



## Empowering Engagement

*Organizational Best Practices That Support Employee Engagement Initiatives*

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## Background and Purpose

Gallup has helped hundreds of organizations, in every major industry, drive business outcomes by engaging their workforce. This guide is a collection of best practices from the most engaged organizations in the world — the winners of the Gallup Great Workplace Award.

Gallup has studied human nature and behavior for more than 70 years. Gallup leverages this deep understanding of people to develop and refine research-based measurement tools, development programs, and strategic advisory services with one single purpose in mind: to help organizations and individuals maximize their performance.

Employee engagement, as measured by the Q<sup>12</sup>, is a construct related to numerous business outcomes. The Q<sup>12</sup> dimensions explain most of the performance variance across the organization on critical business dimensions including profit, productivity, customer perceptions, turnover, safety, theft, and absenteeism.

While employee engagement is an inherently local issue, there are actions that the organization must take to support, encourage, and empower managers. This guide contains best practices organizations can implement to drive engagement throughout the enterprise.

## Strategy

The world's top-performing companies understand that employee engagement is a force that drives real business outcomes. Engaged employees are more productive employees. They are more profitable, more customer-focused, safer, and more likely to withstand temptations to leave the organization. They develop a formula for success by looking objectively and rigorously at the business problems they face — and by focusing on finding the right employees and keeping them engaged. For these companies, employee engagement is not an HR initiative; it is the way they do business.

Employee engagement is a strategic approach supported by tactics for driving improvement and organizational change. The best performing companies know that developing an employee engagement strategy and linking it to the achievement of corporate goals helps them win.

“I don't think investors have asked the more important question: Can companies be even more successful by focusing on optimizing each employee's contribution, rather than simply looking for ways to reduce the cost of employing them?”

“Perhaps we, as investors, need to be more conscious of how those people who clean our hotel rooms, cook our meals, and deal our cards are treated and paid, rather than simply looking to see whether the expense can be cut further. Staff motivation, although difficult to quantify, should be part of the investment analysis.”

—*The Wall Street Journal*

### Strategic Vision:

“Best Buy has already had success in connecting improved employee-engagement scores to store performance: it found that for every 10<sup>th</sup> of a point it boosted the former, its stores saw a \$100,000 increase in operating income. A system of measures that can draw connections between various facets of operations and the company's ultimate financial results is now what Best Buy and other companies are pursuing.”

—*CFO magazine*,



“These and nine other finely honed propositions make up an employee survey by the well known polling organization Gallup. The statements are intended to measure an employee’s ‘engagement’ vs. ‘disengagement’ in his or her company.

To cynics, they sound like more touchy-feely nonsense purveyed by consultants. Indeed, about the last place you would expect to hear results of such surveys is in the typically regimented talk between corporate executives and Wall Street analysts.

For investors, whether or not the company’s employees believe their opinions count seems, at best, irrelevant and, at worst, dangerously subjective in a stock-picking process that is supposed to be systematic, quantifiable and comparable.

Yet in the current round of quarterly financial reports and related conference calls between management and stock analysts, references to what Gallup calls its Q<sup>12</sup> ratings, based on employee answers to the 12 questions, are starting to appear.”

—*Chicago Tribune*

#### **Vital Considerations:**

- Do you consider employee engagement a Human Resources initiative, or is it an overarching strategic enterprise that enables your organization to deliver your brand promise to your customers?
- What are your organization’s current business initiatives, organizational activities, and key areas of focus?
- How do you measure the effectiveness of key initiatives?
- What objectives have changed this year?
- What is your people strategy?
- What components of the people strategy help you achieve your business objectives?
- What business initiatives are focused on the employee experience?
- How do you communicate and launch strategic objectives?  
Through meetings, conference calls, video production, web-enabled communications, or publications?



- How do you maintain focus on strategic initiatives throughout the year?
- What internal support mechanisms do managers and work teams have?
- How do you typically launch enterprise-wide training programs? Are they always effective? How do you know?
- What is the best way to gain executive sponsorship for initiatives in your organization?

