conclusion

Corporate wellness programs are hindered by the fact that most Americans aren't in the habit of getting regular exercise -- in Gallup's recent lifestyle survey, only 29% say they engage in vigorous physical activity three or more times a week. Unless business executives are prepared to herd people into the gym over the lunch hour, they have only a limited amount of control over this aspect of employees' lives.

The Three Types of Employees

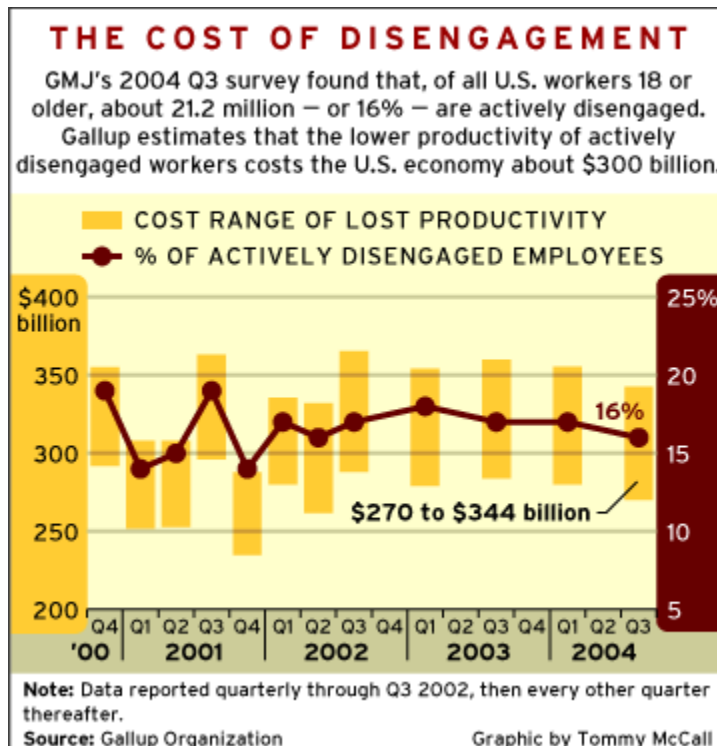
1 ENGAGED employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.

2 NOT-ENGAGED employees are essentially "checked out." They're sleepwalking through their workday, putting time -- but not energy or passion -- into their work.

3 ACTIVELY DISENGAGED employees aren't just unhappy at work; they're busy acting out their unhappiness. Every day, these workers undermine what their engaged coworkers accomplish.

But they have a great deal more control over the workplace conditions that lead to engagement -- things like making sure employees feel their input is always valued and that they have people at work whom they trust and who care about them. Ensuring that those conditions are optimized for workers could go a long way toward reducing companies' healthcare costs.

Results of this survey are based on nationally representative samples of about 1,000 employed adults aged 18 and older. Interviews were conducted by telephone October 2000-October 2004 by The Gallup Organization. For results based on samples of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be plus or minus three percentage points. For findings based on subgroups, the sampling error would be greater.



Steve Crabtree is Lead Editor of The Gallup Poll Tuesday Briefing, a weekly online publication featuring research-driven insights in the areas of healthcare, education, religion, government, and business. The Q¹² items are protected by copyright of The Gallup Organization, 1992-1999. All rights reserved.