



INSIGHT PAPER

The Survey Trap

Why Traditional Tools Miss
the Mark in Employee Engagement



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Executive Summary

Recognizing the critical importance of an engaged workforce to business performance, HR departments are investing heavily in employee surveys, passive listening tools, and data analytics to identify and fix problems in the workplace to improve employee engagement. Unfortunately, most companies have little to show for it, as employee engagement in the United States remains stuck at unacceptably low levels. These findings from our research examine why companies aren't making much progress and explain what they need to do instead.

HR Departments Are Heavily Investing in Measuring Employee Engagement

Over the past decade, corporate HR departments have ramped up survey efforts, aiming to respond to changes in employee sentiment much more quickly. Some are investing in "passive" listening tools to keep a finger on the pulse of employee sentiment.

Despite Investments, Employee Engagement Isn't Improving Much

Polls show that engagement rates in the United States have hit an all-time low since 2013—only 30% of employees are engaged at work. Two-thirds of CHROs are seeing the same, saying engagement rates are stagnant or declining at their companies.

Employees Don't Feel That Companies Act on Their Feedback

Declining employee response rates are tied to increasing survey fatigue and frustration that employers aren't acting on their concerns. More than 50% of employees say their employers do very little or nothing with their feedback, and 75% of HR executives don't have a clear path to action for each of their survey questions anyway.

Surveys Measure Engagement but Don't Get to the Root of the Issue

HR executives admit that surveys usually don't explain employees' feelings or pinpoint underlying problems. And while focus groups can get deeper insights, their limited reach and lack of anonymity make them a poor vehicle for getting a true or complete picture.

Companies Need to Adopt a More Holistic Approach to Employee Listening

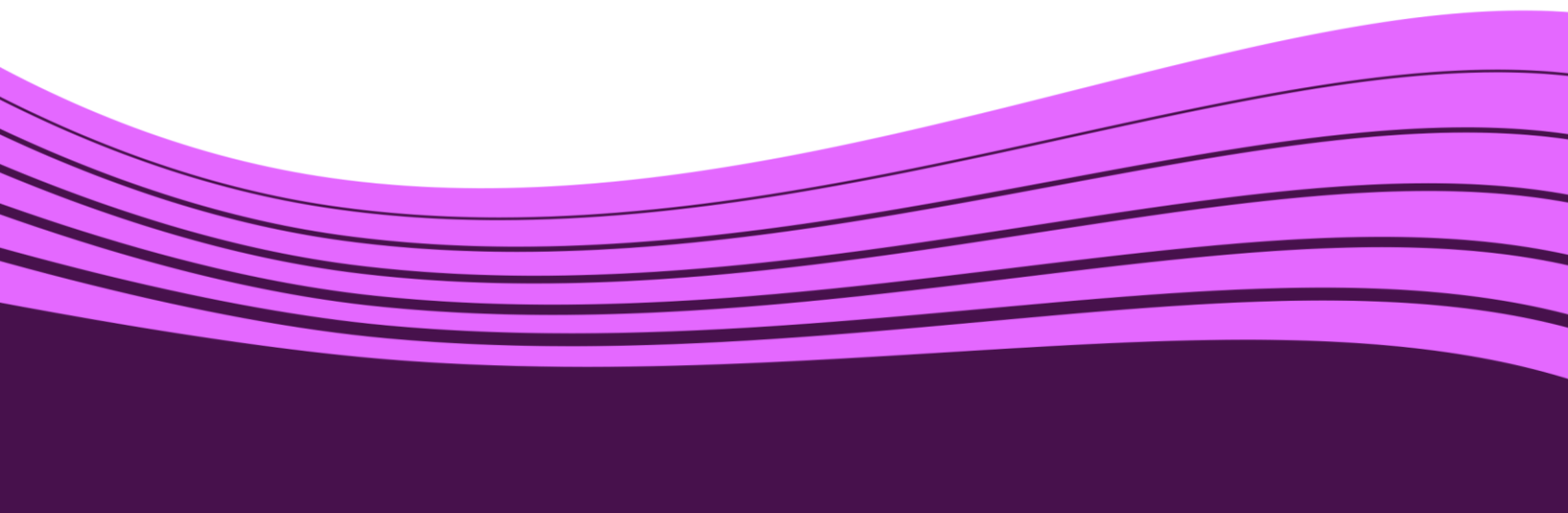
The best way to rectify the shortcomings of using traditional assessment tools in isolation is by combining the scale of surveys with the qualitative richness of focus groups. With the emergence of employee voice platforms (EVPs), companies no longer need to make a trade-off to probe for root causes and possible solutions to employee engagement concerns.



The Financial Impact of Employee Engagement

SECTION

1



HR Executives Are Keenly Aware of the Financial Impact of Employee Engagement and Experience and Aren't Taking It for Granted

While every year brings a new set of priorities for HR executives—organizational transformation, the impact of AI on HR, and recruiting top talent are high on the list this year—employee engagement and experience remain top concerns for most executives. And for good reason.

Experienced HR executives understand the high costs of disengaged employees in turnover and lost productivity. Conversely, they know that a highly engaged workforce leads to higher levels of business performance.

