



## Service Strategies

*Health Care's Resource for  
Service Excellence*

NOVEMBER 2009

## Want to Add Millions To Your Bottom Line? Focus on Engagement

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No matter how many employees you have on your team, having even as little as one percent of those employees disengaged can have a significant impact on the bottom line. Recognition is one of several leadership skills that helps strengthen employee engagement and results in a measurable bottom line impact.

Sodexo has 110,000 employees and they are committed to being leaders in integrated food service and facilities management. I spoke at a Sodexo conference recently in Dallas and was impressed, as always, with how much they value recognition and the efforts they go through to make recognition as easy as possible for people in the trenches. Those efforts make a difference that directly impacts the bottom line. They're a company that's committed to investing in their people.

So is Zappos, an Internet-based shoe retailer in Henderson, Nev. But, Zappos takes a slightly different approach to ensure that its employees – about 1600 of them – are engaged from the very outset of the employment relationship. New employees are offered an early-resignation offer of \$1500 for admitting that the fit (no pun intended) is not right for them. About 2-3 percent do just that.

Zappos says it's worth the investment. Engagement matters as some simple math can demonstrate.

Suppose you have 1500 employees and their average salary is \$31,000, with a benefit plan worth about 28 percent of the annual salary. We'll say that 10 percent of your staff is fully engaged, 40 percent are engaged, 40 percent are somewhat engaged and 10 percent are disengaged.

Based on doing engagement workshops with a number of large, medium and small employers, I can say that these numbers are actually fairly representative of what many organizations are facing today – in fact, they may be slightly optimistic. But, even optimistically, in this scenario we would be faced with a potential productivity loss of more than \$7 million over a year's time.



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To learn more about the Baird Model for Service Excellence, employee engagement workshops or to sign up for the FREE Service Strategy newsletter, visit [www.baird-consulting.com](http://www.baird-consulting.com).

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Just include the following:

Nurse, author and consultant Kristin Baird, "Healthcare's Customer Service Guru," is the author of *Raising the Bar on Service Excellence - The Health Care Leader's Guide to Putting Passion into Practice* (2008, Golden Lamp Press), *Reclaiming the Passion- Stories that Celebrate the Essence of Nursing* (2004, Golden Lamp Press), *Customer Service In Healthcare; A Grassroots Approach to Creating a Culture of Service Excellence* (2000 Jossey Bass).

Let's break it down:

Level of Engagement	% of Workforce	Productivity	+/- Impact
<u>Fully engaged</u> – they're going above and beyond. They're probably thinking of new ideas even when they're not on the job. And, they may be taking on work assignments and projects that aren't really even part of the expectations for their jobs.	10	120%	+\$1,190,400
<u>Engaged</u> – also performing at a high level, we're definitely getting our money's worth from this group.	40	100%	Even
<u>Somewhat disengaged</u> – here's a group that's really bringing us down. And with so many of them, we take quite a hit.	40	75%	-\$5,952,000
<u>Disengaged</u> – the employees we'd like to pay to leave...	10	50%	-\$2,976,000
<b>TOTAL ANNUAL IMPACT</b>			-\$7,737,600

Play with the numbers any way you'd like and you'll still quickly see how the high costs of disengaged employees can add up. On the other hand, taking a more positive perspective, you can also quickly see how you can reduce these costs by motivating just a small percentage of your *somewhat engaged* employees to become engaged.

The good news is that you can move one out of every two *somewhat engaged* people to the engaged category *if you can determine what they need and put an action plan in place to make it happen*. It can be done. And it is certainly worth the effort.

At Baird Consulting, we have been working with health care organizations for several years now, coaching health care leaders on how to identify employees' level of engagement. But beyond recognizing the level of engagement, we help leaders to learn the essential actions needed to help employees become more engaged at work. I have a passion for this work because I have seen the significant difference even seemingly "little things" can make.

If you missed my webinar on *Taking Action – High Payoff Engagement Tactics for Leaders* – in October, I'd like to invite you to a repeat session **from 11:00 a.m.- 12:00 p.m. CDT on November 3**. I'll review the most critical tactics you can use to increase employee engagement and demonstrate a simple-to-use tool that can have significant impact on your levels of engagement – and your bottom line. We'll also talk about creating customized action plans to impact individual employee engagement levels. There is *no charge* for this webinar – to reserve a spot register online by [clicking here](#).

