How Training links to Employee Engagement and Operational Efficiency

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The Educational Branch Of Hellenic Federation Of Enterprises (SEV),
Employee engagement
How can you spot an engaged employee?

- Sees problems…and offers solutions
- Takes ownership for change…and makes it happen
- Seeks new challenges…and gets frustrated without them
- Helps colleagues…selflessly
- Gets involved and contributes…across the organisation
- “Going the extra mile”
- Speaks with pride…about the organisation and its services

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Or… is it easier to spot a disengaged employee?

“Engaged employees understand what to do to help their organisation succeed, they feel emotionally connected to the organisation and its leaders, and are motivated to put that knowledge and emotion into action to improve performance, their own and the organisation’s.”

Source: Closing the Engagement Gap, pg 10.
The road to operational efficiency…passes through Employee Engagement

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Studies on Employee Engagement
Employees with high levels of motivation are 150% more productive than those with medium levels of motivation & 244% more productive than those with low motivation.

Source: Cox & Rock, 2004

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The KPIs of employee engagement.

Employee Productivity
Happier people are about 20% more productive, study found.
A group of U.K. researchers say they’ve provided the first scientifically-controlled evidence of the link between human happiness and productivity:

Absenteeism
Companies with high employee engagement saw 41% lower absenteeism
According to Gallup

Employee Turnover
There is a 40% correlation between engagement levels and turnover
When engagement goes down, turnover goes up. If engagement goes up, turnover goes down

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Employee Engagement is linked to better financial performance

- Companies with low Engagement
- Companies with high Engagement
- Companies with high Exponential Engagement

Operating Margin

9.9
14.3
27.4

3x higher

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Employee engagement: Why does it matter?

**Impact of Employee on Financial Performance**

A 12-month study across 50 global companies

- 12-Month Change in Operating Income:
  - High Employee Engagement: 19.2%
  - Low Employee Engagement: -32.7%

- 12-Month Net Income Growth Rate:
  - High Employee Engagement: 13.7%
  - Low Employee Engagement: -3.8%

- 12-Month EPS Rate:
  - High Employee Engagement: 27.8%
  - Low Employee Engagement: 11.2%

**Impact of Employee Engagement on Business Performance**

A 3-year study across 40 global companies

- Operating Margin:
  - High Employee Engagement: 3.74%
  - Low Employee Engagement: -2.01%

- Net Profit Margin:
  - High Employee Engagement: 2.06%
  - Low Employee Engagement: -1.38%

Employee Engagement Drives Business Performance

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Why engagement is important:

When whole teams are engaged, the rewards to the organization are inarguable.

According to the Gallup research:

- Engaged teams show 24% to 59% less turnover,
- 10% higher customer ratings,
- 21% greater profitability,
- 17% higher productivity,
- 70% fewer safety incidents, and
- 41% less absenteeism.
Why engagement is important:

Disengaged employees worldwide 24% (GALLOP 2016)

Imagine the loss!!!!!!
Employee engagement.

It matters!

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An engaged workforce who possess the necessary skills, knowledge and expertise → crucial for any organization who wants to achieve high levels of business success.

In our current challenging and competitive business environment, learning and development has never been more important → as a means to keep employees engaged and maintain that competitive advantage.
During an economic downturn, it is tempting to slash or even remove training budgets.

However, this is a short term view which will inevitably produce terrible long term consequences.

Thriving organizations rely on their people to perform consistently well.

This can only be achieved if they are feeling engaged and motivated.

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Nurture Talent, Help People Learn And Improve

- The right training and development can greatly enhance employee engagement by nurturing talent and helping people learn new things & improve performance.
- Most people want to feel that they are doing a good job & that they are valued by their organization for the part they play.
Enhance the link between business, performance and training.
Done efficiently, learning and development will provide the means to motivate and engage employees like never before.

People will feel valued for their contribution and they will understand that the organisation supports them to be the best that they can be.

Developing people really is key to having an engaged workforce and achieving business success.

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Fully engaging in work can produce joy as work becomes positive energy made visible.
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