



HELPING ENTREPRENEURS AND BUSINESSES GROW AND SUCCEED

A joint program of the Labovitz School of Business and Economics, Natural Resources Research Institute, and Swenson College of Science and Engineering.



U of M Extension Office Is now located in Duluth

John Bennett, who works for the University of Minnesota Extension Center for Community Vitality, recently moved into an office at the UMD CED. The Extension Center for Community Vitality offers programs that work in communities, offering research and education that address change.

John has been delivering Community Economics programming in northeast Minnesota since 2007 and has a background in public finance, community and economic development, and city and regional planning. He completed his undergraduate work at the University of Minnesota Duluth in Geography and Urban and Regional Studies and his graduate work was completed at Northwestern University in Public Policy and Administration.

As a Community Economics Educator, John delivers programs that address: the business and industry climate, economic impact

Why Having Engaged Employees Matters

By *Jorina Fontelera*

Recent studies show that dedicated employees give their companies a boost in profitability and productivity, which is all the more reason to keep employees engaged and connected with the business as a whole.

The success of a business hinges on multiple factors. One major but underutilized driver is the engagement of its people. When employees are engaged, companies tend to have lower turnover risk and higher productivity.

Employee engagement may be defined as "a heightened emotional connection that an employee feels for his or her organization, that influences him or her to exert greater discretionary effort to his or her work." (Source: [The Conference Board](#) via [All Things Workplace](#))

According to a recent [Watson Wyatt](#) survey, highly engaged employees miss 20 percent fewer days of work and are almost 80 percent more likely to be top performers. About 75 percent of them exceed or far exceed expectations in their most recent performance review. These workers also tend to be more resilient to, and supportive of, organizational change initiatives.

Unsurprisingly, having such dedicated employees typically leads to better company performance overall. New [Gallup](#) research finds that businesses with high employee engagement have 12 percent higher customer advocacy, 18 percent higher productivity and 12 percent higher profitability compared to companies with low employee engagement.

Additionally, organizations with more than four engaged employees for every one actively disengaged employee sees 2.6 times more growth in earnings per share than do organizations with a ratio of slightly less than one engaged worker for every one actively disengaged worker, Gallup says.

[Towers Perrin](#), a human capital services company, recently conducted a survey and found similar results with companies that have engaged employees. These firms had boosted operating income by 19 percent compared with companies with the highest percentage of disengaged employees, [BusinessWeek](#) reports.

In contrast, businesses with the lowest percentage of engaged employees in the Towers Perrin survey say operating income fell 33 percent.

U of M Extension Office (cont.)

analysis, tourism issues, market and consumer analysis, public finance, and internet literacy. In addition, he is involved with several collaborative economic development initiatives in the Arrowhead region.

For more information about John's work, please visit www.extension.umn.edu/communty, call 218-726-6471, or email jbennett@umn.edu.

Engaged Employees (cont.)

The business units with low employee engagement in the Gallup research have seen 31 percent to 51 percent more turnover and 62 percent more accidents than the companies with high employee engagement.

Clearly, there is quantifiable evidence that shows the positive impact of employee engagement. "Improving employee engagement will help drive business results in the long run by improving employee commitment to corporate goals and generating exceptional individual performance and productivity," according to Debra Horsfield, Toronto practice leader for organization effectiveness at Watson Wyatt.

While some organizations get the connection between employee engagement and business success, many more will invest in everything but people. So how can companies get and keep their employees engaged?

"Keeping workers engaged and productive is always a daunting challenge," Horsfield said. "There is no 'one-size-fits-all' approach to employee engagement."

However, there are some guidelines.

Ensure that business managers are dedicated to the company. "Engaged managers lead directly to engaged employees," [Forbes](#) says. "If a manager is enthusiastic about what he or she does, expresses genuine belief in the company and its direction and is working hard as a result, his or her direct reports will likely respond in kind."

A [FERENCE Leadership and Strategy](#) report (via [Hospitality Net](#)) has found that when managers become disengaged, employees are 37 percent more likely to be frustrated with company systems, processes and procedures. One way to gauge how engaged your managers and their subordinates are is by conducting employee feedback surveys.

"Properly designed, employee feedback surveys measure the heart and soul of human capital," Hospitality Net says. "They measure the degree employees are engaged in the corporate culture, and they measure the degree employees are achieving peak performance."

According to the Gallup research, employees are more likely to become engaged if their 12 key psychological needs are met. These include feeling cared for, having necessary equipment and knowing what's expected. (For all 12 needs, click [HERE](#).)

