

THE BUSINESS CASE FOR EMPLOYEE ENGAGEMENT AND COMMUNICATION



Now more than ever it is critical to show the value of Employee Communication and Engagement to the business. We have compiled an update on research that you may find helpful as you build a sound, business-focused rationale for your engagement and communication efforts.

State of Employee Engagement

- ▶ 21% of employees today identify themselves as highly disengaged, a three-fold increase since 2007. *(The Corporate Executive Board, Employee Engagement Study, 2010)*
- ▶ The cost of disengagement to U.S. employers is estimated to be as much as \$350 billion per year. *(Human Capital Institute, The Economics of Engagement, 2009)*
- ▶ Engaged employees outperform disengaged employees by 20-28%. *(The Conference Board, Global Employee Engagement Study, 2006)*
- ▶ Organizations with engaged employees showed a 19% increase in operating income over a 12-month period, compared to a 33% decrease in companies with disengaged employees. *(Towers Perrin, International Survey Research, 2008)*

Massive Turnover Coming

- ▶ 60% of employees plan to leave their jobs when the market gets better. *(Right Management, 2009)*
- ▶ 25% of employer-identified, high-potential employees plan to leave their current companies within the year. *(The Corporate Executive Board, Employee Engagement Study, 2010)*
- ▶ 43% of all executives are concerned about competitors recruiting their high-potential employees. *(Deloitte, Managing Talent in a Turbulent Economy, 2009)*

Impact of Effective Employee Communication

Companies with the most effective employee communication:

- ▶ Have 47% higher shareholder returns over the last five years. *(Towers Watson, Communication ROI Study, 2009/2010)*

Communicating the Business Strategy

- ▶ Employer understanding of the business strategy and how their work contributes to company performance is one of the top drivers of engagement. *(The Conference Board, 2006)*
- ▶ Almost two-thirds of all employees are 33% as productive as they could be because they don't understand what they are being asked to do. *(The Conference Board, 2006)*

Employer Value Proposition (EVP)

- ▶ Companies that effectively manage their EVP immediately reduced voluntary turnover by 8% and improved the application rate of qualified candidates by 25%. *(CLC Genesee, 2010)*

- ▶ 62% of companies with highly-effective communication (that impacts business results) establish a coherent EVP strategy and align it to their brand, compared with 23% of companies with low communication effectiveness. *(Towers Watson, Communication ROI Study, 2009/2010)*

Leadership Communication

- ▶ 80% of employees with a high degree of trust in management are committed to the organization, compared with 25% of employees with a low degree of trust. *(Center for Creative Leadership, World Leadership Survey, 2009)*
- ▶ 60% of employees with a low degree of trust in management intend to leave their organization, compared to 20% with a high degree of trust. *(Center for Creative Leadership, World Leadership Survey, 2009)*
- ▶ 65% of companies with highly-effective communication (that impacts business results) train managers to communicate effectively with employees, compared with 34% of companies with low communication effectiveness. *(Towers Watson, Communication ROI Study, 2009/2010)*

Change Communication

- ▶ The primary reasons change fails include: *(Ken Blanchard, Leading at a Higher Level, 2006)*
 - People leading the change think that announcing the change is the same as implementing it
 - People's concerns with the change are not surfaced or addressed
 - There is no urgent or compelling reason to change. The business case is not communicated.
 - A compelling vision that excites people about the future has not been developed and communicated.
 - Leaders lost focus or fail to prioritize, causing "death" by 1,000 initiatives
 - Those leading the change aren't credible—they under-communicate, give mixed messages and do not model the behaviors the change requires

Information Overload

- ▶ Each year the amount of information created in the enterprise, paper and digital combined, grows faster than 65%. *(Angele Boyd Gantz and Seana Dowling, Cutting the Clutter: Tackling Information Overload at the Source, 2009)*
- ▶ Employees spend as much as 26% of their time trying to manage information overload. *(Angele Boyd Gantz and Seana Dowling, Cutting the Clutter: Tackling Information Overload at the Source, 2009)*
- ▶ Reducing the time wasted dealing with information overload by 15% could save a company with 500 employees more than \$2 million a year. *(Angele Boyd Gantz and Seana Dowling, Cutting the Clutter: Tackling Information Overload at the Source, 2009)*

[Visit our website](#) for additional resources that provide insight on a variety of topics related to engagement and communication. Also, if you would like to discuss how Bridge Consulting can help you the most of your investments in these critical areas, contact Chris Gay at 614.775.9706 or chris.gay@bridgecnslt.com.