



The Power of Engagement

MAY 2011

What is Engagement?



- Think about a time at work when you were:
 - Interested in what you were doing
 - Challenged but not overwhelmed
 - Focused and time moved quickly
 - Took pride in the progress or outcome of your effort
- What about the activity made it rewarding?

How We View People



“People are our most important asset”

How We View People



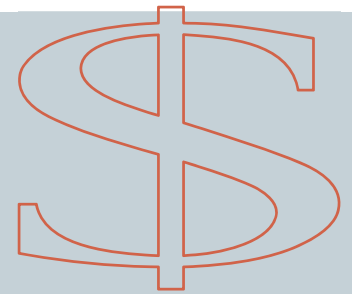
**“People are our most
important investment”**

What is Engagement?



- Sense of wellbeing in knowing what is expected and being able to do your job well
- Sense of belonging based on people and purpose at work
- The sense of commitment that an individual feels about their future in the company
- Alignment of employees values, aspiration and goals with those of the organization

Is It All about Money?



- A review of 6 national employee surveys (over 2 million responses)
- Money is never rated above third place in what people value most about their jobs
- Appreciation, Respect, Trust, Opportunity to Develop, Relationships and Sense of Purpose consistently rated higher than money
- Largest difference is for employees under 30

As an Outcome of Today's Session



You will be able to:

- Explain how and why engagement impacts key business goals
- Identify three areas of people's needs with significant impact on engagement
- Assess your employees engagement levels in these three areas
- Develop a specific action plan to increase engagement
- Develop strategies for working with disengaged employees

Engagement Environment



- Compared to 2008, more employees are looking for new opportunities
- Engaged employees stay for what they can give
 - Disengaged employees stay for what they can get
- Opportunities to apply talents, career development, and training are top drivers of engagement
- Age and tenure make a difference in engagement
- Managers are not necessarily going the things that matter
- Managers struggle with key leadership behaviors
- Managers are getting the basic of engagement right

*2011 BlessingWhite Global Engagement Survey

Three Levels of Engagement



- **Engaged:** Passionate, caring, and committed to their work
- **Not Engaged:** Willing to do the basics, but little more
- **Actively Disengaged:** Not just unhappy about their work, but actively acting out their unhappiness

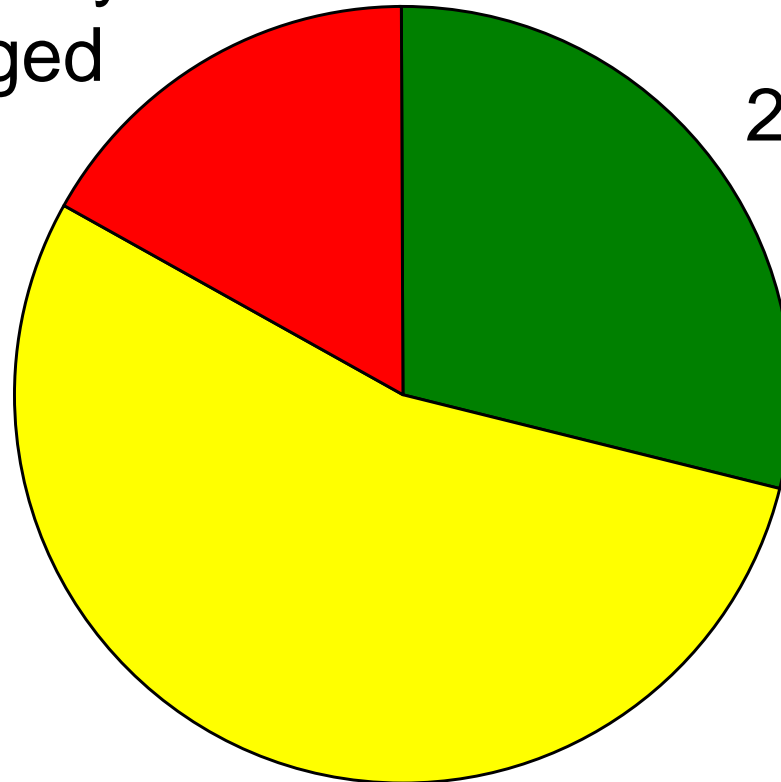
Are Most Employees Engaged?



17% Actively
Disengaged

29% Engaged

54% Not
Engaged



Source 2007: Gallup Management Journal

Why is Engagement Important?



