

## Employee Engagement Drives Profitability



A study by the Federal Reserve Bank of Boston found that seventy percent of U.S. workers are either “not engaged” or “actively disengaged” in their work. This represents an estimated \$450 to \$550 Billion loss in productivity each year.

Four main ingredients go into increasing employee engagement according to the article “[Employee Engagement and Corporate Social Responsibility](#)” published by the U.C. Berkeley Hass School of Business California Management Review. They are aligned goals, meaningful work, challenging assignments and recognition.

### **Aligned Goals**

Research shows that an employee’s relationship with his or her direct manager is the single most important factor influencing employee engagement. The extent that management is able to communicate the importance of aligning employees’ goals with the long-term objectives of the company is critical to the success of their working relationship. It is imperative that every employee understands how the work they do supports the company’s mission.

### **Meaningful Work**

Managers must individualize work assignments based on the employee’s strengths, interests, career aspirations and personal development goals in mind. What makes work meaningful to

workers is understanding the impact it has on the company's customers. When employees believe their work improves customers' lives, they are inspired to do their best and a sense of accomplishment permeates the team culture. This clearly deepens the importance of the work each employee provides to the business overall.

## **Challenging Assignments**

Businesses need the maximum contribution from all their employees. A mutually beneficial work relationship builds trust and helps teams adapt to changing priorities. Being flexible and agile in the face of constant change in a global economy is paramount in increasing profitability.

Employees want work that stretches them. They want to feel highly valued. Managers must be willing to assign challenging work to all the members of their team in order to increase their skill levels. Workers who believe their manager is there to help them are motivated to do their best work. Authentic, small actions can make a big difference in increasing their confidence.

## **Recognition**

Seventy-eight percent of employees cited recognition as the main motivating factor in their careers. Pacific Crest Group's posting "[The Best Employee Incentive is Recognition](#)" reinforces this point. Overwhelming evidence shows that monetary incentives are not as effective as a positive relationship between employers and their workers. Employees perform best when they feel the company cares about them and is willing to listen and implement their ideas. Investing in your employees' success will yield the highest returns. Show your employees you appreciate their hard work. A little bit of praise can go a long way.

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