

*How Employee  
Performance Levels  
Impact Your Business*



## Employee performance likely has a bigger impact on your business than you may realize.

Research by the Aberdeen Group found that companies focused on engaging employees reported improvements in:

- ▶ Customer satisfaction and loyalty
- ▶ Turnover and retention
- ▶ Filling key vacancies internally

It may be easier in a down economy to operate on the premise that thanks to gainful employment, your employees should be grateful and productive. However, the more important question may be, are they engaged? Competent employees have the ability to aid your business and assist with operational duties. Engaged employees grow your business and improved your bottom line.

“Employee satisfaction may indicate a timely and reliable paycheck, appreciation of the health care benefits protecting their family, or work/life balance. It doesn’t necessarily reflect any connection with the priorities of the organization, but engagement does,” says Mollie Lombardi, a senior research analyst of human capital management for the Aberdeen Group.

Businesses are making more of an effort to engage employees. Best-in-class companies report engagement levels increase significantly with improved new-hire policies, which may include using talent identification software in the pre-employment screening process, fostering better communication between managers and employees, and establishing an employee recognition program.

Research found companies with high levels of employee engagement overwhelmingly shared the following characteristics:

- ▶ Set performance goals
- ▶ Established development plans
- ▶ Regular, informal managerial feedback
- ▶ Active employee-recognition programs

“In multiple interviews with end users conducted as part of Aberdeen’s research, one of the themes that came up time and again was that individuals felt most engaged with their work when they were working on something they knew truly mattered to the organization and could see their progress and/or receive feedback based on those priorities,” says Lombardi. “When the goals of the organization are clearly articulated, individuals see where they fit and can align their activities and behaviors with those goals and feel engaged with their work.”

According to the Aberdeen Group, the top employee engagement strategies are:

- ▶ Aligning employee goals and development to business priorities
- ▶ Improving leadership skills of frontline managers
- ▶ Communicating core values and the mission to employees

Frequent and thorough communication between employees and managers provides a quick and easy boost to engagement levels. One way to accomplish this is to hold weekly, scheduled team meetings, where managers update their team on how their actions directly support the goals of the company. Employees are more apt to be engaged when they can see the effects of their work on your business.

“By holding onto key talent and focusing on a culture of development and performance, companies are able to deliver a quality experience for customers to drive loyalty, which leads to increased revenue and market position,” says Lombardi.



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