



## MAXIMIZE EMPLOYEE ENGAGEMENT TO DRIVE FINANCIAL RESULTS

“A great strategy coupled with a culture of employee engagement leads to customer loyalty, better business processes, and improved profits.”

– Jennifer Eversole

XLerant, Inc. had the recent honor of hosting a webinar on the topic of **Employee Engagement** featuring dynamic guest speaker **Jennifer Eversole**, an industry expert in **finance and organizational strategy**. Jennifer is a licensed, certified public accountant in the Commonwealth of Virginia and a recipient of the Virginia CFO award. She is passionate about helping financial teams across the nation boost employee engagement, offering keen insight and proven strategies for collaboration, communication, and empowerment.



XLerant is excited to share highlights from this inspirational webinar presentation. The full recording can be found on XLerant’s website at <http://xlerant.com/resources/webinars/>

“Employee engagement is defined by an employee’s commitment to the company.”

– Jennifer Eversole

Engaged employees believe in their company, and they’re going to do what’s best to help move the company forward, even when nobody’s looking. They go above and beyond, not just because they want personal gain or recognition, but also because they want the company to succeed.

### EMPLOYEE ENGAGEMENT & FINANCIAL PERFORMANCE

Employee engagement is a critical “leading indicator,” meaning that it gives indications of future profitability because it drives so many economic factors within an organization. Study after study show that employee engagement is such an important predictor of future financial performance that CFOs and executive leadership teams simply cannot afford to ignore it:

#### Survey Says...

In XLerant’s webinar poll, 83% of listeners reported that their employees were only moderately engaged or even moderately *disengaged*.

#### >>> LOST PRODUCTIVITY

Disengaged employees cost the American economy up to \$350 billion per year due to lost productivity. (Source: McLean & Company).

#### >>> TURNOVER COSTS

36-47% of disengaged employees **strongly agree that they will switch jobs** (Source: Gallup’s 2013 “State of the American Workforce” Report). Research suggests that **direct replacement costs can reach as high as 50-60% of an employee’s annual salary**, with total associated turnover costs ranging from 90-200% of salary (as cited in SHRM Foundation’s “Guide to Analyzing and Managing Employee Turnover”).

#### >>> GALLUP’S 2013 STATE OF THE AMERICAN WORKFORCE STUDY

Based on 250,000 survey results of companies ranging from least to most engaged. Results for companies in the top quartile for employee engagement included:

- 37% less absenteeism
- 25-65% less turnover
- 28% less inventory shrinkage
- 41-48% fewer safety incidents
- 41% less defects
- 10% higher customer retention
- 21% higher productivity
- 22% higher profitability

“A great culture is one where employees are engaged with the strategy and, more importantly, recognize their contribution towards that strategy. Great leaders focus on building a culture where employees know and are involved in the strategy, which leads better business results, and, in turn, leads to a better culture. It’s a never-ending cycle where everyone wins.”  
– Jennifer Eversole

## IS YOUR BUSINESS ENVIRONMENT ENGAGING?

If employees truly believe the company is supporting them, and if they believe that the company’s purpose is honorable, then engagement is sure to follow.

### Jennifer shares tips for bolstering engagement through commitment to employees:

**SHOW EMPLOYEES THEIR CONTRIBUTION TO COMPANY SUCCESS.** People want to be a part of something bigger than themselves (most people aren’t in it just for a paycheck). They want to know that the work they are doing provides value and has a positive impact. It’s imperative that business leaders give their team members a direct line of sight to the outcomes of their efforts. Show them your vision, and help them understand how their contribution makes a difference.

**TAP INTO THE EMOTIONS THAT DRIVE ENGAGEMENT.** Studies by Dale Carnegie Training and MSW-ARS Research conclude that **emotions drive engagement**: employees who have high levels of enthusiasm, inspiration, empowerment, and confidence are **five times more engaged** than employees who have negative emotions. Here are two of the many ways that leaders can tap into these emotions:

- **Project optimism** in your interactions with employees at all levels. Strive to keep negativity at bay.
- **Build a climate of trust** by upholding transparency and consistency. A Modern Survey study reports that 95% of fully engaged employees say they trust their direct management.

“Good leaders make employees feel safe.”  
– Simon Sinek in **Leaders Eat Last**

## HOW TO (and how NOT to) MEASURE ENGAGEMENT

**THE PITFALLS OF SURVEYS:** A common way to measure employee engagement is through surveys – asking employees a series of questions about how they feel about the company. Employee engagement surveys are a valuable tool...if they’re given in the right environment. Some words of caution:

- In order to get honest results, surveys must be administered in an environment where employees trust the leaders.
- Engagement is all about attitudes and feelings, both of which can change frequently, from one survey to the next.
- Watch out for bias from recent events, potential for gaming, or employees telling you what you want to hear...rather than what they really think.

**HONEST ENGAGEMENT MEASUREMENT:** Because actions speak louder than words...studying employee behavior is an excellent way to gain quantifiable insight into how employees really feel about the company – and, in turn, their level of engagement. Here are a few important measures:

»» **Discretionary Effort:** The amount of time employees spend working outside of normal hours can help leaders make honest evaluations of engagement levels.

»» **Volunteerism:** Engaged employees view opportunities to work on projects outside of their normal job duties as a privilege – even if it means putting in extra time – because they care about the company.

»» **Suggestions:** Employees who believe that their opinions matter will often look for better ways to do things – and then bring their suggestions to their manager.

»» **Training Programs:** Engaged employees will seek out ways to learn more so they can grow professionally and further the company’s success.

### XLERANT’S PHILOSOPHY

At XLERant, we believe that employee engagement is an essential component of good financial practices. Our dedication to collaboration started with our founders who believed that ownership and participation were essential requirements of budgeting to strategy – and that the best thinking comes from the department heads who are the experts in their areas.

Successfully engaging those department managers in the budgeting process is probably the single most important element in achieving a budget with accurate estimates and increasing ownership of the numbers going forward. Ultimately, the budget needs to be a numerical expression of the strategic plan – and that requires engagement, communication, and collaboration.

Visit [XLERant.com](https://www.xlerant.com) to learn how XLERant helps companies foster employee engagement and achieve financial goals with BudgetPak™ – an engaging, purpose-built software solution for successful budgeting, forecasting, and reporting.