THE COST OF DISENGAGED EMPLOYEES

Various studies report billions of economic dollars lost to disengaged employees. Gallup found that around 17% of employees on average at a given organization are disengaged. Gallup combines analytics and advice to help leaders and organizations identify opportunities and create meaningful change, and puts employee engagement into three categories: engaged, disengaged, and actively disengaged.

ENGAGED EMPLOYEES

Employee engagement is defined as the emotional commitment an employee has to an organization and its goals. An engaged employee is one that is enthusiastic about their work and is invested in their organization's reputation and interests. According to the latest report, only 15% employees worldwide and 33% in the US are engaged. This number has remained largely stagnant since Gallup began research in 2000.

Employees who are engaged are more likely to stay with their organization, reducing overall turnover and the costs associated with it. They feel a stronger bond to their organization's mission and purpose, making them more effective brand ambassadors. They build stronger relationships with customers, helping their company increase sales and profitability.

ACTIVELY DISENGAGED

Actively disengaged employees are not only disconnected from their work, organization, and coworkers, but their negative outlook jeopardizes the morale of those around them. Gallup has found that actively disengaged employees are “out to damage their company” and “actively try to undo” whatever engaged employees do.

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DISENGAGED

Disengaged employees are the silent danger to overall morale and productivity. They lay low and burn hours by putting in bare minimum effort until end of day. Think of a retail sales associate who seems bothered by a customer question, or an accountant who is the last to arrive and first to leave and contributes little to meetings. These employees aren't a danger to their company, but their lack of interest in their work can gradually chip away at morale.

IMPACT ON REVENUE

One study reported a loss of between $450-550 billion a year to disengaged employees, and Gallup estimates that actively disengaged employees cost the U.S. $483 billion to $605 billion each year in lost productivity. Gallup also found that an actively disengaged employee costs their organization $3,400 for every $10,000 of salary, or 34 percent.

Consider the elements Gallup used to identify engagement levels among employees when taking a look at your workforce or staff. Notice many questions lead to management–leadership influences not only how people work, but why they work.

GALLUP'S 12 ELEMENTS USED TO MEASURE ENGAGEMENT

Do you know what is expected of you at work?
Do you have the materials and equipment to do your work right?
At work, do you have the opportunity to do what you do best every day?
In the last seven days, have you received recognition or praise for doing good work?
Does your supervisor, or someone at work, seem to care about you as a person?
Is there someone at work who encourages your development?
At work, do your opinions seem to count?
Does the mission/purpose of your company make you feel your job is important?
Are your associates (fellow employees) committed to doing quality work?
Do you have a best friend at work?
In the last six months, has someone at work talked to you about your progress?
In the last year, have you had opportunities to learn and grow?

Imagine what the engaged 30% of employees bring to organizations: passion for the mission, the company, innovation, and a drive to move the company forward. Now imagine the other 70% who are likely negating that passion, purpose, and drive of their engaged counterparts.

POSITIVE BUSINESS IMPACT

According to an HBR study, 77% of companies that prioritize employee engagement report that employee engagement has a direct impact on customer satisfaction. Gallup found that companies with highly engaged business units realize 41% lower absenteeism, 17% higher productivity, 59% lower turnover, and 21% higher profitability, to name a few improvements.