Leadership and Employee Engagement

by Les Wallace and Jim Trinka

The year 2009 dawned shrieking like a hydra-headed economic monster taking no prisoners. The *ICMA News Briefing* brings daily evidence of local governments everywhere scrubbing budgets to cover shortfalls, postponing major investments, hosting angry citizen meetings, and even revisiting city-county governance restructuring as possible strategic financial moves.

In this period of acute budgetary challenge, most local governments would jump at the opportunity to squeeze out more productivity. How about 20 percent more productivity? Drastic times call for fail-safe solutions, and we believe it is possible during this downturn to improve productivity without outrageous effort and investment.

EMPLOYEE ENGAGEMENT AND PRODUCTIVITY

The latest research indicates engaged employees supercharge productivity, reduce turnover, and amplify customer focus, possibly by as much as 20 percent.[1] What drives this engagement? Unequivocally, the leadership of the immediate manager is more important than any other organizational variable. Great leadership engenders high levels of engagement that drive organizational performance.

Some 29 percent of U.S. workers are actively engaged in their work, while another 27 percent of the almost engaged are right behind them.[2] Research evidence tells us these segments of your workforce—close to 60 percent—will accelerate their contributions if managers provide the right support.

Unfortunately, the latest research also indicates about 19 percent of the U.S. workforce may be actively disengaged, and these numbers may be growing as employees nervously watch us trim budgets. The Gallup organization estimates the cost of disengaged workers to be a little more than $300 billion a year in lost productivity to the United States.[3]

NO SECRETS TO EMPLOYEE ENGAGEMENT

Our research on the nexus between leadership competencies of top-performing managers and engagement of their work teams suggests that modest organizational investment can accelerate the engagement of a manager's team. Here is what research tells us about the impact of a leadership focus on employee engagement:

- 39 percent more employee retention.
- 37.2 percent increased employee satisfaction.
- 29.4 percent additional organizational commitment.
- 13.8 percent greater discretionary effort by the employee.[4]

Our research into the leadership competencies and behaviors of those top-performing leaders also identifies what differentiates the best from the rest. It comes down to a vital few competencies: coaching performance, developing careers, and communicating the meaning in an employee's work. What behaviors drive these competencies and how difficult are they to develop?

Coaching performance. The core elements of effective coaching are easily defined: frequent discussion clarifying performance expectations, active appreciative feedback, more frequent performance feedback, and supportive encouragement of performance improvement are all core elements. You don't need to be an excellent teacher to have a positive coaching impact.

Showing more interest in employee accomplishment and understanding how to craft a helpful conversation has a significant impact on employee performance engagement. Asking questions that help employees think through their improvement challenges and sharing more personal insights are behaviors easy for most managers to pick up.

But this news isn't new, you say. Okay, how many of our core management curriculums teach coaching early in a manager's career? How many of your managers believe coaching is an add-on to their regular work? How many of our performance feedback systems assure ongoing feedback versus the more common once- or twice-a-year review?

What we seem to believe and what we emphasize as leadership behaviors are often different in the real world of local government. What does your employee survey feedback tell you about the state of appreciation in your workforce? If you're like most organizations, it's insufficient.

Unfortunately, only one out of every two employees believes they get coaching. Of those who do get coaching, 87 percent appreciate the attention and believe their performance improved.[5] Top-performing leaders in the private sector spend close to 20 percent of their time coaching.

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In the U.S. federal government sector, coaching time is less than 5 percent of a manager's time.[6] The incentive might be powerful in the private sector, but the return on investment doesn't differ—improved coaching positively impacts business results.

In about 30 minutes, a manager can be taught how to provide authentic and deeply felt appreciation for the contributions of staff members. Recent research shows that the leaders of high-performing teams give positive comments (approval, suggestions, praise, appreciation, compliments, and overall support) at a ratio of 5 to 1 compared with negative comments (pointing out faults, disparagement, criticism, or disapproval). In low-performing organizations, the ratio was roughly 1 positive to every 3 negative.[7]

In half a day, most managers can learn to be more effective job and career coaches with any one of the many coaching models available in the marketplace. With a little support and consistent follow-through by upper-level leadership, most managers will deliver reasonable coaching to their teams, thereby enhancing employee engagement.

