TINYpulse

2016 BEST INDUSTRY RANKING

Employee Engagement & Satisfaction Across Industries

When we published our first Best Industry Ranking Report last year, we weren't surprised at the level of response we got — organization leaders want to know how to have happier, more productive, and more engaged employees in their respective industries. Not all industries are created equal, after all, and each one has its own opportunities and challenges to face. So what does that mean for employee sentiment?

We analyzed over 500,000 survey responses from over 60,000 employees in 13 different industries in order to answer that question. And when we dug down into employee sentiment, we found results that defy common assumptions. The Finance & Insurance industry, which accounted for 7% of the United States GDP in 2014, wasn't at the top. Neither was Healthcare, Pharma & Biotech, the industry expected to have the fastest rate of employment growth for the next decade.

Instead, the top three happiest industries were Consumer Products & Services, Real Estate, and Technology & Software. Coming in at the bottom were the Manufacturing, Government & Nonprofit, and Energy, Mining & Utilities industries.

This doesn't mean that employers in the latter three industries should just throw up their hands and give up on having a happy workforce. What's more, leaders from the top three can't just rest on their laurels and assume that their employee issues are taken care of. Engaging employees is a continuous process. Success isn't permanent — and neither is failure.

We turned our analysis toward figuring out what engages the happiest employees, so leaders of all industries can learn how to create workplaces where employees can thrive.

These three themes stood out:

- **Culture is key:** Happy employees enjoy great teammates and management that practices transparency.
- **It's not where they start; it's where they finish:** Not having a path for advancement can stifle employee satisfaction.
- **Employees want to have a say:** Unhappy workers report that their feedback isn't taken seriously by their companies.

We're not surprised these issues came up in a major way. Our 2015 Employee Engagement Report uncovered a strong theme of employees holding themselves (and their colleagues) accountable for improving their workplace experience. In other words, employees don't want to take a passive role when it comes to their own engagement. They're asking for partnership with their company and the ability to make an impact.

The Happiest (And Unhappiest) Industry Rankings

Here's our full list of industries, ranked from top to bottom in employee happiness. Does the order surprise you?

	Happiest Industry Rankings
1	Consumer Products & Services
2	Real Estate
3	Technology & Software
4	Hospitality
5	Finance & Insurance
6	Arts & Entertainment
7	Construction & Facilities Services
8	Education
9	Healthcare, Pharma & Biotech
10	Professional Services & Consulting
11	Manufacturing
12	Government & Nonprofit
13	Energy, Mining & Utilities

Some of the top contenders make sense, like Real Estate. When commercial property transaction volume is expected to reach $500 billion in 2017, it seems like a no-brainer. Consumer Products & Services and Technology & Software are similarly robust industries. Meanwhile, sectors within Manufacturing, Government & Nonprofit, and Energy, Mining & Utilities are projected to be among the most rapidly declining in terms of jobs and output.

Money, after all, can buy happiness ... up to a point. After that point is reached, happiness doesn't

continue growing forever. The same is true of motivation; salary can help drive employees, but only to a certain extent.

At TINYpulse, we've long believed that engaging employees is about more than money, and the data has backed us up. We analyzed the top factors that correlate to employee happiness, and we were unsurprised to see that feeling valued and working with great people are what matter.

So thinking in dollar signs alone won't help you build a great company with an engaged workforce. You'll be better served by looking at what the top industries do, not what they pay.

Culture Plays a Crucial Role

For starters, take a look at how the top three happiest industries (Consumer Products & Services, Real Estate, and Technology & Software) compared to the bottom three industries (Manufacturing, Government & Nonprofit, and Energy, Mining & Utilities) on the following question:

On scale of 1 to 10, how transparent do you feel management is?

7.11

6.58
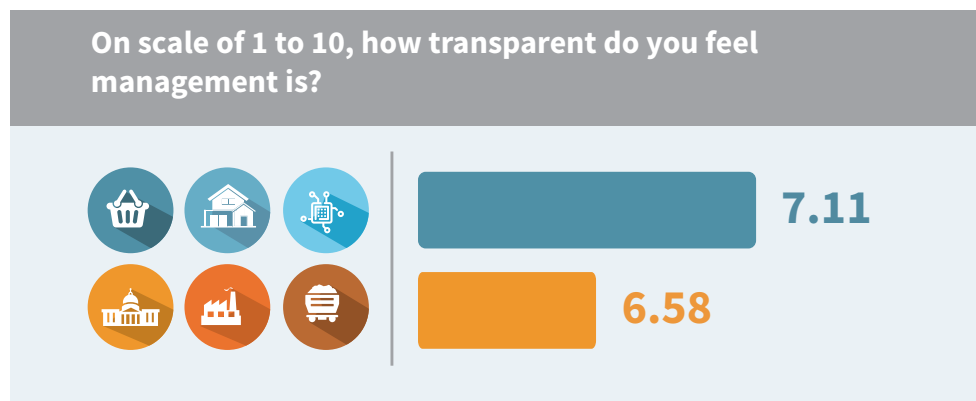
The happiest industries rated their management as significantly more transparent than the unhappiest industries did.

