

GALLUP®

Gallup's Perspective on

Building a High-Development Culture Through Your Employee Engagement Strategy





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Employee Engagement and the Changing Workplace

Today's worker cares less about job satisfaction and more about personal growth.

The workplace is changing so fast that it's hard for many organizations to keep up. Digital technology has changed the way employees interact with each other and their employer.

Teams are now more matrixed, more remote and more flexible than ever before. This has scrambled the traditional worker-manager relationship and has reshaped how employers and employees see one another.



The demands and desires of today's employees have changed as well. People are looking for more than just a paycheck. They want purpose and meaning from their work. They want to be known for what makes them unique. And they want relationships, particularly with a manager who can coach them to the next level.



From technology to the workforce, all of these changes have made high employee engagement more difficult to achieve. Leaders are asking: What do our employees really need to be successful in their roles? And how do we deliver it in an authentic and consistent way?

Although technology has changed, human nature hasn't. Employees still have fundamental psychological needs that must be met to achieve high performance. This is as true for independent remote workers as it is for those who work collaboratively in the office.

Engagement remains an essential requirement for producing high-quality work. The organizations that learn to develop a culture of engagement and high performance have a competitive edge, positioning them for success regardless of the changes they encounter.

The Effect of Engagement on Key Business Outcomes

Gallup's most recent meta-analysis — a study of many studies — on team engagement and performance includes data accumulated over the past two decades.

The study covers more than 112,000 teams — over 2.7 million employees — in 276 organizations across 54 industries and in 96 countries.



Gallup's research revealed that business units and teams in the top quartile of employee engagement achieved higher performance on positive outcomes (customer loyalty, sales, productivity, profitability, wellbeing and organizational citizenship) and realized fewer negative outcomes (absenteeism, turnover, shrinkage, safety incidents and quality defects) than those in the bottom quartile.

When comparing employee engagement levels, Gallup found that top- and bottom-quartile business units and teams had the following differences in business outcomes:

POSITIVE OUTCOMES

10%

in customer loyalty/
engagement

18%

in productivity
(sales)

14%

in productivity (production
records and evaluations)

66%

in wellbeing

13%

in organizational
citizenship (participation)

NEGATIVE OUTCOMES

81%

in absenteeism

18%

in turnover for
high-turnover organizations

43%

in turnover for low-turnover
organizations

28%

in shrinkage (theft)

64%

in safety incidents
(accidents)

58%

in patient safety incidents
(mortality and falls)

41%

in quality (defects)

Note: The above figures are median percent differences across companies in Gallup's database. High-turnover organizations are those with more than 40% annualized turnover. Low-turnover organizations are those with 40% or lower annualized turnover. Get full details about Gallup's 10th meta-analysis in the report *The Relationship Between Engagement at Work and Organizational Outcomes: 2020 Q12th Meta-Analysis: 10th Edition*, available at Gallup.com.

Why Most Employee Engagement Programs Haven't Worked

Globally, 77% of employees are either not engaged or are actively disengaged at work.

Gallup has been collecting data on business teams around the world for 50 years. Based on that research, we have identified survey items that measure key elements of a workplace culture.

These employee engagement factors have been proven to link to performance outcomes across industries, cultures, company size and nationality, and in good economic times and bad.

They work for measuring performance because they describe *the fundamental psychological requirements for unleashing human potential*.



The world's greatest leaders and managers intuitively play by these principles. And individual employees, consciously or unconsciously, seek organizations that meet these needs.

Many organizations implement some form of employee engagement program or survey, yet some organizations produce consistently low engagement — even with repeated attempts at boosting their scores.

Other organizations experience initial increases in engagement, followed by a plateau or gradual decline. Leaders at these organizations assume that they have reached the limit for their employees' engagement or that employee engagement is a fad that cannot be sustained long term.

Finally, there are organizations that think they have high engagement, but their business results tell a different story. They cannot attract strong candidates for open positions. They lose their best people to competitors. And they see no follow-through on executive initiatives.

At a loss for explanations, leaders may blame the tool; the measurement; the philosophy; or impossible-to-change demographic, cultural or environmental factors that they believe make their problems unique.

But, the apparent failure of employee engagement efforts is likely due to the way engagement programs are *executed*. For example:

- 1 Leaders make engagement metrics far too complicated by focusing on predictors of their organization's successes or failures — predictors that often are outside of managers' control and typically don't relate to meeting employees' core psychological needs at work.
- 2 They use a low-bar "percent favorable" metric that inflates scores and creates blind spots, resulting in the appearance of high engagement without strong business outcomes.
- 3 They overuse pulse surveys to get immediate feedback and rarely take action on the results.

In our experience, the greatest cause of engagement program failure is this:

Employee engagement is widely considered "an HR thing." It is not owned by leaders, expected of managers or understood by front-line employees.

The result is that some organizations believe they have exhausted "engagement" as a performance lever before they truly explore its full potential to change their business. Those that *have* integrated engagement into their corporate strategy, in contrast, see significant gains year after year.

