

GALLUP®

The Impact of Gallup Courses on Engagement and Productivity



COPYRIGHT STANDARDS

This document contains proprietary research, copyrighted and trademarked materials of Gallup, Inc. Accordingly, international and domestic laws and penalties guaranteeing patent, copyright, trademark and trade secret protection safeguard the ideas, concepts and recommendations related within this document.

The materials contained in this document and/or the document itself may be downloaded and/or copied provided that all copies retain the copyright, trademark and any other proprietary notices contained on the materials and/or document. No changes may be made to this document without the express written permission of Gallup, Inc.

Any reference whatsoever to this document, in whole or in part, on any web page must provide a link back to the original document in its entirety. Except as expressly provided herein, the transmission of this material shall not be construed to grant a license of any type under any patents, copyright or trademarks owned or controlled by Gallup, Inc.

The Gallup Q¹² items are Gallup proprietary information and are protected by law. You may not administer a survey with the Q¹² items and/or reproduce them without written consent from Gallup, Inc. The Gallup Q¹² items are protected by copyright of Gallup, Inc., 1993-1998, 2018. All rights reserved.

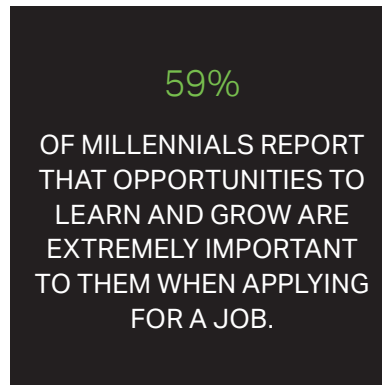
Gallup®, CliftonStrengths® and Q¹²® are trademarks of Gallup, Inc. All rights reserved. All other trademarks and copyrights are property of their respective owners.

In recent years, organizations have placed great emphasis on developing their employees.

Pressures to succeed in a competitive global market have led organizations to seek more from their existing workforce — to help employees improve their performance in ways that translate to better business outcomes.

Plus, today's employees often decide which organization to join — and stay with — based on factors that affect their engagement at work. One of those factors, which is included in Gallup's Q¹²® employee engagement survey, reflects employees' opportunities to learn and grow. Fifty-nine percent of millennials and almost half of Gen Xers (44%) report that opportunities to learn and grow are extremely important to them when applying for a job.

As a result of employees' desires and organizations' pursuit of exceptional performance, Gallup has seen demand grow for its courses and other learning and development offerings.



The Big Question: Is an Investment in Gallup Courses Worth the Cost?

Organizations who invest in Gallup courses want to know that their investment produces the results they're looking for. They ask: How do we know the development is working? Are the learning opportunities actually turning into better results for our business? And, will they position us for greater success in the future?

One measure scientifically linked to predicting business outcomes is employee engagement. We have conducted multiple meta-analyses on Gallup's Q¹², demonstrating the impact and return on investment to organizations who engage their workforce.

In this study, we used our Q¹² database to understand the impact of Gallup courses on employee engagement gains between organizations' first and second Q¹² administrations. Specifically, we examined the effectiveness of Gallup courses in boosting employee engagement for clients who invested in Gallup courses compared with clients who did not invest after their first administration.

In addition, using the meta-analytic relationship between engagement and productivity, we calculated the return on productivity that organizations might expect via employee engagement gains due to attending Gallup courses.

RESEARCH TOPICS

- 1) Does organizational investment in Gallup courses boost employee engagement?
- 2) Which types of Gallup courses are most effective at increasing employee engagement?
- 3) Do investments in more types of Gallup courses produce larger engagement increases?
- 4) Given the relationship between employee engagement and business outcomes, to what extent do Gallup courses have a positive effect on an organization's bottom line?

Overview: How Courses Tie to Changes in Engagement and Productivity

Company investments in Gallup courses boost employee engagement at an organizational level.

Gallup Q¹² clients who also participated in Gallup courses had an average **14-percentage-point increase** in engaged employees between the first and second Q¹² administration, compared with an average increase of 8 percentage points between the two administrations for Gallup Q¹² clients who didn't provide Gallup courses.

Engagement gains due to courses have a large impact on the bottom line.

Depending on the organizational size, companies who invest in Gallup courses can see returns of up to **\$18.1 million** in estimated productivity after one year.

All Gallup course content areas have a positive relationship with engagement gains.

Courses that focused on strengths, manager development and/or employee engagement all significantly and positively affected organizational-level engagement.