And the thing about transparency is, it's totally free. Open communication and a willingness to share information don't cost a thing. They have nothing to do with what employees in the government are paid versus those at an apparel company.

That doesn't make it any less valuable, though. In the words of one happy employee from Consumer Products & Services:

"I think that when at all possible our management team is extremely transparent. I think they are very open with the staff on what's happening in the company and the industry when appropriate."

And when employees don't feel they have that transparency? It introduces suspicion and hampers confidence. Here's what one worker in Manufacturing writes:

*"All day long people go into offices & close doors. Sometimes it makes you nervous. Literally, my boss's door is closed at LEAST 10 times per day [...] We are all professionals and I don't feel that is necessary. When a door closes it makes you feel something secret is going on. Do we really have that many secrets?"*

Now let's take a look at what the top and bottom industries had to say about their coworkers:

On a scale of 1 to 10, how would you rate your colleagues and team members?

8.61

8.09
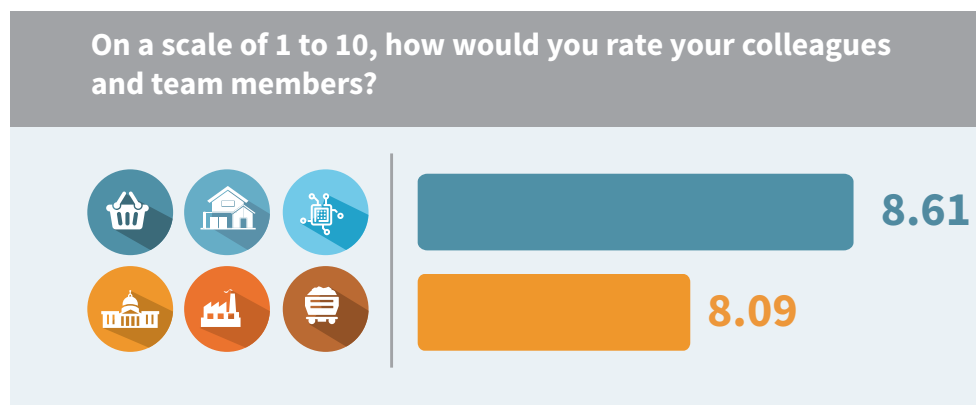
This isn't surprising, since our 2015 Employee Engagement Report found that having great colleagues is the number one thing employees love about their jobs.

Let's go again to the Consumer Products & Services industry and see what employees have to say:

"Love my colleagues and team members. I am often inspired by them and motivated by their commitment, follow-through, intelligence, and willingness to help."

Who wouldn't want their great employees to motivate one another in being even better?

On the flip side, having bad colleagues is a huge drawback: employees also said that a lack of follow-through from coworkers is the number one productivity killer in our 2015 report. This unhappy employee in Manufacturing sees their team as an obstacle to overcome:

"Management excluded, my colleagues know less, care less, do far less, are responsible for less, but on average get paid more. I stay focused on my own work, with a positive attitude, make the best of my situation [...]"

There's one common thread between transparent management and great coworkers, and that's culture. Neither one of these things can be accomplished by individual actions alone.

Transparency is about more than sharing one piece of information here and there. It's about establishing

a culture with openness and trust, where employees know they can rely on leadership to share answers with them instead of hoarding information, so that even when a manager has to be tight-lipped about a sensitive issue, employees know it's in their best interest.

Similarly, a strong team is more than the individual people or one-off actions. It needs a culture that expects employees to step up for one another — and supports them in doing so with effective communication and conflict management.

Employees Want to Do More

We should make it clear that employees don't want their companies to just hand things to them. In fact, one of the biggest differences between workers in the happiest and unhappiest industries is that the former have more opportunities to grow and develop.

On a scale of 1 to 10, how much opportunity do you have for professional growth in this organization?

7.12

6.15

On a scale of 1 to 10, do you feel like you'll have the opportunity to reach your full potential at our organization?

