

Why Should You Care About **Employee Engagement?**

A MicroEdge Educational eBook



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Why should you care about employee engagement? It is an important question to answer, but before we can do so, we should start with another question:

What is employee engagement?

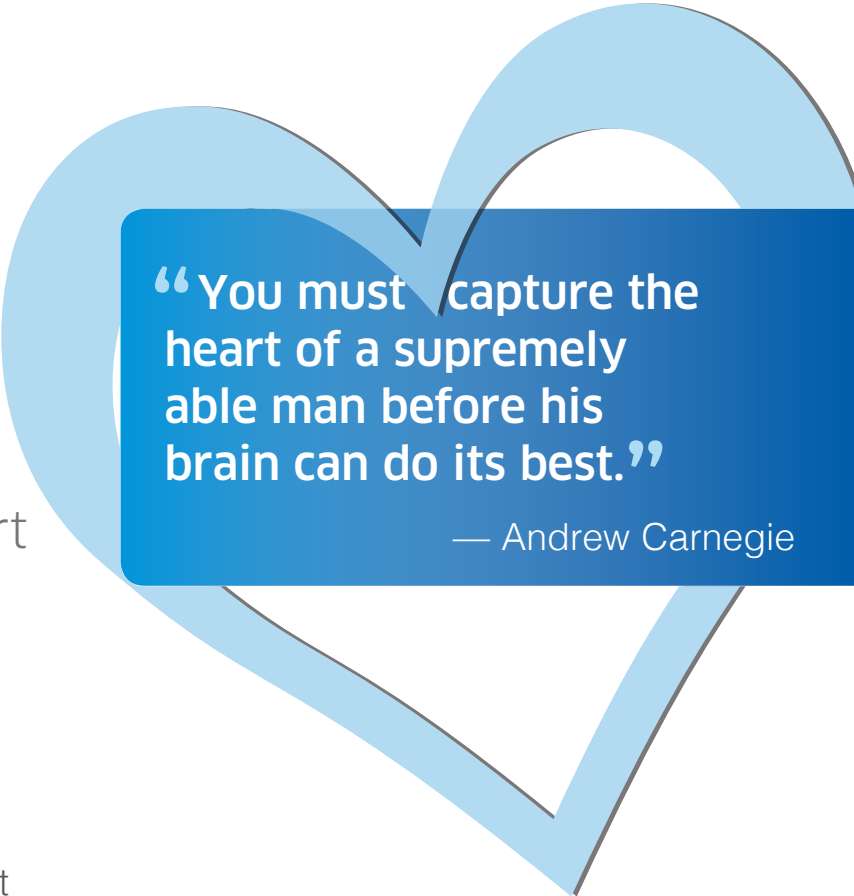


What is employee engagement?

It can mean entirely different things to different audiences, and there are numerous, even contradictory definitions. But this sums it up pretty well:

“[Employee engagement] is a heightened emotional and intellectual connection that an employee has for his/her job, organization, manager or co-workers that, in turn, influences him/her to apply additional discretionary effort to his/her work.”¹

In short, an engaged employee is one that feels a positive connection to her employer, which influences her to care more about the work she does and therefore put more effort into excelling at her work over the long term.



“You must capture the heart of a supremely able man before his brain can do its best.”

— Andrew Carnegie

1. The Conference Board, www.conference-board.org/topics/subtopics.cfm?subtopicid=250

Why does it matter if employees are engaged?

In truth, the answer is quite simple:
engaged employees are more loyal, work harder, and stay longer.

It would stand to reason that companies with higher levels of employee engagement perform better.

