3 WAYS TO ACCELERATE EMPLOYEE ENGAGEMENT

INVESTING IN EMPLOYEE SELECTION, STRENGTHS, AND WELL-BEING CAN BOOST ENGAGEMENT RESULTS.

After decades of research into human behavior in the workplace, Gallup discovered unique insights and strategies to help companies worldwide transform the way they do business. To accelerate engagement and optimize growth within organizations, Gallup established important approaches that leaders in any country or region can adopt to maximize the role human behavior plays in the workplace.

Finding the right employees and managers is essential to an organization's financial outcomes. Gallup helps companies scientifically select people who have the potential to be top performers and supports organizations in hiring and promoting employees with the talent to boost employee engagement.

It is not enough to put the right people in the right jobs. Companies must invest in their employees' greatest talents to optimize their performance. Gallup helps organizations discover what is naturally right with their employees by identifying employees' unique strengths and then building on them to help employees achieve their full potential.

When used with an employee engagement initiative, Gallup's research has proven that investing in employee selection, strengths, and well-being has the power to boost the results companies would receive from increasing engagement alone.

SELECT THE RIGHT PEOPLE

Though many organizations focus on strengthening their current employees' engagement, few have realized the potential effect the selection of managers and leaders can have on engagement and organizational performance. Ultimately, people engage people. Gallup helps organizations ensure they select the right people to increase their overall engagement.

Boosting Engagement Through Manager Selection

Whom companies name as manager is one of the most important decisions they make, given that managers play a critical role in driving engagement in any organization. Whether hiring from the outside or promoting from within, organizations that scientifically select managers for the unique talents it takes to effectively manage people greatly increase the odds of employee engagement. Instead of using management jobs as promotional prizes for all career paths, companies should treat them as unique roles with distinct functional demands that require a specific talent set. The reality is that many people who are the best performers in their current roles do not have the talents necessary to effectively manage people.

Gallup researchers have spent decades studying great managers' talents — naturally recurring patterns of thought, feeling, and behavior that are productively applied in the role — and have discovered that talents are powerful predictors of organizational engagement and performance. While there are many factors to consider when hiring or promoting, the most fundamental is how a person is likely to behave in the role and whether he or she can fulfill the role's responsibilities to excel.

Great managers engage their teams on several levels. First, they display genuine care and concern for their people. By building strong, trusting relationships with their staff, they can engender an open and positive work atmosphere in which employees feel supported and engaged. Second,

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great managers care just as much about performance as they do about their people as individuals. They set the stage for performance by determining those metrics that matter most and finding ways to individually motivate employees to work and strive harder. Finally, great managers value and invest in talent. With an eye for what individuals around them do well, they perfectly position people in areas or tasks that will use their greatest strengths, resulting in an increased ability for individuals to say that they have an opportunity to do what they do best.

The bottom line is that great managers have great talent for supporting, positioning, empowering, and engaging their staff. Choosing the right managers in an organization has an immediate effect on employees' engagement.

Boosting Engagement Through Employee Selection

Gallup has found that, generally speaking, employees' perceptions of their primary manager influence about 70% of their engagement, while coworkers' attitudes and other factors account for the remaining 30%. Thus, once an organization puts the right managers in place, the next step to strategically boosting overall engagement is to select the right employees.

In most organizations, a few key employees stand out for their ability to foster workplace engagement. They energize and influence others with their commitment to achieving organizational and team objectives. The best managers know who their standout employees are, and they would hire more like them if they knew how.

Gallup developed the Engagement Creation Index (ECI) — an innovative tool designed to identify and measure the talent for engaging others — to help organizations transform their engagement dynamic by adjusting their hiring practices. The ECI does more than measure a candidate's own likelihood to be engaged, which can fluctuate over time. Most importantly, it captures a candidate's ability to act as a catalyst to build engaged work teams.

Gallup rigorously tested the ECI and has scientifically proven its ability to predict which job candidates are most likely to elevate engagement levels among their coworkers. These individuals naturally generate energy and commitment wherever they go, accelerating an organization's journey toward higher levels of engagement. In fact, when combining the ECI with more rigorous selection criteria, engagement scores improve even more. The bottom line is that the ECI offers employers a powerful tool to ensure that they are making the most of each selection opportunity.