Strengths and manager development content areas had the greatest effects on employee engagement.

Companies who invested in strengths and manager development courses had an average of **17-** and **16-percentage-point increases** in engaged employees, respectively, between the first and second Q¹² administrations, compared with an average increase of **8 points** for those who measured Q¹² without providing courses.

Companies who invest in a variety of content areas have larger engagement increases.

When organizations invest in courses that focus on strengths, manager development and employee engagement, they are more likely to see larger increases in their Q¹² scores.

Increases in Employee Engagement Are Greater for Those Who Invest in Courses

Organizations who invest in Gallup courses after their first Q¹² administration see larger increases in organizational-level engagement in year two, compared with those who don't invest in courses.

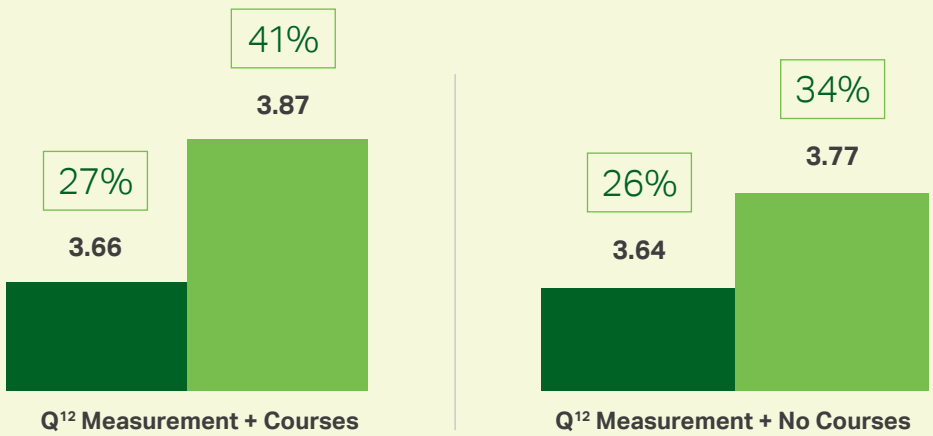
After their first Q¹² administration, organizations who invested in Gallup courses increased their proportion of employees who were engaged by **14 percentage points**, compared with an average increase of **8 points** for organizations who did not invest in Gallup courses.

Those who invest in Gallup courses are, essentially, one year ahead in terms of employee engagement gains, compared with those who don't invest.

Impact of Courses Investment

Q¹² GrandMeans and % Engaged

■ 1st Administration ■ 2nd Administration



Investments in Gallup Courses Produce Great Returns in Productivity

Applying Gallup’s Q¹² meta-analytic research on the relationship between organizational-level Q¹² and productivity, we estimate that organizations who invest in Gallup courses realize a return of \$1,812 of productivity per employee in the first year. **That is a \$690 additional increase in productivity per employee**, compared with organizations who measure Q¹² but don’t invest in Gallup courses.

Depending on organizational size, companies who invest in Gallup courses could realize **returns between \$1.8 million and \$18.1 million** in estimated productivity in the first year.

Per-Employee Productivity Gains

via Engagement



Productivity Gains, by Company Size

Estimated*

	Small Org. (1,000)	Medium Org. (5,000)	Large Org. (10,000)
Q ¹² Measurement + No Courses	\$1,122,000	\$5,610,000	\$11,220,000
Q ¹² Measurement + Courses	\$1,812,000 (+\$690,000)	\$9,060,000 (+\$3,450,000)	\$18,120,000 (+\$6,900,000)

*Estimates based on average annual salary of \$50,620 (https://www.bls.gov/oes/current/oes_nat.htm#00-0000)

We estimate that organizations who invest in Gallup courses realize a return of \$1,812 of productivity per employee in the first year.

Content Areas of Gallup Courses

Gallup courses were categorized based on three broad content areas:

- strengths
- employee engagement
- manager development

The tables below show examples of Gallup courses included in each content area, as well as the client and employee sample sizes for each area.