- **Impacts “discretionary effort”**

The amount of time, energy and performance an employee invests in his or her work BEYOND just going through the motions

- **Impacts commitment to stay with the organization**

Retaining good people will always be a source of competitive advantage

Is this Just the “Soft Stuff”?



- ***“The soft stuff is the hard stuff.” – Jack Welch, Former CEO, GE***
- Maybe, but with “Hard” Outcomes
Engagement has been linked by hundreds of studies to specific, measurable impact in:
 - ✦ Productivity
 - ✦ Quality
 - ✦ Financial Performance
 - ✦ Employee Retention
 - ✦ Customer Satisfaction
 - ✦ Safety



Impact on Business Results



- Hospital chain identified \$6.3 million in savings; from employee suggestions another \$13.5 million
- Major automotive manufacturer found that engaged sales people sold twice as many cars as not engaged
- A major study at Sears showed that employee engagement was directly linked to store sales and customer service
- Manufacturing firm found that engagement scores were linked directly to differences in safety and quality between plants.

Source: What Engages Employees the Most, Ivey Business Journal, 2006.

Engagement Impact Example



- **Loss of a solid performing employee**

- Lost opportunity cost
- Replacement cost
- Training cost



\$10,000 – \$25,0000 Entry Level Employee; \$50,000+ for a mid level position with 5 or more years of experience

- **Immeasurable Loss**

- Intellectual property loss
- Internal and external networks
- Impact on the morale of others

What's in It for YOU?



- Engaged employees
 - Express a more positive attitude
 - Miss less days of work
 - Take constructive feedback more readily
 - Have a higher commitment to goals
 - Are more motivated to take the extra step

Building Engagement is Simple



- You will build engagement every time you meet the needs of the people who work for you.
- When you meet people's needs, they will be more likely to meet the needs of the organization and you as a supervisor.
- Simple does not mean easy.

The Science of Engagement



- Gallup (The Survey People) Research
 - 6.1 million employees
 - 759,000 workgroups
 - 163 countries
 - 63 languages
 - What questions were MOST related to:
 - ✦ Productivity
 - ✦ Customer Satisfaction
 - ✦ Retention
 - ✦ Profitability

Roles and Responsibilities



- To reap the rewards that a more engaged organization promises, your entire workforce needs to be accountable for their piece of the 'engagement equation' every day.
 - Individual + Managers + Executive = Total Engagement

Individuals



- **Key Responsibilities**
 - Ownership
 - Clarity
 - Action

Managers



- Roles and Responsibilities
 - Coaching
 - Relationships
 - Dialogue

Executives



- Roles and Responsibilities
 - Trust
 - Communication
 - Culture

The Three C's of Engagement



Employees Need to Be...

CONNECTED: I have positive connections with people and purpose of my work.

CAPABLE: I know what is expected of me at work and I have the resources and support to do my job.

COMMITTED: I see the opportunity to grow and develop in my job.

Important **C**onnections



- To the Job
- To the Supervisor
- To the Organization
- Of these three, connection to the supervisor has the biggest impact on engagement

Building **C**onnections



- People have productive relationships with co-workers
- People feel like they can come to you (their supervisor) with problems or concerns
- People understand how their work is related to other parts of the business

Building Capability



- People know what is expected of them
- They have training or experience they need
- They have clear goals and measures to assess their progress
- They get regular feedback on their performance

Building **C**ommitment



- People have input into decisions that impact them
- People have the opportunity to learn and grow
- People see opportunities in the future to further their experience or career

Sample Strategies for Building Capability



Leadership activities that builds people's ability to do their job well.

- Written job descriptions
- Regular performance discussions
- Discussions of tools and resources needs
- Structured on-boarding schedules for new employees
- Learning Matrix

Sample Strategies for Building **C**onnections



Leadership activities that build connections with you, co-workers, and purpose of their job

People Connections:

- Team Meetings
- Daily Team Huddles
- Weekly Individual Meetings (WIM)
- Informal meetings, lunches, and discussions

Work Connections:

- Understanding how their work is connected to other departments
- Working on problem solving with groups outside your area
- Provide information on organizational performance

Sample Strategies for Building **C**ommitment



Leadership activities that build a sense of the future:

- Learning new skills or job assignments
- Special assignments such as problem solving or process improvements
- Build opportunities for input on decisions that impact their work
- Discussing Internal Positions

Individual Action Planning



- The goal is to find one area of action to increase engagement an individual basis (something under your control)
- Make a commitment to implement your plan within the next 60 days
- Find a balance between challenging and realistic

Engagement Killers



Five supervisor behaviors that crush engagement:

- Doing work yourself instead of taking the time to teach and delegate.
- Viewing questions or requests from supervisees as interruptions.
- Reprimanding or demeaning employees in front of others.
- Not following through on commitments made to employees.
- Not taking on performance concerns quickly and decisively.