The High Cost of Employee Disengagement

 **47%**


of employee turnover is due to an unhealthy company culture



 **1.5–2x**

Cost to replace an employee as a multiple of their current annual salary



 **\$1.9 Trillion**

Lost productivity due to unengaged and actively disengaged employees

Common Benefits for Companies with Highly Engaged Employees



18%

Higher Productivity



23%

Higher Profitability



78%

Lower Absenteeism



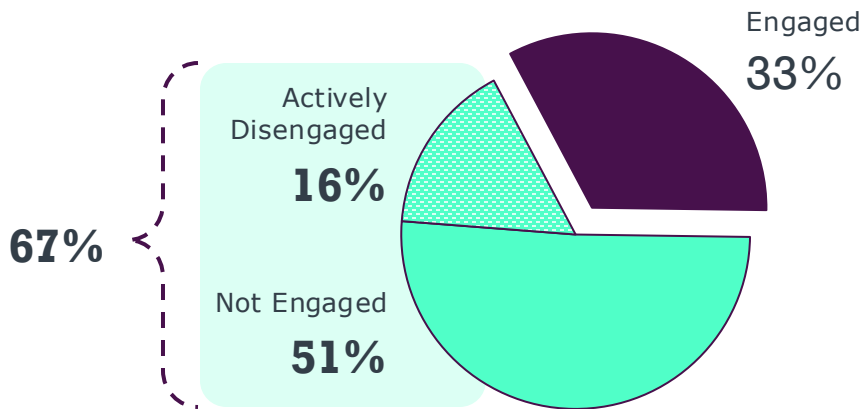
21%

Lower Turnover

Further, regardless of the current engagement level among its employees, no company can take future success here for granted. **Two-thirds of employees nationwide are unengaged** or actively disengaged in their work today.

Only One-Third of US Employees Are Engaged in Their Work

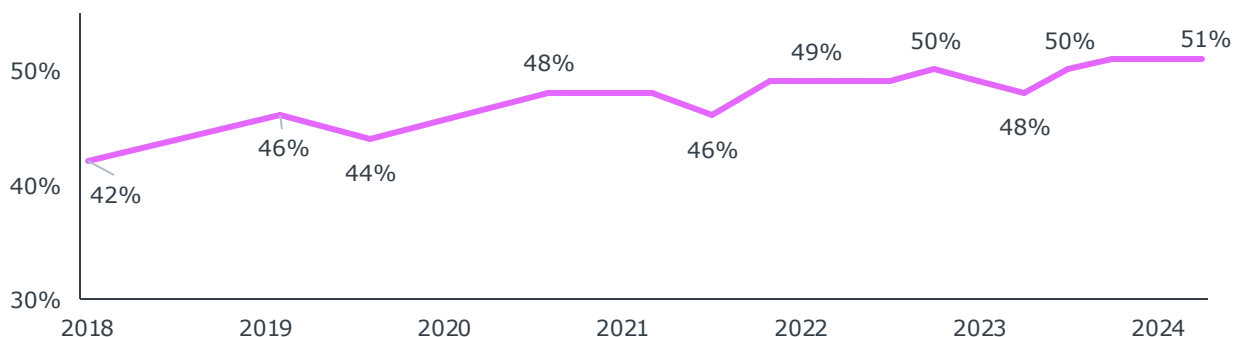
Employee Sentiments Range from "Involved and Enthusiastic" to "Disgruntled and Disloyal"



With the post-COVID phenomenon of "Quiet Quitting," most employees are still surprisingly open to looking for a new job and confident that they can find one. To their credit, HR executives we talk with aren't taking their eyes off the ball, with many pointing to the substantial investments they're making in "listening" to their employees as proof.

More Than 50% of US Employees Open to Leaving Their Company

"To what extent are you currently looking for a different job from the one you have now?"



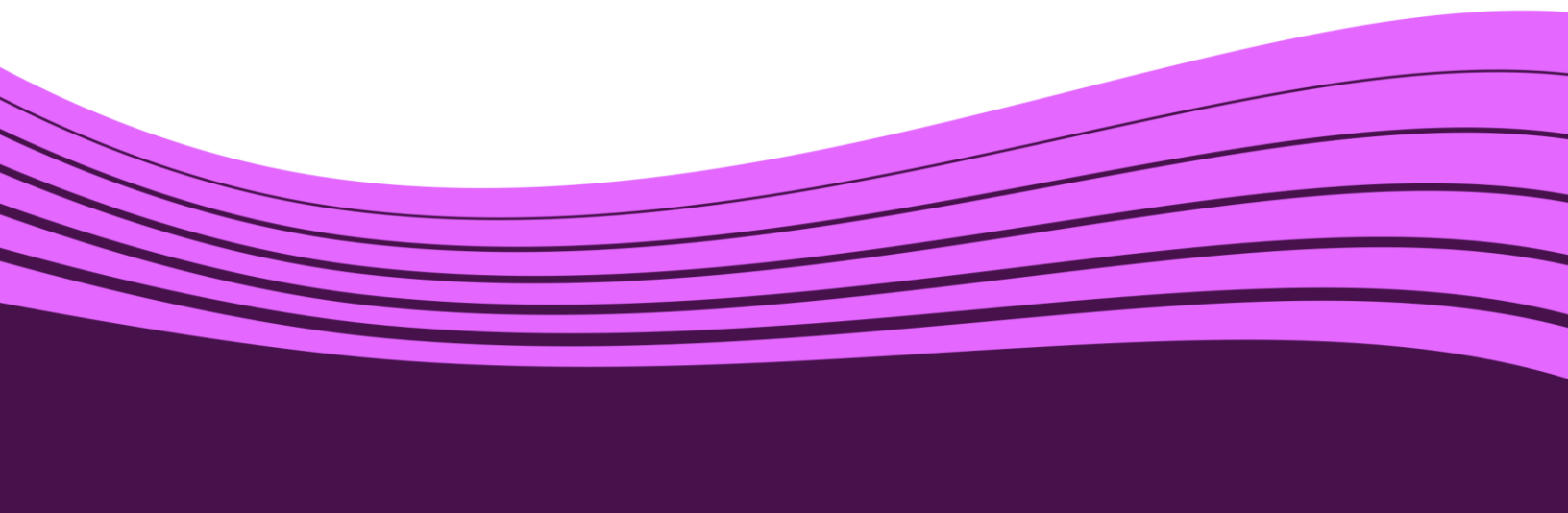
Sources: Harter, Jim. "U.S. Employee Engagement Needs a Rebound in 2023," Gallup, January 25, 2023; "Global Indicator: Employee Retention & Attraction," Gallup.com, March 8, 2023.



