

Engage 'em or Lose 'em

Using Business Intelligence to Monitor Employee Engagement and Drive Productivity

submitted by Sandy Asch, Alliance for Organizational Excellence

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Employee engagement is a hot topic these days, rightfully so with study after study proving that an engaged workforce is a more productive workforce. According to a 2006 study by Towers Perrin involving 86,000 workers in 16 countries, only 14% of employees are fully engaged on the job — willing and able to give sustained discretionary effort to help their organizations succeed. Further, the Gallup Management Journal's 2006 Q2's survey found that the lower productivity of actively disengaged workers costs the US economy about \$328 billion annually.

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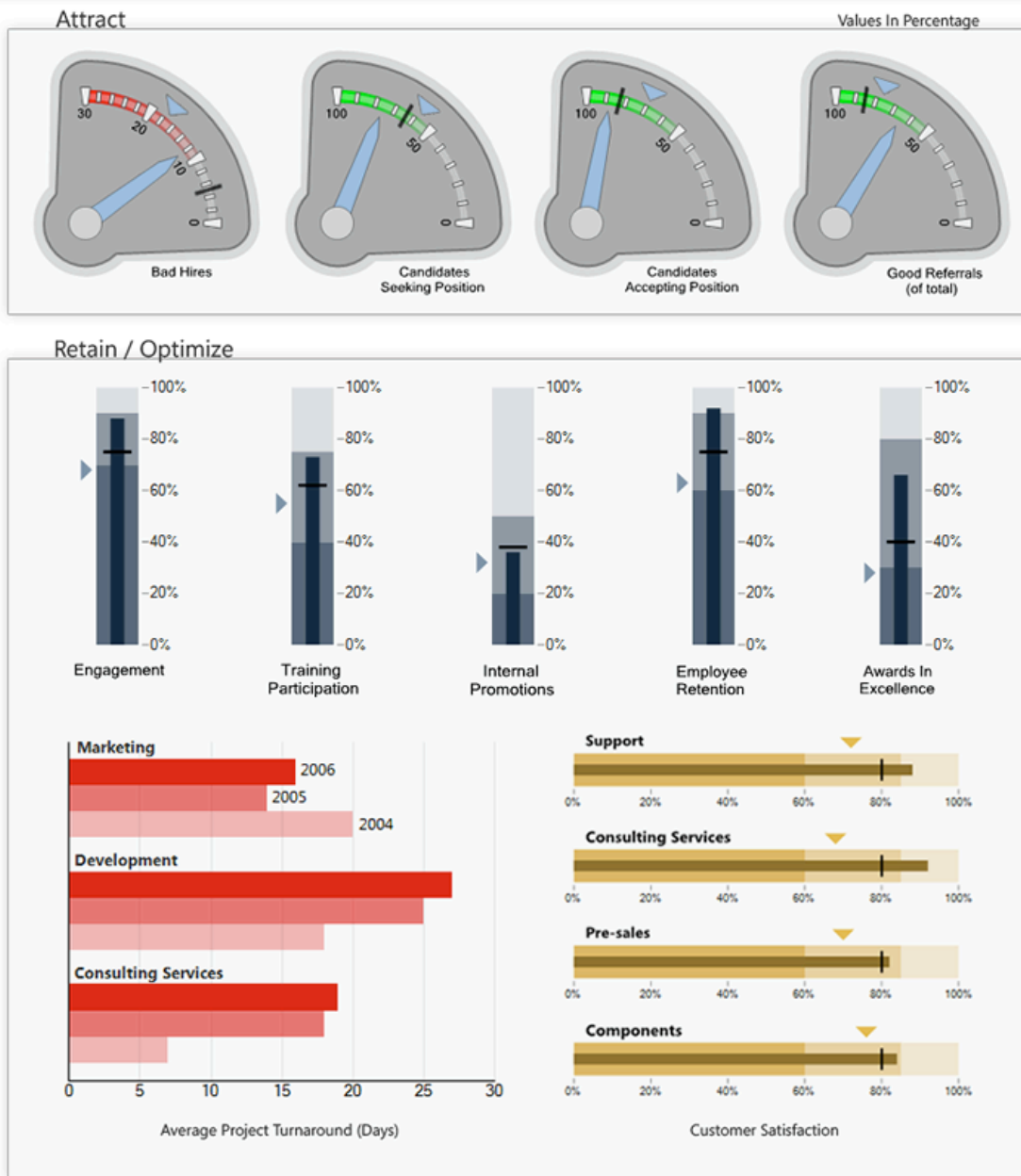
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Figure 1: This image is an example of an HR Dashboard. [Click here for more information.](#)

