

REAL OUTCOMES OF THE HIGHER EMPLOYEE ENGAGEMENT

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Abstract

This paper speaks about different ways, how to increase the effectiveness of a company with engaged and/or nonengaged employees in the Czech republic.

It firstly defines what employee engagement is; how to define it, how to measure and evaluate it. What might be the real outcome of engagement.

Secondly it speaks about the added financial value or additional expenses which are linked with an engaged or nonengaged employee. It speaks about ways, how to measure and evaluate the real contribution employee engagement brings to the company management and to the overall company functioning optimization. Crucial is then the benefit or the cost expressed in clear and for all stakeholders highly understandable way, which is the financial explication.

The paper is supported by an extensive survey prepared by the author in the Czech republic, which shows the real situation in this field, the real values, contributions and costs of nonengaged employees in all spheres of the industry and all regions.

Key words: employee engagement, research, internal communication, company functioning optimization, methodology. measurement,

JEL: M12, M54, M51, M52

Introduction

According to a survey conducted by Millward Brown the Czech are companies ruled and mostly defined by the sales departments (52 %) , followed by finance and marketing departments. There are many discussions on this topic, however one of the main reasons might be that sale is able to present the strongest arguments on the added value of its activities

- especially in the form of clear and precise quantification of profit or turnover brought by themselves.

Often we can meet with the statement that in today's business world only some 2 % of all data and measurements have real value. The vast amount of data that we have yet available, is not intended to be any real benefit.

The same happens in internal communications and human resources. Plenty of data and information is hardly understandable to anybody outside of this field.

For this reason, I am providing arguments and methodology for quantifying the clear benefit of engaged employees for the company to those with a greater interest in the area of internal communication.

1 Employee engagement

Involvement can be generally characterized as active involvement in co-operation. If you focus on the issues of labor and employment, and we perceive it as employee involvement, we can say it is the degree of an active involvement of employees in the operation of the company, based on their acceptance of corporate goals and values as their own.

Experience shows that if an employee is not engaged and corporate goals and values for are not accepted, he gives much less power and delivers his employer considerably less than the employee engaged. From this fact, it is clear it is necessary for the employer to have among his people most committed employees who share the company's goals, identify with them and work together to implement them. The company, which is dominated by employees more involved, then of course, will realize higher profits than the firm whose employees did not agree with its goals, their only goal is to paycheck.

This fact is even more striking in certain fields, such as services, where apparently uncommitted employee may discourage potential customers from the deal.

It was found (Gallup Business Journal) that about 60% of employees spend their time working, but are not involved, about 20% of people are downright unhappy at work and 80% of employees are actively or passively non-aligned. These are numbers that every manager should lead to ponder how it is with his subordinates, and of course, how could the situation be improved.

The goal of every employer would be that its workers were committed to their work approached actively, positively, to perceive its meaning for both the employer and for

yourself. Unfortunately, not every employer or manager aware of this fact, and in the Czech Republic is not a question of engagement yet sufficiently accepted as an important element that can improve corporate management and relatively effective way to bring increased profits without further A marked increase in investment costs.

1.1. Increasing the involvement of employees - who and how?

Way to increase engagement is very long and arduous, it's a long process, as each educational process. At the beginning, however, must be one very crucial thing - management must realize that greater involvement of staff just needs to get in the corporate body to start the necessary changes.

Increase employee involvement is therefore a very important task that faces the direction of any company that wants to move on and looking for ways to improve their business results. Often are in companies led discussions who should perform this task. HR, marketing department, PR, or the management of the company? Experience clearly shows that this should be a management of the company who gives direction and sets targets that need to increase the involvement of focus.

3. The basis of the internal communication and HR

If a company wants to increase employee engagement, they must lead them well and thoughtfully communicate so as to properly understand the company's values and could identify with them, and also to link their personal growth and development with the development of the company. Personal growth of employees and their directions in this regard covers HR issues, which are not addressed in detail. We will focus more on communication inside the company, because good internal communication is an essential tool by which management passed on to staff his vision, ideas and information about what the company's goals and values that should embrace.