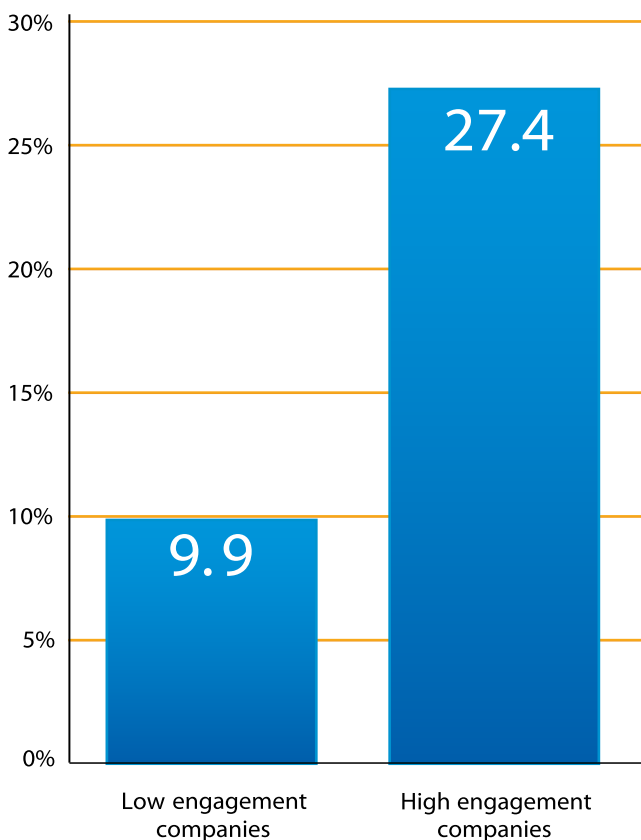


Figure 1: Impact of employee engagement on a company's same-year operating margin.²

Data taken from the 2012 Global Workforce Study conducted by Towers Watson supports this theory. By comparing employee engagement levels in 50 companies around the world, it found that companies with high levels of employee engagement reported a same-year operating margin nearly three times higher than companies with low levels of engagement (see Figure 1). Furthermore, a recent study by Dale Carnegie Training found that US businesses lose \$11 billion annually due to employee turnover—that alone is strong motivation to ensure your employees are engaged.³

2. Towers Watson, 2012 Global Workforce Study, www.towerswatson.com/DownloadMedia.aspx?media=D1E4CAF3-55FB-45B9-9A14-B384BF7E9A66

3. Dale Carnegie Training, What Drives Employee Engagement and Why it Matters, www.dalecarnegie.com/imap/white_papers/employee_engagement_white_paper/

But it's not just about the bottom line.

It's also about employee satisfaction, as well as their perceptions of senior leadership and the company as whole. The Towers Watson study included a survey of more than 32,000 full time employees from organizations working in 29 industries around the world. It found that, across the board, highly engaged employees exhibited positive sentiments toward the company in everything from the quality of their work environment and manageability of their workload, to levels of work-related stress and perceptions of adequate levels of support from upper management (see Figure 2). The significance of these findings cannot be understated; a more engaged workplace is, plainly put, a healthier workplace.

