# Engagement and Tenure:
## Effects of Time with Organization on Engagement

## Introduction and Key Findings

Tenure – defined as the amount of time a person has been employed by an organization – can be an important contextual factor for understanding the experience of that individual within the organization. When someone first joins a new organization, they typically do so with a positive attitude about the company and hope for a bright future within their new work setting. As a person spends more time with an organization, they become exposed to the realities of the workplace, both positive and negative. Over time, the cumulative effects of these experiences form a contextual influence over their responses to work and the workplace. In the absence of being able to measure this aggregate contextual influence in real time (over time) for each person in an organization, we use the amount of time each person has been with an organization (i.e., tenure) as a proxy measure to better understand the overall experience of individuals within organizations over time.

The purpose of this research is two-fold: first, we sought to understand the overarching impact of tenure on engagement; second, we investigated the differential impact of tenure on TMs in healthcare *vs*. non-healthcare industries. Point-in-time descriptive statistics and analysis of change over time were used to examine differences between groups and changes within groups over time. Here are the key takeaways from this work:

- Engagement begins to decrease within months of joining a new organization.
- The experience of being part of the healthcare industry is unique from other industries and typically relates to lower levels of engagement.
- Lower levels of engagement in healthcare organizations amplify the effects of tenure.

## Data Collection and Sample

The data for this project were collected between January 2018 and December 2024 from StandOut client organizations who centrally launched at least 3 EP surveys per year for 2 or more consecutive years following their first EP survey. Data for TMs who met the following criteria were included in this study:

- joined the organization after its first EP launch;
- were invited to respond to at least 3 EPs during each of their first 2 years with the organization; and
- responded to at least one EP launch per year for 2 or more years.

Among those TMs selected into the study based on the criteria above, a total of 346,876 EP invitations were sent (15 - 31,638 TMs per client organization); 262,635 EP response sets were received from 50,573 TMs across 20 client organizations. The table below summarizes the numbers of TMs who were invited and participated in EP launches at each point during their tenure with their respective organizations.

| Team Member Counts by Tenure (Time with Organization) | | | | |
|---|---|---|---|---|
| Tenure | # Invited | # Responded | Response Rate | # Organizations |
| 0 - 2 months | 41,959 | 30,630 | 73% | 20 |
| 3 - 5 months | 43,881 | 33,788 | 77% | 20 |
| 6 - 8 months | 47,551 | 36,139 | 76% | 20 |
| 9 - 11 months | 44,868 | 34,845 | 77% | 20 |
| 12 - 17 months | 52,384 | 39,288 | 75% | 20 |
| 18 - 23 months | 51,819 | 38,864 | 75% | 20 |
| 24 - 35 months | 42,200 | 31,650 | 75% | 19 |
| 36 - 59 months | 17,181 | 13,401 | 78% | 12 |
| 60 - 71 months | 4,504 | 3,738 | 83% | 5 |

Of the sample described above, 6 client organizations are in the healthcare industry while the other 14 are not. The healthcare organizations sample includes 18,519 TMs who submitted 64,563 EP response sets and had a 60% response rate; the non-healthcare organizations sample includes 34,283 TMs who submitted 198,072 EP response sets with an 83% response rate. The TM inclusion criteria limited the available data set to the first 6 years of tenure. Because of the notable reduction in sample size, engagement data for tenure time point 60 - 71 months is reported below for % FE, but not for other outcomes.

