



EMPLOYEE ENGAGEMENT – AND PRODUCTIVITY

A recent Gallup Management Journal study looked at employee engagement, classifying workers into three categories:

- Engaged Passionate about their work, strongly connected to their company
- Not engaged “Checked out” – putting in time but not energy
- Actively disengaged Unhappy, undermining efforts of co-workers

The study revealed that, in the typical organization, only 29% of employees are fully engaged, 56% are not engaged, and 15% are actively disengaged, with an estimated cost of over \$300 million annually in lost productivity. It is the engaged employees who can be counted on to bring creative ideas to their workplaces, support their colleagues, respond to customers’ needs, and drive innovation.

Imagine the increase in organizational productivity that would result from motivating more of those not engaged. How can employers do it? Companies with a high percentage of these employees share some characteristics:

- They create a workplace culture that welcomes new ideas about everything from management issues to business development.
- They encourage workplace friendships and value supportive relationships between co-workers.
- They bring customers’ perspectives to the innovation process.

Another crucial factor in employee engagement relates to compensation. We believe that there is a huge opportunity to inspire employees to become fully engaged by creating goal-based pay-for-performance plans. Many organizations have found that the transition from a traditional pay plan to a new, performance-based plan results in greatly improved productivity.

[Click here to read for about pay for performance plans.](#)