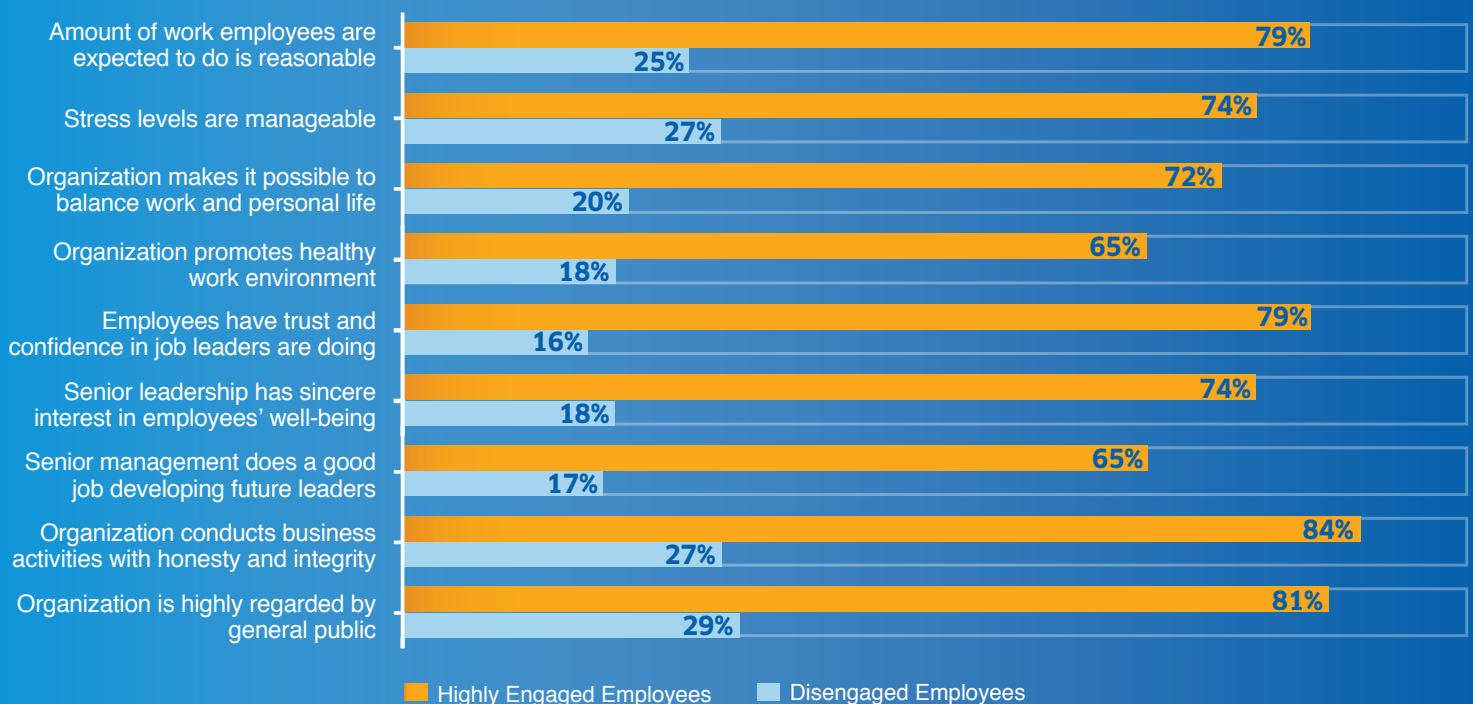


Figure 2: Percentage of employees agreeing to workplace related questions, by engagement level.⁴

4. Towers Watson, 2012 Global Workforce Study, www.towerswatson.com/DownloadMedia.aspx?media=D1E4CAF3-55FB-45B9-9A14-B384BF7E9A66

What drives employee engagement?

There are myriad factors that determine levels of employee engagement. A 2012 study by Aon Hewitt revealed six major categories—along with 22 organizational antecedents—of employee engagement drivers (see Figure 4). These are all factors that can potentially increase (or decrease) an individual's engagement within a company, but the key is determining a way to leverage these drivers to increase engagement—and one of the very best ways, evidence shows, is through employee volunteer programs.

