EMPLOYEE ENGAGEMENT IN THE BANKING INDUSTRY

A Dale Carnegie Training White Paper

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What makes one company more successful than another? Better products, services, strategies, technologies or, perhaps, a better cost structure? Certainly, all of these contribute to superior performance but all of them can be copied. The one thing that creates sustainable competitive advantage – and therefore a favorable ROI, company value and long-term strength – is the workforce, the people who are the company. And when it comes to people, research has shown time and again, that employees who are engaged significantly outperform those who are not engaged. In the fight for competitive advantage where employees are the differentiator, engaged employees are the ultimate goal.

Dale Carnegie Training teamed with MSW Research to study the functional and emotional elements that affect employee engagement in the Banking Industry. A national representative sample of 150 banking employees revealed that a little over one-third of those surveyed were identified as being “Fully Engaged” while about 1 out of 7 were “Disengaged”. At the same time, the “Disengaged” and the “Partially Disengaged” groups totalled 65% of the workforce.

People who are in the technical areas of Banking are the most engaged, followed by the VP level. At the same time, those earning less than $50K are also among the most engaged.
The direction of the company and the confidence employees have in the leadership ability of senior leaders are important areas for future success. Thirty five percent of banking employees believe that their leadership is moving their companies in the right direction, and nearly two-thirds of these people are engaged, whereas only one in five of those that disagree are engaged. Boosting the numbers who believe that senior leadership is moving the organization in the right direction will boost employee engagement.

The perception that Senior leaders are moving the company in the right direction is the most important variable explaining Satisfaction with Senior Leadership, which has the greatest impact on Employee Engagement.

Satisfaction with senior management leading to employee engagement is also impacted favorably where Banks provide opportunities for personal development via:

- Opportunity for career growth
- Opportunity to try new things
- Encouragement to grow & develop
Overall Satisfaction with the organization is the second most important functional value impacting Employee Engagement. The five most important variables impacting overall satisfaction are:

1. Satisfaction with Senior Management
2. Pride in the organization I work for
3. Corporation has strong ethics
4. Corporate philosophy reflects my own values
5. Proud of the contribution organization has made to the community

The last three items all contribute to Pride in the organization. The organization can improve pride with strong ethics and contributions to the community laid out by senior management. Do this leads to higher employee engagement.
The immediate supervisor performs a pivotal role; he or she links the employee to the organization. People who feel that their immediate supervisors set a good example are engaged. Unfortunately only 32% of banking employees report that their immediate supervisor sets a good example for them to follow. Ensuring that more supervisors set a good example would boost Engagement.

The primary resource in a bank is the employees and the relationships that they develop. People are primary influenced by their immediate supervisor and how he or she makes them feel. Comparing banking to a larger cross industry study conducted last year, we see four major deficiencies in how banking employees view their immediate supervisor’s treatment of associates:

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<th>Banking</th>
<th>Cross Industry Study</th>
<th>Difference</th>
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<tbody>
<tr>
<td>Treats me with respects</td>
<td>39%</td>
<td>46%</td>
<td>-7%</td>
</tr>
<tr>
<td>Recognizes my contribution</td>
<td>36%</td>
<td>40%</td>
<td>-4%</td>
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<tr>
<td>Sets a good example for myself and others to follow</td>
<td>32%</td>
<td>36%</td>
<td>-4%</td>
</tr>
<tr>
<td>Is interested in me as a person</td>
<td>32%</td>
<td>35%</td>
<td>-3%</td>
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How Immediate Supervisors treat and speak to their people has an emotional impact. Reaction to the Immediate Supervisor explains 79% of how employees feel about their organization. A good supervisor makes people feel valued and assured, but a great supervisor generates a feeling of enthusiasm. These three emotions are the primary drivers of Employee Engagement among Banking employees. 51% of all Banking Employees feel at least one of these three emotions, but no one feels all three.

While a good Supervisor makes people feel valued and confident, a bad Supervisor irritates people and makes them feel intimidated and manipulated. 35% of employees in banking feel a negative emotion as a result of their interaction with their immediate supervisor. Of these, more people were disengaged (25%), than fully engaged (19%). Irritation is the predominant negative feeling followed by being uncomfortable and disinterested.

Avoiding generating negative feelings among their immediate staff is something that supervisors can be trained to achieve. Negative emotions lead to disengagement, higher staff turnover and poorer customer service. Positive emotions lead to higher engagement and improved customer satisfaction and loyalty.