

The ROI of Employee Engagement

Helping Dealerships Improve People, Performance, and Profit

The Gallup research organization recently produced a statistic that literally defines a key challenge for automobile dealerships nationwide. Gallup says 70 percent of U.S. employees are not engaged which costs companies \$450 to \$350 billion per year on lost productivity.

And in addition to disengaged staff members, employee turnover is costly. According to the Employment Policy Foundation, a Washington research group, the cost of employee turnover is estimated at twenty-five percent of the lost employees' annual salaries. And with the national average hourly wage of dealership employees being \$19.86 per hour (according to the Bureau of Labor Statistics data for February 2014), losing an employee would set back a dealership more than \$10,000 per employee lost during a year.

Most key jobs in dealerships, such as sales staff, finance and insurance managers, service advisors, and technicians are paid more than the national average, so the cost of losing one of those key employees would be even greater.

So what's the solution? That's where the Minnesota-based company, People Driven Performance (PDP), can make a difference. Employee engagement is their expertise.

Realizing that effective communication is to an organization what blood is to the body, PDP understands that getting employees to buy-in to a dealership's busi-

ness mission and goals requires first and foremost a powerful communication platform.

PDP provides a software product to help standardize effective internal employee communications via desktop computers, laptops and smartphones. For "non-desk" dealership employees (technicians and detailers, for example), intuitive touchscreen terminals are available in key locations.

"We know that effective internal communication engages employees and really drives organizational performance improvement initiatives," says Lou Dickmeyer, PDP's president. "We're focused on helping everyone in a dealership understand the significance and importance of their role, thereby creating unparalleled levels of engagement."

And the great news is that PDP partners with dealerships every step of the way. To manage the process, dealerships typically designate one administrator that becomes the key liaison to PDP. PDP then trains the dealership how to determine what needs to be communicated which can include a message from the Dealer Principal/GM, CSI highlights, training events, new product information, and human-interest information.



PDP's employee engagement software uses touch screen terminals to communicate with 'non-desk' employees.

DEALERSHIP INNOVATIONS

Company performance metrics can include any measurable process a dealership wants to track in real time, such as CSI, sales, RO's and any other information that represents successful teamwork. Employees can view metrics in rolling or calendar modes, using information gathered automatically from the dealership.

"It's amazing the variety and relevance of content that companies begin to communicate about what's happening," Dickmeyer says.

News content is typically driven by a small internal group that Dickmeyer calls an editorial board that typically convenes for a 15-minute weekly meeting. PDP produces a kit called Shop Talk that offers a prescriptive editorial calendar and content library to facilitate the reporting of dealership information.

Dickmeyer says that recruiting a dealership employee to be "the keeper of the message" has been relatively easy. "There is always someone who is outgoing enough to organize the content. With some clients there are many individual contributors."

To follow-up, PDP will send the dealership a weekly report that tracks how many times the system has been accessed and how often the news has been read.

Among PDP's most satisfied clients is Scott Larguier, COO of the Dimmitt Automotive Group in Clearwater, Florida. The company has 200 employees on two campuses and represents six manufacturers. In 2013 and 2014 they were recognized as a "Top Workplace" by the Tampa Bay Times and Workplace Dynamics. Richard R. Dimmitt was the recipient of TIME magazine's Dealer of the Year award for Florida. In the most recent two-year period, they reduced employee turnover by 17%.

"PDP has been instrumental in helping us develop our servant heart's culture," said Larguier. Not only does our weekly *Dimmitt Voice* news journal communicate key information to our people, it provides a forum that contributes to the accomplishment of our mission to improve the quality of life for our associates, our guests, and the community through service, excellence, and innovation."

In order to achieve a sustainable competitive advantage in your automotive marketplace, employee engagement is critical to the success of your dealership's mission and objectives. Contact PDP today for a no-cost, online product demonstration and let us help you improve your people, performance, and profit. ■



The cost of poor internal employee communication

Companies that take time to strategically engage employees are more productive and more profitable

- 85% of employed workers are actively seeking or are open to a new job. (*LinkedIn study, Talent Trends 2014*)
- Losing an employee can cost an organization up to 213% of the employee's salary. (*Quantum Workplace Survey, 2013*)
- 44% of employees in North America say they may or will leave their current organization within the next 12 months. (*Blessing White, 2013*)
- 70% of companies say that retaining talent is their top HR challenge this year. (*IO Partners, Employee Retention Report, 2013*)
- Companies with highly engaged employees outperform low-engagement companies financially by 202%. (*Gallup, Employee Engagement Study, 2013*)
- Compared to disengaged employees, highly engaged employees are five times more committed to helping their company succeed, three times more likely to recommend improvements, and almost four times more likely to recommend their company as an employer. (*Temkin Group, Employee Engagement Benchmark Study, 2012*)
- Engaged employees are 87% less likely to leave their organizations than disengaged employees are. (*Corporate Leadership Council, 2012*)
- Companies with the most effective employee communication have 47% higher shareholder returns over companies with the least effective communications during the last five years. (*Towers Watson, Communication ROI Study, 2011*)
- A business with 100 employees spends an average downtime of 17.5 hours a week clarifying communication. This translates to an annual cost of \$528,443. (*Siemens, SMB Communications Study: Uncovering the hidden cost of communications barriers and latency, 2009.*)

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