## Effect of Tenure on Engagement

Percent FE was found to decrease significantly over the first two years with an organization, dropping from 59% to 52% within the first 8 months, and continuing to decrease to 45% by the end of 2 years. It is important to note that the initial decline in % FE begins immediately after joining an organization. After 3 years, % FE does increase, but was not found to return to its starting value.
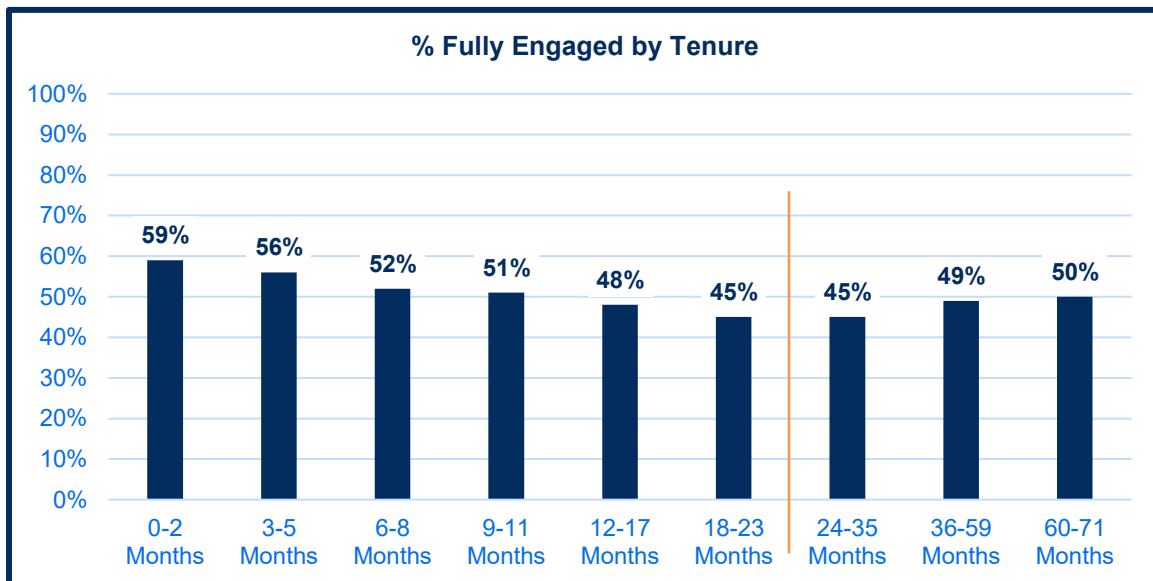


Examination of EP item-level response data reveals that significant decreases in average responses were observed for 5 of the 8 items during the first two years with an organization:

- the average response to item 1 (*I am really enthusiastic about the mission of my company.*) decreased from 4.6 to 4.3;

- the average response to item 3 (*In my team, I am surrounded by people who share my values.*) decreased from 4.5 to 4.2;

- the average response to item 6 (*I know I will be recognized for excellent work.*) decreased from 4.5 to 4.1;
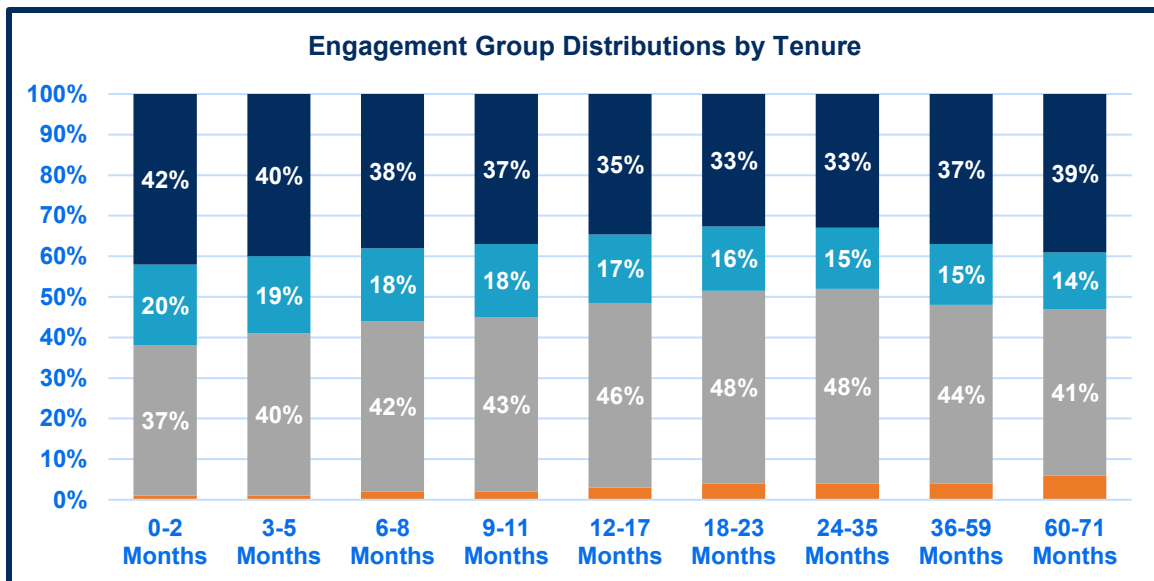
- the average response to item 7 (*I have great confidence in my company's future.*) decreased from 4.6 to 4.3; and

- the average response to item 8 (*In my work I am always challenged to grow.*) decreased from 4.5 to 4.2;

These changes are depicted in the set of figures below. No changes were observed for item 2 (*At work, I clearly understand what is expected of me*), item 4 (*I have the chance to use my strengths every day at work.*), or item 5 (*My teammates have my back.*).

