# You're Not Measuring Engagement, and It's Costing You

A practical look at engagement as a leading indicator of workforce and operational performance

**Eric Burton | Utah Industry Partners**





45-MINUTE PATH

# Where we're headed

Data → business case → useful measurement → 30-day starter plan

**01**
**Local signal**
What Utah manufacturers told us

**02**
**Business case**
Why engagement shows up in hard metrics

**03**
**Measurement mindset**
Useful beats perfect

**04**
**Leading indicators**
What to measure before the cost appears

**05**
**Action plan**
Start small and act visibly

Working thesis: Engagement is a leading indicator of whether your management system is helping people succeed — or quietly getting in their way.

UTAH MANUFACTURING NEEDS SURVEY

# The contradiction in our own data

Workforce concerns are high. Engagement measurement is low.

**16%**
**do not measure engagement at all**
Performance-measurement item | N=37

**11%**
**use engagement data daily**
Performance-measurement item | N=37

**63%**
**high concern: training & skill development**
Concern rating 4-5 | N=38

**55%**
**high concern: retaining talent**
Concern rating 4-5 | N=38

**Translation:** **We are worried about workforce performance but often do not measure the conditions that drive workforce performance.**

Source: Utah Manufacturing Needs Survey summary (UIP); completed-response base; Ns shown by item.



MEASUREMENT BIAS

# We are better at measuring the aftermath

The things easiest to count are often the latest signals.




## For the room:

- What do you only measure after it hurts?
- What upstream condition would warn you earlier?
- Who sees the signal first — leaders or operators?

Source: Utah Manufacturing Needs Survey summary (UIP), performance-measurement item; N=37.

REFRAME THE TOPIC

# Engagement is not “are people happy?”

It is whether the system creates the conditions for good work.

**NOT** THIS

- Perks and pizza
- Mood polling
- “Are you satisfied?”
- A popularity score for managers

**THIS**

- Clarity of expectations
- Tools and resources
- Trust and voice
- Supervisor coaching
- Belief that improvement matters

Source: Frederick Herzberg, "One More Time: How Do You Motivate Employees?", Harvard Business Review, 1968; HBR Classic reprint R0301F (2003).



CAUSE-AND-EFFECT THINKING

# Engagement is entwined with hard results

Not magic. Not guaranteed. Part of the system.

## Conditions

- Clarity
- Resources
- Trust
- Voice
- Coaching

## Behaviors

- Raise issues
- Follow standards
- Help teammates
- Improve work
- Stay engaged

## Results

- Safety
- Quality
- Retention
- Productivity
- Customer outcomes

The goal is not to “make people happy.” The goal is to improve the conditions that make the right behaviors more likely.

EXTERNAL EVIDENCE

# The business case is not soft

Gallup’s Q12 meta-analysis connects engagement to work-unit outcomes.




## Context

- 736 studies
- 347 organizations
- 183,806 work units
- 3.35M employees
- 11 outcome measures

Percent differences compare top-quartile vs bottom-quartile engagement units.

Source: Gallup, Q12 Meta-Analysis, 11th ed. (2024). Percent differences compare top-quartile vs bottom-quartile engagement units.



COMMON RESISTANCE

# “But engagement is hard to measure.”

True. That is not a reason to ignore it.

## It’s subjective

So is customer satisfaction — and we still learn from it.

## It’s not perfect

Neither are forecasts, audits, or cost estimates.

## People will game it

Then design the system so results require action, not score chasing.

## We know our people

Maybe. But do supervisors know what their teams experience consistently?

TWO QUOTES WORTH HOLDING TOGETHER

# Useful beats perfect

Do not manage only what is easiest to count.

> **“All models are wrong,
> but some are useful.”**
>
> **George E. P. Box**

> **“The most important figures
> are unknown and unknowable.”**
>
> **W. Edwards Deming, citing Lloyd Nelson**

Engagement measurement embodies these ideas: imperfect enough to require humility; important enough that ignoring it is costly.

