

Pay attention to your workforce: How engaged are they?

In every company I've ever worked with, there has been vast untapped potential for employee performance, and managers have struggled to build emotional connections for employees between what they do every day and the company's success.

The evidence is irrefutable: Most workforces are filled with unengaged workers who are not willing to put in the extra, discretionary effort that owners and managers want. Gallup reports that 71 percent of American workers are "not engaged" or "actively disengaged" in their work, meaning they are emotionally disconnected from their workplace and are less likely to be productive. That leaves nearly one-third of workers who are "engaged," or involved in and enthusiastic about their work and contributing to their companies in a positive manner.

Here is the good news: Executives appear to be more focused on the lack of engagement than ever before. A study from the Economist Intelligence Unit, a research firm, reported that 84 percent of top executives believe disengaged employees are one of the top three threats facing their businesses.

So why all of a sudden is engagement on the top-threats-facing-my-business list? Research tells us that Americans who have at least some college education are significantly less likely to be engaged in their jobs than those with a high school diploma or less. Additionally, workers aged 30 to 64 are less likely to be engaged at work than those who are younger or older. These types of workers are referred to as knowledge workers. They typically have higher education and perform more complex jobs that require a higher level of skills and, well, knowledge. In 1990, only 17 percent of jobs required knowledge workers. According to the 2008 McKinsey & Co. report, "The War for Talent," that figure has increased to more than 60 percent and just keeps rising.

We operate in a much stronger knowledge economy. Therefore a company's bottom line is influenced more than ever by the knowledge worker and the soft skills



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required of leaders to engage the workforce.

If you were to explore what makes a highly engaged worker, you would find a few descriptions used consistently. An engaged employee is one who tends to speak positively about the company and its people, is willing to provide that little extra discretionary effort when needed, and plans to stay with the company and be highly productive in his role. At Brand Integrity, we've simplified these attributes into one definition and created a metric for companies to measure engagement: An engaged employee is one who is motivated and committed to act in the best interest of the company.

How engaged are the people you work with? The Employee Engaged Index can help you find out. It is a simple and accurate predictor of engagement, consisting of four highly correlated indicators assessing slightly different aspects of employee commitment and motivation to act in the best interest of the company.

■ How likely is it that you would recommend the company as a place to work?

■ How likely is it that you would recommend the company's products and services to a friend or family member?

■ How likely is it that you would stay with the company if offered a similar job elsewhere for slightly higher pay?

■ How likely are you to go above and beyond what is expected of you in your job?

Employees are asked to rate each indicator on a zero-to-10 scale. The Engaged Index is the net score calculated by subtracting the bottom box scores (percentage of individuals who scored three of the four questions a 0 through 6) from the

top box scores (percentage of individuals who scored three of the four questions a 9 or 10).

Using the net score rather than a straight total provides a more reliable view when measuring engagement. A net score takes into consideration the bottom box scores that can be costly to a company. Employees who fall into this group are often lowering productivity and diminishing the work culture. Taking the score only from the top box provides a false sense of confidence because it ignores the bottom box group. The net score helps managers in making improvement plans that are focused on engaging more people—moving them up the spectrum.

More than 60 percent of jobs require knowledge workers. In general they are less engaged in their jobs than those under 30 with no more than a high school education.

The individual responses to each of these questions are telling and have solid predictive power. Combining them enables you to capture the most complete picture of engagement in your company. The Engaged Index provides a window into how employees in any individual job category, department, division or geographic location are thinking and feeling about the work culture.

It is important to note that the Engaged Index is for groups of employees, not individuals. It is not an indication of individual performance. However, you will find that it sparks the necessary conversations to get people on a team, or within a department or geographic location, talking about what needs to happen to improve the score in their work area.

The Engaged Index is an employee metric that business leaders can use to show the strength of the relationship between

employee engagement and financial results. It gives leaders directional insights into employee and customer measures such as turnover, absenteeism, safety problems, time required to fill a job, customer retention and revenue per customer (to name a few). Further, it creates uncanny visibility—and ultimately accountability—among

managers to make sure they are managing the company experience with respect to maintaining a work culture that is engaged, productive and focused on delivering a consistently great experiences for customers.

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