

Purpose & the Value of Engagement

Activating purpose builds engagement, which doubles performance.

Engagement is the key to winning the hearts & minds of investors/funders, boards, leadership teams, employees/volunteers, customers, partners, communities & others.

Typical Employee Engagement Statistics:

30% of employees are engaged. They have a positive emotional connection to their work, their organization, their colleagues and the customers they serve. They are energized. They gladly contribute discretionary effort to improve their organization.

50% of employees are disengaged. They are emotionally checked out. They just show up. They do the minimum in order to be paid. They show little interest in improvement.

20% of employees actively sabotage an organization. They undermine their colleagues. They poison an organization's culture. While some are lost, many still yearn to improve. Many still want to be part of something that is meaningful and bigger than themselves.

What Does an Engaged Employee Look Like?

In the *What is Employee Engagement?* article in Forbes magazine, Kevin Kruse defines employee engagement as the **emotional commitment** that a person has to the organization they work for, the people they work with and the customers they serve (and yes, every employee has a customer!). Employee engagement is more than employee happiness as happy employees are not necessarily productive employees. It is also more than employee satisfaction as simply satisfied employees are less likely to go the extra mile and could even leave an organization for just a small bump in pay.

Engaged employees don't just show up for a paycheck. Engaged employees work because they believe that their work, and the work of their team and organization, has meaning – has **purpose**. When people care, engagement grows and performance takes off. Engaged employees care and because they care, they willingly contribute discretionary effort. They do more than is asked and they do it better. They take personal responsibility without making excuses. They work overtime when needed. They treat their customers like gold. Engaged employees are emotionally invested – they genuinely enjoy being at work. They are productive, innovative, creative and entrepreneurial. They are loyal and they consistently create value.

Disengaged Employees & What They Cost You

Disengaged and actively disengaged employees can be unhappy, hostile or even sabotage your organization. Showing little concern for how they relate to others, they complain frequently and show little interest in solutions. Disengaged employees lack initiative and show little interest in their personal development or organizational improvement. They rarely help others succeed. They think that their work has little purpose and they don't believe in what their team or organization is trying to achieve. Like bad apples, disengaged employees can spoil your culture and stymie your success. Some have estimated that actively disengaged employees cost their organizations \$3,400 for every \$10,000 that they are paid (roughly 5% of your annual salary cost). Gallup has measured other impacts on product quality, customer satisfaction, loss-time injuries, healthcare costs, employee morale, employee turnover and profitability.¹

¹ Gallup 2017 *State of the Global Workplace* (Gallup has found very similar results globally for 30 years).

The Benefits of Engagement

Research by Gallup and others demonstrates that engaged employees deliver benefits that every leader should care about. **Engaged employees:** (1) perform 20% better than disengaged employees;² (2) deliver 12% higher customer engagement;³ (3) have 41% fewer quality defects and 50% fewer work-related accidents;⁴ and (4) are 87% less likely to leave their organization.⁵ **Organizations with engaged employees:** (1) outperform their competition by 202%⁶; (2) grow their productivity by 31% and their sales by 37%;⁷ (3) increase their operating income by 19%,⁸ profit margins by 6%,⁹ and EPS by 147%¹⁰. By many measures, engagement builds performance. The question then quickly becomes: *How do you build it?*

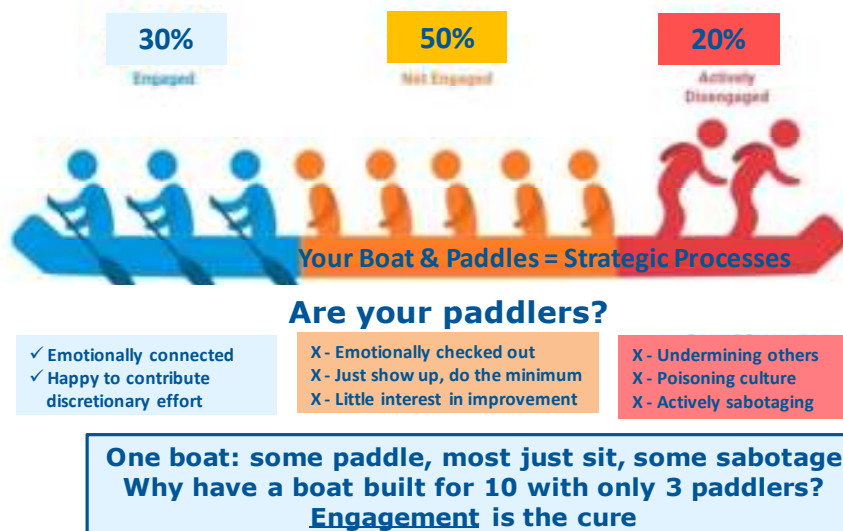
Building Engagement

All S2S solutions build engagement¹¹. Our strategy solution not only provides a focal point to activate purpose, it also delivers three strategic outcomes that only leading organizations achieve:¹²

- (1) Promoting a purpose-driven and values-driven culture.
- (2) Embracing an all-stakeholder perspective in developing strategy.
- (3) Engaging every mind in developing and executing strategy.

These outcomes, achieved as you develop and implement a great strategy, will contribute to an extraordinary level of engagement among all who support your organization – from your investors/funders, to your Board, Leadership Team, employees/volunteers, customers, partners, communities and others.

Broad engagement builds performance. As they develop and implement strategy together, the people in your organization will build the ideas, relationships and alignment that will drive success. Purpose. Engagement. Performance. Does it get any better?



² SHRM Research Quarterly, 2007.

³ State of the Global Workplace, Gallup, 2013.

⁴ Ibid.

⁵ Ibid.

⁶ Dale Carnegie Institute.

⁷ Harvard Business Review, January 2012.

⁸ Towers Perrin-ISR, The ISR Employee Engagement Report, 2006.

⁹ Ibid.

¹⁰ State of the Global Workplace, Gallup, 2013.

¹¹ S2S offers Scenario Planning, Business Idea, Strategy and Collaborative Leadership solutions.

¹² Reinventing Organizations, Frederic Laloux, 2014