At the end of the day, engagement is all about people. Therefore, it is imperative for leaders to devise selection strategies with the goal of accelerating employee engagement. This starts with using objective selection criteria to ensure that companies hire and promote managers with the talent to lead and engage their workgroups.

In addition, Gallup's selection tools, such as the ECI, can help organizations hire more employees like their best, including those with a talent for helping to engage others. With each new hire or promotion, employers have the opportunity to maximize employee engagement in the workplace. People want to feel supported, have a sense of belonging, and understand the contribution they can make toward organizational goals. Making sure that they get these things from their interactions with managers and team members is key to driving their engagement.

DEVELOP EMPLOYEES' STRENGTHS

PEOPLE WHO USE THEIR STRENGTHS EVERY DAY ARE SIX TIMES MORE LIKELY TO BE ENGAGED ON THE JOB.

Gallup researchers studied human behaviors and strengths for decades and established a compelling connection between strengths and employee engagement in the workplace — one that has the power to accelerate performance when companies work on enhancing both simultaneously. The research shows that people who use their strengths every day are six times more likely to be engaged on the job.

All employees have strengths — the unique combination of talents, knowledge, and skills that help them do what they do best every day. These strengths do more than make them unique individuals; they also serve as employees' — and the organization's — greatest opportunities for success. What leaders do or do not do with this workforce potential has considerable implications for their organization's future.

EMPLOYEES WHO RECEIVED STRENGTHS-BASED COACHING SAW THEIR ENGAGEMENT SCORES IMPROVE SUBSTANTIALLY.

The Power of Strengths in the Workplace

The best opportunity for employees to grow and develop is to identify the ways in which they most naturally think, feel, and behave, and then build on those talents to create strengths, or the ability to consistently provide near-perfect performance in a role. To help people identify what they do best, Gallup developed the Clifton StrengthsFinder, an online assessment of personal talent that reveals areas of greatest potential for developing strengths. Since its launch in 1998, more than 9 million people have taken the assessment in 50 countries and in 24 languages.

Gallup works with organizations worldwide to help their employees discover their innate talents and apply them productively to achieve business objectives. The Clifton StrengthsFinder provides a starting point in Gallup strengths-based development programs and interventions for helping individuals build on their talents, skills, and knowledge to improve performance. In its extensive research, Gallup has found that developing employees' strengths is a far more effective approach than trying to improve their weaknesses.

Improving Engagement and Business Outcomes Through a Strengths-Based Approach

Gallup conducts ongoing research using its Q^{12} Client Database to explore the benefits of its strengths-based interventions on employee engagement and other business outcomes. Recently, Gallup studied 11 client companies with a combined 90,000 employees in 900 business units. While most individuals in the study were located in companies in North America, at least one of the companies studied had a sizable international workforce scattered across South America, Europe, and Asia. In this study, Gallup found that business units in which the manager or the employees received a Gallup strengths intervention, such as a strengths coaching feedback session, performed better on important measures than business units that received no such coaching.

Business units with managers who received a strengths-based intervention showed significant improvement on their employee engagement GrandMean scores compared with units whose managers received no intervention. Further, employees who received strengths-based coaching saw their engagement scores improve substantially compared with others who did not receive strengths-based coaching.

Beyond boosting engagement scores, Gallup found that strengths-based interventions affect retention, productivity, and profitability. Employees who received strengths feedback had turnover rates 14.9% lower than those of their counterparts. Also, business units whose managers received strengths coaching had 12.5% greater productivity than other units. When employees had the opportunity to receive strengths feedback, they outperformed their peers who did not receive the strengths intervention by 7.8% in productivity. Additionally, units whose managers received strengths coaching were 8.9% more profitable than other units.

Engagement Increases When Managers Focus on Employees' Strengths

It is not surprising to see gains on engagement scores and other outcomes when every employee on the team receives an opportunity to develop his or her strengths. However, Gallup still found substantial increases in teams' business outcomes when only the manager underwent strengths-based development. How is it that the entire team benefits when only one person — the manager — receives the strengths intervention?

Employees who feel engaged at work and who can use their strengths in their jobs are more productive and profitable, stay longer, have happier customers, and produce higher quality work.

