

WHAT DRIVES EMPLOYEE ENGAGEMENT AND WHY IT MATTERS

Dale Carnegie Training
White Paper



DALE CARNEGIE®
TRAINING



THE IMPORTANCE OF PEOPLE

What makes one company more successful than another? Better products, services, strategies, technologies or, perhaps, a better cost structure? Certainly, all of these contribute to superior performance, but all of them can be copied over time. The one thing that creates sustainable competitive advantage – and therefore ROI, company value and long-term strength – is the workforce, the people who are the company. And when it comes to people, research has shown, time and again, that employees who are engaged significantly outperform work groups that are not engaged. In the fight for competitive advantage where employees are the differentiator, engaged employees are the ultimate goal.

While there are many research studies that point to the percentage of engaged and disengaged employees, few studies have looked at what really drives employee engagement. Dale Carnegie teamed with MSW Research to study the functional and emotional elements that affect employee engagement. A national representative sample of 1,500 employees was surveyed, which revealed that although there are many factors that impact employee engagement, there are three key drivers:

- Relationship with immediate supervisor
- Belief in senior leadership
- Pride in working for the company

Employees said that it is the personal relationship with their immediate supervisor that is the key. The attitude and actions of the immediate supervisor can enhance employee engagement or can create an atmosphere where an employee becomes disengaged. In addition, employees said that believing in the ability of senior leadership to take their input, lead the company in the right direction and openly communicate the state of the organization is key in driving engagement. Other factors that drive engagement are that employees are treated with respect, that their personal values are reflected and that the organization cares about how they feel.



SOME BASIC FINDINGS:

- Among the 1,500 employees, only 29% are fully engaged and 26% are disengaged. Almost half (45%) are partially engaged.
- The findings from the MSW Research study identify several factors that drive engagement or disengagement.
- Gender, ethnicity and work status (full/part time) do not emerge as critical variables of employee engagement.
- On the other hand, there are some additional factors that have minor influences on engagement. More engaged workers tend to be:
 - Senior management (Senior VP+ level)
 - Employed in a large corporation
 - Have a college education
 - Earn \$50K+
 - Under the age of 30, or over 50
- Comparatively, demographic and organizational segments currently less engaged or disengaged with their organizations are:
 - Middle-aged employees (40-49 years old)
 - The most highly educated, i.e., those with a post-graduate education
 - Lower-level income employees earning less than \$50K
 - Newer employees, especially those in the organization less than a year
 - Client-facing and clerical staffers
 - Those working in government, military, education and manufacturing sectors

*“You must capture
the heart of a
supremely able
man before his
brain can do
its best.”*

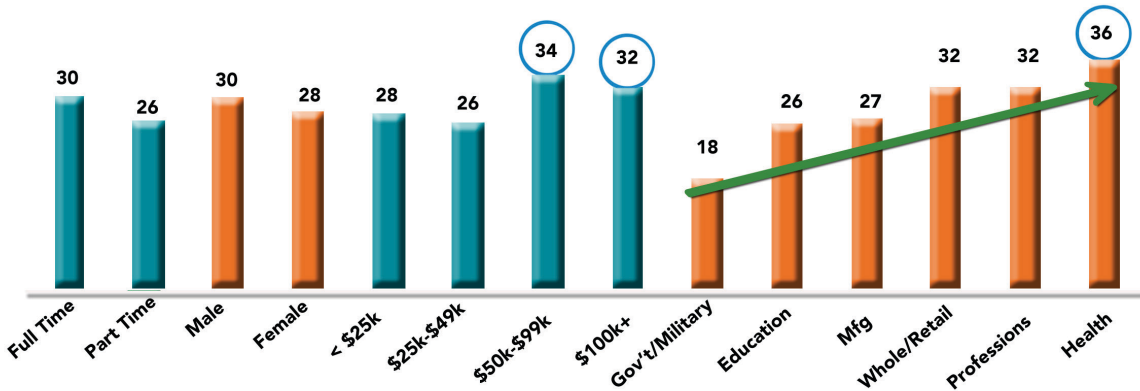
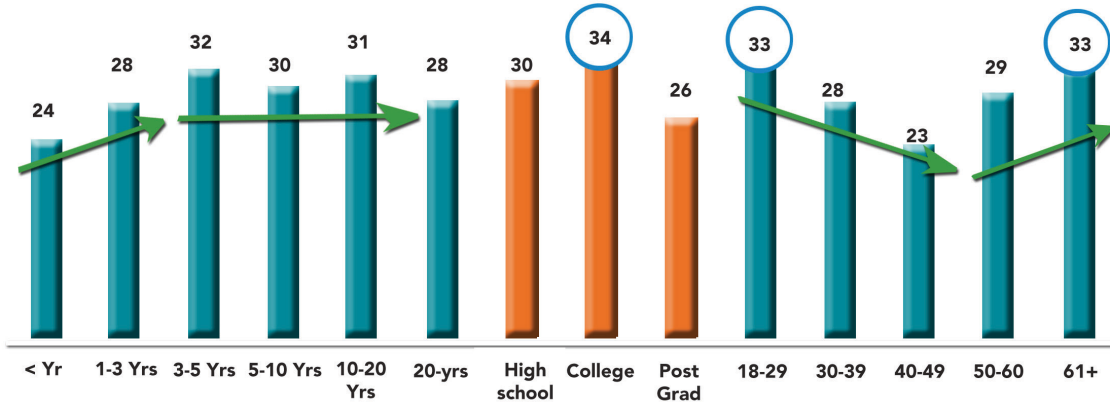
— Andrew Carnegie

Only 29% of
employees are
fully engaged
while 26% are
disengaged



EMPLOYEE ENGAGEMENT BY DEMOGRAPHICS

Percent fully engaged by each demographic: Fully engaged, 29%



US businesses lose \$11 billion annually as a result of employee turnover.