HR Has Their Ear to the Ground As Never Before

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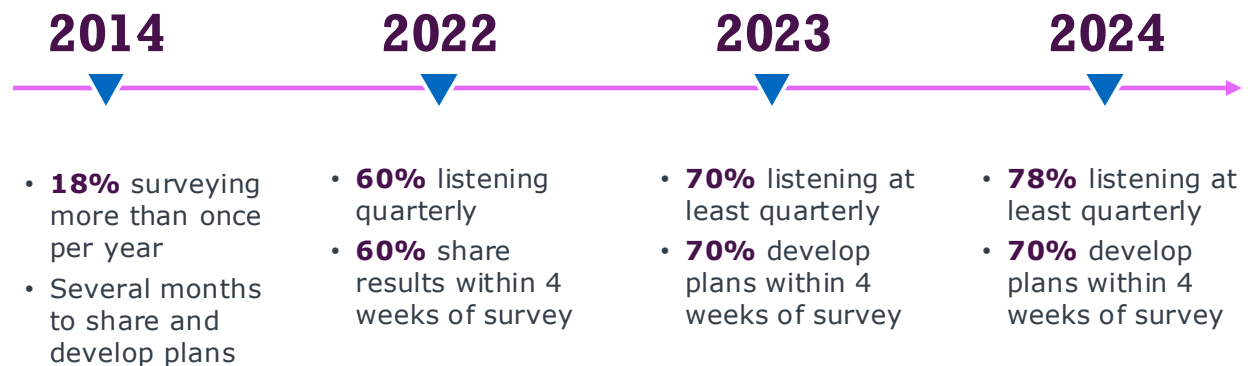
From Employee Engagement to a Culture of Continuous Listening—HR Has Their Ear to the Ground As Never Before

If your company is still relying solely on an annual employee engagement survey to gauge how your employees are feeling and then taking months to share results, you may have a lot of catching up to do.

Across the past decade, a growing number of HR departments have moved beyond surveying their employees just annually to doing so quarterly, weekly, and even daily, aiming to spot and respond to changes in employee sentiment much more quickly. At the same time, they've multiplied the types of surveys they're using, each targeting a specific issue or milestone across the employee lifecycle. Finally, HR analytics teams are crunching data and sharing survey results with business units in weeks, not months.


Employers Surveying More Frequently, Using Multiple Survey Types, and Turning Around Results Much Faster


Rate of frequency and responses reported by 750+ senior HR leaders at global organizations with 1,000+ employees




A Survey for Each and Every Need


Types of Surveys Used to Measure Employee Experience

 Annual and quarterly engagement surveys

 Daily employee "sentiment" surveys

 Topic-specific "pulse" surveys

 DEI surveys

 Lifecycle surveys

Finally, companies are beginning to invest in “listening channels” and techniques beyond just tallying survey responses. Using AI and NLP, HR departments are starting to transform the thousands of employee survey comments they receive into useful insights about employee sentiments and concerns.

And progressive HR departments aren’t just relying on “active” feedback channels such as surveys to gauge what’s on the minds of their employees. “Passive” listening—mining everything from employee conversations on Slack or Microsoft Teams to frequency of email use—is fast becoming the next frontier in employee listening (though it remains to be seen what employees will think about all this).

Passive Listening or Big Brother?

Types of “Indirect” Data Sources for Measuring How Employees Are Doing



\$750M

Annual US employer spend on employee listening

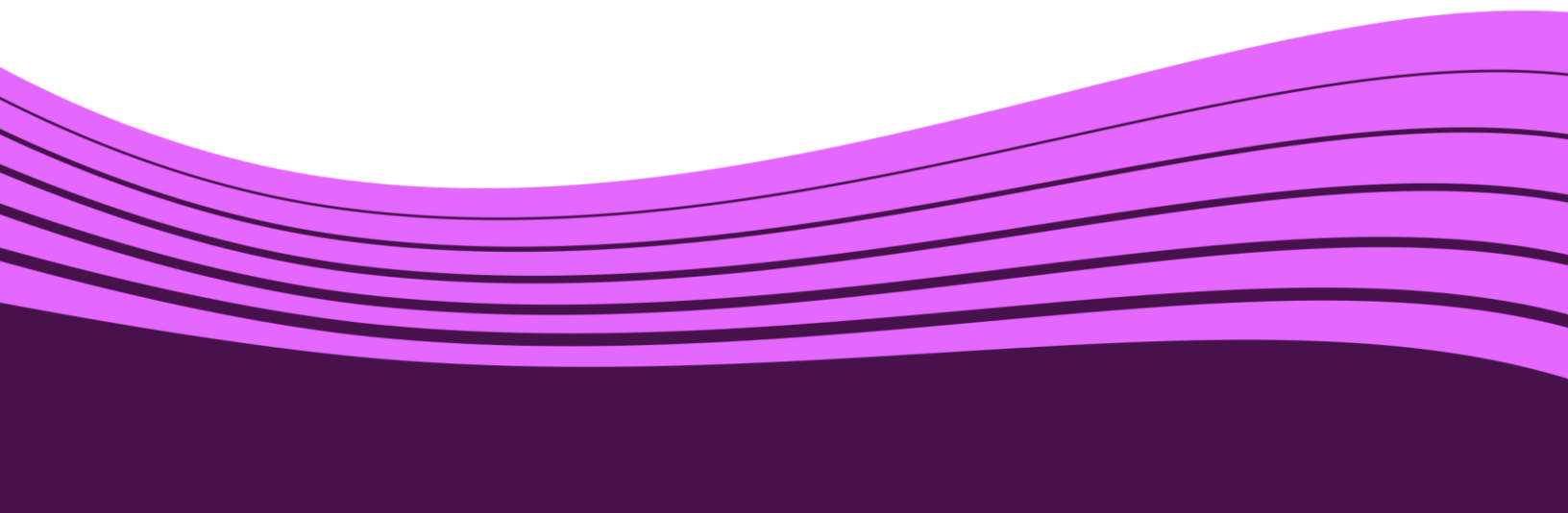
All this investment hasn’t come cheap. We estimate conservatively that US employers are now spending \$750 million on surveys and employee listening solutions every year—but it’s arguably well worth it to improve the employee experience.