### **Suggestions for Taking Action:**

- Develop a commercial or business argument for the employee engagement initiative.
- Develop a detailed strategic plan that includes a clear, enterprise-wide “people” strategy. Employee engagement should be at the heart of this strategy, which should link the focus on employees to every initiative the organization is pursuing.
  - Create a business success model for the company that includes an engaged employee component.
  - Embed employee engagement metrics as a primary component of the organization’s scorecard.
  - Distribute the company’s strategic plan enterprise-wide and link successes to the achievement of the company’s employee engagement goals.
- Establish a multi-year strategy for growing employee engagement.
  - Create a four-year, roll-over, employee engagement plan. This plan should include growth goals, communication strategy, and training and development plans.
- Create and distribute clear, enterprise-wide employee engagement goals.
  - Example:
    - To make engagement a part of everyday life
    - To improve our engaged/disengaged employee ratio
    - To drive and sustain business recovery

- To create clear channels of communication so employees understand our strategy and exactly what is expected of them
- To create a culture of responsibility
- Build very simple, clear visualization of the company's mission and value.
  - Brand your initiative so it is easily recognizable and not just the “flavor of the month.”



- Conduct and distribute a business impact analysis that ties engagement to the most important company metrics.
- Connect employee engagement metrics with customer metrics.
- Measure all initiatives or interventions for effectiveness for driving employee engagement (e.g., measure the effect of the Frontline Leadership Development program on its ability to increase engagement. Did it positively affect the engagement score on the next administration?).
- Provide a strategic plan, a business success model, and people strategy communication through multiple touchpoints. This communication should provide consistent and moving messages throughout the organization.
- Transform the traditional action planning meeting into a business meeting.
  - Combine employee engagement and financial results feedback into one meeting. Managers discuss all of the scorecard results at one time and connect employee, customer, and financial metrics into one integrated service chain.

## Accountability and Performance

You don't reduce a fever just by taking the temperature. You take the temperature to validate the symptom and then take appropriate action. The top performance-driven companies are outcomes-focused. They define and rigorously measure success at every level in the organization. Those measures ultimately help focus every person, team, department, and business unit on driving performance and results.

“Measurement improves performance.” —Donald O. Clifton

Engaging employees requires a year-round focus on changing behaviors, processes, and systems to meet, anticipate, discuss, and respond to changing needs. This requires a total commitment from all levels of the organization — from the leadership team down to the frontline employees. Local managers and teams must be held accountable for their engagement levels, their successes should be celebrated, and they should receive the support needed to drive engagement.

The world's top-performing companies incorporate employee engagement metrics into their performance management process. These organizations consistently communicate expectations, purposes, priorities, and targets of improvement. This communication helps managers understand *what* is expected of them and *why*. Most important, the best leaders know that accountability is an integral part of the performance management process.

The best organizations communicate, quantify, hold their managers accountable for, and raise the bar for their employee engagement metrics.

### Vital Considerations:

- In your opinion, what drives performance at your company?
- How important is the engagement of your employees to the success of your organization?
- How committed are you to this process? Is there anything that you need to change?
- How do you communicate your commitment to building an engaged workplace to your managers?
- What metrics have meaning to the organization?
- Do you hold your managers accountable to financial metrics? For which metrics are your managers held accountable?

- How are you challenging your managers to be responsible for their team's engagement?
- How do you use the engagement concepts to drive better business performance?



- When it comes to employee engagement, what exactly do you expect of your managers? What is the standard for a “great” managerial performance?
- Do you think all of your managers are aware of these expectations? How do you communicate your expectations to them? How do you hold them accountable?
- How are you using the engagement process to develop your managers?
- How do you keep your managers focused on engagement throughout the year?
- What can your managers do to support your engagement strategy? How often do you discuss, review, and follow up on these actions with your managers?
- Do you have a minimum baseline for improvement? What happens if you don't achieve this basic expectation?
- Do high-level leadership teams create action plans that influence engagement?
- How do you get leadership to “walk its talk,” work together, be role models, send messages, and support enterprise-wide initiatives?
- How do managers receive coaching and feedback within your organization? How often?
- How do you ensure employee engagement is a year-round focus?