Bureau Of National Affairs

THE IMPORTANCE OF ENGAGED EMPLOYEES

Today, employee engagement and loyalty are more vital than ever before to an organization's success and competitive advantage. Gone are the days when a young person starting out in his or her career joined a company and stayed until retirement – in today's business environment there are no guarantees. Experts predict the current turnover rate may rise to 65%. With recruiting costs running approximately 1.5 times annual salary, the ability to engage and retain valuable employees has a significant impact on an organization's bottom line. The question for management is how to ensure that the supervisors interact with individuals to generate an engaged workforce.



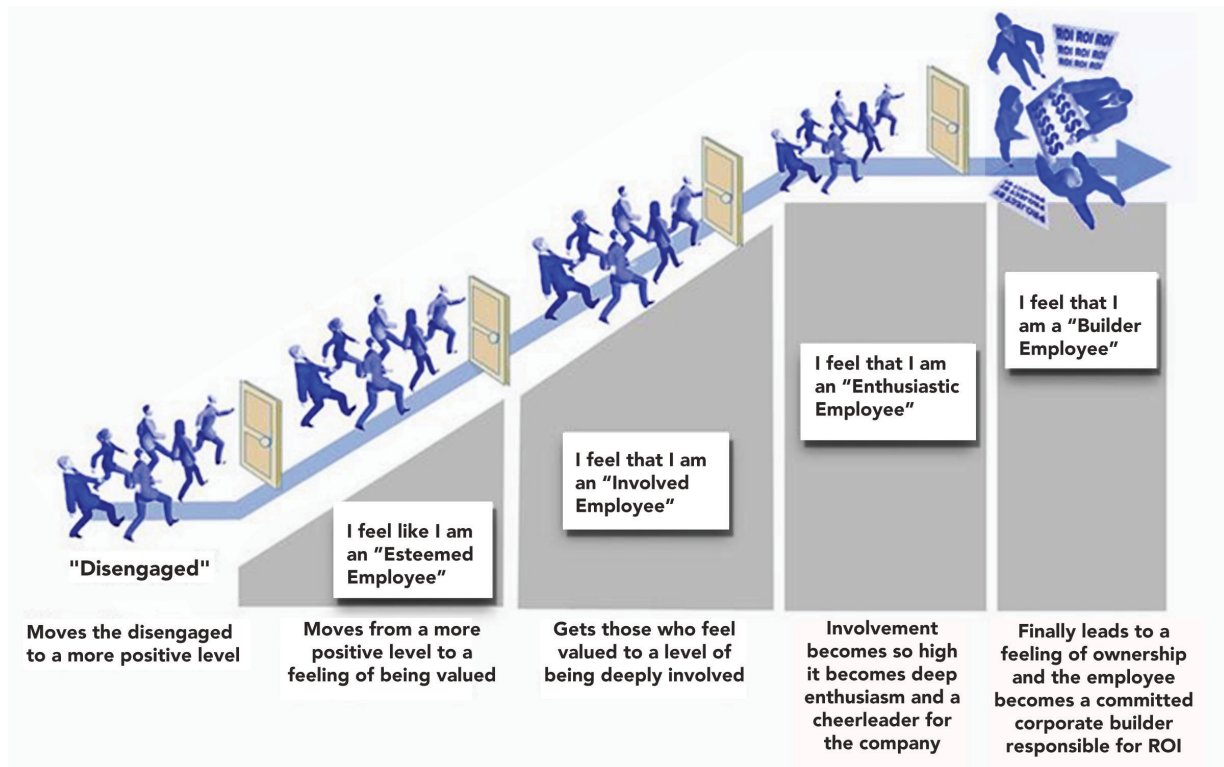
CARING MANAGERS

The study revealed that a “caring” manager is one of the key elements that drives employee engagement. That is, employees want their managers to care about their personal lives, to take an interest in them as people, to care about how they feel and support their health and well-being. A manager’s ability to build strong relationships with employees, build strong team interaction and lead in a “person-centered” way creates an engaging environment in which employees can perform at the highest possible level.



MOVING EMPLOYEES TO A HIGHER LEVEL OF ENGAGEMENT

Employees are your biggest investment and should bring the greatest reward. Yet even today, in too many organizations, employees are viewed as an asset to be managed rather than as individuals who can create the next innovation for success. Long-term engagement starts with good communication between employer and employees as well as among co-workers, fostering a positive working environment.



By working with employees to create a clear career path and set goals with a potential for growth, a manager can create positive esteem within each team member. By showing them that they are valued and have responsibility, and then to recognize and reward them for a job well done, a manager can create an "involved employee." It is then much easier to turn that sense of involvement into enthusiasm and a sense of pride in ownership that creates the highest levels of engagement with employees.

If you are looking for ways to enhance employee engagement in your organization, Dale Carnegie Training is here to help. Based on a strong heritage in training and coaching people, and the findings from the MSW Research study, Dale Carnegie Training is ready to help you move employees to a higher level of engagement, moving those who are "disengaged" to become "engaged" and those who are "engaged" to become "Builder Employees."