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The Top 11 Ways to Increase Your Employee Loyalty

Follow these employee experience recommendations and see an immediate lift in employee productivity, retention, and loyalty

How Much Do You Value Your Employees?

The lifeblood of every business is its employees. Given this critical fact, you may assume every business has a detailed plan and solid processes in place to ensure employees are engaged. Unfortunately, this is generally not the case. Many companies continue to assume if they build a good product or offer a good service, and if customers continue to buy those products or services, then employees should be happy.

Employers typically do just enough to ensure the majority of employees don't leave; they train just enough, they offer just enough benefits, and they give just enough positive reinforcement.

Because the cost of replacing employees is so high, and the fact so many continue to leave, businesses who effectively manage the employee engagement process can turn these

facts around, making these burdens a strength. They can realize increased productivity, happier employees who willingly promote the business, and eventually, greater profits and other positive business outcomes.

As an employer, you need to understand why your employees are emotionally connected to your business – and it's generally much more than salaries,

training, or benefits. Research shows that emotionally connected employees are the best employees because they are engaged and productive, and they feel validated and appreciated.

The opportunity exists for businesses to manage engagement just like they manage other areas of their business. It's not impossible today, with the right technology and best practices.

IS THIS THE RIGHT WAY TO APPROACH EMPLOYEE LOYALTY?

Consider these two startling facts:

20-50%

Each year the average company loses 20-50 percent of its employee base

BAIN & COMPANY

150%

Replacing a lost employee costs 150 percent of that person's annual salary

COLUMBIA UNIVERSITY

Engaged Employees Are the Best Employees



An engaged employee is a person who is enthusiastic about their work. Improving employee engagement directly impacts measurable business outcomes. Employees who are committed to success, are emotionally attached and socially involved with a company, demonstrate qualities that business managers thirst to have. Engaged employees are more productive at work, take less sick days, and exhibit other favorable behavior. Additionally, they promote the business to others and demonstrate their happiness to customers. In short, engaged employees are the best employees.

Employee Engagement Makes a Difference

Engaged employees bring a competitive advantage to a business for several reasons. An engaged employee is less likely to leave, leading to substantial cost savings for your organization in terms of recruitment and training. Engaged employees demonstrate improved performance as individuals and teams. Furthermore, engagement increases the consistency in team performance from day-to-day and month-to-month. Also,

engaged employees enable a “skill-liquidity,” – an ability to adapt skills to changing business needs – that improves a company’s flexibility to evolve and capitalize on new business environments.

Tim Hendon, a leader from a prominent Washington-based credit union, faced an unanticipated problem. A new loan network partnership provided loans with a high likelihood of debt default. Over time, these bad loans burdened his group and resulted in lost profits. He devised a plan to solve the problem capitalizing on the skills and engagement of his employees; their passion for the company and their desire to want to solve problems was an asset he could use. It worked. He attributed his debt recovery team’s success to two factors. First, the engagement level of his star performer whose attitude inspired an environment of friendly competition. Second, his team eagerly adapted new technologies to facilitate immediate debt payment. In two years, the debt recovery team slashed the auto loan delinquency ratio in half, turning a money loser into a profitable business unit. Their success garnered national recognition in collections and remarketing.

You Can Manage Employee Engagement

Employee engagement can be improved by aligning the goals of the business with the goals of the individual.

Employee motivation should be associated with traditional rewards, such as pay and compensation, but also with emotional rewards such as personal growth, working for a common cause, being part of a high-performance team, and being recognized for achievements.

You Can Make Dramatic Improvements in Your Employee Engagement

Through management of engagement, you can increase the loyalty of employees. But how? You need to know what

drives engagement. Why are employees emotionally connected to you?

Four primary drivers of engagement can help you conceptualize and break down employee engagement into its causes and effects. Research by InMoment employee experience experts Dr. Gary Rhoads and Dr. David Whitlark concludes there are four primary areas of emphasis which are critical to understanding why employees are emotionally connected to a business. They are: being helpful, feeling competent and improved, feeling accepted, and feeling respected.

