

EMPLOYEE ENGAGEMENT PARADOX

Why employee engagement activities actually lead to disengagement



Katarina Petronijević,
Regional HR Head @ Siemens Healthineers

Employee engagement impact

02

Improved operating income by 19% over 12 months while, in companies with low levels of engagement declined by 33%

04

Fewer safety incidents; and fewer quality incidents (defects)

01

22% higher productivity

03

Lower absenteeism and turnover



Employee engagement impact

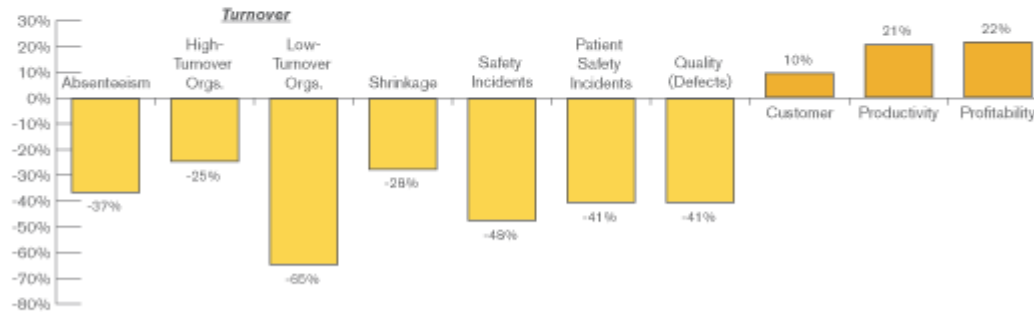
EMPLOYEE ENGAGEMENT

Cost to Value of a



EMPLOYEE ENGAGEMENT AFFECTS KEY BUSINESS OUTCOMES

Work units in the top quartile in employee engagement outperform bottom-quartile units by 10% on customer ratings, 21% in productivity, and 22% in profitability. Work units in the top quartile also saw significantly lower absenteeism (37%), turnover (25% in high-turnover organizations, 65% in low-turnover organizations), and shrinkage (28%) and fewer safety incidents (48%), patient safety incidents (41%), and quality defects (41%).

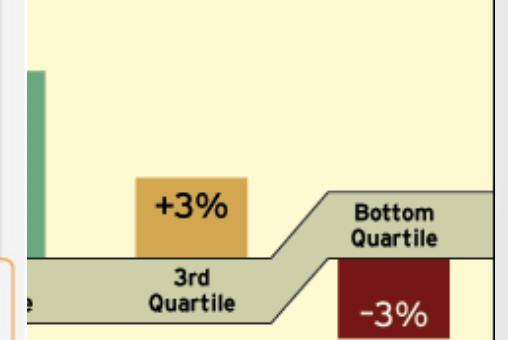


ACTION PLANNING BOOSTS EMPLOYEE ENGAGEMENT

Work units that agreed that "Action plans from the last year had a significant impact on my workplace" showed significant increases in employee engagement levels. Workgroups in the top quartile in employee engagement scores by an average of 3% while those who scored in the lowest quartile saw their scores decrease by an average of 3%.

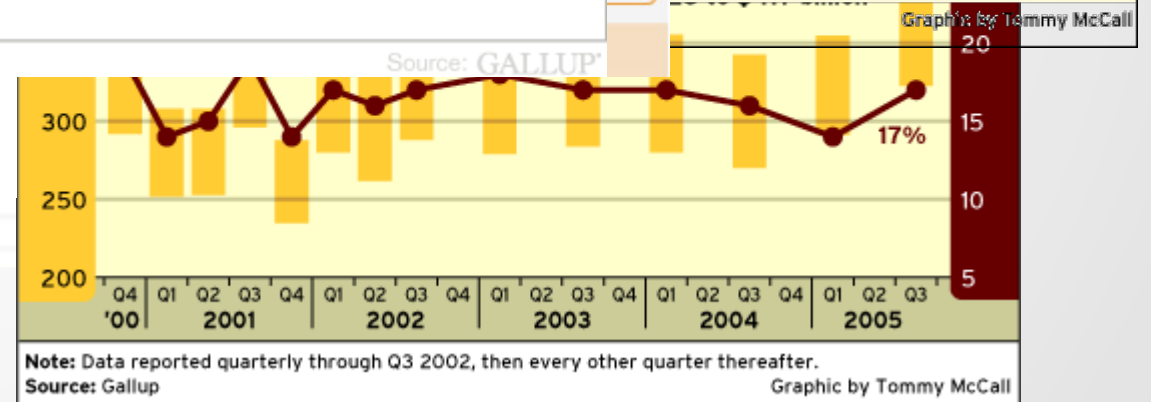
CHANGE IN ENGAGEMENT

Work units were sorted into quartiles based on their scores on the action-planning item.



