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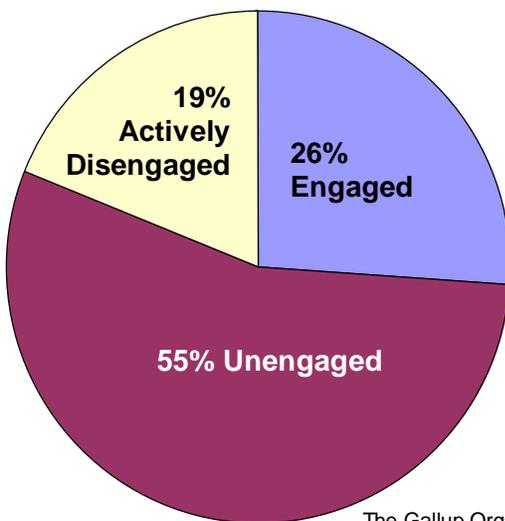
Managing the Human Side of Business™

Who's Working in Your Organization?™

By Gary Lear
President & CEO

Not as many employees as you might think, according to several rather large research projects. Whether you call them engaged, loyal, committed, or responsible, the research is the same. That's right, leading researchers are saying that as few as one in four of your employees in your organization are doing their best for you, and as many as one in five are not interested in doing anything at all for your organization, or worse, might even be trying to hurt it!

In their ground-breaking research the **Gallup Organization** initially studied over 100,000 employees and over 2500 business units and found that those organizations that were able to capture their employees' emotions and "engage" them were able to also engage their customers and drive financial performance up.



Source:
The Gallup Organization

Unfortunately, what they also found was that most organizations were doing a dismal job of engaging their employees. The average organization saw only about a quarter of their employees as being engaged, while almost a fifth of their employees were highly upset, some

even working to hurt their employer. The rest were just doing what they had to do to get by.

Gallup estimated that this accounted for lost productivity of about 1/3 of an organization's capacity! In fact, each and **every "actively disengaged" employee is costing the organization an average of over \$12,000!** This doesn't even take into account the other costs of turnover, safety, or health costs, nor the impact upon customer satisfaction levels.

Other research studies also show that leadership is a major factor in achieving engaged employees, and those organizations that do engage their employees see a major significant impact upon the bottom-line performance of their organization.

The Implications

According to the **Gallup** research, because of the low engagement levels in the average organization, they can be **wasting up to 1/3 of their payroll** on lost productivity issues. This doesn't include the cost of poor customer satisfaction and the inability to solve problems! However, those organizations that have high levels of engagement in their employees also see significantly higher levels of:

- Productivity - higher productivity results in more cost efficient operations.
- Profitability - not just more revenues, but more money in the pockets of shareholders.
- Employee Retention - cost to replace one employee can be 150% of their annual pay.
- Customer Satisfaction - if customers aren't happy, they will leave, impacting on revenues.
- Safety Records - results in cut in unnecessary costs, as well as

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improved employee satisfaction.

According to research by **Watson-Wyatt**, a major business researcher, working on the issues that can help increase engagement in the organization can have a **direct increase in Total Return to Shareholders of over 28%**.

It takes good leadership to build engagement in the organization, both with employees and customers. While it starts at the top, the real work is actually done at the individual work units. That means a leader needs to build high levels of Trust with their individual workgroup, as well as help build Trust throughout the entire organization for employees to become engaged!

Unfortunately, research by **Watson-Wyatt** shows that Trust in management is falling in corporate America, with as little as only 39% of employees saying that they Trust their managers. This is appalling!

Yet, the **Total Return to Shareholders is higher** at organizations that have **higher Trust Levels** by almost **3 times** more than those with low Trust levels.

These are direct impacts upon the bottom-line!

Employee engagement is just another term for employees that are personally responsible and committed to the organization. Personal Responsibility, strong Leadership, and a foundation of Trust are just three of the seven things that it takes to create a high performing organization. These 7 Elements of High Performance are what differentiates the high performing organizations from the rest. It is their focus on the people issues that sets them apart and gives them the edge. In fact, those organizations that have the highest levels of performance are those that have leveraged their people to achieve greater efficiency in their processes as well as superior levels of customer service.

The Seven Elements of High Performance™



How to Build Trust The Four Behaviors

1. Straightforwardness

Directness

We are clear about what we mean

Honesty

We are always truthful and honest

2. Openness

Responsiveness

We are open to feedback and new ideas

Disclosure

We share our own ideas and opinions

3. Acceptance

Receptiveness

We value the differences in others

Respect

We value the abilities and contributions of others

4. Reliability

Seeks Excellence

Striving to do our best in everything we do

Keeps Commitments

We do what we say

Definitions

Engaged: those who are loyal, productive, and find their work satisfying.

Unengaged or Not Engaged: those who are not psychologically committed to their roles.

Actively Disengaged: those who are disenchanted with their workplaces.

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*Gary Lear is the President & CEO of **Resource Development Systems**, LLC, an organizational performance research and consulting firm that helps organizations increase performance by more effectively **managing the human side of business**sm, resulting in the achievement of their goals.*

Contact Resource Development Systems, LLC for more information.