What's the extent of your current organizational investment in this competency? In an era of tight and declining budgets, isn't it nice to find a modest investment paying a great return? What other program do you currently have that approaches 20 percent return on improvement?

Developing careers. How many of us consistently develop and use a career learning plan for each of our team members? Managers who show a sincere interest in the employee's future career, who provide feedback on strengths, who ensure work assignments are stretch-learning assignments, and who actively help align learning opportunities with the employee's interests all gain greater employee commitment.

This means a manager must go beyond the cursory individual development goals required of most performance management systems. More effective managers check in frequently on how the employee is learning and provide appreciation for strengths and encouragement for learning. Employees who believe their manager cares about their development and is on the lookout for learning opportunities for them give higher levels of discretionary effort. Manager engagement begets employee engagement.

In the past few years, more local governments have developed leadership succession programs, and many now require career learning plans for every employee. To make these investments engagors for the employee, the manager must show an authentic interest in the plan and the employee's interests, not just have a cursory check-the-box conversation once a year.

Communication that connects the dots. Surveys consistently report that most public sector employees are motivated by pride in their work. A 2005 survey by the Merit Systems Protection Board found that 98 percent of U.S. federal employees are motivated by pride in their work.

One of the strongest drivers of motivation for any employee is the fundamental nature of the job itself. The manager able to create a vivid line of sight from an employee's work to critical organizational outcomes creates greater engagement. Work then takes on a greater meaning for each employee as each has a clear sense of direction and purpose and understands how personal job responsibilities fit into the larger picture.

When was the last time you had such a conversation with an employee? The once-a-year, all-employee, rah-rah meeting or performance review is insufficient here. When people feel good about the impact of their efforts, they engage more thoroughly in those efforts. Leaders who engender high levels of employee engagement are adept at pointing out the valuable contribution of each employee's work to the overall organizational picture and demonstrating regular appreciation for that work contribution.

Outstanding government leaders frequently communicate appreciation for such specific organizational performance as maintaining levels of service in the face of decreased funding, cutting back services but maintaining citizen satisfaction, saving energy costs to help support budgetary soundness, and finding new and more efficient pathways to old deliverables.

This connection is especially prominent in mission-driven organizations like local government, where most employees have chosen meaningful civic service over the private sector, and they are proud of it. Feeling good about the community you serve, in which you most likely live, is an easy lever for energizing greater levels of engagement.

LEVERAGING ENGAGEMENT WITH LIMITED RESOURCES

To act on the conclusive research data about the return on investment of enhancing leaders' capabilities in these three areas, a local government can do several things even in this era of scarce resources.

1. Maintain core offerings around coaching competencies. Even if you must trim some training budget, don't trim here. Most experienced managers pick up these approaches quickly because managing helpful conversations with employees is something they desperately desire. Newer managers are even more eager because they are just learning how to communicate effectively with diverse employee styles. Coaching should be the foundational learning event upon which all other management and leadership training is built.

2. Little doses of coaching training go a long way. Many multiple-day offerings are good at teaching, buffing, and embedding coaching behaviors. If you can afford those, great. But at least look at some half-day sessions that cover the basics. Most employees who are engaged or almost engaged will respond well to even slight improvements in their immediate manager's coaching interest. It doesn't require expert competency to better clarify expectations, provide more timely feedback, and show greater appreciation. Managers who get this training frequently respond by demonstrating their own greater engagement commitment.

3. Create a simple template for talking with employees about career development. Managers aren't having these conversations at the level you may need. A 2007 U.S. survey found only one in two employees believed they had decent career opportunities with their current employer, and fewer than half believed their organization was committed to their career development.[8] If these results are reasonably similar to local government, we are missing an engagement opportunity.

So many managers are not accustomed to having this personal development conversation that providing managers a formula for the discussion eases their reluctance to face the employee. A simple template helps turn an average conversation into a more powerful one.