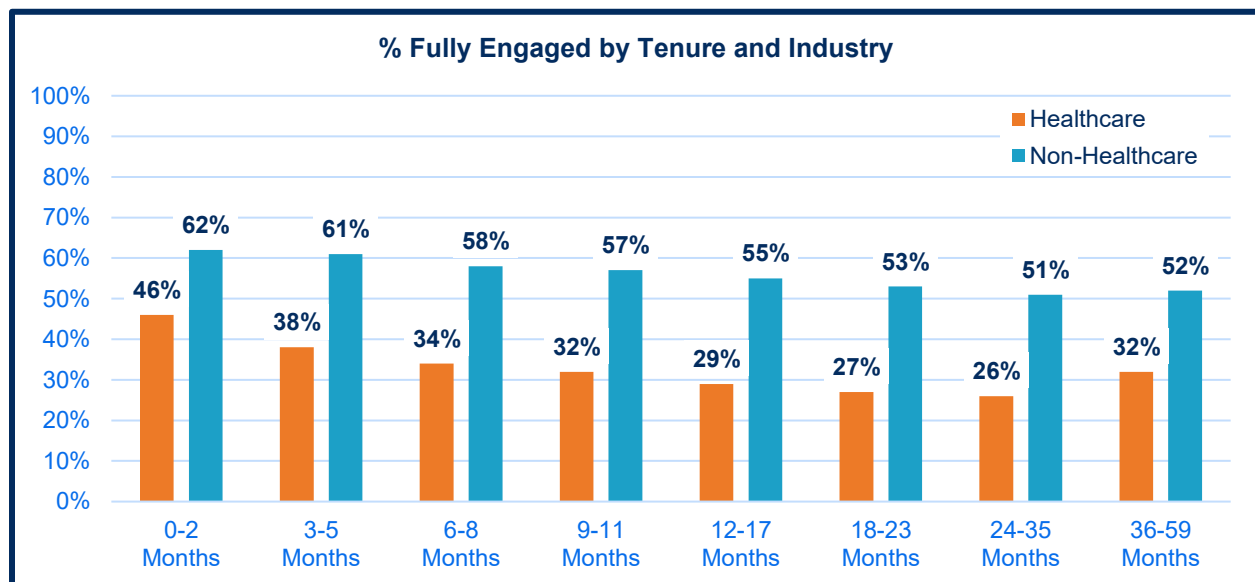### Changes in Average Responses between First EP and 2 Years Tenure
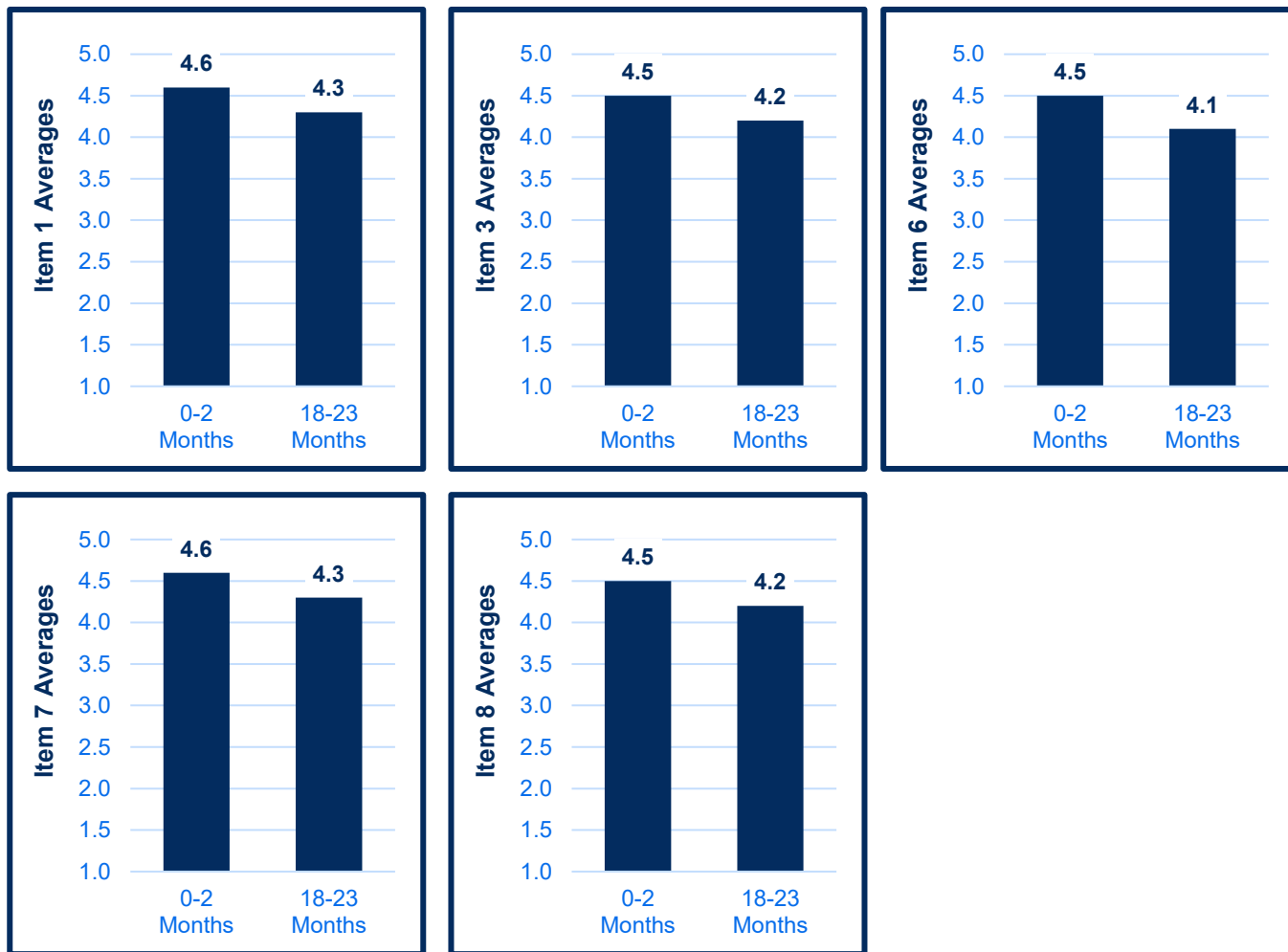