In the past managers and leaders focused on how to motivate employees and sustain a satisfied workforce, now savvy talent managers are asking, "How do I inspire commitment and energy, and in so doing extract the most discretionary effort from my employees?" Employee engagement is distinct from employee satisfaction. Measurement of employee satisfaction using a traditional employee opinion survey can provide valuable data regarding the overall employee mood. However, engagement is a deeper and richer measure, offering more meaningful data that relates directly to business impact. Employees can be satisfied, i.e. they might be content with their job and work environment, but that doesn't necessarily mean they are engaged! Engaged employees apply more effort than is necessary; they are linked to the organization, and apply energy and commitment in support of your company's goals.

Frequent measurement of employee engagement is a key indicator of productivity and retention, as well as profitability and customer relations (and retention). DDI studies show that low engagement teams averaged 14.5% turnover and 8% absenteeism, where high-engagement teams has 4.1% turnover and 4.8% absenteeism. In addition quality errors were 5,658 for the low engagement group compared to 52 for the high engagement group. A Watson-Wyatt study suggests that moving from low to high performance can result in a 21% increase in performance.

Measuring engagement need not be an elaborate, complex or costly process. In it's most practical form, the most effective manner to assess engagement is simply to ask, "How engaged are you?" When this question is asked authentically and regularly, employees are comfortable responding honestly, particularly if their response is anonymous. Engagement fluctuates - it's dynamic. Changes in engagement can take place in very short periods of time in response to shifts in working relationships, organizational change, stress or uncertainty. Therefore, it's important to measure engagement monthly or quarterly. In this highly competitive and mobile workforce, in some cases it only takes a few weeks or months for a talented employee to leave for a better opportunity.

While measurement of engagement is an extremely valuable process, without immediate action to address issues and remove blocks, or perceived obstacles to full engagement, the purpose can be defeated. The key to a successful process is to have real-time information about engagement levels so managers can take immediate action to remove barriers and optimize employee performance. The Excellence Engagement Index™ is an example of an effective and economical online engagement measurement tool. [Take a tour of the EEI here.](#)

A successful employee engagement measurement process includes:

- A simple online questionnaire with 5-7 straightforward engagement descriptors
- Monthly measurement and reporting by department or manager
- Anonymity
- Opportunity for responders to provide unstructured comments on how to improve their own level of energy and motivation as well as that of their co-workers
- Trending over a 12-month period to show fluctuations in engagement levels
- Link to bottom line financial impact

Use of a digital dashboard to display engagement results give leaders at every level in the organization an easy, interactive view of the energy and commitment employees are applying toward company goals. As one client put it, "The Engagement Index was very quick and the responses provided by my staff were insightful. I am planning to use the results as a catalyst for further discussions on removing barriers in our department and fostering a more engaged workplace."

About Sandy Asch

Sandy Asch is Principal of Alliance for Organizational Excellence LLC, a San Diego based consulting practice, and author of *Excellence at Work: The Six Keys to Inspire Passion in the Workplace* published by WorldatWork press. She brings 18 years success working with companies to build workplace excellence and gain the reputation as an employer of choice so they can attract, optimize and retain the top talent they need to meet and exceed their business goals. She can be contacted at sandy@Uexcel.com or 858.481.7742. Visit www.Uexcel.com for more information about her book and other offerings.

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