Good Managers Matter, Performance Management Doesn't

In Gartner's 2021 HR Priorities Survey, 64% of HR leaders listed employee engagement as a higher priority for their organizations than they did before the COVID-19 pandemic. It's a well-documented fact that employee engagement is central to productivity and retention. However, leaders of organizations of all kinds also know that happy employees produce higher-quality work, lead to happier customers, and lead to better business performance.

However, keeping employees engaged isn't as easy as it may seem. Research by Gallup reveals that only a third of workers in the United States describe themselves as engaged in their jobs. Worse, 52% say they're just punching the clock. Today, employers also must contend with a higher percentage of remote employees, economic stress, and general uncertainty about the future of the traditional workplace.

While developing your team isn't a walk in the park, there is good news. Companies of all

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Managers who are well-equipped, trained and enabled can unlock all of its benefits, including reduced turnover, increased productivity, and higher profits.

Engaged vs. Disengaged Employees

How do we define engaged and disengaged employees? What behaviors are common with engaged employees? It's first important that there are many different levels of engagement, each with its own distinct behaviors. According to Gallup, engaged employees are "involved in, enthusiastic about, and committed to their work and workplace."

Breaking it down further, Gallup includes the following levels of employee engagement:

- **Actively engaged:** Employees who are enthusiastically involved in their work and move the organization forward.
- **Not engaged:** Employees who are not attached to their work, who only commit time to their tasks (not passion or energy). Lower self-rating of overall health
- **Actively disengaged:** Employees who are resentful of their work. They often seek to undermine the work of engaged employees.

Sibson Consulting uses the following categories to define different types of employees:

- **Engaged employees:** know what is expected of them in their roles and want to meet those expectations.
- **Disengaged employees:** don't know what's expected of them and don't want to meet those expectations anyway.
- **Enthusiasts:** want to do what's expected of them but don't know what those expectations are.
- **Renegades:** know what's expected of them but don't want to do it.

No matter which definition you follow, these facts remain the same: employees who feel resentful of their work have lower rates of productivity, produce lower quality work, and can negatively impact the organization's culture. Employees who know what's expected of them and have the tools to do it are generally more satisfied with their work, more likely to stay in their jobs and look for ways to positively contribute to their organizations. In fact, research by Oxford University's Saïd Business School has found a conclusive link between happiness and productivity; happy employees are 13% more productive.

What makes the biggest difference in employee engagement? We can take a look at Gallup's recent employee engagement trends to uncover some of the answers. Organizations that have significantly improved employee engagement are referred to by Gallup as "high-development organizations." They have the following qualities in common:

- Managers are educated on new methods to manage reports, with a focus on solving problems at a local level rather than top-down.
- Efforts to improve levels of employee engagement are initiated by CEOs, executives, and managers.
- They practice company-wide communication.
- They hold managers accountable and offer opportunities for advancement in individual contributor roles.

Noticing a trend here? It's the managers on the front lines who must lead the initiative to improve employee engagement.

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The Link Between Employee Engagement, Good Managers, and Business Performance

Consulting, HR firms, and performance management experts have all highlighted the intersection of effective managers, high employee engagement, and business success in their research. Engaged employees don't just affect productivity rates and morale. They touch every aspect of the business, both internally and externally. Their engagement shows through in the work they do. Take Trader Joe's, for example. The California-based grocery store is known for its exceptional customer service, centered around making grocery shopping fun. They've gone as far as to open their doors early at customer request.

Let's take a closer look at the link between employee engagement and better business performance. We'll also examine where effective performance management by managers fits in.

More engaged employees make for happier customers:

- According to a study by Korn Ferry, companies with high levels of engagement had 89% higher customer satisfaction, and 50% higher customer loyalty than their competitors with higher levels of disengagement.
- Harvard Business Review studied the link between happy customers and happy employees and found "There is a strong statistical link between employee well-being reported on Glassdoor and customer satisfaction among a large sample of some of the largest companies today."

Employee engagement has a direct impact on business performance:

- Gallup found that companies with high employee engagement are 21% more profitable on average compared to companies with low levels of employee engagement.
- Research by Willis Towers Watson found that companies with high, sustainable levels of engagement improved their operating margins by 4% on average.

Managers strongly influence the daily experience of employees:

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Great Managers are Made, not Born

When you picture a great manager, what qualities come to mind? Perhaps someone who is inspiring, caring, and invested in their employees' success. Now, how did they become effective managers? Was it through experience, practice, or just natural, raw talent? You might be surprised to learn that only one in 10 people have the innate qualities needed to be great managers. The other nine need training and mentoring to develop those skills. Even those with the innate qualities of leadership can benefit from coaching and experience.

So, what does this research tell us? Most great managers are made, not born. This very idea goes against how most organizations operate today. Managers are typically promoted based on their performance as individual contributors. It isn't uncommon to find someone who succeeded in their individual roles flounder as managers. This new role requires skills that they may not have developed or had a chance to flex in their previous roles. In order to achieve employee engagement, organizations must be willing to equip managers with the resources and guidance they need to develop leadership qualities. By giving managers these tools, you are equipping them with the ability to also develop talent in their reports. Plus, it pays off. Companies that invest in coaching and development tools improve the quality of management; good managers can contribute 48% higher profit than average managers.