STRENGTHS COURSES 83 clients 680,579 employees	ENGAGEMENT COURSES 246 clients 1,194,466 employees	MANAGER COURSES 70 clients 547,916 employees
<ul style="list-style-type: none">• CliftonStrengths® Discovery• CliftonStrengths for Managers• CliftonStrengths for Teams	<ul style="list-style-type: none">• Creating an Engaging Workplace Course for Managers• Creating an Engaging Workplace Course for Engagement Champions	<ul style="list-style-type: none">• Leading High-Performance Teams• Moving From Boss to Coach

How Gallup Courses Lead to Better Results

Gallup courses enhance the way you do business by:

- equipping leaders and managers to create an engaging, productive culture
- empowering people to make the most of their natural talents and succeed by doing what they do best
- developing a high-performing team, one employee at a time

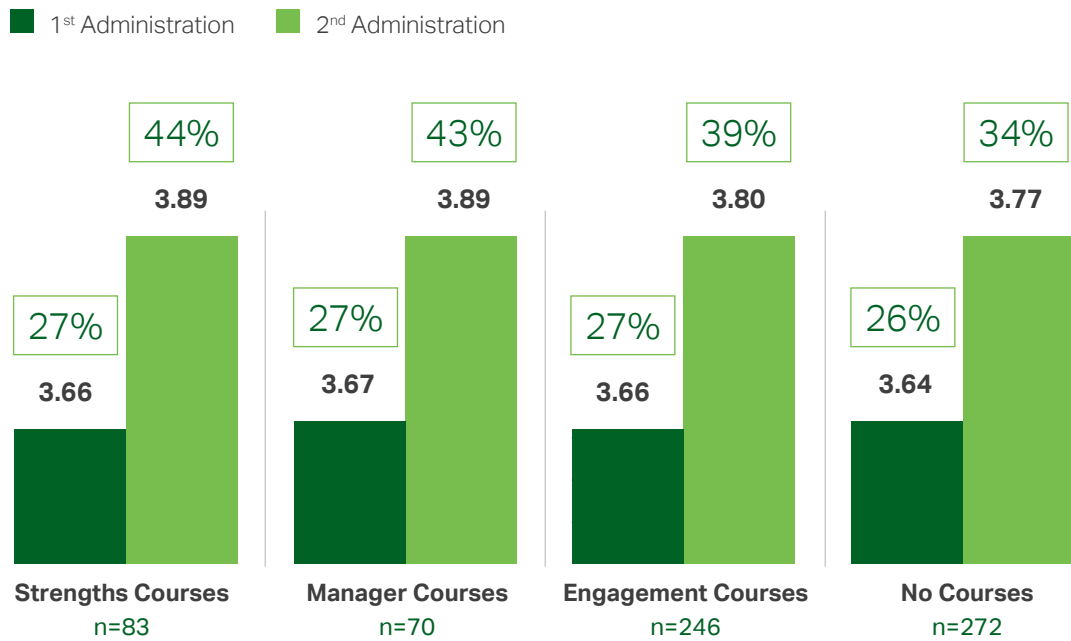
Strengths and Manager Development Courses Have Greatest Effect on Engagement

Each of Gallup's course content areas was associated with greater increases in Q¹² scores, compared with no Gallup courses. **Strengths and manager development content areas had the greatest effects** on employee engagement after the first Q¹² administration.

Companies who invested in strengths and manager development courses had an **average of 17- and 16-percentage-point increases in engaged employees**, respectively, between the first and second Q¹² administrations, compared with an average increase of 8 points for those who measured Q¹² without providing courses.

Impact of Courses Investment

Q¹² GrandMeans and % Engaged

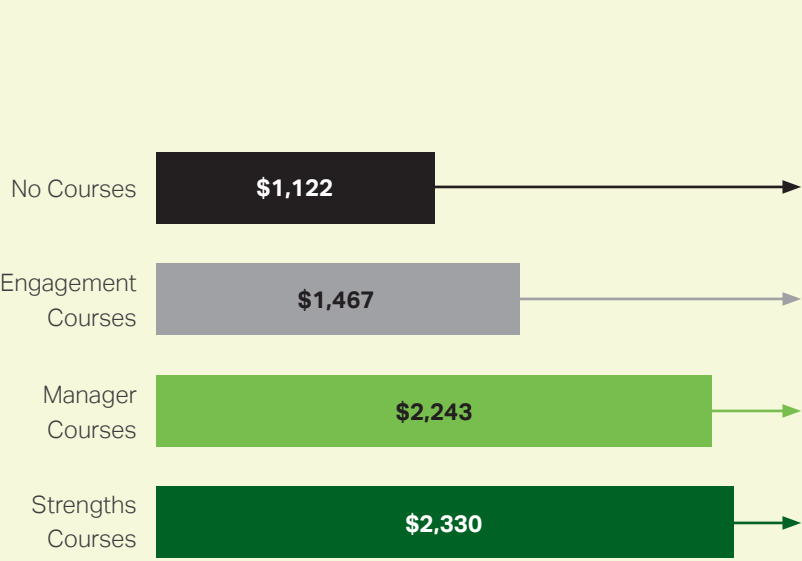


Content Areas Produce Differences in Productivity Per Employee

Applying Gallup’s Q¹² meta-analytic research on the relationship between organizational-level Q¹² and productivity, we estimate that organizations who invest in strengths courses from Gallup see a per-employee productivity gain of **\$2,330** in the first year.