Companies Don't Know Why Engagement Scores Aren't Improving

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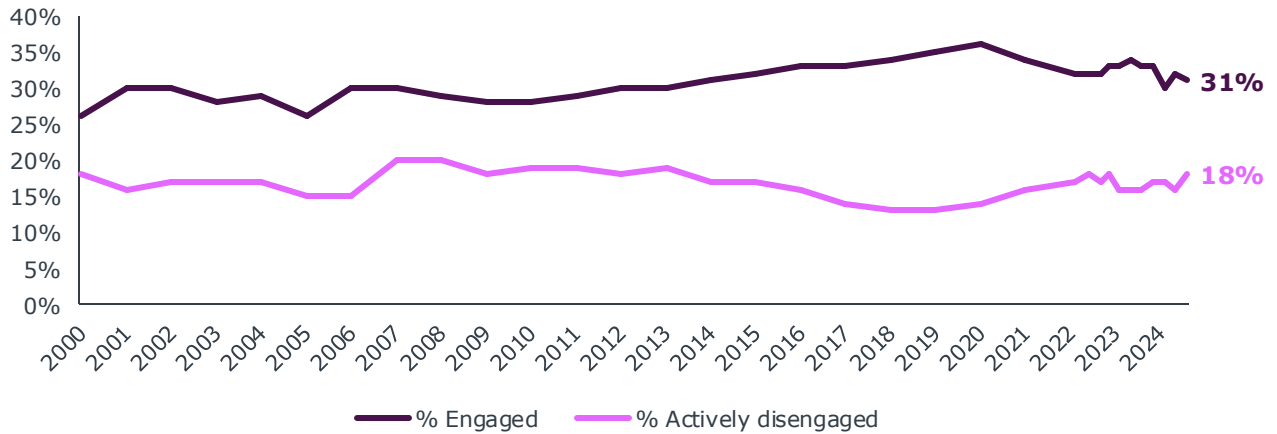


So Why Haven't Engagement Scores Been Improving? Employees Still Feel That They're Not Being Heard and That Nothing Will Ever Change

While HR departments have been investing more every year in measuring employee engagement, engagement scores themselves have hardly budged at all. As national data from Gallup shows, the percentage of employees in the United States who report being engaged has remained stuck at around only one-third for the past decade and even longer. Indeed, recent polling showed engagement rates nationwide at their lowest level since 2013.

Where's the ROI on All Those Surveys?

US Employee Engagement, 2000-2024



A recent survey of HR executives found much the same, with only 33% saying their scores had improved significantly or remained high over the past two years.

CHROs Are Asking the Same Question

"How have your employee engagement survey scores changed over the past two years?"¹



Scores Declined



No Significant Change



Dramatic Improvement or Stayed High

67% of organizations that regularly survey employees had **stagnant or declining engagement scores**

1) Answers from 1,020 CHROs at companies that regularly survey employees of the 3,000 CHROs who answered, "How Good Is Your Employee Engagement Survey?"

Sources: "Global Indicator: Employee Engagement," Gallup.com, July 7, 2022; Murphy, Mark, "Employee Engagement Survey: 22% of Companies Are Getting Good Results," Leadership IQ, May 30, 2017.

Why haven't companies been getting any return on their engagement investments? Our research suggests some of the problem may stem from what HR executives have known for a long time: Not all employees trust that their responses to surveys won't be used against them. As a result, up to a third of the employees we surveyed report not being completely honest in their responses, and even more say they don't even respond because they fear retaliation. While employees' lack of trust could result in companies failing to uncover problems their employees are reluctant to voice—and it's a shortcoming of surveys well worth addressing—we don't believe it's the primary culprit.

Why Can't You Trust Your Engagement Survey Data? Because Your Employees Don't Trust Your Survey

Responses from 3,000+ Employees Surveyed by Seramount Researchers



34% of employees **aren't "completely honest"** in their survey responses



40% of employees who don't answer hold back because they **lack trust and fear retaliation**

Instead, our research suggests most employees—at least at first—are more than willing to share honest feedback when asked. Their frustration—which is showing up in declining employee response rates for many companies—is that despite all the listening HR departments are doing, employees don't feel heard. A common refrain we hear from employees is that they provide lots of feedback, but management doesn't do anything with it. If anything, HR's constant requests for feedback without follow-on action is a big reason engagement scores aren't improving.