Here are some of the behaviors and qualities managers can take on to improve the effectiveness of their leadership.

Take Time to Talk About Expectations, Progress, and Opportunities

Knowing what you're supposed to do and how to do it is one of the most important employee needs and central to engagement. Too many managers expect employees to "figure it out." However, setting clear expectations is about more than giving orders and setting vague goals. Instead, it's about having ongoing conversations about tasks, responsibilities, and progress. Employees want to understand not only what they should be doing but how those efforts fit into the larger purpose of the organization. 1 on 1s provide a great opportunity to review expectations, discuss company initiatives, and go over progress. Managers can help employees set priorities to determine where to best focus their efforts in the near future.

Show You Care

Employees want to feel valued and appreciated. For most employees, not hearing negative feedback isn't enough to assume they are doing a good job. Great managers build relationships and focus on the human aspect of their work. They don't dismiss a verbal "good job!," morning cappuccino, or lunch outing as insignificant. Motivosity Founder and CEO, Scott Johnson, explains, "A lot of times managers think if they give people a raise, they'll be happy. But the number one thing employees want is to be appreciated and recognized. That's not an end of the year 'MVP' activity. It's a daily and weekly activity. Showing regular gratitude is huge." They know these actions are the building blocks to a strong relationship with their team.

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Communicate with Employees About More than Work

Communication is a core part of performance management. In fact, Johnson sees communication as one of the most important qualities of exceptional managers, "A great manager is someone who communicates clearly, empowers the people that they work with, and fosters an environment where their team has the opportunity to grow." Even though we all communicate every day, few of us are natural-born communicators. In the workplace, we interact with many different types of personalities that have their own preferences for communication. Great managers take the time to communicate clearly and effectively by:

- Leaving time for questions
- Offering context
- Helping the employee to develop milestones for projects
- Being aware of potential deadline conflicts
- Developing SMART goals
- Communicating daily with team members
- Quickly returning employee messages
- Focusing on relationship-building, rather than purely transaction conversations
- Choosing to invest in employees as people

Be Flexible and Trust Your Employees

Employees have asked for flexibility in the workplace for years. Now that more companies are offering flex-hours, remote work, and more flexible PTO, employees are noticing an unfortunate side effect: the pressure to be "always on." Being able to work from anywhere can lead to working from everywhere, all the time. The sudden switch to a remote workforce that includes 42% of American workers during the COVID-19 pandemic has significantly expanded working hours.

Many of us are still learning how to best set boundaries to create a work-life balance. Managers who help employees set and maintain these boundaries can improve employee engagement rates and stave off the dissatisfaction that comes with the feeling that you are always working. The best way to make this happen? Lead the way. Set your own working hours and stick to them as much as possible. Don't be afraid to share with employees when you need to be offline or want to take a mental health day. Check in with employees who haven't taken a vacation day in a while and make sure their workload isn't out of control. These small actions will empower employees to create and set their own boundaries without fear of repercussions.

Reach Across Remote Lines

Speaking of remote employees: what are you doing to include them in the workplace culture? This action isn't one that just needs to be taken for the duration of the pandemic. It's essential for the future of the workplace as 40% of companies expect to have at least a partially remote workforce in the future.

It isn't uncommon for remote employees to feel lost or unheard. This is especially true in organizations that have a blended workforce of in-office and remote employees. Thankfully, there are lots of creative ways for managers to reach across virtual lines and strengthen relationships with employees:

- Use breakout sessions in virtual meetings to encourage conversation and engagement
- Maintain regular contact with employees on a weekly, if not daily, basis
- Create themed days at work and offer

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rewards for company-wide participation
- Have rewards or care packages delivered to remote employees for birthdays, weddings, babies, and other celebrations
- Publicly praise employees through company-wide emails, newsletters, Slack channels, intranet, or Motivosity
- Create company profiles of employees with fun facts like birthdays, interests, and hobbies. (Hint, hint: Motivosity!)

Hold Yourself Accountable

Employees don't just want to hear that their managers hold themselves accountable; they want to see proof. Let's face it. We all make mistakes and fail from time to time. Instead of covering up these moments, managers can demonstrate honesty and vulnerability by facing up to them. If you fail to get back to an employee, offer an apology and clear room in your schedule to sync up. If a project isn't as successful as planned, review what went wrong- and right- with your team. These efforts will pay off in earning respect from your team.

Equip Yourself with the Right Tools for Employee Engagement

High levels of employee engagement aren't something you just happen into. It takes planning, execution, and study to make a real difference in the workplace. Luckily, there are tools that can help you and your team focus on the human aspect of work. At Motivosity, we provide the tools managers need to go from good to great. Our Lead collaborative platform helps managers add real value where it matters: between themselves and their teams. To learn more about Motivosity and how you can bring this goodness to your organization, contact our team today.