What the Best Do: The Elements of Employee Engagement

Gallup has identified elements of employee engagement that predict high team performance in critical business outcomes including retention, productivity, safety, sales and revenue.

Although the elements, which are the core items in Gallup's proprietary Q¹²® survey, may seem elementary, Gallup's research has found that a small percentage of employees strongly agree that their employer or manager delivers on them.

The best managers see engagement as one of their primary responsibilities. For these managers, engagement is not merely an annual survey or checklist of tactical action items. They fully integrate the concepts behind each item into casual conversations, meeting agendas, performance evaluations and team goal setting.

In this section, we take a look at each item and explain how the world's best leaders and managers bring engagement to life for their teams.

Q01. I know what is expected of me at work.

Q02. I have the materials and equipment I need to do my work right.

Q03. At work, I have the opportunity to do what I do best every day.

Q04. In the last seven days, I have received recognition or praise for doing good work.

Q05. My supervisor, or someone at work, seems to care about me as a person.

Q06. There is someone at work who encourages my development.

Q07. At work, my opinions seem to count.

Q08. The mission or purpose of my organization makes me feel my job is important.

Q09. My associates or fellow employees are committed to doing quality work.

Q10. I have a best friend at work.

Q11. In the last six months, someone at work has talked to me about my progress.

Q12. This last year, I have had opportunities at work to learn and grow.

Q01 I know what is expected of me at work.

Helping employees understand what their organization, leaders and manager expect from them requires more than someone telling them what to do. The most effective managers define and discuss the explicit and implicit expectations for each employee. They paint a picture of outstanding performance and help employees recognize how their work leads to the success of their coworkers, their business area and the entire organization.

Q02 I have the materials and equipment I need to do my work right.

"Materials and equipment" is not just a checklist of tools. It includes both tangible and intangible resources — office supplies, software, knowledge sharing and permissions, to name a few — that employees need to do their job.

The most effective managers don't assume what their team needs. They ask for and listen to their employees' needs and advocate for those needs when necessary. They also find ways to make the most of their team's ingenuity and talents when they cannot fully fund requests.

Q03 At work, I have the opportunity to do what I do best every day.

When people get to do what they do best every day at work, the organizations they work for get a boost in employee attraction, engagement and retention.

Successful managers get to know their employees as individuals and give them opportunities to apply the best of their natural selves — their talents. They talk to each employee about their unique value and make adjustments to align work, when possible, with team members' talents. The best managers know where their employees excel and position them so they are engaged and provide maximum value to the organization.

Q04 In the last seven days, I have received recognition or praise for doing good work.

Recognition motivates, provides a sense of accomplishment and makes employees feel valued for the work they do. It also sends a message to other employees about what success looks like.

The most effective leaders create a recognition-rich environment with praise coming from multiple sources at multiple times. The best managers learn how individuals like to be recognized, and they recognize them timely and often for achieving their goals and demonstrating high performance. They also explain why their performance matters.

Q05 My supervisor, or someone at work, seems to care about me as a person.

Few managers take defined action to meet this employee need because caring about someone else cannot be manufactured. But the most successful managers know employees as individuals, acknowledge achievements, have performance conversations, conduct formal reviews and, above all, respect their employees. These behaviors build a work environment where employees feel safe experimenting with new ideas, sharing information, exploring opportunities for development, and supporting each other in their work and personal lives.

Q06 There is someone at work who encourages my development.

“Development” doesn’t mean “promotion.” A promotion is a one-time event. Development is a process of understanding each person’s unique talents and strengths and finding roles, positions and projects that allow employees to apply them.

Great managers coach employees by identifying wins and misses, motivating them to go beyond what they think they can do, connecting them with potential mentors, and holding them accountable for their performance.

Q07 At work, my opinions seem to count.

Asking for and considering individuals’ input leads to more informed decision-making and encourages new ideas that positively influence business results.

The best managers promote open dialogue and provide honest feedback on employees’ opinions and ideas — supporting good ideas and addressing unfeasible ones. Great managers create feedback loops so people feel like they are involved in the decision-making process.

Q08 The mission or purpose of my organization makes me feel my job is important.

Employees cannot energize themselves to do all they could do without knowing how their job fits into the grander scheme of things. People want to contribute to a higher purpose, beyond the practical needs of earning a living.

Leaders must ensure that the organization’s mission and purpose are clear and aligned with the employee experience. Managers play a significant role in helping employees understand how their role and daily tasks contribute to the organization’s mission. Great managers create opportunities for employees to share mission moments and stories about the organization achieving its purpose.

Q09 My associates or fellow employees are committed to doing quality work.

As work becomes more interconnected, interdependent and project-based, employees' shared commitment to quality is vital to an organization. High performers can become resentful when a coworker is not contributing or being held accountable.

Great managers do not stand by and watch their team erode. They establish clear standards of performance, hold employees accountable and foster an environment of excellence by recognizing and sharing examples of exceptional work.

Q10 I have a best friend at work.

