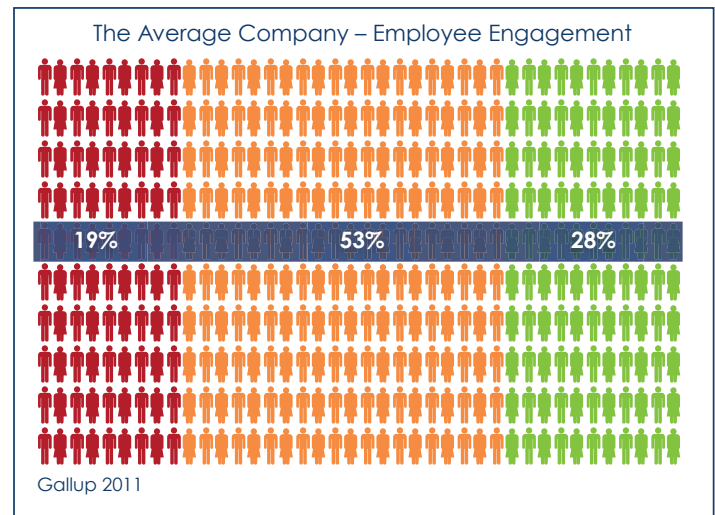


Employee Engagement: Why it Matters

Many of you have heard the phrase "Employee Engagement" and may think it is just another HR phrase or idea of the day. Please take a minute to read this and reconsider your view. There is significant research over the past 15 years to support the view that companies with highly engaged employees have better business results than companies with low engagement ratings.

Of great concern, the Gallup organization, which has been measuring the **impact of Employee Engagement across thousands of companies**, estimates today that only **28% of US employees are highly engaged**. The impact of the disengaged is even greater on the partially engaged employees (53% on average.) The partially engaged are often swayed by the seemingly loud voices or behaviors of the disengaged, or "engagement saboteurs", when the voice of the highly engaged is so soft. The real gain from improving engagement levels results from the shift of more partially engaged employees to highly engaged employees as this not only improves engagement levels but also mutes the voices of the disengaged.



At a recent national conference on Talent Management, successful companies across the board were placing a strong emphasis on Employee Engagement. Companies like Jim Beam, Cardinal Health and Fifth Third Bank have employee engagement as a top corporate priority along with leadership development and succession. Moreover, a recent global CEO study distributed at the conference by Deloitte indicated that Employee Engagement was in the top 3 of most pressing HR concerns.

Aon/Hewitt recently reported that high employee engagement companies outperformed average market returns by 22% while low employee engagement companies underperformed by 28%.

Even more compelling research looks at the impact on specific work measures. Gallup compared top quartile engagement companies to bottom quartile companies and found the following significant benefits:

18% higher Productivity
37% lower Absenteeism
49% less Safety Issues

60% less Quality Defects
12% Cost Savings
16% higher Profitability

What is Employee Engagement?

There are many different definitions circulating in the HR world, but in its simplest form highly engaged employees act like partners or owners in the business. They are more than satisfied employees just doing their job. Highly engaged employees are passionate about their employer and their jobs and they have a high sense of commitment and willingness to go the extra mile. They are proactive, take initiative and persist in the face of challenge and will help drive the company in whatever direction is necessary. They also like to "Wow" customers which is why there is a strong correlation between highly engaged employees and high customer satisfaction with the related positive impact on higher customer retention and revenue.

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