The Engagement Metrics That Actually Matter: Why Canadian HR Leaders Need to Look Beyond Survey Scores



Most HR teams have more employee data than they did ten years ago. They have annual engagement surveys, pulse surveys, exit interviews, stay interviews, absence data, turnover reports, learning activity, performance data, internal mobility numbers, and sometimes even collaboration or communication analytics. On paper, this should make employee engagement easier to understand.

But in practice, many organizations are still struggling with the same problem. They collect the data, review the dashboard, report the overall engagement score, and then struggle to decide what to do next.

That's because an engagement score is not a strategy. It's a signal. It may tell HR that something is improving or declining, but it rarely explains why employees feel the way they do, which teams are most at risk, or what leadership should change.

This matters because the engagement story in Canada is becoming more complicated. Some recent research suggests employees may be staying put, but not necessarily because they're deeply engaged. McLean & Company's 2026 employee engagement trends report found that 79.7% of employees expected to stay with their organization for the next year, up from 77.5% in 2024. At the same time, the same report identified major weaknesses underneath that apparent stability: total compensation remained the lowest-scoring engagement driver at 52%, career advancement and development sat at 58.3%, 40% of employees reported higher job-related stress, and only 23% rated leaders as highly effective at coaching employees. (Newswire)

That's the real lesson for Canadian HR leaders. A workforce can look stable while still being strained. Employees may stay because the labour market feels uncertain, because they need income security, or because they don't see an easy alternative. But staying is not the same as being engaged.

If HR leaders want engagement data to drive better decisions, they need to look beyond the headline score and measure the conditions that make engagement possible.

Why Traditional Engagement Metrics Fall Short

Traditional engagement measurement tends to rely heavily on broad indicators such as

overall engagement, employee satisfaction, eNPS, or intent to stay. These measures have value, but they can create a false sense of clarity.

An employee may say they intend to stay while also feeling burned out. Another employee may recommend the organization to a friend but feel blocked from career growth. A team may post decent engagement scores because employees like one another, even though workload and leadership issues are quietly building underneath the surface.

This is where HR analytics can either help or mislead.

If an organization uses engagement data as a scoreboard, it may focus on whether the number went up or down. If it uses the data diagnostically, it asks better questions. What is driving the result? Which employee groups are experiencing the workplace differently? Are managers seeing the same patterns across teams? Are stress levels rising even while retention remains stable? Are employees staying because they're committed, or because they feel stuck?

Those questions matter because Canadian workplaces are still adjusting to hybrid work, economic pressure, labour market uncertainty, and growing expectations around psychological health and safety. Statistics Canada reported that after work-from-home levels rose sharply during the pandemic, about 20% of Canadians were still working most of their hours from home in 2023, which confirms that flexible and distributed work remain part of the employment landscape rather than a temporary disruption. (Statistics Canada)

That means engagement data must capture how employees experience work across different locations, work arrangements, job levels, and life pressures. A single organization-wide engagement score cannot do that on its own.

The First Metric: Manager Effectiveness

If HR tracks only one deeper engagement driver, it should be manager effectiveness.

Employees experience the organization through their direct manager. That person shapes workload, recognition, communication, psychological safety, performance expectations, and access to development. A strong manager can hold a team together during a difficult period. A weak or inconsistent manager can erode trust even when the organization's policies look good on paper.

Gallup's 2026 State of the Global Workplace data reported that global employee engagement declined for a second year in 2025, falling to its lowest level since 2020, and that lower manager engagement accounted for much of the recent downturn. The report also found that manager engagement declined from 31% in 2022 to 22% in 2025, while non-manager engagement dipped only slightly. (Gallup.com)

That should concern HR leaders. If managers are disengaged, overloaded, or poorly supported, their teams will feel the impact. Employees rarely separate "the company" from "my manager." When their manager is unavailable, unclear, dismissive, or reactive, the workplace feels less stable and less fair.

HR should therefore measure manager effectiveness as a core engagement driver, not just as a leadership development issue. This can include employee ratings of coaching quality, clarity of expectations, frequency of meaningful one-on-ones, responsiveness to concerns, recognition habits, and ability to support workload management.

The key is not to weaponize the data against managers. Many managers are carrying heavier burdens than before. They're expected to deliver performance, interpret

policy, support mental health, manage hybrid teams, enforce return-to-office expectations, and respond to conflict. The data should help organizations identify where managers need training, coaching, tools, and capacity.

A useful engagement dashboard should therefore ask: Are employees getting the leadership support they need? Are managers equipped to provide it? And are some teams consistently showing warning signs that point to a leadership capability issue?

The Second Metric: Workload Sustainability

Burnout is one of the clearest signs that engagement data is being read too narrowly.

An employee can be committed to the organization and still be exhausted. A team can be proud of its work and still be stretched beyond reasonable limits. A high engagement score can coexist with unsustainable workload if employees are still emotionally invested but running out of energy.

That's why HR needs to measure workload sustainability directly.

This can include survey questions about whether employees can complete work during regular hours, whether priorities are clear, whether staffing levels are adequate, whether employees can disconnect after work, and whether workload spikes are temporary or constant. HR should also look at absence trends, overtime, vacation usage, turnover by team, and the frequency of urgent work escalation.