Changes to the distributions of Engagement Groups over time were observed, as would be predicted from the consistent decrease in % FE over time. Specifically, the % of TMs who are *All In* decreased from 42% during the first 3 months with an organization to 33% by the end of 2 years, % *Positive* decreased from 20% to 14%, % *Indifferent* increased from 37% to 41%, and % *Not Engaged* increased from 1% to 6%. What is important to note in the graph below is that as people are "falling out" of the *All In* group, they are settling in the *Positive* group at a slower rate than those in the *Positive* and *Indifferent* groups are moving down into the *Indifferent* and *Not Engaged* groups, respectively. This highlights the importance and meaning of the *All In* group, from which we can consistently predict continued high, positive responses to the EP items over time. This also highlights the opportunity presented by focusing on the needs of those in the *Positive* and *Indifferent* groups, as this is where incremental changes in leader effort over time are likely to be the most meaningful.

**Engagement Group Distributions by Tenure**

| Tenure | | | |
|---|---|---|---|
| 0-2 Months | 42% | 20% | 37% |
| 3-5 Months | 40% | 19% | 40% |
| 6-8 Months | 38% | 18% | 42% |
| 9-11 Months | 37% | 18% | 43% |
| 12-17 Months | 35% | 17% | 46% |
| 18-23 Months | 33% | 16% | 48% |
| 24-35 Months | 33% | 15% | 48% |
| 36-59 Months | 37% | 15% | 44% |
| 60-71 Months | 39% | 14% | 41% |

