



THE IMPORTANCE OF EMPLOYEE ENGAGEMENT

Written by Incentive Services University

According to a recent study by MSW Research and Dale Carnegie Training, “employee engagement is important because ‘engaged employees’ are more committed and productive.” Unfortunately, the study also concluded that “. . . only 29% of employees are fully engaged while 26% are disengaged” (Victor Lipman, Forbes website). But what is employee engagement? Fineman & Carter define employee engagement as “the willingness of employees to invest discretionary effort on the job”. Vazirani suggests that engagement is “. . . the level of commitment and involvement an employee has towards their organization and its values.” An employee’s level of engagement in an organization can make or break their feelings about work and eventually influence performance.

Engaged employees tend to be more satisfied with both job and company. They have a positive attitude, greater productivity and are less likely to leave their position. Conversely, disengaged employees tend to be dissatisfied with both job and company. They have a negative attitude, higher rates of job turnover and often adopt a “quit and stay” attitude about their job and their company. But employee engagement can mean much more to an organization than just attitude and productivity. Levels of employee engagement can significantly impact a company’s bottom line.

For most companies, payroll is the largest expense. Happy, productive, and highly engaged employees decrease the high cost of turnover, training and even recruiting. “In the aggregate, employee disengagement is estimated to cost the US economy as much as 350 billion dollars per year in lost productivity, accidents, theft and turnover” (Schweyer, The Economics of Engagement, Human Capital Institute). Companies need to recognize that better talent management can lead to better employee engagement. Highly engaged employees

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believe they can positively impact the quality of company's products, positively affect customer services and positively impact costs (Towers Perrin study). Disengaged employees cost organizations money. And the greatest factor is productivity. But what about the “non-engaged employees”?

Non-engaged employees tend to occupy the “middle ground” and are normally the majority in most organizations (Schweyer, The Economics of Engagement, Human Capital Institute). These employees may feel that their contributions are being ignored and that their potential is being overlooked. These employees may not be disengaged, but neither are they fully engaged in either their position or organization. They are not contributing to their full potential. These employees shouldn't be ignored by management and organizational leadership.

So how can you positively impact engagement and minimize the economic impact of disengaged or non-engaged employees? One way to directly increase employee engagement is to create a culture of recognition and appreciation. This means recognizing both the “middle” employees and the high-performers to ensure that every employee feels that his or her contributions are recognized and appreciated by management and leadership. Recognition can be a motivating factor in improving employee performance, creating a higher-level of engagement and satisfaction with the company. “Recognition is one of the most powerful, least used management tools” (John J. Oliver, The Rewards of Recognition). Recognition can create a more engaged, committed and productive workforce.