

Employee Engagement To What End?

High Performing Companies Keep the End in Sight



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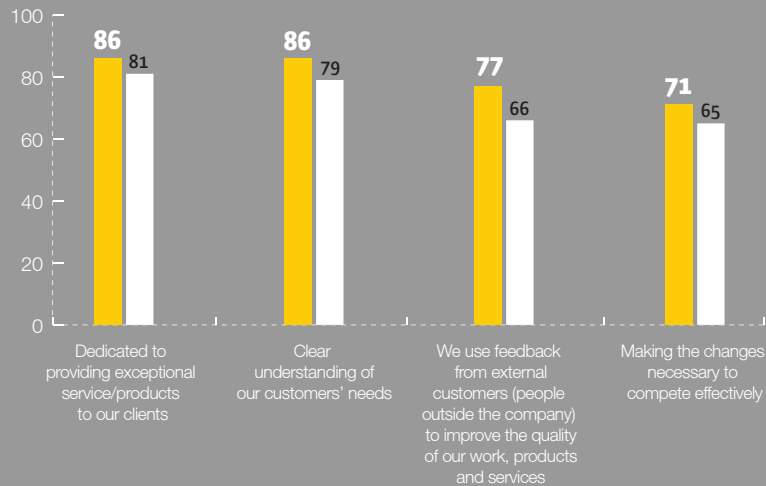
High Performing Companies Keep the End in Sight

Employee Engagement has emerged as a new mantra of the 21st Century management. We all know the adage that it takes more money to replace an employee than keep an employee and worker participation is almost apple-pie-ish in a context of American democracy. But, really, why bother? How do we justify the expense of competitive compensation, meaningful work, and routine employee attitude surveys in this roller coaster economy?

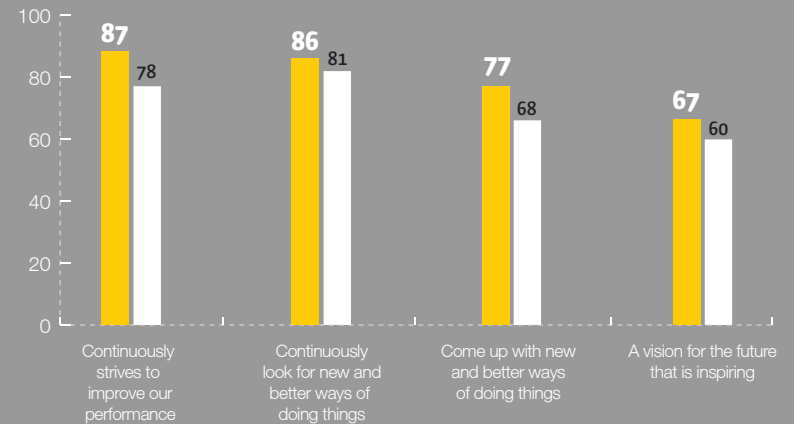
It's hard to justify employee engagement if we confuse the means with the ends. In a recent analysis of survey results from more than 145 companies and 1.5 million employees by TNS Employee Insights, the end was obvious: customers. A comparison of High Performing Companies (HPCs), those who are leaders in their industries and show sustained financial growth as compared to other organizations, showed that not only did these firms tend to have better relationships with their employees, their employees were more focused on customers. Additionally, a focus on the "ends" of customers went hand in hand with a drive toward constant improvement and innovation.



2011 Normative Data - Market Focus % Favorable



2011 Normative Data - Drive for improvement % Favorable



TNS Employee Insights maintains an employee engagement normative database that includes more than 126 items from surveys implemented around the globe and across industries. While the bulk of questions focus inwardly at the job itself, relationships with supervisors, company policies and processes, or perspectives on company leadership, several questions assess the degree to which employees or their work groups are focused on what is going on outside the company.

The differences between HPCs and other firms is consistent: employees in HPCs are much more likely to say they are dedicated to understanding customer needs and using that understanding to improve how they do their jobs. They are also more likely to say that the firm is making necessary changes to be competitive. Bottom line, employees in HPCs appear to be more market focused – their line of sight is not exclusively internal, but is focused externally on what is happening around them and their company.

In addition, employees in HPCs report a constant drive for improvement, and a focus on future possibilities versus acceptance of what is today. They are far more likely to say they are looking for new and better ways to do things, striving to improve performance, and feel the company as a whole has a vision for the future that is inspiring. There is an energy here that is tangibly different than non-HPCs.

High Performing
 Global (All)

{ Employee Engagement – The Engine and the Energy to High Performance }

Engagement as the Engine

Over the years, there has been increasing evidence that employees in these High Performing companies are more satisfied with their work (78% favorable in job satisfaction versus 72% for the rest of the database) and typically report having a work environment that is more conducive to high performance. However, perhaps the key difference between HPCs and their peers is how they define the ends.

The ends for employee engagement measurement in many firms is exactly that, employee engagement. This analysis suggests that for HPCs, employee engagement is the means to larger ends: customer engagement, market share, competitive advantage, and future profits. The ends are “out there” not “in here.”

Stephen Brown and Son Lam, two professors from the University of Houston analyzed over 28 studies of employee engagement and customer service quality (Journal of Retailing, 2008). They conclude that “Managers should realize that satisfied, motivated, and committed front-line employees constitute a powerful engine for the delivery of service quality and customer satisfaction.” (p252)

A comment from an employee at a high tech company (in response to an open-ended question in a TNS Employee Engagement survey) captures the potential energy of an engine full of engaged employees who have a line of sight external to their immediate context: “The job I do directly affects our client’s day to day operations, and therefore the experience of thousands (if not millions) of their customers. Understanding this relationship of my actions to their lives gives me a profound sense of worth as well as accountability.”



The ends of this employee’s “profound sense of worth” is the client. This employee would probably walk on hot coals to perform well, not just because they are empowered or compensated well, but because they care passionately about their customer. And, because of this passion, they are committed to helping their company exceed customer expectations. Customer retention, customer growth, innovation, process improvement - isn’t that the whole idea?

For High Performing Companies, measuring and action planning around employee engagement, compensation, supervisor relationships, and meaningful work is more than a “nice to have,” more than an academic exercise. It truly is the engine that drives performance and profitability. The good news is this: employees who are engaged will likely work harder and be less likely to leave the firm. The better news: if the powerful engine of employee engagement is directed outward, if the ends are the customer and the future, everyone wins in the end.

“Managers should realize that satisfied, motivated, and committed front-line employees constitute a powerful engine for the delivery of service quality and customer satisfaction.”



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