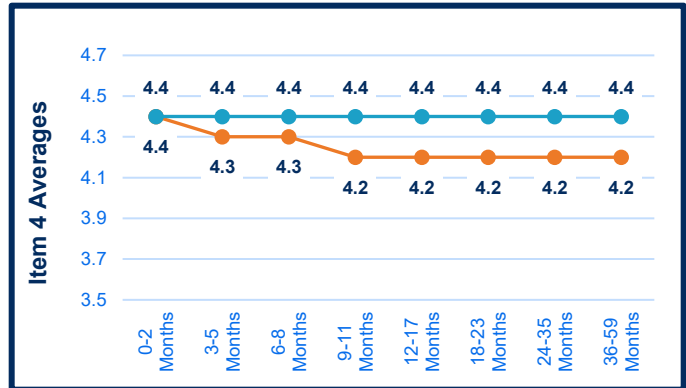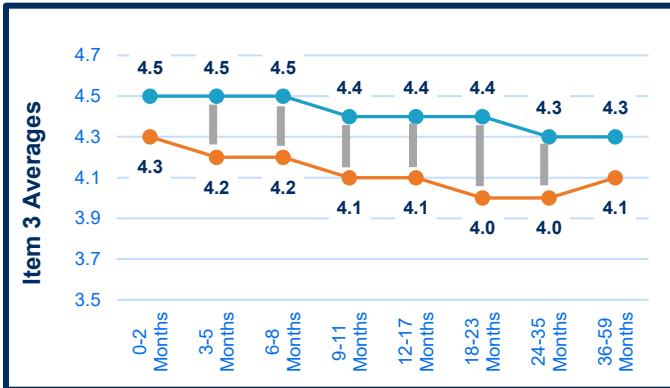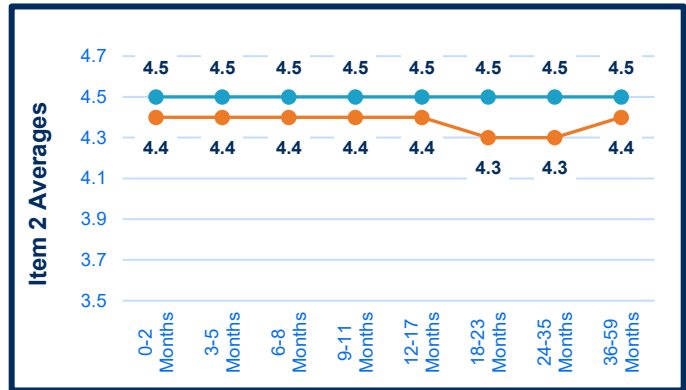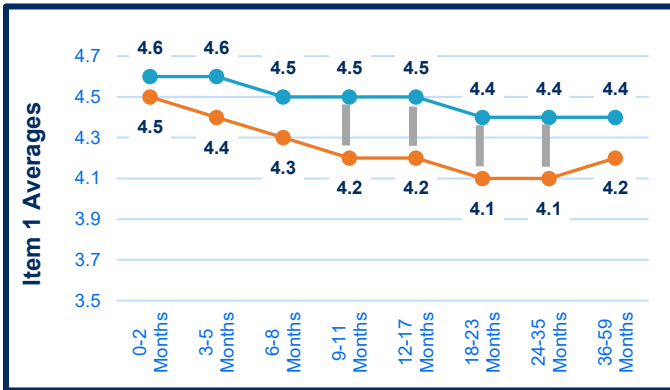## Industry Effects on the Tenure-Engagement Relationship

The 20 organizations included in this study represent more than 10 industries, but the only industry with enough unique organizations to allow for representation after aggregation is healthcare. The healthcare organizations sample includes 18,519 TMs who submitted 64,563 EP response sets and had a 60% response rate; the non-healthcare organizations sample includes 34,283 TMs who submitted 198,072 EP response sets with an 83% response rate.

Across both industry groups, there is a downward trend in % FE over time. Within healthcare organizations, % FE drops nearly 20 points before rebounding and leveling off at 32%. In contrast, % FE in other industries (in aggregate) only drops by 11 points, where it then levels off. At all time points, % FE is consistently and significantly lower for TMs in the healthcare industry, with those **not in the healthcare industry being at least 2× more likely to be FE throughout their time with their organizations**. Thus, it appears that lower levels of engagement in healthcare organizations amplify the effects of tenure.

**% Fully Engaged by Tenure and Industry**

Legend: ■ Healthcare  ■ Non-Healthcare

| Tenure | Healthcare | Non-Healthcare |
|---|---|---|
| 0-2 Months | 46% | 62% |
| 3-5 Months | 38% | 61% |
| 6-8 Months | 34% | 58% |
| 9-11 Months | 32% | 57% |
| 12-17 Months | 29% | 55% |
| 18-23 Months | 27% | 53% |
| 24-35 Months | 26% | 51% |
| 36-59 Months | 32% | 52% |

The truncated figures below illustrate the changes in average response to each EP item over time for each industry group (orange lines for healthcare organizations, blue lines for non-healthcare organizations), as well as the differences between the two groups at each time point. Significant differences between healthcare and non-healthcare averages are indicated by vertical gray lines spanning the gap between the orange and blue lines.