PRINCIPLE

START BY MEASURING EMPLOYEE ENGAGEMENT

The process of measuring employee engagement can range from simple to complex. Measuring your employee's passion about work and the work environment can be as simple as issuing a survey with a few scaled questions around the ideas of:



Cost Per Hire

Consider these recruitment activities – and costs – that can be minimized by having engaged employees:

RECRUITING/SCREENING PROCESS COSTS

- Resume sourcing
- Resume reviewing
- Time spent phone interviewing
- Cost of background check
- Cost of skills assessment
- Cost of employment verification
- Time spent for personal interviews
- Time spent on 2nd interviews
- Time spent preparing job offer

QUALITY COSTS: MULTIPLICATIVE FACTORS

- Resumes reviewed per phone interview
- Rate of candidates who pass screenings
- Phone interviews per personal interview
- Personal interviews per 2nd interview
- 2nd interviews per offer
- Rate of offer acceptance

SOURCING/RECRUITING

- Salary costs of recruiters
- Costs of job advertising
- Career fair expenses

TRAINING/RAMP UP COSTS

- Orientation/training materials
- Orientation class
- Training costs
- Instructor salaries
- New hire diminished productivity
- Cost of increased supervision for new hire

How was your experience?



LIKERT SCALE

A Likert Scale (pronounced 'lick-urt') is a type of psychometric response scale often used in questionnaires, and is the most widely used scale in survey research.

PRINCIPLE

PROMOTE AND MANAGE "BEING HELPFUL"

Employees want to feel like they are making a positive contribution. An apathetic employee just works for a paycheck, but an engaged employee perceives their job as important. Being helpful means that whether in a front-facing, retail environment, or in the back office, employees feel like they are making a difference.

Being helpful means that employees can take pride in delivering outstanding quality, service, and value. It means that jobs make good use of employee skills and abilities. It also means that employees are empowered to solve customer problems.

To increase the loyalty and engagement of your employees learn and follow these basic principles and action items:

1. Use a Likert Scale

Using a scale of agreement, or Likert Scale, a survey can express quantitative measurements of your employee engagement. Oftentimes, gathering open-ended comments along with numerical and scale data yields a rich source of inexpensive opportunities to make employees happy.

"My manager is very proactive in discussing my abilities and goals with me and we arrive at a goal together; one that is realistic and achievable."

"It bothers me that our customers get better benefits with their accounts than we do as employees. Everybody makes a mistake once in a while with their accounts; it's unbelievable that an employee gets two overdraft reversals in a lifetime."

2. Gather Compliments

By gathering compliments in addition to concerns, companies can find out if their engagement efforts have a meaningful, lasting contribution to employees. Consider the following anonymous compliment and complaint printed verbatim:

These two feedback items helped a business confirm the effectiveness of its management program and work on morale boosters for its employees. Engagement is most effectively measured both quantitatively through scaled questions, and qualitatively through open-ended comments.

3. Help Employees See the Big Picture

Help your employees see the big picture, and how they contribute to a functioning whole. A 'chain of customers' exists from the bottom of the organization up to the top. Where outward facing employees serve a customer, supervisors must serve and empower retail employees, managers must serve and empower supervisors, and so on up to corporate presidents who must serve and empower vice presidents.

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PRINCIPLE

YOUR EMPLOYEES MUST FEEL CONFIDENT AND IMPROVED

Employees want to feel like they can do their assigned job confidently, that their future is secure, and that they are progressing in their own personal life goals. Too often company managers slash training budgets to save costs, not knowing both service delivery and morale suffer from inadequate training.

By facilitating career advancement and opportunities to improve skills through training, employers can improve their employee engagement. An employee who is feeling confident and improved by the organization actively promotes the organization to others.

