



## **Employee engagement: so what?**

You've heard it all before: the plaudits for Employer of the Year, The Sunday Times Best Companies to Work For list, the management buzz words Employee Engagement.

"Isn't that just soft and fluffy stuff?" I sometimes hear. Or "What's the point in making employees happy? If they're all sitting around laughing they won't get much work done." Or "I don't want this to be a nice place to work, I want us to succeed".

But the concept of employee engagement and awards like The Sunday Times Best Companies are about a lot more than employees being happy and satisfied, or having a nice place to work.

When someone is truly engaged with work, it means they go the extra mile to deliver. Their enthusiasm rubs off on other employees and on customers. They provide better experiences for customers, approach the job with energy – which enhances productivity – and come up with creative product, process and service improvements. They remain with their employer for longer, which reduces turnover and its related costs. In turn, they create happier customers who buy more, stay longer and tell their friends – generating sustainable growth.

Research over a 7 year period has shown that firms with highly engaged employees grew revenues two and a half times more than those with low engagement levels. Organisations with the most engaged employees are, on average, 22% more profitable. Highly engaged employees perform 20% better than the most disengaged.

What do these benefits look like in practice?

**1) Employee investment:** Research indicates that if employees are engaged with the company, their job satisfaction levels increase. They're invested in the success of the business and committed. They're ambassadors for the company and will promote and support the company's mission, strategy and brand.

**2) Productivity:** Engaged employees are committed to going the extra mile to achieve success in their job. They take less time off work sick and they're more motivated, leading to increased productivity. Research

indicates that offices with engaged employees are as much as 43% more productive.

**3) Retention & Recruitment:** Engaged employees are more far more likely to stay, so that recruitment costs are minimised. The business with a highly engaged workforce builds a reputation as an employer that increases their ability to attract the best applicants.

**4) Innovation:** Because engaged employees perform at a higher level and bring passion and interest to their job, this often leads to innovation in the workplace. These employees feel they have a real stake in the organisation, and will often strive to create new products, services and processes.

**5) Profitability:** Companies with more engaged employees tend to be more profitable. Their employees become more productive and efficient, so operating costs are lower and the profit margin increases. A recent study has shown that highly engaged employees produce 26% more revenue per employee.

Not so soft and fluffy then! - but a strong force that will deliver a genuine, hardnosed business benefit for you. People deliver profits - so it's worth looking after them.

**There's more about how to grow levels of employee engagement in your company here. For help with this in your workplace, contact The Human Resource on 07884 475303 or [enquiries@thehr.co.uk](mailto:enquiries@thehr.co.uk).**

**And if you're ready to make strategic changes so that your company can feature in a Best Employer list next year, we do that too.**