7.27

6.80

This isn't just about getting promotions. As one employee in Technology & Software says:

"So much room for growth here in terms of doing my current job better, learning new skills, working more effectively with teams and different types of people. I also see many opportunities to do my own outreach and ability to suggest new things for the company to do. This is one of the things I like best about [this company]."

On the flip side, those who answered negatively are missing more than just a fancy new job title. Here's a telling comment from an employee in Energy, Mining & Utilities:

"1. No mentoring systems
2. No knowledge transmission
3. No follow-up from managers on personal development plan"

Employees who aren't encouraged to reach their full potential are lacking anything from mentors to training to support from management. Is it any wonder this makes them unhappy?

Feedback Isn't Just a Nice-to-Have

If you ever assumed that getting feedback from employees was optional, think again. Look at the differences that show up between the happiest and unhappiest companies on this issue.

On a scale of 1 to 10, how seriously and effectively does your company take your feedback and suggestions?

7.50

6.71

In a way, this issue is the key to all the other factors that feed into employee happiness. Whether you're talking about professional development or colleagues or overall happiness, the only way you'll know you're succeeding is if you ask.

Think about it: we measure everything else that's vital to our companies, such as profits and competition, on a regular basis. Employee sentiment should be just as much of a priority.

The happiest industries don't just ask for feedback, of course. They act on it.
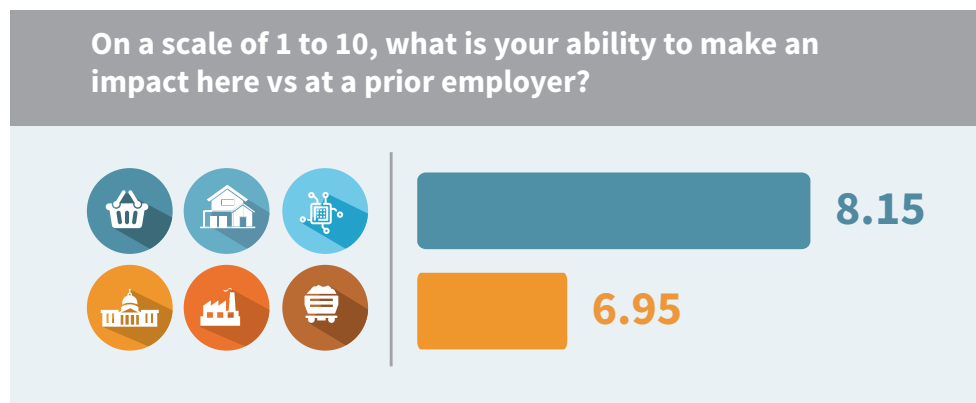
On a scale of 1 to 10, how effectively does your organization take action on the feedback you provide?

7.00

6.39

The consequences of asking for feedback and then ignoring it are huge. BlessingWhite found that it can be a killer of employee engagement:

- Before surveys are started, 27% of employees are engaged
- If the survey is followed up with action, engagement increases to 47%
- But if the survey is not followed up with action, engagement drops to 24%

It's obvious that employees don't just want the chance to air out their grievances. They're looking to become partners with their companies by identifying and acting on problems in the workplace.

On a scale of 1 to 10, what is your ability to make an impact here vs at a prior employer?

8.15

6.95

Getting the workforce involved in the company is a vital component in employee appreciation, as this response from the Real Estate industry explains:

"It is incredible how much more influence each employee at this company has on decisions and business growth. There is not one person on this team that can't propose an idea and act on it, in fact it is encouraged! No matter what our job titles are we all have the ability to make an impact on any piece of the company and push forward! Compared to my last employer this is completely different. I didn't feel needed or appreciated there."

It's interesting to note that some employees viewed "making an impact" in a broader sense. This happy employee in Technology & Software describes the value of making a difference in the wider world in addition to the company:

"While I was definitely able to make an impact on the company in my old position, in this one I feel I'm able to make an impact on millions of lives and that's inspiring me and happily driving me through the 10-12 hour days."

Note that these employees don't say anything about their companies being perfect. The feedback they give may not always be positive — what's important is that they can speak up about problems and play a role in improving things around them.

The Secret of Happiness: The Ability to Change

The data we've gathered shouldn't lead us to conclude that becoming a programmer or selling houses is the best way to workplace happiness. None of the factors we listed are tied to the specifics characteristics of an industry. Any company, anywhere, can focus on improving in areas like culture and feedback.

The key is being ready and willing to change. The company that is best positioned to make its employees happy is one that is agile in response to issues that arise.

On a scale of 1 to 10, how open to change are we as an organization?