McLean & Company's finding that 40% of employees reported higher job-related stress is a reminder that workload and engagement cannot be separated. (Newswire) If stress is rising, HR needs to know where, why, and whether it's being treated as an individual resilience issue or a work design problem.

This distinction matters. Many organizations respond to burnout with wellness content, employee assistance reminders, or resilience training. Those supports can help, but they do not fix chronic understaffing, unclear priorities, poor scheduling, inefficient systems, or managers who keep assigning work without removing anything else.

A stronger HR analytics approach looks for patterns. If stress is concentrated in one department, the issue may be leadership, workload allocation, staffing, or workflow design. If stress is rising across the organization, the issue may be broader business pressure, change fatigue, or unrealistic productivity expectations. Either way, the metric should lead to operational questions, not just wellness messaging.

The Third Metric: Career Movement and Development

Employees are more likely to stay engaged when they can see a future inside the organization. If they can't, they may remain employed but mentally move on.

Career development is often discussed as a retention strategy, but it's also a data strategy. HR should be able to answer basic questions about whether employees are growing, moving, and building capability inside the business.

Useful metrics include internal promotion rates, lateral mobility, participation in learning programs, completion of role-relevant training, time in role before movement, manager support for development, and whether employees believe career opportunities are fairly available. These numbers should be examined by department, location, job level, tenure, and demographic group where legally and appropriately collected.

The McLean & Company report's finding that career advancement and development scored 58.3% suggests that many organizations still have work to do in this area. (Newswire) Employees may not expect a promotion every year, but they do expect a believable path forward. When that path is missing, engagement becomes fragile.

This is especially important in organizations that have slowed hiring or flattened structures. If promotions are limited, HR still needs to help employees build skills, take on meaningful projects, move laterally, mentor others, or prepare for future roles. Otherwise, high-performing employees may conclude that staying means standing still.

The competitive advantage for HR is to connect engagement data with talent mobility data. If survey results show low confidence in career growth and internal mobility data confirms few employees are moving, HR has a concrete business problem to solve. The issue is not morale. It's the lack of a visible talent pathway.

The Fourth Metric: Pay Fairness and Financial Confidence

Compensation has always influenced engagement, but the current economic environment has made it more visible and more emotionally charged.

Employees who feel financially stretched are less likely to be moved by symbolic perks or culture campaigns. They want to know whether pay is fair, whether increases are transparent, whether salary ranges make sense, and whether advancement leads to real economic progress.

This is where HR analytics must be careful but honest. Pay satisfaction scores alone are not enough. HR should look at pay equity, compression, salary range penetration, promotion increases, market competitiveness, turnover among critical roles, and employee perceptions of fairness.

This issue is becoming more important because pay transparency is gaining legal momentum in Canada. British Columbia's Pay Transparency Act requires wage or salary information in publicly advertised job postings, and Ontario has introduced job posting requirements under amendments to the Employment Standards Act that are taking effect in stages. These developments reflect a broader shift toward compensation transparency and accountability. They also change the engagement conversation because employees have more visibility into what employers say roles are worth.

When compensation data and engagement data are disconnected, organizations can misread the room. A team may report frustration with recognition, but the deeper issue may be that employees feel underpaid relative to workload or market conditions. Another team may have low morale because new hires are being brought in at rates close to or above longer-serving employees.

HR analytics should help leaders see those patterns before they become retention issues. It should also help organizations communicate more clearly. Employees do not always expect perfect outcomes, but they do expect fairness, consistency, and honesty.

The Fifth Metric: Psychological Safety and Employee Voice

Engagement depends heavily on whether employees believe they can speak honestly without being punished, ignored, or labelled as difficult.

This is where many survey programs fail. They ask employees for feedback but do not measure whether employees trust the process. If workers believe nothing will change,

or that candour carries risk, the data will be incomplete before HR even begins analyzing it.

The TTC's 2025 Employee Engagement Study provides a useful Canadian example of why this matters. More than 11,000 TTC employees participated, and while 78% said they were proud to work there, only 50% felt the TTC cared about their wellbeing, 48% felt valued, and 43% trusted that action would be taken based on the survey. Fewer than half felt safe voicing opinions or making mistakes without repercussions. (City of Toronto)

That combination is powerful. Employees can be proud of the organization and still lack trust that their voice will lead to action. They can care about the work and still feel unsafe speaking up.

For HR leaders, psychological safety should be treated as both an engagement metric and a risk indicator. Low psychological safety can affect harassment reporting, health and safety reporting, innovation, quality control, and workplace conflict. If employees don't feel safe raising concerns, problems stay hidden until they become formal complaints, grievances, resignations, or incidents.

Metrics should include whether employees feel comfortable raising concerns, whether managers respond constructively to feedback, whether mistakes are treated as learning opportunities, and whether employees believe complaints are handled fairly. HR should also compare this data with complaint trends, exit interview themes, incident reports, and turnover patterns.