The [All Things Workplace](#) blog includes the following additional key engagement drivers:

- Trust in company leadership and integrity of managers;
- Stimulating job;
- Clear connection between employee performance and company performance;
- Career growth opportunities;
- Pride about the company;
- Having like-minded, committed co-workers;
- Employee development; and
- Having a valuable employee/manager relationship.

Engaged Employees (cont.)

Watson Wyatt advises companies to "capitalize on engageable moments," such as new hires' onboarding, performance management and benefits enrollment. Furthermore, companies should demonstrate strong leadership, clear direction and communication as employees want to know about the company's plans and progress. "Decisive action backed by clearly articulated rationale can build support for corporate initiatives, particularly when individual performance objectives and rewards are tied to corporate objectives," Watson Wyatt adds.

Company leaders should make sure that the communication processes lets information flow vertically and horizontally. "Effective communication from senior management directly connects employees to the purpose of the organization," Watson Wyatt notes. Horsfield suggests "tailoring communication, performance management programs and other resources to specific employee groups."

These guidelines are only a few ideas for engaging employees. They're not suited to work for all employees, so companies must modify them to best suit their people's needs. The first step is to find out what those needs are.

Earlier

["I'm Not Paid Enough to Fully Engage In My Job. But That's Only Half the Point."](#)

[Do You Have Enough 'Me' Time?](#)

Resources

[Watson Wyatt Identifies Steps to Keep Employees Engaged, Productive in a Downturn](#) Watson Wyatt

[The Economic Crisis: A Leadership Challenge](#) by Jennifer Robison

[What, Really, Is Employee Engagement?](#) by Steve Roesler

[You Must Have Engaged Employees — And It's Not That Hard](#) by J. P. Miller

[Championing Employee Engagement](#) by Gene Ference

[Employee Engagement: What It Is and Why You Need It](#) by Derek Irvine

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COMPUTER Workshops

Access I - Basics of Database Management	06/17/2009 (9:00am- 12:00pm)	\$60.00
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<u>Access II - Beyond the Basics of Database Management</u>	06/17/2009 (1:00pm-4:00pm)	\$60.00
<u>Access III - Database Relationships and Queries</u>	07/01/2009 (9:00am-12:00pm)	\$60.00
<u>Access IV - Visual Basics in Access</u>	07/01/2009 (1:00pm-4:00pm)	\$60.00
<u>Computers 102 - Desktop Productivity</u>	06/04/2009 (1:00pm-4:00pm)	\$60.00
<u>Computers 101 - Basics of Computer Operations</u>	07/08/2009 (9:00am-12:00pm)	\$60.00
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<u>Crystal Reports Basics</u>	06/10/2009 (9:00am-12:00pm)	\$60.00
<u>Dreamweaver - Web Page Design I</u>	06/18/2009 (9:00am-12:00pm)	\$60.00
<u>Dreamweaver - Web Page Design II</u>	06/18/2009 (1:00pm-4:00pm)	\$60.00
<u>Dreamweaver - Web Page Design III</u>	07/02/2009 (9:00am-12:00pm)	\$60.00
<u>Dreamweaver - Web Page Design IV</u>	07/02/2009 (1:00pm-4:00pm)	\$60.00
<u>Excel I - Basics of Spreadsheets</u>	06/11/2009 (9:00am-12:00pm)	\$60.00
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<u>Excel III - Macros and Functions</u>	06/30/2009 (9:00am-12:00pm)	\$60.00
<u>Illustrator I - Basics of Graphic Design</u>	07/21/2009 (1:00pm-4:00pm)	\$60.00
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<u>PowerPoint I - Basics of Creating Presentations</u>	06/10/2009 (1:00pm-4:00pm)	\$60.00

<u>PowerPoint II - Beyond the Basics of Creating Presentations</u>	06/24/2009 (9:00am-12:00pm)	\$60.00
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QUICKBOOKS

<u>QuickBooks</u>	07/14/2009 (9:00am-4:00pm)	\$99.00
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The University of Minnesota Duluth Center for Economic Development offers numerous workshops to help entrepreneurs and employees operate more efficiently. **All workshops are held at the Duluth Technology Village, 11 E. Superior Street, Suite 210, unless otherwise noted.** To register call: 218-726-7298, 888-387-4594 or register online: www.umdced.com/workshops.

The mission of the University of Minnesota Duluth Center for Economic Development is to assist entrepreneurs and businesses to grow and succeed.

Funded in part through a cooperative agreement with the U.S. Small Business Administration, Minnesota Department of Employment and Economic Development and sponsoring centers. Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. For arrangements, contact: UMD Center for Economic Development, 11 E. Superior Street, Suite 210, 218-726-7298

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