Depending on the organizational size and course content, companies who invest in Gallup courses can see estimated returns between **\$1.4 million and \$23.3 million** in estimated productivity in the first year.

Per-Employee Productivity Gains via Engagement



Productivity Gains, by Company Size Estimated*

	Small Org. (1,000)	Medium Org. (5,000)	Large Org. (10,000)
No Courses	\$1,122,000	\$5,610,000	\$11,220,000
Engagement Courses	\$1,467,000 (+\$345,000)	\$7,335,000 (+\$1,725,000)	\$14,670,000 (+\$3,450,000)
Manager Courses	\$2,243,000 (+\$1,121,000)	\$11,215,000 (+\$5,605,000)	\$22,430,000 (+\$11,210,000)
Strengths Courses	\$2,330,000 (+\$1,208,000)	\$11,650,000 (+\$6,040,000)	\$23,300,000 (+\$12,080,000)

*Estimates based on annual average salary of \$50,620 (https://www.bls.gov/oes/current/oes_nat.htm#00-0000)

Organizations who invest in manager or strengths courses from Gallup see a per-employee productivity gain of \$2,243 and \$2,330, respectively, in the first year.

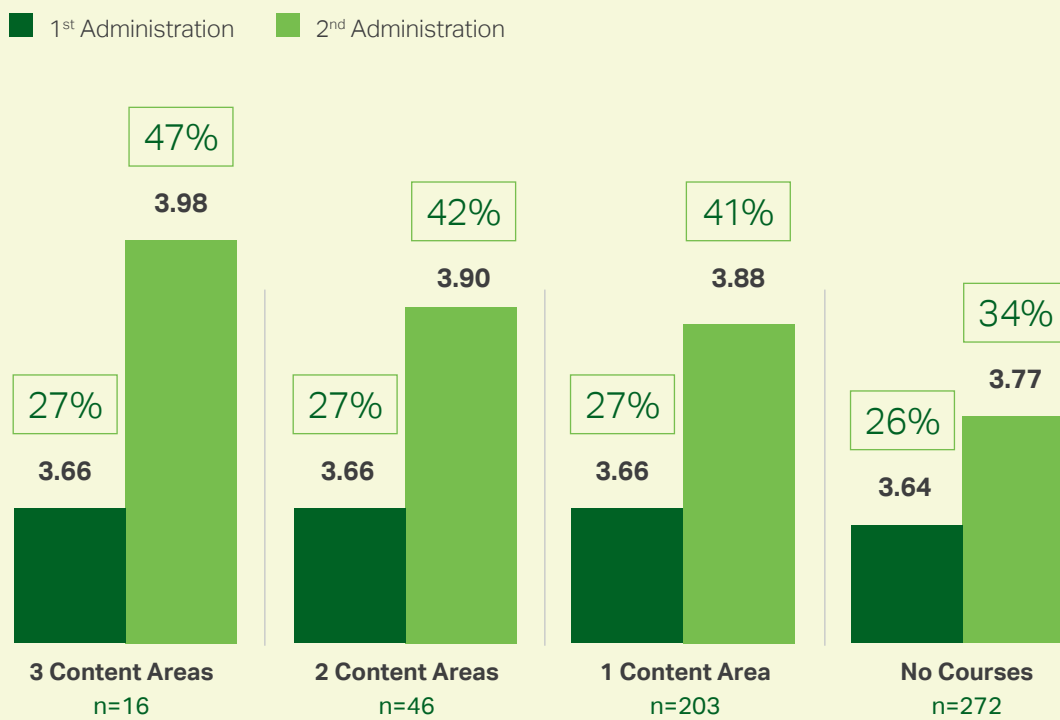
Investments in Multiple Courses Result in Greater Engagement Increases

Organizations who invested in multiple content areas had greater increases in employee engagement scores in their second year than did organizations who did not invest in Gallup courses.

