

For Immediate Release



Contact:
Richard Sharp, ISR
(312) 494.5653
richard.sharp@isrinsight.com

Contact:
Peter Wiltjer, BWMG, Inc.
(630) 614-4577
petewiltjer@bwmginc.com

Engaged Employees Help Boost the Bottom Line

ISR study reveals that employers with an engaged workforce deliver improved financial results

WASHINGTON D.C., SHRM CONFERENCE, 27 JUNE 2006 – Leading global employee research and consulting firm ISR announced today the result of a new global employee engagement study showing a dramatic difference in bottom-line results in companies with highly engaged employees when compared to companies whose employees had low engagement scores.

The study, gathered from surveys of over 664,000 employees from around the world, analyzed three traditional financial performance measures over a 12-month period, including operating income, net income and earnings per share (EPS).

Most dramatic among its findings was the almost 52 percent gap in the one-year performance improvement in operating income between companies with highly engaged employees versus companies whose employees have low engagement scores. High engagement companies improved 19.2 percent while low engagement companies declined 32.7 percent in operating income over the study period.

Other findings include a 13.2 percent improvement in net income growth over a one-year period for companies with high employee engagement, while seeing a 3.8 percent decline in net income over the same period for companies with low employee engagement.

Companies with high employee engagement also demonstrated a 27.8 percent improvement in EPS growth, while companies with low employee engagement reported an 11.2 percent decline in EPS over the same period.

“Our research continues to show that a well-substantiated relationship exists between employee engagement – the extent to which employees are committed, believe in the values of the company, feel pride in working for their employer, and are motivated to go the extra mile – and business results,” said ISR Global Research Director Patrick Kulesa. “This data reaffirms the remarkable ability of an engaged workforce to impact a company’s bottom line.”

A previous ISR study of 41 companies over a period of 36 months revealed that the high engagement companies realized a 5.75 percent difference in operating margin and a 3.44 percent difference in net profit margin versus the low engagement companies.

“These latest findings are consistent with ISR’s three-year study and demonstrate that both a one-year change and lasting performance gains are obtainable through an engaged workforce,” said Kulesa.

-more-

About ISR

ISR is a global HR research and consulting firm founded in 1974. ISR has designed and implemented employee, management, and customer surveys for 35 million employees from more than 3,000 companies in 106 countries. Visit ISR online at <http://www.isrinsight.com>

###