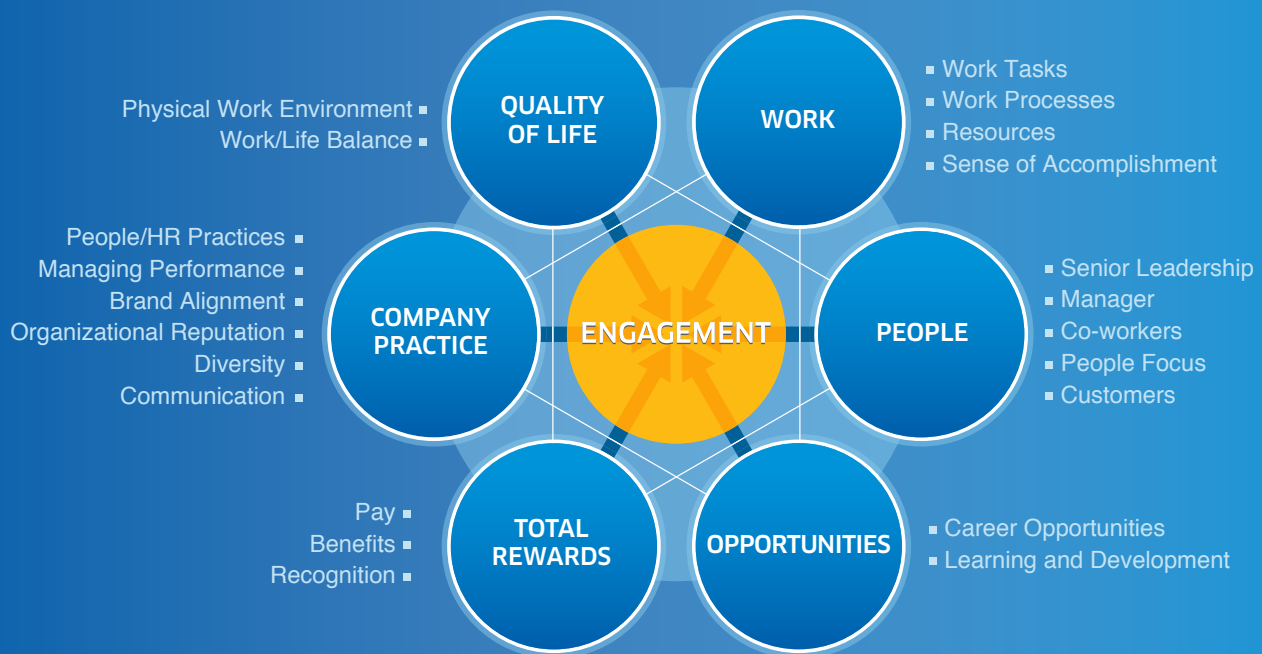


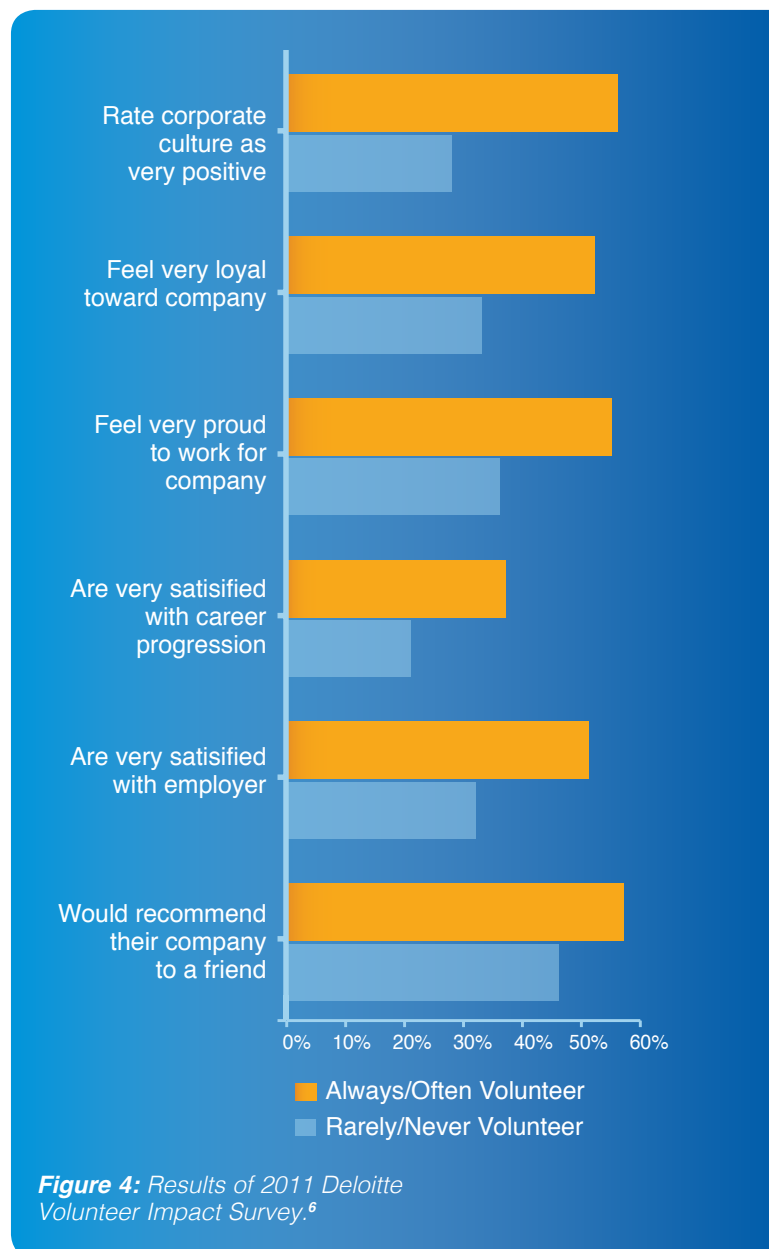
Figure 3: Major drivers of employee engagement.⁵

5. Aon Hewitt, 2012 Trends in Global Employee Engagement, www.aon.com/attachments/human-capital-consulting/2012_TrendsInGlobalEngagement_Final_v11.pdf

How effective are employee volunteering programs in engaging your staff?

Employee volunteer programs allow you to unite your employees around efforts to work for the common good of the community, enabling you to bring them together to connect with one another and impart a sense of purpose in those employees.

If you take it a step further and allow employees to attend volunteer events of their choice, or suggest and run volunteer events themselves, you also show them that your company is dedicated to supporting the causes *they* care about. Plus, you really do give back to the communities you support and are able to tell that story to stakeholders and the community itself. A 2011 study by Deloitte shows strong evidence that offering employee volunteering programs yields a broad spectrum of positive sentiments in your employees (see Figure 4).



6. Deloitte, 2011 Volunteer Impact Survey, www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/us_2011DeloitteVolunteerIMPACTSurvey_ExecutiveSummary_060311.pdf

What impact does employee volunteering have on employee recruiting & retention?

70%

Of employees between the ages of 21 and 35 strongly favor companies that are committed to the community.

Again—the impact is significant. Deloitte survey respondents were asked whether a company's commitment to the community (i.e. volunteering) would factor into their decision of whether or not to accept a job offer.⁷ Out of the 1,500 young employees surveyed, 70% of them responded that the company's commitment to the community would play a role in their decision.