Employees Are Providing Lots of Feedback ...

Percentage of employees who say their employer solicited feedback on:

60% How to improve the employee experience

54% How to improve company culture

52% Remote/hybrid work preferences

48% How to improve diversity and inclusion



... But Many Don't See Their Companies Take Action

"How good is your manager or company at acting on feedback you give?"

19% Horrible—they never do anything with our feedback

33% Okay—they talk about feedback and make a few changes

28% Pretty good—they generally address our feedback

16% Awesome—they always acknowledge our feedback and take action

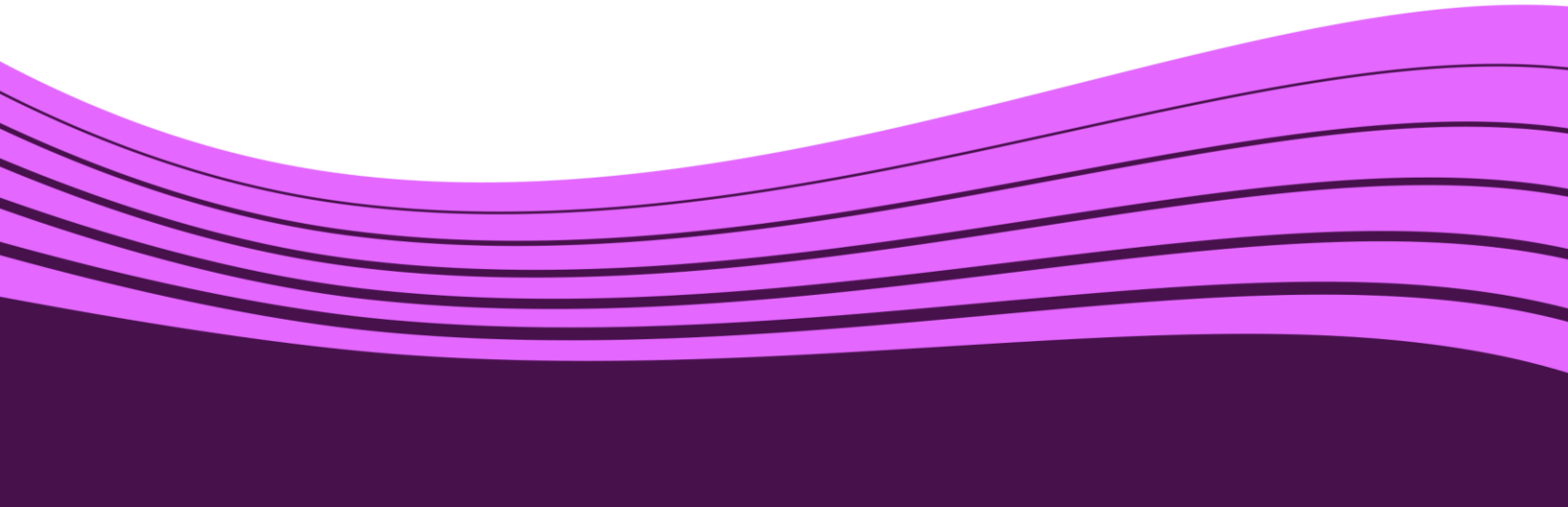
Sources: Seramount research; "2021 Engagement and Retention Report," Achievers, March 10, 2021.



Confronting the Limitations of Surveys

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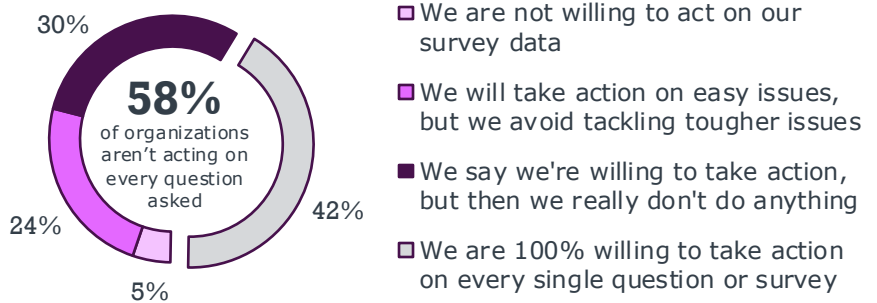


Surveys Are Good for Measuring Engagement but Not Good at Identifying Problems Employers Need to Fix

Why do employees feel that their concerns are never addressed? Well, because too often they're not. When asked, **58% of HR executives say their organizations do nothing with survey results or just tackle "easy" issues.** In short, it's management's fault for not acting on employee concerns.

Employers Are Listening, Just Not Taking Any Action

"How willing is your organization to take action on your survey results?"

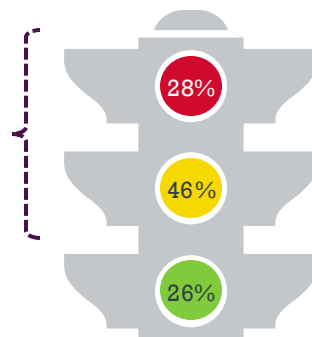


Management's unwillingness to address employee concerns is certainly a problem in some organizations. In our conversations with HR executives, many admitted that while surveys are a great gauge of how employees are feeling, all too often they don't explain why they feel that way or suggest concrete next steps to fix the underlying problems. In fact, when asked, **only one-quarter of HR executives said all their survey questions had a clear path to action.** Before blaming managers, then, we need to take a closer look at the guidance we're giving them.

HR Execs Concede the Limitations of Surveys

"Do your survey questions have a clear path to action?"

