

# August 2007, Employee Engagement

Organizations that do not provide training for their managers on how to hire people or fail to make new employees feel part of the team once they join are more likely to lose out when it comes to employee engagement, motivation and productivity.

A recent study of HR practices at 50 large U.S firms by consulting firm Watson Wyatt Worldwide found significant differences in financial performance and employee engagement between companies that focus on the details of how they hire, orientate and integrate new recruits and those that do not. Nearly two thirds of companies with a highly engaged workforce provided interview training for managers. Companies with highly engaged workers also spent more time in preparing them for their new jobs, taking an average of 35 weeks to on board a new hire compared with 15 weeks for companies with lower levels of engagement.

The Watson Wyatt study links back to prior research done by the firm that suggests a strong correlation between an efficient recruiting and integration process, employee engagement and financial performance. For the typical S&P 500 company, a significant improvement in employee engagement was associated with a \$95 million increase in revenue.

"Few things are more important to a company's long-term performance than choosing the right employees and ensuring they have the proper outlook from day one," said Watson Wyatt organization effectiveness expert Ilene Gochman. "As a result, employers should view the recruitment and orientation process as a unique opportunity. Preparing employees for their new roles and communicating how they can help the company meet its goals can go a long way toward determining whether new employees ultimately succeed," she added.

"Implementing effective recruiting and orientation programs is generally very cost-effective," she continued. "In addition, it is not terribly difficult to make change in this area. The main requirement is to focus on improving communication, both to managers who do the hiring and to new employees themselves," she advised. A key technique for improving worker engagement in this area was simply to explain to new employees why they were hired. "Sharing with new hires the attributes that drew the company to them is an easy and meaningful way to begin a productive relationship. It gives new employees an immediate tie to the company and a clear understanding of how their skills can be used productively at their new place of employment," said Gochman.