This is the most controversial of the elements, but the truth remains: It predicts performance. When employees have a deep sense of affiliation with their team members, they take positive actions that benefit the business — actions they may not otherwise even consider.

Obviously, managers cannot manufacture friendships, but they can create situations for people to get to know each other and socialize without disrupting performance outcomes.

Q11 In the last six months, someone at work has talked to me about my progress.

Employees need to know how they are doing, how their work is being perceived and what the future holds. "In the last six months" suggests that employees benefit from more than an annual performance review. When a manager regularly checks in on their employees' progress, team members are more likely to believe they get paid fairly, more likely to stay with the company and more than twice as likely to recommend the company to others as a great place to work.

Great managers have frequent conversations — formal and informal — with employees about how they are doing. In short, they are *coaches*, providing immediate, constructive and motivating feedback to help employees achieve increasingly better results.

Q12 This last year, I have had opportunities at work to learn and grow.

When employees do the same things every day without a chance to learn something new, they rarely stay enthusiastic about their jobs. In contrast, when people feel like they are learning and growing, they work harder and more efficiently.

Successful managers challenge employees, create learning opportunities and frequently ask employees what they are learning. Beyond providing training, they encourage employees to learn new skills or find better ways to do a job. They talk with employees about short-term and long-term growth goals, and they are open to allowing their employees to take on new responsibilities and roles.

Confront Real-World Business Problems With Q¹²® Concepts

The value of the Q¹² items comes from their practical application to real workplace issues.

Simply taking an engagement survey once a year will not create meaningful change for an organization. An employee engagement survey succeeds when it changes the conversations and behaviors of managers and employees in an authentic way.

Workplace culture is complex. There are no quick fixes when it comes to human relationships. But focusing on these fundamental psychological requirements for high performance can make interactions more meaningful and insightful.



Here are a few examples of how Q¹² concepts can help address common workplace problems.

Addressing Diversity and Inclusion

A new manager has inherited a low-performing team with diverse ages, genders, cultures and personalities. After a few months of private conversations and tense team meetings, she can tell that a lack of cooperation and disunity are at the heart of the team's lack of collaboration and low performance outcomes.

ENGAGEMENT AREAS FOR MANAGER ACTION:

- Q04 Receiving frequent recognition:** Make recognition a regular agenda item to demonstrate appreciation for individuals' different contributions to the team and organization.
- Q05 Someone cares about me:** Ask employees: What would make you feel like a valued member of this team? Individualize the approach to leading team members based on how they say they want to be treated.
- Q07 My opinions count:** Become an advocate for employees' ideas. Solicit them during meetings and take action on them.

Transitioning to an Agile and Innovative Culture

An organization is suffering from low morale due to increasing competition from innovators in the marketplace. Its leaders want to change the organization's culture from slow and stagnant to lean, agile and creative.

ENGAGEMENT AREAS FOR MANAGER ACTION:

- Q01 Clear expectations:** Employees do not feel free to innovate if they are afraid of working on the "wrong" thing. Managers should check in frequently to clarify which duties employees should prioritize as conditions change.
- Q02 Materials and equipment:** Managers can brainstorm with their team about the tools and equipment that would significantly enhance their productivity. Their needs may include rearranging workspaces, simplifying processes or redefining roles.
- Q09 Coworkers committed to quality:** Start a group conversation about the team's ability to innovate and experiment — and potentially fail — while being committed to doing quality work. Help employees define the areas of work where people can have the freedom to test new ideas and take calculated risks.

Stopping Remote Worker Turnover

A manager leads a remote team of individual contributors from multiple countries. In the organization's industry, remote workers are notoriously hard to retain. Even those who work full time are at risk of social isolation — missing out on in-office parties, hallway conversations and workplace perks — due to their physical separation from the rest of their team. What does "employee engagement" even mean for people who interact primarily over email or video conference calls?

Despite the geographical challenges the manager faces, organizational success depends on building a collaborative, committed team.

ENGAGEMENT AREAS FOR MANAGER ACTION:

Q03 Do what I do best: Listen well to discover which projects an employee talks about most. Observe what kinds of projects seem to get them the most excited. Shift workloads or reframe projects in ways that match well with individual interests and strengths.

Q08 Strong tie to mission or purpose: Make a point to explain frequently how upcoming work will affect the business and help to fulfill the organization's mission or purpose. When giving recognition, show how the team's work has impacted customers or made the world a better place.

Q10 Best friend at work: Relationships aren't just a "nice to have" — even for remote workers. Create opportunities for the team to connect digitally to socialize and get to know one another as people — not just coworkers.

Retaining Young Talent Among Older Generations

The manager's department has a number of senior employees nearing retirement. He has hired younger workers to fill in as others exit — if he can keep them long enough. If they decide to take up more attractive offers elsewhere, the department will be in serious trouble over the long term. How can this manager attract and keep early-career workers on the team?

ENGAGEMENT AREAS FOR MANAGER ACTION:

Q06 Someone encourages my development: Clearly communicate the career opportunities available at the organization to employees who show promise of excelling with more responsibility. Create a plausible path for them to follow and support them in growing within or outside their current role.