74% of organizations don't have clear action steps for each engagement survey question asked



No, our questions are pretty vague

Some of our questions have a clear path to action, but we struggle to figure out how to fix other questions

Yes, every single question has a clear path to action (i.e., we never struggle to figure out what actions to take)

Sources: Murphy, Mark, "Employee Engagement Survey: 22% of Companies Are Getting Good Results," Leadership IQ, May 30, 2017; Murphy, Mark, "How Good Is Your Employee Engagement Survey? Shocking New Data Reveals Problems with Employee Engagement Survey Questions, Communication, and More," Leadership IQ, February 18, 2022.

Look at Gallup's Q¹² survey, the industry gold standard. Validated through responses from more than 3.3 million employees across 50+ industries, Gallup's 12-item survey is a remarkably accurate measure of employee engagement.

Gallup's Research-Validated Questions

- How satisfied are you with your company as a place to work?
- I know what is expected of me at work.
- ▶ **I have the materials and equipment I need to do my work right.**
- At work, I have the opportunity to do what I do best every day.
- In the last seven days, I have received recognition or praise for doing good work.
- My supervisor, or someone at work, seems to care about me as a person.
- There is someone at work who encourages my development.
- At work, my opinions seem to count.
- The mission or purpose of my company makes me feel my job is important.
- My associates and fellow employees are committed to doing quality work.
- I have a best friend at work.
- In the last six months, someone at work has talked to me about my progress.
- This last year, I have had opportunities at work to learn and grow.

But what does a manager do when employees give a low score on a question such as *"I have the materials and equipment I need to do my work right?"*

It simply begs a host of follow-up questions:



What materials and equipment don't they have?



Why don't they have them?



Which materials and equipment do they need most?



How could we fix this problem?

The shift toward using shorter, more frequent surveys only amplifies the problem. The exhibit below shows an illustration of a weekly pulse survey used by one consulting firm. It does allow the organization to spot emerging problems quickly, which is the point of “continuous listening,” but surveys like this reveal very little about why employee sentiment is changing.

Why All the Sad Faces This Week?

McKinsey’s Illustrative Pulse Survey Template

Pulse—your voice matters (open for 24 hours)

We appreciate your continued input; it is important for us to know how you’re feeling, whether times are good or uncertain. Thank you for the care you are showing one another and for offering your perspectives each week. Here are some examples of impact based on your feedback, along with the latest Pulse results.

This week, we’d like to know: **How are you feeling?** (Please click your answer)

- | | |
|---|--|
|  Great |  Bad |
|  Good |  Terrible |
|  OK |  Prefer not to answer |

Pulse Special Edition

We appreciate your continued input—here are the latest Pulse results!

This week, we’d like to know: **I feel like I have been getting the feedback, coaching, and advice around development I need to continue growing professionally.** (Please click your answer)

- Strongly agree
- Somewhat agree
- Unsure
- Somewhat disagree
- Strongly disagree
- Prefer not to answer



Surveys to assess how engaged workers are in their jobs are highly popular among employers who hope the results will help them improve employee productivity and creativity and reduce turnover Based on our work as academics, we caution business leaders implementing such surveys: they may not tell you much about your employees that you can do anything about.”

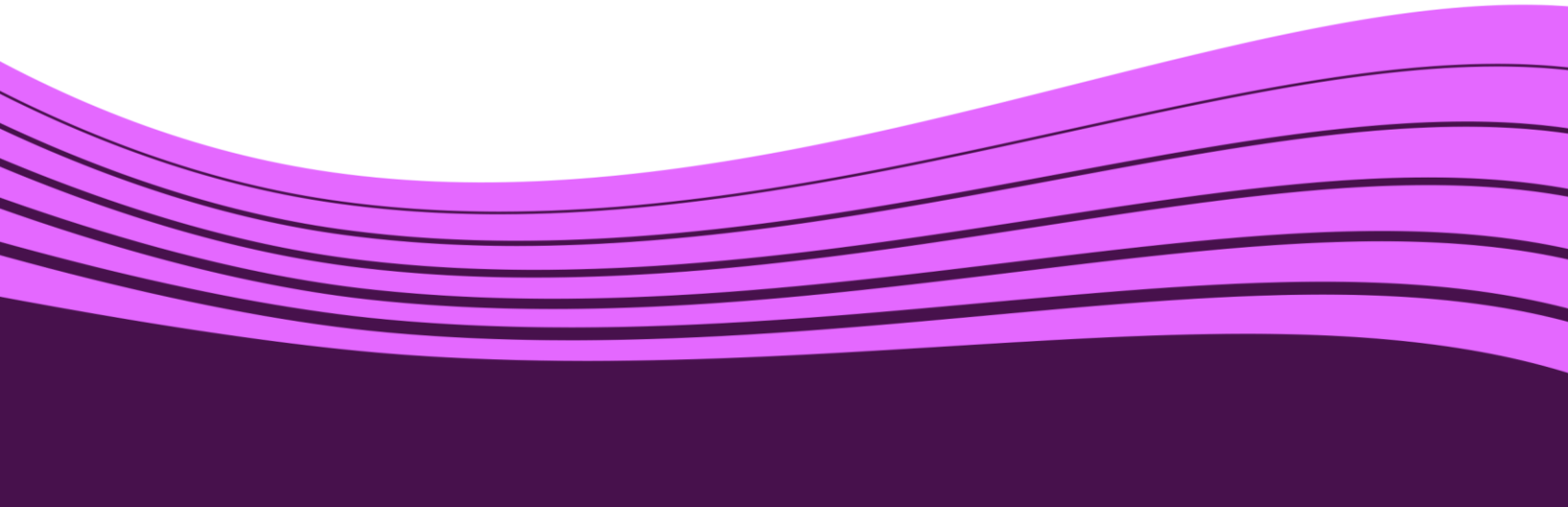
“Where Measuring Engagement Goes Wrong,”
Harvard Business Review, May 17, 2019



Why Relying on Focus Groups Won't Solve the Problem

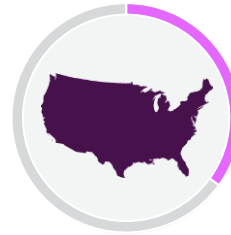
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Why Relying on Employee Focus Groups and 1-on-1 Feedback Won't Solve the Problem

While there's been a lot of innovation around the tools and techniques companies use to listen to their employees, one technique has remained frozen in time: using employee focus groups to dig deeper into employee concerns, including those raised in engagement surveys.