The behaviors are often associated with failure as a supervisor.

Source: Center for Creative Leadership Study

What about Disengagement?



- How do we respond to disengagement?
- About 17% of employees are actively disengaged.
- One recent survey indicated that disengaged employees rose by 9% since the downturn in the economy.

Low Engagement Can Lead to Performance Problems



- Low productivity
- Lack of follow through
- Absences and tardiness
- Weak excuses
- Carelessness
- Safety issues

Can You Fix this with a Hammer?



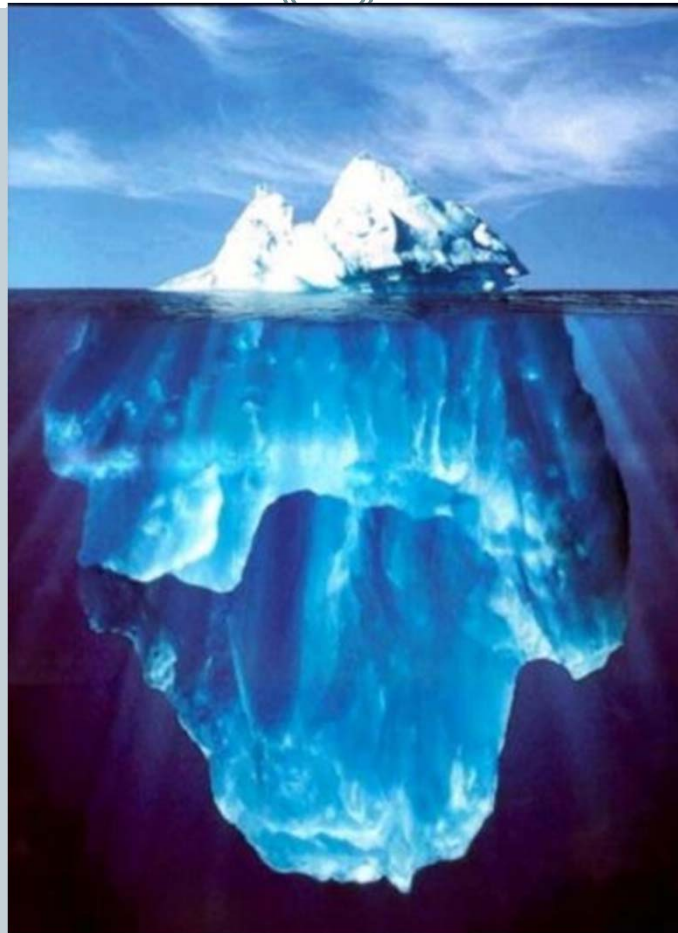
- Yes, you can fix low engagement behaviors with a hammer.
- You can provide warnings, write ups, and Performance Improvement Plans
- The individual can shape up or ship out.
- In some cases this may be the correct course of action

OR

- You can try the engagement discussion first.



Getting to the Source



Behavior

Engagement

Steps to the Engagement Conversation



1. Recognize your role as a leader in meeting the needs of this employee.
2. Start with an objective description of the behaviors impacting performance.
3. Ask the employee for their perspective.
4. Link the conversation back to key engagement questions.
5. Identify specific actions that can build engagement

Engagement Discussion



- Are you clear about what is expected of you at work?
- Do you have the tools, resources, and support you need to get your work done?
- What do you find most rewarding about your work?
- What do you find most challenging or frustrating about your work?
- What can I do as a supervisor to support you?