7.25

6.46
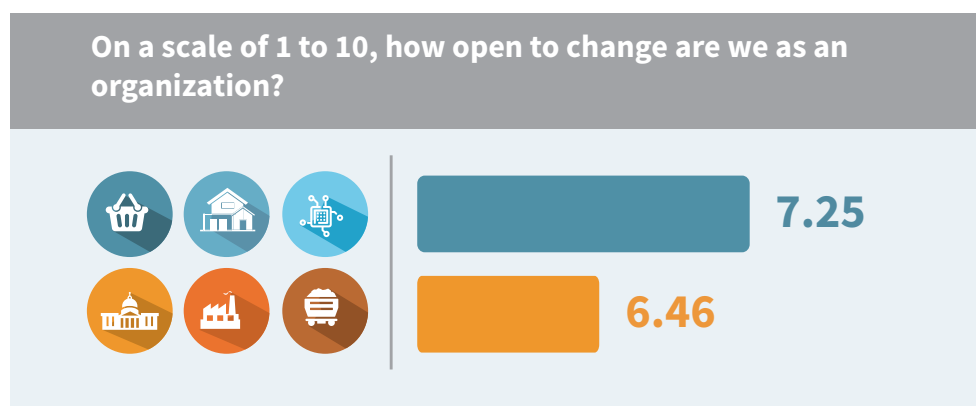
It's not change for the sake of change, but rather the ability to identify when and where change needs to happen. One Real Estate employee describes what this looks like at their company:

"We're in a company that bleeds change. Change in technology, process, roles, personal development, yet we remain stable enough to keep growing."

So what should companies focus on changing?

- **Recruit and hire for culture:** When hiring new talent, don't just look for skill; seek out employees who will help inspire and motivate their colleagues. The importance of team building can't be underestimated; when your employees make each other happier and better at work, a great team truly becomes more than the sum of its parts.

- **Practice transparency:** Drop need-to-know restrictions unless information is truly sensitive (such as a personnel issue or a case of legal limitations). Practice transparency on a daily basis by keeping your office door open — literally or figuratively — and communicating frequently. On a weekly or monthly basis, use all-hands meetings and company-wide newsletters to keep employees up to date on upcoming changes and the overall state of the company.

- **Supporting professional growth:** Make professional development a necessary part of management.

Managers should have regular conversations with their employees about their development plans. As a company, there are many ways to support continued development, from setting up mentorship programs to subsidizing tuition for classes.

- **Soliciting and responding to feedback:** Give employees a clear forum for sharing their feedback. Ideally, you'll use a variety of methods. 1-on-1 meetings with supervisors are great for in-depth conversations. At the same time, give employees a method with guaranteed anonymity so they'll feel comfortable speaking up about potentially sensitive issues without fear of reprisal. And, of course, have an action plan for processing and implementing that feedback.

If you want your employees to be as happy as the happiest industries, then you have to be ready to change for the better. Make sure it's the right kind of change for your company and its unique needs by regularly measuring employee sentiment and seeking feedback. Your reward will be a workforce that's more engaged, more productive, and more likely to stick around.

Research Approach

This study analyzed 500,000 survey responses from over 60,000 employees in 500 organizations across the globe who use the TINYpulse employee engagement survey.

We'd like to thank all who contributed to this piece, particularly:

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- Dora Wang - Employee Engagement Researcher. B.A. in Creative Writing, University of Washington.

About TINYpulse

Companies make an effort to consistently track revenue, financial returns, and productivity. But they're forgetting one of the most important aspects of their organization: their people. And that's where TINYpulse comes in.

Our Mission

Founded in 2012, TINYpulse works hard to make employees happy. Our goal is to give leaders a pulse on how engaged or frustrated their employees are, helping managers spark dialogue that results in organizational change.

What We Do

We believe that information empowers leaders to create an engaging work environment and culture where people can thrive. Here is how we do that:

- **Pulsing surveys:** Our weekly pulse survey measures employee engagement using just one question. TINYpulse is a lightweight solution that captures anonymous feedback from your team to reveal insights, trends, and opportunities so you can improve retention, culture, and results.

- **Peer-to-peer recognition:** TINYpulse's Cheers for Peers™ peer-to-peer recognition tool captures the appreciation, extra effort, and little things that are often overlooked by leaders. Peers can easily send a quick shout-out to their colleagues to brighten up their day—because a little recognition goes a long way.

- **Virtual suggestions:** Our virtual suggestion box lets employees have direct input on how to improve the workplace. The anonymous format makes employees feel comfortable being honest and offering actionable ideas to improve their workplace.