30–40%

of US companies routinely use focus groups

The Drawbacks of Traditional Employee Focus Groups



Limited Representativeness

The sample group may not accurately reflect the entire employee population



Dominant Voices

A few outspoken employees can easily steer the conversation, silencing other opinions



Cost and Logistics

Conducting a focus group requires significant time, resources, and skilled facilitation



Groupthink

Participants feel pressure to conform to the majority opinion, leading to less candid feedback



Data Analysis Challenge

Transcribing and analyzing qualitative data is time-consuming and complex



Sensitivity Concerns

Topics difficult to discuss in a group setting produce less honest responses

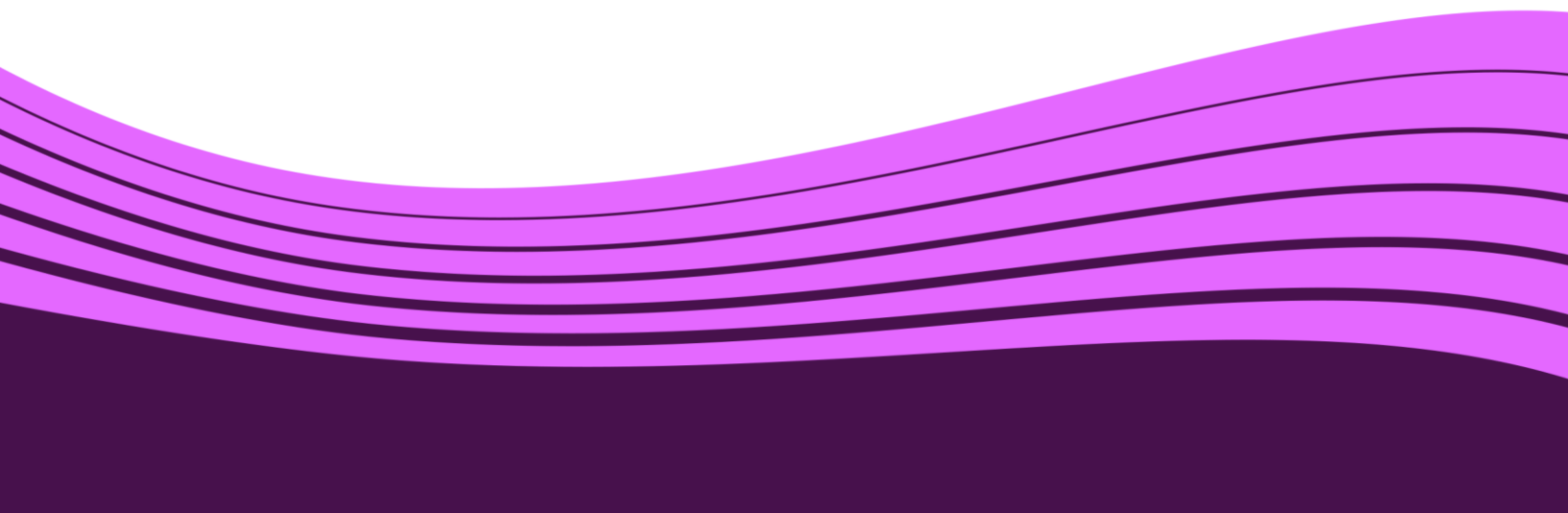
Unfortunately, traditional focus groups have a number of well-known drawbacks, the most obvious being their small size, which makes it hard to know if the employees involved are at all representative of the entire employee population. Add in the cost of organizing and conducting focus groups, the challenges of analyzing qualitative data, and the lack of anonymity, and it's no wonder that focus groups are an unreliable vehicle for getting at root cause problems. Perhaps this is why the HR literature suggests fewer than half of all companies make focus groups an integral part of their employee listening strategy.