Responding to Disengagement



Disengagement can happen for many reasons outside of our control:

- **Lack of self esteem**
- **Poor fit between person and job**
- **Personal problems outside work**
- **Transition into new job or role**
- **Significant changes in work pressure**
- **Poor boss relationships**
- **Health issues**

Measuring Engagement



- Data can be used to drive decision
- Surveys allow an opportunity to find what needs to be improved
- Allows you to focus on the areas that will have the biggest impact
- Surveys are an output, not the purpose of, focusing on engagement

Engagement Surveys



- Each questions needs to focus on one area – job, supervisor or organization
- Each question needs to focus on one factor
 - My supervisor is fair and treats me with respect
 - ✦ Instead
 - My supervisor treats employees fairly
 - My supervisor treats employees with respect
- Should also be focused on one of the three Cs

Performance Management . . .

**Managing Performance and
Developing People**



In general, how much feedback do people think they get to improve their job performance and manage their careers?

- More than enough
- About the amount they say they want
- About the amount that they need
- Enough; about the right amount; sufficient
- Less than they want and need to grow and develop



Answer

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How accurate are the ratings on formal performance appraisal evaluations?

- ❑ People get higher ratings than they really deserve; ratings are generally inflated
- ❑ Higher performers get inflated ratings but lower performers get accurate ratings
- ❑ Higher performers get accurate ratings but the ratings of lower performers are inflated
- ❑ Everyone gets accurate ratings in general
- ❑ People get lower ratings than they really deserve



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Performance Management

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- Performance management is one of the most important responsibilities of a manager.

Performance Management

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Performance Management

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- The collective behavior of individual employees will determine an organization's performance.

Performance Management

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- Organizational performance is a leading indicator of a company's competitive advantage.

Performance Management

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- The stronger the collective performance of all employees, the stronger the performance of the company.

Performance Reviews

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- Are the sum total of the performance management work that is done throughout the year.

Why Conduct a Performance Review?

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- Facilitate employee development
- Enhance individual and collective level of performance
- Ensure mutual understanding of Company and individual goals
- Encourage retention
- Create documentation

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Why Conduct a Performance Review?

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- Facilitate employee development
 - Enhance individual and collective level of performance
 - Ensure mutual understanding of Company and individual goals
 - Encourage recognition
 - Create documentation
- Just because we are bad at them doesn't mean we shouldn't do them; lets get better at managing performance**

Preparation – The key to a successful review

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- **As the manager, what do you want to accomplish:**
 - Build on successes
 - Help employee understand where to improve
 - Develop career goals & opportunities for future growth
 - Be frank, fair and factual
- **Generate Facts**
 - Collect feedback from other managers and customers
 - Review previous reviews/goals
 - Have employee conduct self-assessment
 - Make notes on an on-going basis throughout the year

Preparation – The key to a successful appraisal

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Performance Review Meeting

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- **Opening Discussion**
 - Set a positive tone
 - Explain purpose of discussion
 - Encourage an open dialogue
- **Discussion**
 - Talk about specific behavior and how it affects performance
 - Ask for employee's feedback
 - Remain professional
 - Be a good listener

Performance Review Meeting

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- **Closing**
 - Summarize
 - Obtain employee's commitment
 - Offer support
 - Commit to follow up

Follow- up

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- Review goals on a periodic basis
- Conduct formal mid-year review
- Provide ongoing and immediate coaching and feedback

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 - Quarterly goal and performance meetings
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Follow- up

62

- Review goals on a periodic basis
 - Quarterly goal and performance meetings
- **Conduct formal mid-year review**
 - Weekly Individual Meetings
- Provide ongoing and immediate coaching and feedback

Pitfalls To Avoid

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- Failure to complete reviews on time
- Incomplete or poorly written appraisals

Pitfalls To Avoid

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- Sugar coating the truth
- Only telling the employee what went wrong

Pitfalls To Avoid

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- Bias/prejudice
- Halo effect
- Frequent interruptions
- Not giving your full attention
 - Phone calls
 - Email

How Do We Improve Performance Reviews?

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- Stop thinking about grades
 - Meets Expectations \neq C
- Don't use “Don't surprise someone with bad news” as a reason to not deliver the bad news – no wimps allowed
- Stop viewing performance management and reviews as an “HR Thing”
- Cascade goals

How Do We Improve Performance Reviews?

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- Automate – remove obstacles
- Ensure the competencies are aligned
- Engage the employee in the conversation – two way exchange
- Actionable – what is going to be done coming out of this meeting

The Performance Management Ensemble

Elements of a Performance Management System