The lesson here? If you want to attract top talent, you probably want to consider adopting an employee volunteer program.

7. Deloitte, 2011 Volunteer Impact Survey, www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/us_2011DeloitteVolunteerIMPACTSurvey_ExecutiveSummary_060311.pdf

Want a snapshot from one company?

AAA Northern California, Nevada and Utah Insurance Exchange has an extremely active employee volunteering program and regularly surveys their employees on the impact of the program. When asked how that program affects their job satisfaction—specifically how the employee volunteer program affects their sense of engagement—94% of the 5232 employees surveyed responded that the company's employee volunteer program improves their level of engagement.⁸



AAA Northern California, Nevada and Utah Insurance Exchange's employee volunteer program in action.

8. AAA Northern California, Nevada and Utah Insurance Exchange, Employee Survey, (n=5232)

Employees get a feeling of inclusion and pride from volunteering.

94%

Of respondents reported their employee volunteering builds teamwork within the company.

97%

Reported the company's employee volunteer program made them feel that the company is making a positive impact in their community.

The employee survey conducted by AAA Northern California, Nevada and Utah Insurance Exchange also shed light on deeper feelings of inclusion and pride that employees get from volunteering. The results revealed that the vast majority of employees feel that volunteering helps build teamwork in the organization and even more responded that they feel the company is making a positive impact in the community through volunteer efforts.⁹

9. AAA Northern California, Nevada and Utah Insurance Exchange, Employee Survey, (n=5232)

It's also about developing your employees!

If employee satisfaction, pride in the company, and enhanced teamwork capacity were not enough, the AAA Northern California, Nevada and Utah Insurance Exchange survey also showed that their volunteer program was helping employees to develop new skills. Results showed that employees who were actively engaged in the program consistently developed new leadership skills and other talents that helped them develop as employees (see Figure 5). Ultimately volunteer programs not only unite your employees and impart a sense of inclusion and engagement; they help develop people into more responsible and skilled employees over the long term.

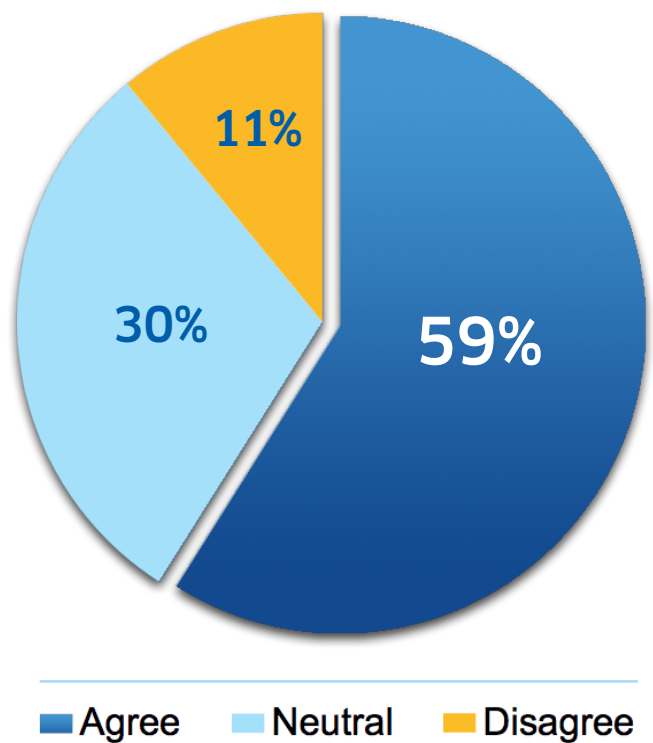


Figure 5: Responses to the question: By volunteering I learned new skills that will help me in my job.¹⁰

10. AAA Northern California, Nevada and Utah Insurance Exchange, Employee Survey, (n=5232)

Want to learn more about developing effective employee volunteer programs?

Visit www.microedge.com/APVolunteering  to learn about MicroEdge AngelPoints solutions for employee volunteering, view free webinars, testimonials from current clients, read white papers, case studies and more...

About MicroEdge

MicroEdge helps corporations to effectively engage employees with AngelPoints--integrated Corporate Social Responsibility (CSR) solutions that enable companies to maximize employee engagement, streamline employee engagement programs, measure the impact those programs are having in the communities they serve, and share that story with communities and company stakeholders. AngelPoints solutions have helped some of the world's largest and most respected companies increase their employee engagement; today, AngelPoints solutions for employee volunteering, payroll giving, matching gifts, disaster response, dollars for doers, and sustainability serve more than 80 corporations and millions of employees around the globe.

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