Internal communication course in fact an important tool to increase employee involvement is. Through the company's management gives workers information about the company values, what is the direction the company and what is considered proper. Well-run internal communication supports optimal involvement of employees in the workforce, by helping employees build the necessary tone of corporate PR, supports optimal and effective course necessary changes in business processes, including crisis communication and transformation processes.

The U.S. consulting firm Watson Wyatt Worldwide conducted (2003 – 2006) survey entitled Communication ROI Study and focused on effective internal communication and its concrete benefits to companies that systematically deal with her. The survey showed that companies achieve better results when focus on internal communication. Demonstrated so close link between internal communications and business performance and study formed the basis for developing a methodology that defines the effective internal communications, leading to increased exposure of workers.

According to the study, these areas are crucial to ensure sufficient awareness and motivation of employees to increase their involvement and relationship with the company and will lead to demonstrably better business results.

4. Engagement can be measured

In order to increase the involvement of the employees the management of the company needs to be aware of the current state, and brings the necessary strategy and tactics.

In 2011 Gallup survey was conducted in Germany, which charted the involvement of German employees. The results show a number of very interesting facts and accurate figures that clearly show how beneficial and profitable for companies employee engagement really is and that increase employee involvement can really bring a tangible effect and profit growth.

Employees were divided into three groups according to the degree of involvement and the survey measured various parameters of the involvement of employees in the company relationship - and they have the advantage that they can be quantified, for example:

- Absence at work due to illness (number of days of absence, or the percentage of employees that the group lacked any); survey was also part of the calculation, as the German company suffered a loss due to sick leave in one year (2011) and how it would be possible to increase commitment to save

- Number of innovations and ideas in the last six months

- The employee's opinion, whether they will work for the parent company for 3/5 years part of the survey was in this context the calculation of the annual cost of turnover in different sized firms

- And other parameters, including for example opinions of individual groups of employees on the importance of loyalty and commitment to the firm.

The survey showed that engaged employees serving more performances: spend fewer days on sick leave, coming more often for their leaders to innovate and to improvements

proposals envisage longer work with the employer perspective, they believe that hard work pays off, etc.

This confirmed not only that the increasing involvement is an important reason for working with people and that can bear fruit in improving the economic status of the employer, but also that it is possible to measure the employee engagement and benefits that it makes to the company. The outputs of the survey clearly demonstrate and quantify the costs and potential benefits of employee behavior – when engaged, moderately engaged and non-aligned, and it shows the corporate management clearly how much they can lose due to non-alignment and vice versa due to commitment to obtain.

A similar survey focused on the involvement of employees in the Czech Republic was still missing and it has become one of the practical foundations of this work.

Determination of hypotheses and their subsequent verification has focused on the basic pillars of employee involvement, as we mentioned them:

- What is the distribution of employee involvement in the cross section of the sample Czech employees
- As representatives of different groups perceive their position in the company and their career prospects
- Which shows morbidity and turnover
- What level of proactivity manifested in the workplace
- How often come with their own initiatives and proposals to improvements
- How to have a personal relationship with your employer and how they identify with corporate objectives, and other issues.

5. The survey

The survey was conducted electronically during December 2013 and it was prepared in three stages

Stage 1 and 2 - research and interviews with experts

Crucial publications and knowledge in this field was gathered with further discussion with experts.

Stage 3 - quantitative research among employees

It was conducted by questionnaire CASI questioning 2323 respondents divided by ISCO groups and parametrically satisfying the percentage in the population. In the sample had

to be sufficiently covered and employees of small and medium-sized Czech employers (N 500) for comparing options (total N ca 1500)

On-line survey of the My Map TNS AISA n = 2,000, respectively. N = 1500 at a cost option.

Working population 15-69 years

Selection criteria: age, sex, education, discipline / status (according to CSO: ISCO), relevantly chosen by region and size of settlements

The length of the questionnaire to 20 minutes

Data collection implemented by TNS Aisa, has been consulted with the student, the output is a summary report

6. Real outcomes of the research

The survey has showed that 7% of employees are highly engaged, 20% "standard" committed and 73% of non-aligned.

The level of involvement is significantly increasing with the level of completed education, but not proven, that would be fundamentally different in different age groups.