5. Close Training Gaps

Make sure there are no major training gaps in your organization. Training should be up-to-date. Make sure employees know about training opportunities. Some sophisticated organizations have a Learning Management System in place to measure training and results.

BENEFITS OF ENGAGED EMPLOYEES



PRINCIPLE

HELP EMPLOYEES FEEL ACCEPTED

Employees must be accepted as contributors by their peers at work. Teams may encourage a challenging but supportive environment. Organizational behaviorists of yesteryear recommended that we reduce stress at work to improve engagement. New research says that stressful environments can be healthy, provided that employees are passionate about what they do.

Strong, loyal teams provide one level of acceptance, and teamwork between departments provides another. Furthermore, adequate benefits programs enable employees to feel accepted by the organization, not expendable. Employees who become more engaged through increased acceptance will share a common bond of beliefs and purpose about the organization.

6. Mentoring Program

Train and encourage seasoned employees to be mentors. A mentoring program can facilitate dynamic skill growth throughout an organization. Informal learning can be as important as formal learning programs.

7. Promote Team Building

Encourage team building activities among employee groups. Some managers see the intangibles of team building as a pointless waste of time. However, there are well-documented benefits to creating trust and acceptance among work groups. Team building activities don't have to be expensive. Inexpensive ideas for trust building activities are available through a simple web search.

PRINCIPLE

EMPLOYEES WANT TO FEEL RESPECTED

“Employees don’t leave their job, they leave their manager” is the mantra heard for years in Human Resources circles. To feel respected, employees should feel like the company regards them as an important asset. Employees should feel like their manager has realistic expectations about what they can achieve. And, managers must be fair and even-handed.

Nothing makes employees more angry than seeing a peer receive special treatment when they have broken the rules or have not been performing. Managers have the special role of enforcing company policy while at the same time removing barriers and excuses for employee performance.



8. Build a Supportive Environment

Sometimes dissatisfaction with wages merits investigation. But often, dissatisfaction with wages and benefits masks problems relating back to acceptance by a team or manager. Often employees voice any problem in terms of a compensation issue.

It is important to build a supportive environment in which employees feel they are an accepted and valuable asset. Not only to a team or immediate manager, but also the company as well. That way, employees can freely voice concerns without having to mask the real issues.

9. Don't Be Afraid to Tell Them the Truth

Respect your employees through degrees of transparency. Communicate how your business is really doing at least quarterly or semi-annually. Give your employees confidence in the future and information to understand shifts in corporate policy due to your economic or competitive environment.

10. Retrain or Get Rid of Bad Managers

One bad manager can pollute multiple layers of an organization. Your most talented employees will be the first ones to leave in the face of poor management. Poor managers bring down the morale of employees, which in turn spills over to the engagement level of customers and ultimately reflects poorly in that group’s performance and profits.

11. Recognize Employee Contributions

Recognition from a supervisor at least two ranks above an employee makes a meaningful, engaging difference in employee morale.

Let Technology Help You Manage Engagement



Utilize technology to help you understand the heart and mind of your employees. Don't try to figure it all out in a single annual survey, or through a feedback email link you put on the company Intranet. You need to collect feedback often, and in all possible collection points, both solicited and unsolicited. Then you need to really listen and respond, creating a win-win relationship.

A word of caution, InMoment has learned through years of collecting and managing feedback for businesses in

every industry that most employees are skeptical of any feedback system that is offered by their own company. They fear their submissions will not be confidential, so they don't submit truthful information, or they don't submit anything at all. That's one of the reasons InMoment has been so useful for so many companies; employees know we are a trusted third-party offering them the chance to submit feedback in complete anonymity.

To demo a product or to contact us call:

NORTH AMERICA
1 800 530 4251

UK & IRELAND
+44 (0) 1494 590 600

APAC
+61 (2) 8397 8131

GERMANY
+49 (0) 40 369 833 0

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