# Item Averages by Tenure and Industry



Item 1 Averages — by tenure (0-2 Months, 3-5 Months, 6-8 Months, 9-11 Months, 12-17 Months, 18-23 Months, 24-35 Months, 36-59 Months): blue 4.6, 4.6, 4.5, 4.5, 4.5, 4.4, 4.4, 4.4; orange 4.5, 4.4, 4.3, 4.2, 4.2, 4.1, 4.1, 4.2

Item 2 Averages: blue 4.5, 4.5, 4.5, 4.5, 4.5, 4.5, 4.5, 4.5; orange 4.4, 4.4, 4.4, 4.4, 4.4, 4.3, 4.3, 4.4

Item 3 Averages: blue 4.5, 4.5, 4.5, 4.4, 4.4, 4.4, 4.3, 4.3; orange 4.3, 4.2, 4.2, 4.1, 4.1, 4.0, 4.0, 4.1

Item 4 Averages: blue 4.4, 4.4, 4.4, 4.4, 4.4, 4.4, 4.4, 4.4; orange 4.4, 4.3, 4.3, 4.2, 4.2, 4.2, 4.2, 4.2

Item 5 Averages: blue 4.6, 4.6, 4.6, 4.5, 4.5, 4.5, 4.4, 4.4; orange 4.4, 4.3, 4.2, 4.2, 4.2, 4.1, 4.1, 4.1

Item 6 Averages: blue 4.6, 4.5, 4.5, 4.4, 4.4, 4.3, 4.2, 4.2; orange 4.2, 4.0, 4.0, 3.9, 3.9, 3.8, 3.7, 3.8

Item 7 Averages: blue 4.7, 4.6, 4.6, 4.6, 4.5, 4.5, 4.4, 4.4; orange 4.4, 4.2, 4.1, 4.0, 3.9, 3.9, 3.8, 4.0

Item 8 Averages: blue 4.6, 4.6, 4.5, 4.5, 4.4, 4.4, 4.3, 4.3; orange 4.4, 4.2, 4.2, 4.1, 4.1, 4.0, 4.0, 4.0

The group differences depicted above are summarized by the following points:

- Significant differences in response to item 1 (*I am really enthusiastic about the mission of my company.*) begin to emerge after 8 months with an organization, with TMs in healthcare organizations providing lower responses to this item.

- Significant differences in responses to item 3 (*In my team, I am surrounded by people who share my values.*), item 5 (*My teammates have my back.*), and item 8 (*In my work, I am always challenged to grow.*) begin to emerge after 2 months with an organization, with TMs in healthcare organizations providing lower responses to this item.

- TMs in healthcare provide significantly lower average responses to item 6 (*I know I will be recognized for excellent work.*) and item 7 (*I have great confidence in my company's future.*) throughout their tenure with an organization.

- TMs in the healthcare industry provide slightly lower responses to item 2 (*At work, I clearly understand what is expected of me.*) and item 4 (*I have the chance to use my strengths every day at work.*) at all time points, but the differences are not significant.

## Summary of Findings

The effects of tenure are powerful, enduring, and have potential to reach all members of an organization. Broadly speaking, the key findings of this research can be summarized by three points:

- Engagement begins to decrease within months of joining a new organization.

- The experience of being part of the healthcare industry is unique from other industries and typically relates to lower levels of engagement.

- Lower levels of engagement in healthcare organizations amplify the effects of tenure.

The findings presented indicate that for both team and organization-level leaders who hope to minimize the effect of tenure on engagement, there is no time to lose. Focusing early and often on communication around organizational mission, team values, recognition, the future of the organization, and individual professional growth may decrease the significant changes in responses to these items that are typically observed during the first two years with an organization.

For healthcare organization leaders hoping to alleviate some of the tenure effects specific to the healthcare industry, these findings indicate that prioritizing focus on TM experiences related to EP items might look something like this: openly discussing and encouraging recognition (item 6), building confidence in the future of the organization (item 7), challenging TMs to grow (item 8), discussing shared values within teams (item 3), encouraging teammate collaborations (item 5), and rallying personnel around the mission of the organization (item 1).