Outside education is a powerful factor that affects the level of involvement, employment status and responsibility for leadership. The study clearly demonstrates the high level of commitment in a group of executives, government officials and managers with responsibility for more than 5 subordinates.

It also shows that engaged employees are satisfied with the work and leadership of his superior, they identify with the goals and strategies of the company, are tuned to the same ideas and support the growth of the company themselves.

In addition, they can also see the company in which they work, the more flexible and more capable of responding to the needs of the neighborhood.

And what must be fulfilled by the company? Key terms include support for direct superior, openness and transparency of communication and society should also be flexibility in implementing changes.

The survey yielded an interesting view of the structure of involvement in various market sectors: the most involved can be found in the public sector (29%), which is closely followed by the service sector (28%), in the light and heavy industry involvement is the same (both 23%).

The level of employee engagement exhibits depending on several factors that may affect the company's management. It is loyalty in the company, working team, improving the work, the meaning of work, direct supervisor and work efficiency.

If these factors are positively implemented for employees is higher tendency to increase engagement. This knowledge may therefore lead to targeted growth of engagement, if with this idea aligns corporate leadership.

Another objective of the survey was to determine the economic impact on the management of the company may have committed and uncommitted what the employee. The survey focused on morbidity, turnover and suggestions for improvement.

The survey shows that the illness is a significant difference - committed sick an average of 4.25 day of the year, hands-off 7 days a year. The difference is thus 2.75 days. Morbidity as such is the firm's direct and indirect costs that can be quantified. An employee who is ill, will not bring us any value, on the contrary, the situation requires from incurring additional costs.

A similar effect has also fluctuations because its rate is at Non-Aligned workers significantly high. Their employment with their current employer for the year assumes 79% of committed, but only 48% of non-aligned. In three years, then assumed the same employer committed to work 53%, but only 23% of non-aligned.

Practically can see the benefits of involvement in the costs, which should be issued to employee departure and subsequently on recruitment and incorporation of new employees to replace him.

Effects of exposure occurs in other areas of employee behavior, for example, to the extent submission of innovative proposals and others.

Conclusion

All the levels of commitment demonstrated connection with the behavior of employees, which has an impact on the economy of the company (turnover, sickness, suggestions for improvement, etc.) that all supports the fact employee engagement is an extremely important factor which impacts the company's situation in the market, both in positive, and negative manner.

All this underlines the importance of engagement and internal communications as one of the factors that can significantly influence it. Crucial for higher engagement is then the education, managing other, having fun at work.

When looking more closely to certain levels of hierarchy, we can see real added values. 73% Non-Aligned workers is a tremendous amount of inefficiency. However, we can not expect significant improvement at all levels.

When taking into consideration the blue-collar workers, the outcomes might not be that strong. They definitely have a certain potential, however it is not that strong as in other levels. Their approach might be stronger with higher training and education, in transferring more responsibility to them, or in promoting these workers. Certainly it is necessary to address increasing exposure to these positions, however it will have its limits.

Back office workers have much higher potential. They are more educated, which in itself can help a lot, they do understand work context more, the work can be more fun to them. There is definitely great potential in further development and possible career plan that will help move the employee to a higher position - see below.

Sales persons have very similar specifications as the back office administration. Their level of involvement is absolutely crucial in terms of turnover and the enormous cost of replacing a running-especially new staff. This fact is much stronger when considering the opportunity costs – as they are the profit and income - holders. The companies should pay maximum attention to these employees. It is not about increasing financial motivation, it is mainly raising information awareness, participation rate and bringing fun to work for them.

The study clearly demonstrates the high level of commitment among a group of managers with responsibility for more than five subordinates. We should maximize the use of this fact and pay great attention to this area. This fact is even stronger, as the managers are very expensive workers. Embattled boss pays twice - as an employee and as a leader.

Companies that realize this potential will be significantly more successful, more flexible and more profitable. They have to give more support to managers, be more open and transparent in communication, flexible in implementing changes. The main principles, which the company must work on is the company loyalty, team work, improving the work conditions, to show the sense of work, support managers and efficiency work.

Vice versa view - a company with high morbidity, or fluctuation can work with these ills especially, by increasing the employee engagement and thus achieve a significantly higher profitability and reduce costs.

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