### Suggestions for Taking Action:

- Integrate employee engagement metrics with the manager's performance management and succession process.
  - Employ a performance review process that includes both a "people" metric and a "business" metric.
  - Develop appraisal tools that are customer-centric (for both internal and external customers) and include customized performance indicators and learning tools for every role.
  - Link each metric on the manager's scorecard to the organization's strategic plan.
- Establish minimum employee engagement standards.
  - Set clear expectations about what each manager and team are supposed to accomplish.
  - Trigger direct leader-to-manager intervention based on engagement scores.
  - Collaborate and build an engagement improvement plan for managers with two consecutive scores that fall below the minimum standard established.
  - Take actions to remove managers if they are unable to manage their teams appropriately and effectively.
  - Tie manager and leadership development opportunities to employee engagement metrics.
- Use Gallup Online tools for planning, monitoring, identifying best practices, and for establishing overall accountability.
- Establish a President's Club to recognize managers who consistently score in the top 90% of their peers. Tie rewards to this exclusive membership.
- Hold a special retreat for managers who score in the top 90% of managers in the Gallup database.
- Connect pay or incentives to employee engagement growth as one part of an overall incentive plan.

- Publish engagement results and goals enterprise-wide. These should be transparent and accessible to everyone in the organization.
- Review and evaluate team Impact plans. This should be conducted by a high level leader and/or Gallup consultant. Deliver feedback in a timely fashion.
  - Identify and share best practice Impact plans.
  - Build accountability metrics for engagement enterprise-wide, from Human Resources to frontline managers.



- Remove any excuses. If managers or teams are facing real barriers, do everything you can to remove these barriers.
- Individualize performance goals and expectations, meeting the team “where they are at” in their journey to engagement.
- Assign engagement coaches or peer group mentors to help managers set and evaluate realistic short and long term engagement goals, and develop engagement strategies for their teams.
- Instead of building a list of assumptions about what the data mean, analytical efforts should use the data to generate better questions and hypotheses and drive the engagement initiative. The true ability to take action on these strategies comes from using Q<sup>12</sup> data to identify areas of opportunity and then supplement those data-driven insights with the deep conversations with employees.
- Celebrate organizational and workgroup successes. Consistent enterprise-wide support is necessary to maintain positive momentum.

### Part 1: Communication About Engagement

There is a multitude of ways that different organizations can communicate successfully with their employees about engagement. Since each client organization is unique, there are highly customized options for conveying the important aspects of the engagement process and its purpose. The most effective organizations use all channels of communication to reinforce the organization's focus on employee engagement.

“The most important thing in communication is to hear what isn't being said.”

—Peter Drucker

The communication strategy should explain the entire employee engagement process and its importance to employees, managers, and executives. The most successful strategies actively:

- Communicate the purpose and objectives of the employee engagement survey.
- Communicate the details of the employee engagement process, including how best to communicate before, during, and after the survey has been administered.
- Communicate clear, correct answers to many of the frequently asked questions about the employee engagement process.
- Communicate the organization's goals and how engagement will help the company achieve its strategic objectives.

#### Vital Considerations:

- Do your employees know what engagement looks like and why it is important?
- How do you maintain focus on the engagement initiatives throughout the year?
- How do you describe the executive sponsorship of your engagement initiatives throughout the organization? How do you involve the leadership?

- Do you have real stories that “paint a picture” of engagement and its positive affect on your customer and business metrics? Do you share these widely?
- How often do you communicate the state of engagement in your organization?



## Part 2: A Strategic Approach to Communication

There are a lot of organizations that strategically align employee engagement to their corporate strategy, and yet they will never be “world class.” They can execute a process, but tragically fail to communicate mission, purpose, and shared values.

Within the best performing organizations there is a cultural alignment between the employees and the company itself. Their people are valued and they know it. There is a shared vision of their culture as an organization, and a commitment to that vision. Employees within these organizations know what the individual stands for, what their team stands for, and what the company stands for.

These organizations use their corporate communication touchpoints to reinforce their commitment to their employees and announce this commitment to their customers. They involve their people and processes continuously and positively influence their employees’ performance. They can leverage and act on these points of influence every day, in multiple ways, and in a clear, consistent, and concise manner.

Gallup calls these interactions “touchpoints.” The e-mail communication from leadership is a touchpoint. So, too, is the company newsletter. The communication pieces that support a new product launch or initiative are touchpoints. The department awards celebration is a touchpoint. Each of these touchpoints should relate something about the mission, vision, values, and strategic objectives of the organization.