Q11 Someone talks to me about my progress: On average, employees want significantly more feedback than they receive. Make informal check-ins a part of the weekly routine so employees know they are on the right track. This makes progress reviews meaningful and future-oriented rather than focused on topics that should have been discussed already.

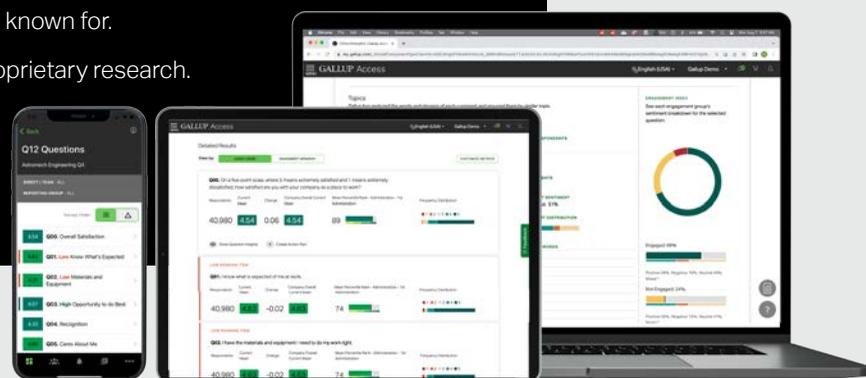
Q12 Opportunities to learn and grow: Promotions are just one way to grow employees. Growth opportunities may also include leadership training, travel to conferences, mentorship programs, or the chance to work on special projects or collaborate with new teams.

Gallup Access: Addressing Engagement Beyond the Q¹²

Most online organizational platforms only allow leaders to collect employee feedback. But in Gallup Access, leaders and managers can do much more:

- Gain advice for managers that fits their specific Q¹² results.
- Access action planning tools and tracking to help engage and lead a high-development, high-performing workplace.
- Discover the employee engagement, employee experience and CliftonStrengths® solutions that Gallup is known for.
- Explore insights from decades of Gallup's proprietary research.

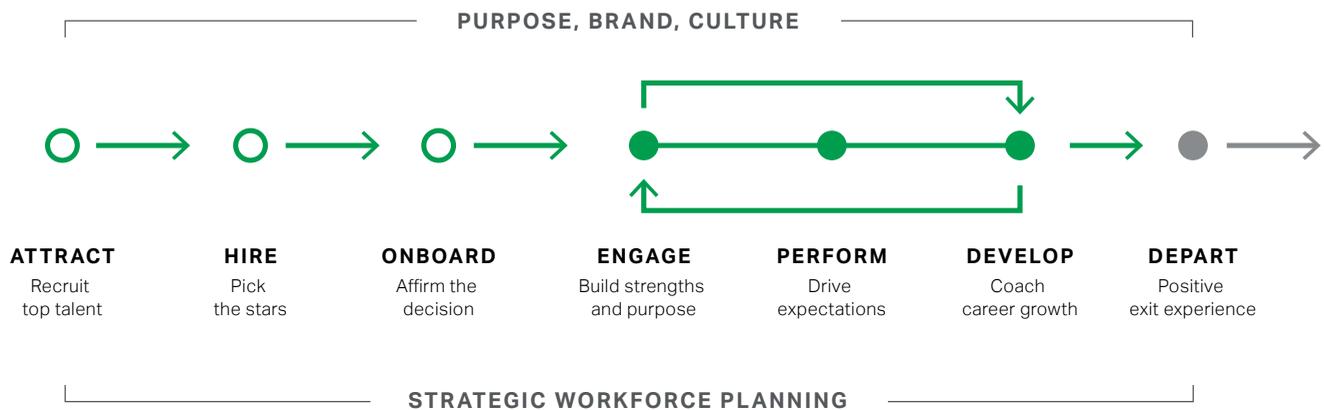
Visit <https://www.gallup.com/access> for details.



Connecting Employee Engagement and the Employee Experience

An organization's **employee experience** reflects the entire journey an employee takes with the organization. It includes prehire experiences to post-exit interactions, as well as aspects of a job related to an employee's role, workspace, wellbeing, and relationships with their manager and team.

Gallup defines the **employee life cycle** with seven stages that capture the most significant employee-employer interactions that connect employees with the organization. The engage, perform and develop stages are interwoven, encompassing primarily the day-to-day interactions of employees.



Naturally, each employee's engagement influences their employee experience during the **engage stage** of the life cycle. However, employee engagement also influences (and is influenced by) **aspects of every other stage**.

ATTRACT

Current employees' engagement influences the quality of potential job candidates — 71% of employees use or have used referrals from an organization's current employees to learn about job opportunities.

HIRE

Selecting employees based on fit to role increases the likelihood that they will do what they do best every day — a key element of engagement.