The Emergence of Employee Voice Platforms

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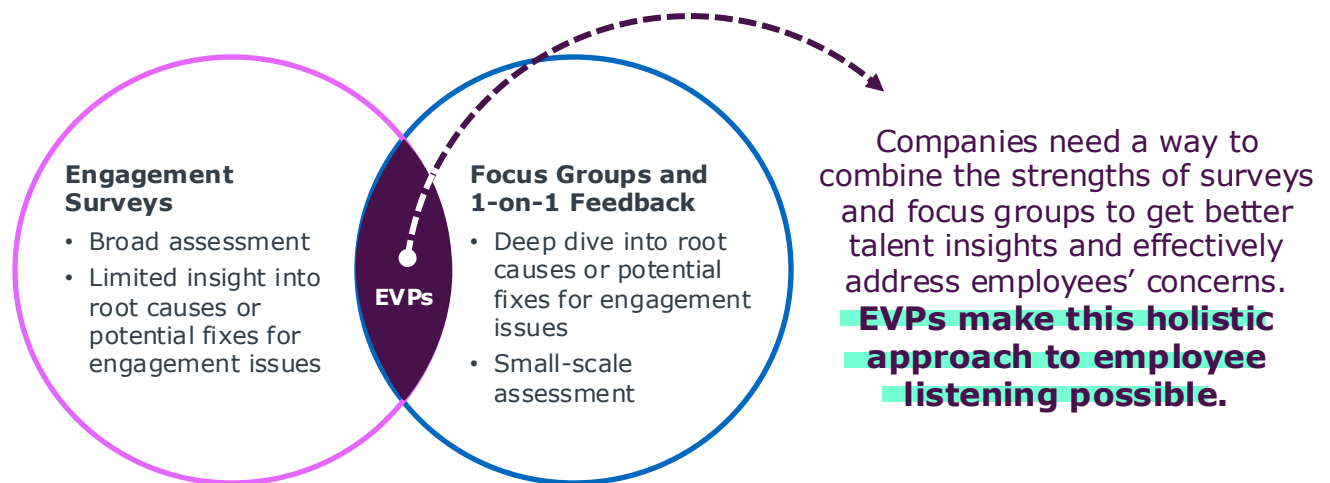


Employee Voice Platforms Help Companies Create an Environment Where Employees Want to Stay

As evidenced by findings throughout this paper, many HR leaders agree that it's time to adopt more proactive and strategic employee listening strategies. Some companies have already tried to make this shift, but employees remain frustrated and fatigued—there's a lot of "listening," just not a lot of "doing."

EVPs Solve the Survey vs. Focus Groups Conundrum

The recent emergence of digital employee voice platforms, or EVPs, is finally overcoming the trade-off HR departments always faced when trying to understand employee engagement and its drivers. On one hand, surveys provide a company-wide measure of employee engagement but reveal little about root causes and potential fixes. Conversely, focus groups allow a deep dive into root causes and potential fixes but are greatly limited in scale and can produce biased responses (along with all the other problems listed above).



▶ The Power of EVPs: Interlocking Employee Data Sources at Scale

An Employee Voice Platform enables organizations to continuously listen, analyze, and act on employee feedback. These platforms extend the reach of focus groups, providing a trusted space for gathering insights and driving action. Unlike traditional tools that rely on broad inferences or limited data samples, an Employee Voice Platform integrates engagement surveys, real-time discussions, and expert-driven analysis to go beyond surface-level data—uncovering meaningful insights into workplace culture, employee sentiment, and organizational challenges.

In today's workplace, engagement surveys provide valuable insights, but they only skim the surface of employees' true experiences. The real breakthrough of EVPs is harnessing both quantitative and qualitative data at scale to get to the root cause of disengagement—companies no longer need to make a trade-off. Time zones, national labor laws, and office locations vary greatly in today's workforce, so these assessment platforms must be flexible and curated to meet the unique needs of each company. They can probe for details that reveal root causes of concern and solicit suggested solutions from more of their employees.

Introducing Seramount's Approach to Employee Listening

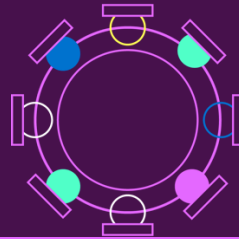
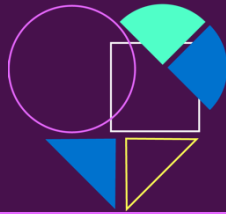
At Seramount, our journey to help our partners embrace more inclusive listening strategies inspired us to create a holistic employee voice platform. The key to our approach is combining the intimacy of focus groups with the scale of engagement surveys to help HR and talent teams navigate a virtuous cycle of listening, analyzing, and addressing their employees' needs:

1. Gather employee feedback to understand the root cause of their concerns
2. Develop a strategy to take on acute areas of opportunity
3. Implement talent strategies using proven change management practices
4. Benchmark and track employee trends and progress over time

Seramount's Employee Voice

Platform creates one source of truth for companies to tap into actionable employee insights and tailored strategies to improve workplace culture. With our EVP, organizations don't just listen—they make informed decisions to enhance engagement, retain top talent, and cultivate a culture of belonging with expert support and guidance from our team.





Insight-Powered Solutions Trusted by Talent and HR Leaders

TALENT SOURCING

**Identify, Engage,
and Hire Top
Early Career
Talent**

Branding and recruiting platform that surfaces engaged, prepared candidates more efficiently, effectively, and at scale

ASSESSMENT AND STRATEGY

**Uncover the Real
Levers to Unlock
Enduring Employee
Engagement**

Actionable intelligence into the employee experience powered by innovative technology and over 40 years of workforce data and insights

RESEARCH AND ADVISORY SERVICES

**Set Strong DEI
Foundations and
Build Adaptable
Roadmaps**

Expert guidance rooted in research and experience to support and advance your strategic talent and DEI priorities in every environment

LEARNING AND DEVELOPMENT

**Create a
More Resilient,
Connected
Workforce**

Impactful content designed and delivered to deflect productivity and positive behavior change at every level

We partner with **600+** corporations,
government entities,
and nonprofits **globally**.

Including **~50%** of the
Fortune 100 and
~25% of the Fortune 500.

Learn more

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About Seramount

Seramount is a leading talent services firm that helps HR and DEI leaders prepare for the workplace of tomorrow. We have over four decades of experience creating employee-centric strategies that align with business outcomes for our 600 partner organizations globally. By combining data-driven insights, expert advisory, and innovative technology, we help unlock what's possible with a truly engaged workforce.

The Survey Trap: Why Traditional Tools Miss the Mark in Employee Engagement

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