An effective strategy for communicating with their managers and employees is vital to sustained growth within any organization. Without it there can be



little or no performance management, innovation, coordination of efforts, or understanding of each other and each other's needs. Employees need to know their role, what is expected from each person, when it is expected, and who to contact when there are questions or concerns.

Bottom line, the best performing organizations have an unparalleled commitment to their people.

### **Vital Considerations:**

- Do you have a “people” strategy?
- As an organization, how do you demonstrate value for employees?
- How do you express your core values as an organization through your communication touchpoints?
- Is there a purpose behind each of your communication pieces? Is that purpose transparent?
- Is the delivery and messaging of your communications clear and consistent?
- How do you communicate the organization's people objectives? Is it accomplished through meetings, conference calls, video production, web-enabled communications, or publications? Which communication touchpoints are you currently using? Which are under utilized?
- How do you ensure the right information gets to the right people? What are the best ways you communicate with each other? What are the best ways for you to communicate enterprise-wide?
- Do your communication touchpoints help employees sort and prioritize?
- When the organization communicates to the employees, do the employees know what to do with it?

### **Suggestions for Taking Action:**

- Place the employee and customer interaction at the center of most internal and external communications.
- Clearly explain the rationale for and benefits of employee engagement enterprise-wide.
- Develop a comprehensive employee engagement communication plan.



- Connect employee engagement to strategic objectives and business outcomes.
  - Maintain consistent messaging.
  - Use multiple communication touchpoints (e.g., meetings, conference calls, video production, web-enabled communications, publications, letters, verbal messaging from leadership, note cards, thank you/recognition notes, and posters).
  - Give special attention to high-level leaders and how they can actively support the initiative.
- Develop and distribute talking points to ensure consistent messaging.
  - Develop a brand message for your engagement initiative. Use this branding on all communications that pertain to the employees or the people strategy.
  - Develop and communicate stories of individuals, teams, and organizations realizing engagement success.
  - Create videos of employees engaging customers to use in recruiting and education.
  - Build a company magazine or newsletter whose sole focus is to highlight employees and/or employees interacting with your customers. Link every story or section to parts of the strategic goals of the organization.
  - Capture and distribute best practices from high-performing teams routinely.
  - Ask top performing managers to share best practices and the positive business affect of engaged employees.
  - Ask top managers to share best practices at planned conferences or meetings.
  - Keep engagement on the agenda every day by connecting it to your business needs and challenges.

## Development

Organizations are struggling to build and grow their leadership capacity. Our research suggests that talented leaders require the very best development experiences to realize their potential. Two fundamental questions every organization should explore are: do we know who has the future potential to lead, and, can we educate and develop leaders so they can realize their talent potential sooner?

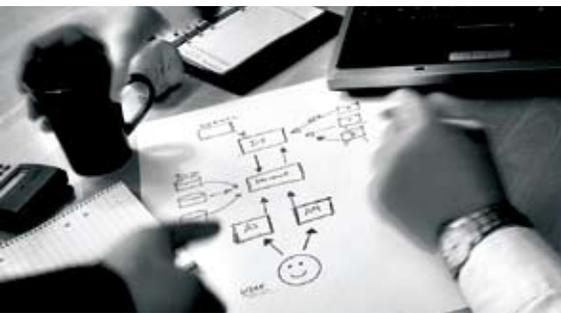
“The true development of human beings involves much more than mere economic growth. At its heart, there must be a sense of empowerment and inner fulfillment.”

—Aung San Suu Kyi, Nobel Peace Prize Recipient, (Burma)  
Opposition leader, Human Rights Advocate

The world’s top-performing companies have very well defined and comprehensive leader and manager development programs, but they also go one step further — they have fully integrated employee engagement into these programs. They take the development of leaders and managers seriously and focus not only on the development of individuals, but the development of engaged teams as well. Employee engagement is a fundamental consideration in their “people” strategy.