ONBOARD

Laying the foundation for engagement during onboarding requires thoughtfully planned conversations about what motivates employees and what development needs they have. Employees who strongly agree they have a clear plan for their professional development are 3.5 times more likely to strongly agree that their onboarding process was exceptional.

PERFORM

When comparing employee engagement, Gallup found that top- and bottom-quartile teams had the following differences in business outcomes: 23% in profitability, 14% in productivity and 18% in sales.

DEVELOP

Employees who strongly agree they have had conversations with their manager in the last six months about their goals and successes are 2.8 times more likely than other employees to be engaged.

DEPART

Engagement helps to decrease turnover — three in 10 engaged employees are looking for a new job, compared with eight in 10 actively disengaged employees — and ensure that if employees do leave, they exit with positive experiences to share as they work elsewhere.

Making the Connection

Many organizations have engagement programs that are disconnected from various aspects of the employee experience. They may see engagement purely in terms of retention, rather than as essential to a powerful recruitment strategy. Or, they may see the value in implementing an engaging onboarding process yet fail to see how a focus on engagement can transform performance conversations.

Organizations that make employee engagement a central part of their corporate strategy take a different approach. They incorporate aspects of engagement into all elements of their employee experience so that each feeds into and amplifies the others. All stages of their employee life cycle reinforce their culture of engagement, and the culture of engagement elevates their employees' entire experience.

The Differences Among Employee Experience, Life Cycle and Engagement

EMPLOYEE EXPERIENCE

is the journey an employee takes with their organization; it includes all the interactions an employee has with the organization before, during and after their tenure.

EMPLOYEE LIFE CYCLE

captures the stages during which organizations have the most influence on the employee experience — organizations must get these experiences right.

EMPLOYEE ENGAGEMENT

describes the universal psychological needs that must be met for high performance and continual personal growth.

Applying Engagement to Every Stage: Questions to Ask

- **ATTRACT:** Are we leading with communications about our mission to attract talent who finds our purpose motivating?
- **HIRE:** Are we hiring for fit to role so that people do what do they do best every day?
- **ONBOARD:** Do we engage new hires from day one and make onboarding a long-term process that establishes clear expectations and a positive manager relationship?
- **ENGAGE:** Do our managers and their teams have regular discussions about the engagement of their team members and how to create an engaging culture?
- **PERFORM:** Are discussions about engagement needs integrated with performance conversations?
- **DEVELOP:** Do managers infuse engagement topics into development discussions with their teams?
- **DEPART:** Does the organization recognize and celebrate the accomplishments of people when they leave?



From Boss to Coach: The Manager's Role in Employee Engagement

Seventy percent of the variance in team engagement is determined solely by the manager.

Organizations have invested significant time and resources in engagement programs and performance management systems over the years — often to little effect.

Although systems and processes matter, Gallup has discovered that a person's manager is the primary factor in an employee's engagement and, ultimately, their performance.

Managers account for 70% of the variance in team engagement. They are responsible for ensuring that employees know what work needs to be done, supporting and advocating for them when necessary, and explaining how their work connects to organizational success.

If leaders could prioritize one action, it should be equipping their managers to become coaches. This means putting engagement front and center as a primary role responsibility.



Coaching is primarily accomplished through ongoing coaching conversations. The five coaching conversations that drive performance include role and relationship orientation, quick connects, check-ins, developmental coaching and progress reviews. And, the frequency of these conversations matters.

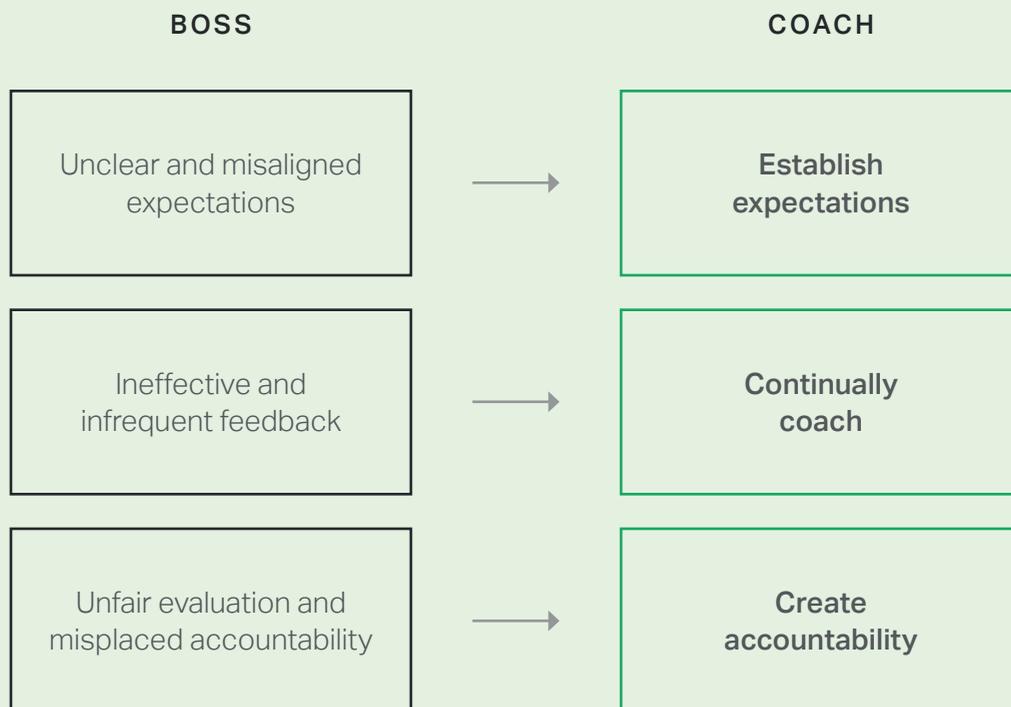
Employees who receive daily feedback from their manager are *three times more likely to be engaged* than those who receive feedback once a year or less.