Somewhat disengaged: $\$80K \times 80\% = \$64K$ or $-\$16K$ in value

Disengaged: $\$80K \times 60\% = \$48K$ or $-\$32K$ in value



What is employee engagement?

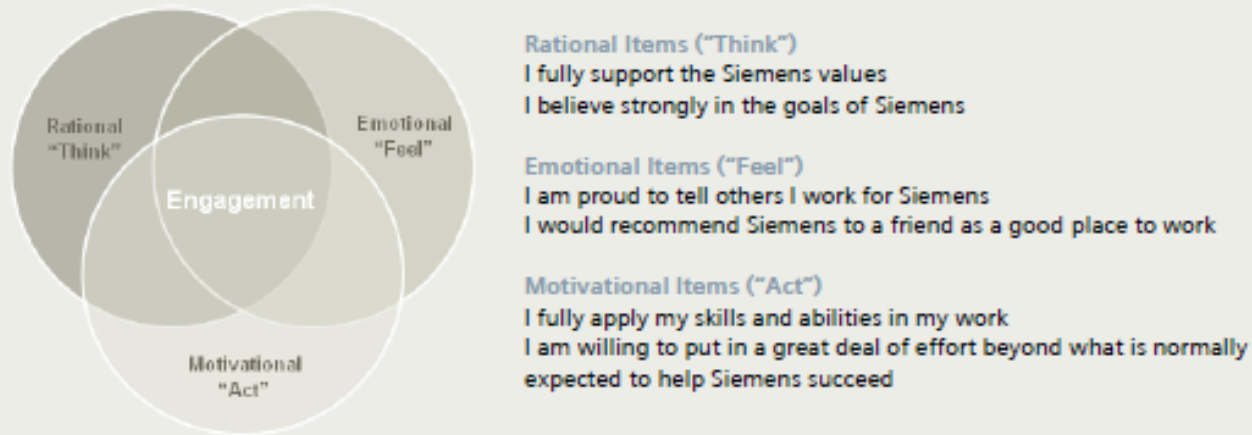


How companies view employee engagement and how they act?

- *Johnson and Johnson defines employee engagement as ‘the degree to which employees are satisfied with their jobs, feel valued, and experience collaboration and trust. Engaged employees will stay with the company longer and continually find smarter, more effective ways to add value to the organization. The end result is a high performing company where people are flourishing and productivity is increased and sustained’.*
- *Dell refers to being engaged as ‘giving time and talent to team building activities’*
- *Nokia Siemens Networks describes being engaged as ‘an emotional attachment to the organization, pride and a willingness to be an advocate of the organization, a rational understanding of the organizations strategic goals, values and how employees fit and motivation and willingness to invest discretionary effort to go above and beyond’.*
- *Vodaphone defines employee engagement as ‘an outcome “measured or seen as a result of people being committed to something or someone in the business a very best effort that is willingly given”.*

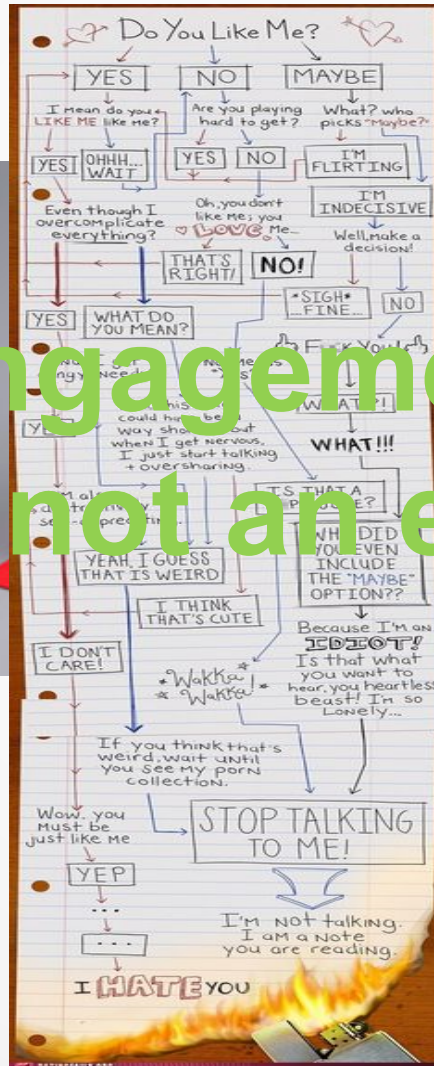
How companies view employee engagement and how they act?