### **Vital Considerations:**

- What is your “people” development strategy?
- What are your current training and development initiatives? Are they linked to your organization’s strategic goals?
- How do you communicate and launch your training and development programs?
- Are your development programs successful? How do you know?
- How do you select participants?
- How do you meet training and development needs for specific job functions, departments, or work teams? Can different levels learn from each other?
- What are the barriers your managers face? How do your training and development programs respond to these barriers?



- What opportunities exist to embed learning and development programs?
- How do you support learning post-program? What do you do to sustain their learning?

### **Suggestions for Taking Action**

- Build a learning and development strategy for each tier of the organization (employee, manager, and leader).
- Develop targeted employee engagement elements for all learning programs for managers that include strategies for the creation and sustainment of engagement.
- Develop targeted employee engagement learning programs for mid- and high-level managers that help them coach managers, conduct team sessions with their managers, and promote employee engagement throughout the organization.
- Use every interaction and point of influence. Organizations create high levels of engagement over time when their people and processes continuously and positively influence their employees' overall engagement with the organization. Existing points of influence can be leveraged and acted on every day in multiple ways. Use these interactions to teach, provide feedback, learn, and engage.
- Design peer-to-peer manager coaching and engagement training.
- Introduce new employees to employee engagement and their team's Impact Plan during the on-boarding process.
- Use Clifton StrengthsFinder to determine your team members' strengths. Help them identify how best to drive engagement within their teams based on their own talents.
- Create a learning map as a visual representation of the company's strategic objectives and the role employee engagement plays in reaching those objectives.
- Reward high-performing managers with manager and leadership development opportunities.

## Summary

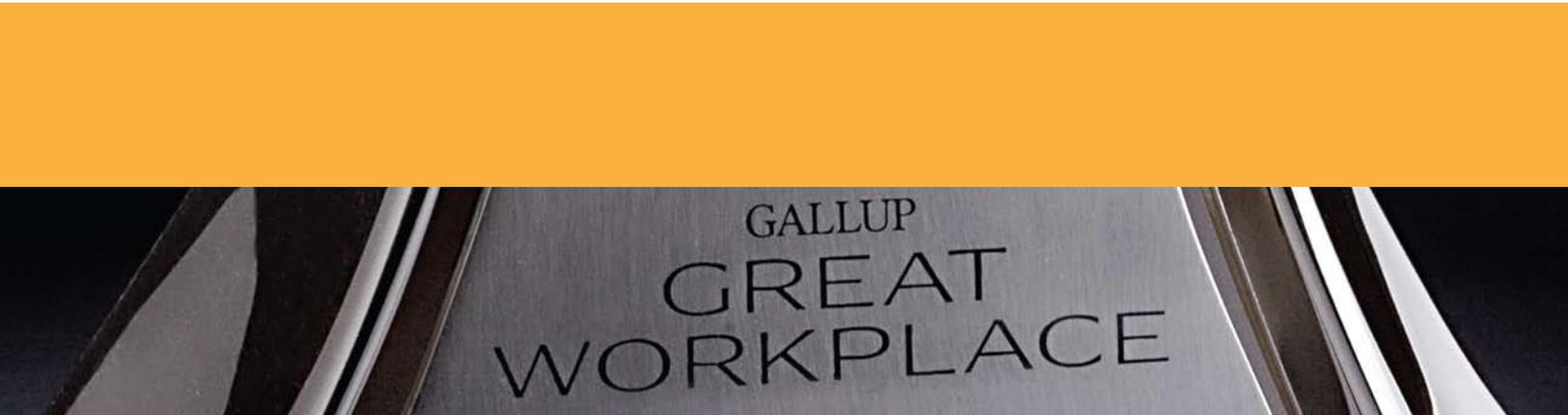
Transformation does not occur instantaneously. It takes a lot of energy and effort to initiate change, but even more to build on that momentum. It takes focused attention to drive engagement. As an organization you can influence and inspire engagement by building a “people” strategy, holding people accountable for performance, aligning communication, and building development opportunities for leaders, managers, and your frontline employees.

“We don’t want to just measure results, we want to measure what drives our results, and that includes team-member engagement. That measure might not get cited in your general ledger, but it can be quantified in a statistically valid way, compared over time to certain goals, and correlated to business outcomes.”

- Howard Atkins, CFO, Wells Fargo; *CFO* magazine

## Notes

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