Managers should have a deep understanding of their employees' talents, needs, preferences and dreams. They should include employees in goal setting and discuss the employee's future with the organization.

Ultimately, coaching is a mind-set that managers use to focus on the individual, continual growth and future potential.

But it's not enough for leaders to tell managers to coach. Leaders must:

- redefine managers' roles and expectations
- provide the tools, resources and development that managers need to meet those expectations
- create evaluation practices that help managers accurately measure performance, hold employees accountable and coach to the future



Embrace a Culture of High Development Through Engagement

The ultimate goal of engagement is the growth and development of the individual.

Engagement is not about high or low engagement scores. And it's not about survey results at one point in time. It's about meeting employees' needs ongoing through a culture — "how we do things around here" — that helps them be their best self and produce their best work.

Successful organizations integrate engagement into all of their most important business processes, from performance management to executive strategic planning to employee learning. When engagement is emphasized across the organization, employees grow and develop day after day — improving their performance along the way.



In our studies of the world's most successful organizations, we've learned that a culture of high employee development is the most productive environment for both the business and the employees. It also aligns with the expectations of the current workforce. One of the top reasons people give for leaving their last job is career opportunities.

Gallup has partnered with 57 high-achieving organizations that have nearly doubled their percentage of engaged employees. They have attained a ratio of 18 engaged employees for every actively disengaged employee.

What's their secret? They are committed to a development-focused engagement program — **they meet their employees' needs, as defined by the engagement elements, by transforming their organizations into engines of individual development.** As they have invested in unleashing human potential, they have seen their organizations become more productive, more competitive and more profitable.

In the following sections, we will take you through the four dominant patterns of organizations that have successfully transformed into high-development cultures driven by engagement.

Four Dominant Patterns in Organizations With a High-Development Culture

HIGH-DEVELOPMENT CULTURES:

- 1 ARE CEO- AND BOARD-INITIATED**
- 2 EDUCATE MANAGERS ON NEW WAYS OF MANAGING**
- 3 PRACTICE COMPANYWIDE COMMUNICATION**
- 4 HOLD MANAGERS ACCOUNTABLE**

1

INITIATE CULTURE CHANGE WITH CEO AND BOARD COMMITMENT

Successful organizations make sure their business leaders take ownership for culture change — HR supports the initiative, but business leaders drive the change.

Leadership commitment is the primary reason that organizational change succeeds or fails. That's why it is essential that top executives across the organization believe in a high-engagement, high-development strategy — and lead by example.

“Strategic alignment” is more than just business-speak. Strategic alignment happens when managers and employees see a seamless connection between what they are asked to do and what the organization stands for and is trying to get done.

First, leaders must agree on a well-defined purpose and brand for their organization.

Then, they must create a strategic business plan that commits to a development-focused engagement program as a key driver of business goals.

Next, leaders must be able to speak authentically and enthusiastically about how engagement fits into the purpose, brand and strategy of the organization.

Finally, leaders must walk the talk by championing engagement in corporate communications, meetings, key decisions and performance measurements. Leaders must model attitudes, beliefs and behaviors that reflect their engagement strategies. They should embed engagement in daily conversations and use engagement as a tool for solving real work problems.

There's another reason that leadership commitment is so important: A human development strategy takes time and effort. Gallup clients that have achieved exceptional levels of engagement have made multiyear commitments to an engagement strategy. Only a sustained, focused commitment from executive leadership can produce outstanding, long-lasting results.

TAKE ACTION:

Integrate engagement and development into all business processes.