Fig. 5: Towers Watson's Engagement concept



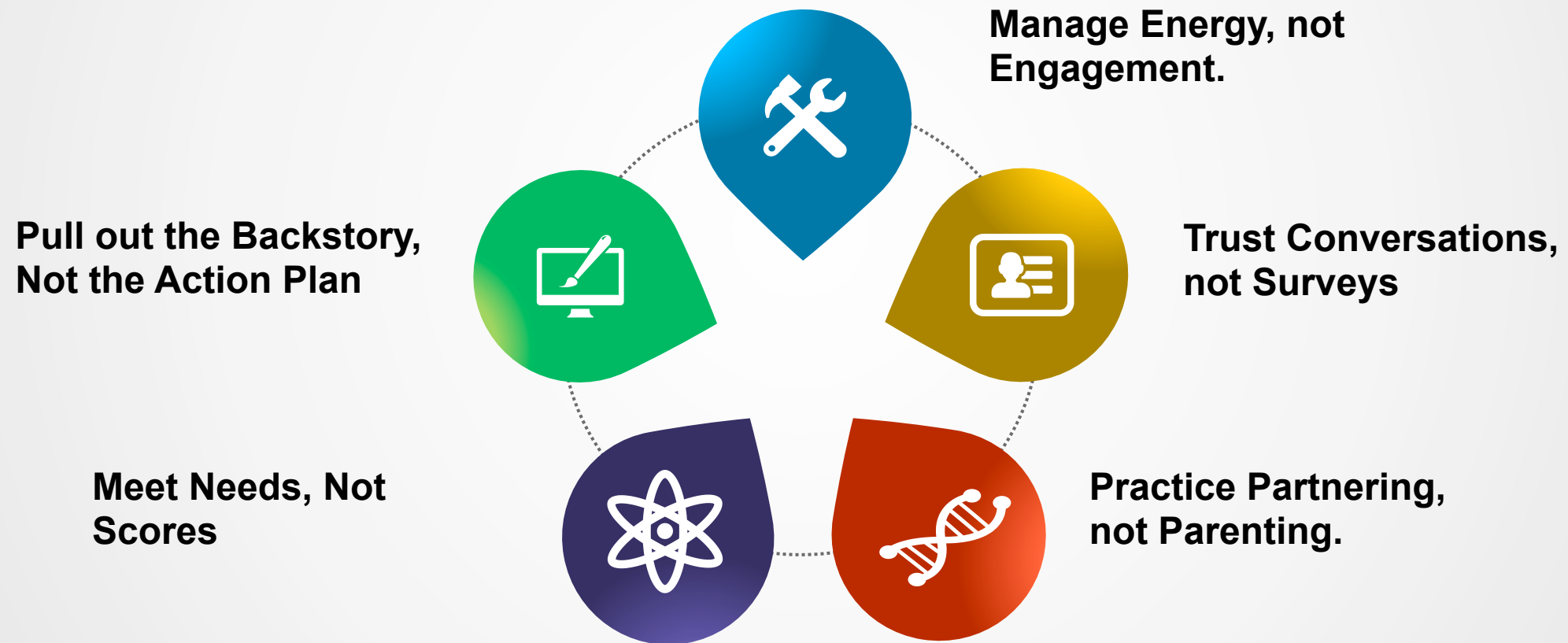
How companies view employee engagement and how they act?

Sustainable engagement is an experience not an event!



Create an engaging culture

Build Companies' Value proposition



Create an engaging culture

Build Companies' Value proposition



...we realize this outcome...

...through our behaviour.

Connection to different HR processes such as Performance review, target setting, incentivizing, recognition programmes...

Put the business leaders in charge!

Thank you!



**KEEP CALM
AND TAKE
THE
ENGAGEMENT
SURVEY**