The Sixth Metric: Inclusion Across Work Arrangements

Hybrid work has created a new engagement measurement challenge. HR needs to know whether remote, hybrid, and on-site employees experience the workplace differently.

This does not mean assuming one group is automatically more engaged than another. Gallup's 2025 analysis of remote-capable workers found that fully remote workers reported higher engagement, but were also less likely to be thriving overall than hybrid workers and on-site remote-capable workers. Fully remote workers may benefit from autonomy but also face isolation, stress, and emotional strain. (Gallup.com)

That finding is useful because it challenges simple narratives. Remote work is not automatically better or worse for engagement. The real issue is how work is designed, how managers communicate, and whether employees have connection, clarity, and support.

HR should measure whether employees in different work arrangements have equal access to recognition, promotion, development, information, and leadership visibility. It should also track whether hybrid policies are applied consistently and whether employees understand the reason behind workplace presence expectations.

This is particularly important for organizations tightening return-to-office rules. If leaders believe office presence will improve collaboration and culture, HR should measure whether that actually happens. Are employees reporting better mentoring? Better communication? More trust? Or are they reporting more commuting stress and less flexibility without a meaningful improvement in team connection?

Data should help organizations test their assumptions rather than defend their preferences.

The Seventh Metric: Follow-Through

One of the most overlooked engagement metrics is whether the organization acts on what employees say.

Employees are more likely to provide useful feedback when they believe something will happen as a result. When surveys disappear into a report and nothing changes, employees become cynical. The next survey produces lower participation, less candour, and more frustration.

Follow-through can be measured. HR can track how many teams review their results, how many action plans are created, how many actions are completed, how often leaders communicate progress, and whether employees believe leadership responded to feedback.

This metric matters because it turns engagement measurement into an accountability system. It also shifts responsibility away from HR as the sole owner of engagement. HR can facilitate the process, but managers and executives must own the response.

A strong employee listening strategy should include a closed-loop process. Employees provide feedback. Leaders acknowledge what they heard. The organization identifies priorities. Managers discuss results with their teams. Actions are tracked. Progress is communicated. Employees are asked whether the response addressed the issue.

Without that loop, engagement measurement becomes performative.

How HR Should Build a Better Engagement Dashboard

A useful engagement dashboard should not overwhelm leaders with dozens of disconnected metrics. It should tell a coherent story about the employee experience.

The dashboard should connect sentiment data with behavioural and operational data. For example, if a department has declining engagement, rising absence, high overtime, and low manager coaching scores, the issue is likely deeper than morale. If another department has strong engagement but low internal mobility, HR may need to act before employees start leaving for growth opportunities.

The most useful dashboards help leaders identify where to intervene. They show which drivers are strongest, which risks are emerging, and which teams need support.

A practical engagement dashboard for Canadian HR leaders should include:

- **Overall engagement and intent to stay**, but only as starting indicators.
- **Manager effectiveness**, including coaching, communication, recognition, and psychological safety.
- **Workload sustainability**, including stress, overtime, absence, and ability to disconnect.
- **Career development and mobility**, including internal movement, learning participation, and perceived opportunity.
- **Pay fairness and financial confidence**, including compensation satisfaction, salary structure concerns, and equity patterns.
- **Employee voice and trust**, including willingness to speak up and belief that feedback leads to action.
- **Inclusion across work modes**, including whether remote, hybrid, and on-site employees have equal access to opportunity.
- **Follow-through**, including action planning, completion, and communication back to employees.

That may sound like a lot, but the goal is not to create data clutter. The goal is to

stop pretending one engagement number can explain the workplace.

The Legal and Ethical Caution

As HR analytics becomes more sophisticated, organizations must also be careful about privacy, consent, and employee trust.

Engagement analytics should not become hidden surveillance. Employees should understand what data is being collected, how it will be used, who will see it, and whether it will affect employment decisions. This is especially important when organizations use digital tools that analyze communication patterns, productivity data, or behavioural signals.

The ethical principle is straightforward: measure conditions, not just people. HR should use analytics to improve work design, leadership support, fairness, and employee experience. It should not use analytics to quietly label employees as disengaged, disloyal, or low value.

That distinction matters. If employees believe engagement data will be used against them, they will stop trusting the process. Once that trust is lost, the data becomes less reliable.

The Real Purpose of Engagement Analytics

The purpose of engagement analytics is not to produce a better dashboard. It’s to help leaders make better decisions about people and work.

Good data can show where managers need support, where workloads are unsustainable, where career paths are blocked, where compensation concerns are damaging trust, and where employees do not feel safe speaking up. It can also help HR prove the business value of interventions that might otherwise be dismissed as “soft.”

But the value comes from interpretation and action, not measurement alone.

Canadian HR leaders should be wary of any engagement system that makes the work look too simple. Employees are not data points. They’re people responding to leadership, workload, fairness, opportunity, and trust. The best HR analytics respects that complexity while still giving leaders practical direction.

Engagement data should help answer one question above all others: **Which conditions are helping employees do their best work, and which conditions are getting in the way?**

If HR can answer that question clearly, engagement analytics becomes more than measurement. It becomes a tool for building a stronger, fairer, and more resilient workplace.