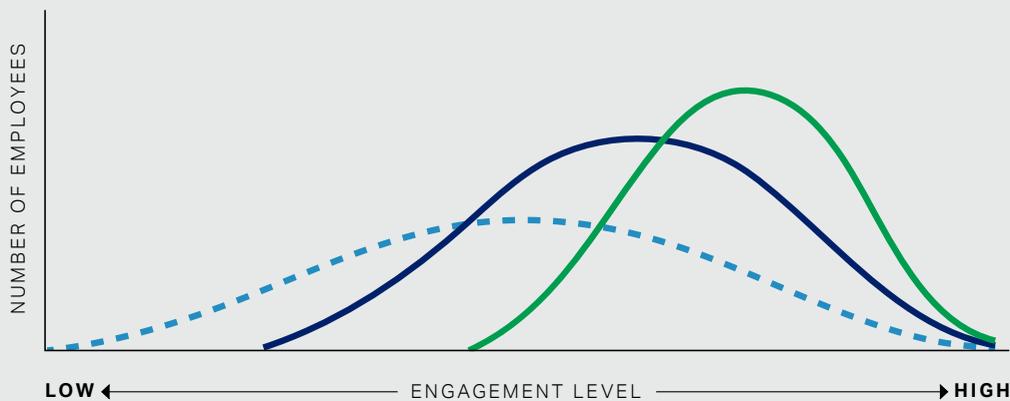
- 1 Explicitly connect engagement to business issues, making engagement relevant to everyday work, rather than abstract.
- 2 Map out a long-term strategy for growing employee engagement. Include growth goals, communication strategies and developmental plans to take the organization from where it is today to where leaders want it to be in the future.
- 3 Embed engagement into existing processes and systems such as performance management systems, development programs for individuals and teams, corporate communications, and onboarding programs.
- 4 Achieve full, ongoing executive commitment to employee engagement — they should initiate efforts and live out the behaviors they want to see from managers.
- 5 Create and distribute clear, companywide goals for employee engagement.

2 EDUCATE MANAGERS ON NEW WAYS OF MANAGING

The paradigm of management is shifting from “boss” to “coach.”

Changing What Is Normal Across Manager-Led Teams

TEAM ENGAGEMENT: — YEAR 1 — YEAR 2 — YEAR 3



As managers shift from being bosses to being coaches focused on engagement and development, their team’s engagement becomes higher and more consistent over time.

What sets exceptional managers apart from the rest?

EXCEPTIONAL MANAGERS ARE:

- **Strengths-based:** They understand and appreciate their employees’ talents and strengths and use this information to uniquely set up each person for success.
- **Engagement-focused:** They emphasize the engagement of their team and ensure that workplace needs are met.
- **Performance-oriented:** They set clear expectations and performance goals, provide strengths-based feedback and make adjustments to help their team take action.

Exceptional managers see their *primary task* as developing people. They are experts at having frequent, meaningful conversations with individuals on their team. They use team engagement and performance data to ask powerful questions and make adjustments based on the opinions of team members. As a result, they gain the respect of their team, and they see individual contributors take greater ownership of their work.

Gallup's analysis shows that engagement, performance and development are interlinked and interdependent. This means that employee engagement, performance management, and learning and development programs need to be fully integrated too.

For example, internal training should be considered part of an engagement strategy, and engagement elements should be included in performance conversations.

Managers bring programs to life through regular team conversations that weave together engagement needs, performance coaching and developmental opportunities.

Managers need support from their organization through training, resources, accountability and internal best-practice champions. They also need clarity. Particularly during times of change, managers need well-defined roles and clear expectations from their leaders, partners and employees.

TAKE ACTION:

Equip managers to take daily responsibility for engagement and development.

- 1 Encourage teams to solve problems at the local level rather than using top-down commands. Focus on building local manager and team capabilities with learning programs, such as Gallup's Leading High-Performance Teams or Moving From Boss to Coach courses.
- 2 Create a learning and development strategy for each tier of the organization (leaders, managers, champions and individuals) and tailor learning to each person's abilities. Managers with high-performing teams and high engagement should receive more advanced curricula than those with teams that have low performance and engagement.
- 3 Align learning with strengths, engagement and performance expectations to help managers identify and build individual development plans.
- 4 Continually provide learning, actions and ideas that support a multidimensional and longitudinal development strategy for managers.
- 5 Build systems to recognize leaders, managers and employees who develop and "stretch" teams to new levels of success that are in line with their innate tendencies.

3

PRACTICE COMPANYWIDE COMMUNICATION

The world's greatest workplace cultures do not happen by accident. Leaders, managers and employees at every level of the organization intentionally cultivate and support the organizational culture.

Once a plan for culture change is in place, the unified voice from the top should be clear: This is how we do business. This is an expected part of how we work. This is our culture.

Executive and HR leaders must set the example by using engagement language as part of daily, organic communications — and this kind of communication should be encouraged at all levels. Leaders need to verify that their messages have reached front-line leaders.

Remember that managers and individual contributors need a powerful reason to get onboard with change. They need to know how a focus on individual development flows from the organization's mission and purpose. And they need to know why it will lead to better performance and results.

Change always has its skeptics, so corporate communications should share best-practice examples of how engagement has positively influenced business outcomes. Leaders also need to communicate new expectations over the long term, especially if employees have seen multiple programs come and go.

TAKE ACTION:

Support culture change through consistent communication and inspirational stories.