4. Deploy your human resources staff to teach managers how to find opportunities for employee learning. Employees grow the most by doing the work immediately available within their own unit. Research shows that the next most tangible reward after pay and benefits is the learning and development that comes from training, job assignments, and experiences at work.[9]

Showing managers how to use work in the department to find new opportunities for learning and stretch employee skills and how to emphasize the strengths each employee brings to the unit simplifies the developmental puzzle for managers. Career growth should not be outsourced to off-site training programs; it's right under our feet.

Just an hour-long review using a few case studies is sufficient to move most managers ahead on this capability. If you can invest more, even greater returns accrue. Establish the philosophy that the organization's work is the most important resource for developing your people.

5. Cascade conversations that connect the dots. When top management points to organizational accomplishments and links them to the leadership efforts of their divisional management team, it teaches the next level of managers how to do so with their employees. In an era of uncertainty and high stress, top local government leadership should visit work groups frequently and talk specifically about how their efforts are meaningful for mission accomplishment.

Spotlight efforts that sustain levels of service and citizen confidence in the face of budget and program cutbacks. Hard times also frequently result in creative adaptations that might never have surfaced when money was flush. Give particular appreciation to these new ways of thinking about local government business, and you'll likely get more.

6. Start first with frontline leaders. Delivery on the front line is a critical pressure point for local government efficiency. According to the Learning and Development Roundtable, as many as 60 percent of frontline managers may be underperforming as they move into management,[10] and 35 percent of new middle managers are also at risk for underperforming. When money is tight for learning investments, making the frontline manager a priority delivers great return.

7. Identify a coaching champion. Our own experience of installing coaching learning programs in numerous private and public sector organizations tells us that an identified champion is important for integrating coaching into the everyday work life of managers. We know better coaching leads to superior performance, so this is an investment, not an expense.

Depending upon how far behind you're starting with this commitment, the champion's work may involve budgeting for at least half the time of a full-time employee. A champion keeps the learning alive, supports the efforts of managers, and advises top management about how best to assure that coaching and career conversations cascade sufficiently through the organization.

ENGAGEMENT IS OURS TO LOSE

Today's local government leadership environment is fraught with economic uncertainty, high citizen expectations, and a stressed workforce pressured to do more with less. We can certainly benefit from some positive news. And the positive news is that only a vital few leadership behaviors will enable your management team to deliver greater results in the face of current challenges.

Additional positive news is that an organizational culture better attuned to coaching helps attract and retain the next generation coming into the workforce—they seek meaningful work, want coaching and continuous career learning, and are looking for a culture of open communication.[11]

Most employees come to work ready to be engaged and wanting to be successful. Active communication from the leader affirms both of those intentions. Engagement is, therefore, ours to lose. We are certainly not saying that more comprehensive leadership and management training should be suspended—we need it more now than before the economic crisis and most certainly for the next generation entering the workforce.

We are saying that research regarding the leadership impact on performance couldn't be clearer. Better coaches create greater employee engagement. Employee engagement accelerates superior organizational results. Go there first, and try not to let it slip during depressed budget periods. **PM**

[1]Marcus Buckingham and Curt Coffman, *First Break All the Rules* (Simon and Schuster, 1999).

[2]"The State of Employee Engagement 2008," www.blessingwhite.com (2008).

[3]*Gallup Management Journal* (2001).

[4]Les Wallace and Jim Trinka, *A Legacy of 21st Century Leadership* (iuniverse, 2007).

[5]"The Coaching Conundrum," www.blessingwhite.com (2009).

[6]"Driving Performance and Retention Through Employee Engagement" (Corporate Executive Board, 2004).

[7]Kim Cameron, *Positive Leadership* (Berrett-Koehler, 2008).

[8]"State of the Career Report," www.blessingwhite.com (2007).

[9]Jack Zenger and Joe Folkman, *The Inspiring Leader* (McGraw-Hill, forthcoming 2009).

[10]"Transitioning Leader Underperformance" (Corporate Executive Board, 2006).

[11]John Izzo and Pam Withers, *Values Shift: The New Work Ethic and What It Means for Business* (Fairwinds Press, 2002); Frank Benest, "Retaining and Growing Talent: Strategies to Create Organizational 'Stickiness'," *PM* magazine (October 2008).

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