Sources: Box & Draper, Empirical Model-Building and Response Surfaces (1987); Deming Institute/The Essential Deming, citing Lloyd Nelson.



OPERATIONAL LANGUAGE

# Lagging indicators tell you what happened

Leading indicators tell you what to fix before the result shows up.

## Lagging indicators

- Turnover
- Absenteeism
- Scrap / rework
- Recordable injuries
- Missed shipments
- Overtime spikes

## Leading indicators

- Clear expectations
- Tools/resources available
- Problems raised and closed
- Supervisor check-ins
- Training progress
- Trust in issue response

Example reference: Van Halen/David Lee Roth "Brown M&M" Article 126 story - a quick early-warning check for hidden process risk.

BUILD THE CHAIN

# Turn a people problem into a system signal

Start with the cost you already care about.

| | |
|---|---|
| **Lagging result** | What result is costing us? |
| **Needed behavior** | What behavior would improve it? |
| **Required condition** | What condition makes that behavior likely? |
| **Leading measure** | How can we detect that condition? |
| **Action cadence** | Who reviews it, and what changes? |

Example: First-year turnover → new hires ask for help early → weekly supervisor check-ins → % completed + new-hire pulse → reviewed every two weeks.



PRACTICAL STACK

# A simple engagement measurement stack

Do not stop at a survey score.

1. **1. Early-warning signals**
   Short survey themes: clarity, resources, voice, coaching, growth, confidence
2. **2. Behavioral signals**
   Ideas raised/closed, safety concerns closed, huddle participation, cross-training progress
3. **3. Management response**
   Leader review, action selected, owner assigned, “you said / we did” loop closed

Warning: An engagement survey without action teaches people that leadership asks questions and ignores the answers.

WHAT CAN BE MEASURED?

# Measure drivers, not vibes

Use themes that point to specific management behavior.

| | |
|---|---|
| **Clarity** | Do people know what good looks like? |
| **Resources** | Do they have what they need to do quality work? |
| **Voice** | Do raised problems get taken seriously? |
| **Coaching** | Are supervisors developing people or just reacting? |
| **Growth** | Can people see a future here? |
| **Purpose / quality** | Do people believe the work matters and standards matter? |

*Note: Use Gallup Q12 as a research reference to build your own, or license it. Don't simply copy proprietary items.

Source: Gallup, "How to Measure Employee Engagement With the Q12"; Q12 items are Gallup proprietary, so build from themes or license the instrument.



ROOM ACTIVITY

# Build one leading indicator

Pick a real business problem. Work backward to the condition.

| | | |
|---|---|---|
| 1 | **Lagging result** | What result is costing you? |
| 2 | **Needed behavior** | What would improve it? |
| 3 | **Required condition** | What makes that behavior more likely? |
| 4 | **Leading measure** | How could you detect that condition? |
| 5 | **Action cadence** | Who reviews it, how often, and what changes? |

Suggested pain points: turnover, first-year retention, safety concerns, training gaps, low improvement participation, absenteeism, supervisor inconsistency.

30-DAY STARTER PLAN

# Start small. Measure honestly. Act visibly.

Do one focused cycle before you build a program.

**Week 1**

### Pick one business pain

Turnover, training gaps, safety, quality, absenteeism, low CI participation

**Week 2**

### Choose 3-5 leading signals

Survey themes + observable behaviors tied to leader action

**Week 3**

### Collect at team level

Look for patterns, not individual blame

**Week 4**

### Review, act, close the loop

One action, one owner, one follow-up date

**Rule: Never ask for engagement data unless you are prepared to do something with it.**



CLOSING CHALLENGE

# Measure to learn, not to judge.

**Before you leave: identify one workforce problem you currently measure only after it happens — and one engagement-related leading indicator you could measure before it costs you again.**

### Core thesis

Engagement is a leading indicator of whether your management system is creating the conditions for safety, quality, retention, productivity, and improvement.

DISCUSSION

# Questions And Answers

Let's discuss.



THANK YOU

# Thank You




Eric Burton | Utah Industry Partners