- 1 Create a comprehensive communication plan that supports engagement initiatives and priorities.
- 2 Consistently and routinely communicate the rationale for and benefits of an engagement-focused culture.
- 3 Encourage employees to discover and share best practices to create a vivid picture of what highly engaged teams look like.
- 4 Designate an engagement "champions network" that communicates, collects best practices, answers questions and supports manager development.
- 5 Embed specific engagement elements into ongoing conversations, connecting engagement to business needs and challenges. For example, make "materials and equipment" a topic of discussion. Ask the team: Do you have what you need to do high-quality work? What's missing?

4 HOLD MANAGERS ACCOUNTABLE

No one should be promoted to a manager role by default. Great managers have a clear, well-defined role: to engage, support and develop highly talented individuals.

Mediocrity is the enemy of continuous improvement, yet traditional approaches to performance management and employee development often reinforce the status quo rather than inspire ever-increasing levels of excellence.

Organizations must measure engagement at the local team level — not only as an overall organizational score. High team scores can reveal best practices and success stories, while low scores can highlight areas that need increased support.

Managers should use team engagement scores to have constructive conversations with the team about how to improve areas of workplace friction. *Action plans must follow results* so that employees feel heard and valued.

Managers also should apply engagement concepts when discussing performance with individuals. They can ask themselves: Do my employees know what is expected of them? Have they received recognition for excellent work lately? What materials and equipment are we missing?

Team engagement should be part of a manager's evaluation. Managers must be selected, trained and supported as *exceptional people developers*. And they should be evaluated on their ability to cultivate fresh talent, help employees develop new skills and improve their performance, and prepare employees for higher levels of leadership and achievement. If low engagement persists, it's time for leaders to change their managers.

TAKE ACTION:

Select, train and support managers as engagement experts.

- 1 Set clear expectations for leaders and managers that their job is to engage their teams — there is no meaningful mission or purpose without clear expectations, ongoing conversations and accountability.
- 2 Establish a minimum standard for engagement and take specific actions when a team does not meet the standard. Consequences — including changing managers — should exist for ongoing patterns of low team engagement.
- 3 Communicate engagement goals and targets throughout the organization.
- 4 Create systems of recognition and support for high-performing leaders, managers and teams, sending a strong message about what the organization values.
- 5 Communicate expectations for engagement and watch for outliers where engagement and performance metrics do not align.
- 6 Create high-value career paths for individuals — no one should feel like their progress depends on getting promoted to manager.

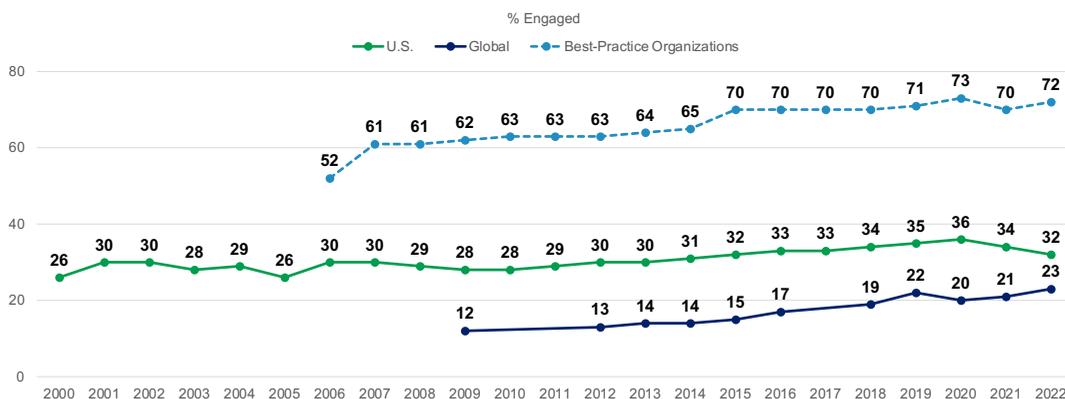
JOIN THE ELITE:

Gallup Exceptional Workplaces Excel in Engagement and Outcomes

Globally, only 23% of employees are engaged at work. Although this number has been gradually rising over the years, it remains dismally low.

However, some of Gallup's clients have achieved significantly higher levels of engagement. **Gallup Exceptional Workplace Award winners have achieved an average of 72% of employees who are engaged.**

Employee Engagement Trends



Note: Percentages for best-practice organizations are average percentages of engaged employees across annual Gallup Exceptional Workplace Award winners; percentages reflect the year that Gallup collected the winners' engagement data — not the year that Gallup named the award winners.

Some best-practice organizations began their journey with below-average levels of engagement. However, through long-term commitment from leaders and a partnership with Gallup, they have transformed their cultures and their business outcomes.

Gallup's Q¹², solutions within Gallup Access, [learning programs for leaders and managers](#), and expert consulting services work together to help you create an exceptional workplace.

[Contact Gallup today](#) to determine how you can create a highly engaged culture of high development that would put your organization among the best of the best workplaces around the world.



APPENDIX

Employee Engagement Meta-Analysis

Gallup's 10th employee engagement meta-analysis combines decades of employee engagement data and illustrates the connections between highly engaged teams and improvements in business outcomes.

[DOWNLOAD THE REPORT](#)



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