Organizations who invested in all of Gallup's content areas — strengths, employee engagement and manager development — are more likely to see larger increases in their Q¹² scores than are organizations with other combinations of courses or no courses at all.

Impact of Courses Investment

Q¹² GrandMeans and % Engaged



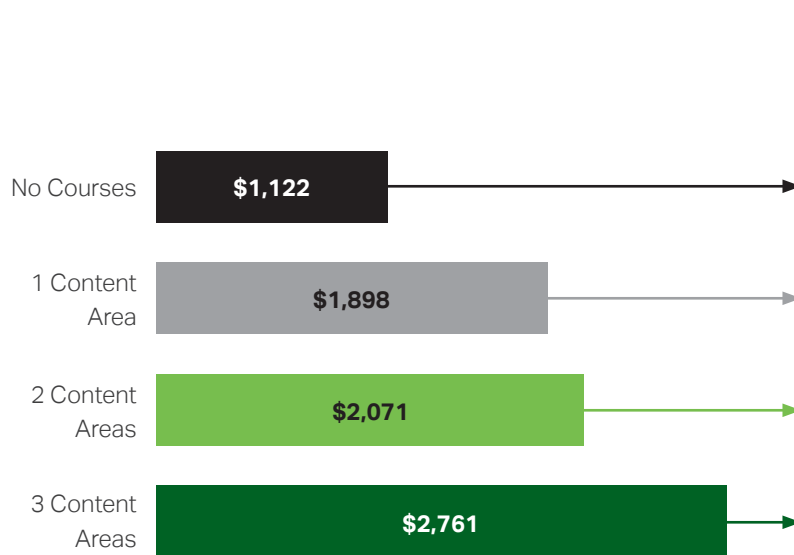
More Content Areas Generate Greater Productivity Gains

Applying Gallup’s Q¹² meta-analytic research on the relationship between organizational-level Q¹² and productivity, we estimate that organizations who invest in courses from three of Gallup’s content areas will see a per-employee productivity gain of **\$2,761** in the first year.

Depending on the organizational size and number of content areas, companies who invest in multiple Gallup content areas can see estimated **returns between \$1.8 million and \$27.6 million** in productivity in the first year.

Per-Employee Productivity Gains

via Engagement



Productivity Gains, by Company Size

Estimated*

	Small Org. (1,000)	Medium Org. (5,000)	Large Org. (10,000)
No Courses	\$1,122,000	\$5,610,000	\$11,220,000
1 Content Area	\$1,898,000 (+\$776,000)	\$9,490,000 (+\$3,880,000)	\$18,980,000 (+\$7,760,000)
2 Content Areas	\$2,071,000 (+\$949,000)	\$10,355,000 (+\$4,745,000)	\$20,710,000 (+\$9,490,000)
3 Content Areas	\$2,761,000 (+\$1,639,000)	\$13,805,000 (+\$8,195,000)	\$27,610,000 (+\$16,390,000)

*Estimates based on annual average salary of \$50,620 (https://www.bls.gov/oes/current/oes_nat.htm#00-0000)

The more course content areas in which organizations invest, the greater their per-employee productivity gains.

Enhance Learning at Your Organization

Rooted in unrivaled research, Gallup's transformative learning experiences prepare you to create an exceptional workplace that produces exceptional results.

Discover the right learning opportunities for your organization or learn more about how Gallup courses affect engagement and productivity. Reach out to Gallup at www.gallup.com/contact today.



Appendix

Research Methods

Estimates are based on a study of clients in Gallup's Q¹² Employee Engagement database (2000-2016) to examine company-level engagement change over time for Q¹² clients who have invested in Gallup courses versus those who have not.

Q¹² Measurement + Courses: clients with investments in Gallup courses between first (baseline) and second Q¹² administrations

THE BASELINE
MEASUREMENT INCLUDED

309 clients with 1,366,954 employees

vs.

Q¹² Measurement + No Courses: clients who have never invested in Gallup courses

THE BASELINE
MEASUREMENT INCLUDED

272 clients with 1,134,397 employees

Organizations in the study must have had two or more Q¹² administrations six to 24 months apart and must not have participated in any Gallup course before their baseline Q¹² administration.

GALLUP®

World Headquarters

The Gallup Building
901 F Street, NW
Washington, D.C. 20004

t +1.877.242.5587

f +1.202.715.3045

www.gallup.com