Gallup has found that a manager's approach to strengths has a profound effect on employees' engagement and performance because he or she plays an important, direct role in maximizing employees' chances to use their strengths every day. One Gallup study found that when employees felt their managers ignored them, 40% were actively disengaged. By contrast, 22% of employees who said their managers focused on their weaknesses were actively disengaged, proving that even negative attention is better than no attention at all in employees' eyes. However, of the employees who said their manager focused on their strengths, only 1% were actively disengaged.

Managers have unique opportunities in their daily interactions with employees to empower them to discover and develop their strengths, and they have the responsibility to position employees in roles where they can do what they do best every day. When managers succeed in these endeavors, their teams become more engaged. And Gallup has found that employees who feel engaged at work and who can use their strengths in their jobs are more productive and profitable, stay longer, have happier customers, and produce higher-quality work. Based on findings like these, Gallup concluded that a strengths-based management approach is the best way to improve the employee-manager relationship.

Boosting Employees' Strengths Builds More Engaging Organizations

Gallup scientists believe that the one workplace phenomenon with the greatest potential to change the world would be for every employee to have the chance to do what he or she does best at work each day. People can achieve their full potential only when they are in positions where they can consistently use their greatest talents. Using one's strengths every day is a powerful source of motivation for workers and offers life-changing possibilities.

Further, companies that invest time and effort into helping employees understand their strengths and apply them in the workplace see greater profitability, productivity, and engagement. Yet Gallup found that only about 33% of workers worldwide in their initial employee engagement measurement strongly agreed that their job provides them with the opportunity to do what they do best daily.

What is behind this low score is that too many companies mistakenly believe they can best achieve success by trying to help managers and employees overcome their weaknesses. On the contrary, Gallup has found that while weaknesses cannot be developed much at all, talent can be developed extensively — making employees' strengths a powerful untapped resource for most organizations.

To create a work environment where employees can universally agree that they can use their strengths each day, Gallup recommends that managers and leaders focus on these steps:

- Help employees discover their strengths. People often take their most powerful talents for granted or may not be aware of them. Gallup's Clifton StrengthsFinder assessment helps people identify their greatest strengths, and organizations can easily use this tool as a starting point for building a strengths-based orientation in the workplace.
- Align employees' greatest talents with the expectations and demands of their roles. A manager's primary responsibility is to position each employee to use his or her strengths each day.
- Find ways to apply strengths in a team setting to achieve common goals. Help coworkers learn and understand one another's strengths and how their talents complement those of others on the team. Consider posting employees' top Clifton StrengthsFinder themes of talent in their offices or cubicles.
- Use team meetings to help team members deepen their understanding of the strengths approach, and assign team projects based on employees' strengths.
- Incorporate strengths into performance conversations and reviews, and help employees set goals based on their strengths.
- Create a community of strengths advocates and champions as internal experts to help everyone in the organization use his or her strengths. These people will help with initial launch efforts and sustain those efforts through the entire company's strengths journey.

STRENGTHS ARE A POWERFUL UNTAPPED RESOURCE.

ENHANCE EMPLOYEES' WELL-BEING

From a global perspective, the American healthcare system stands out as an example of out-of-control spending. However, a recent study from the Organisation for Economic Co-operation and Development (OECD) predicts that public spending on health and long-term care in some industrialized and developing nations may soon rise at an even faster pace than that of the U.S. Projections in the OECD report suggest that Korea, Chile, Turkey, and Mexico, in particular, will see above-average increases in public health spending over the next 50 years. Further, costs in emerging economies such as Brazil, Russia, India, Indonesia, China, and South Africa are forecast to rise at an even sharper pace than that of the 34 OECD countries.

Rising public health and long-term care expenditures are bad news for countries still struggling to rebound from the effects of the worldwide recession because they inhibit economic growth by consuming a substantial portion of a nation's gross domestic product. This leaves countries with fewer funds to invest in business, education, research, and development — all vital components to jump-starting sluggish economic engines and stemming unemployment. Consequently, unchecked healthcare costs could potentially stall the global economic recovery.

EMPLOYEES WHO ARE ENGAGED IN THEIR JOBS ARE GENERALLY IN BETTER HEALTH AND HAVE HEALTHIER HABITS THAN EMPLOYEES WHO ARE NOT ENGAGED OR ARE ACTIVELY DISENGAGED.

Worldwide, Preventable Chronic Diseases on the Rise

While various factors can influence rising healthcare prices — including aging populations, increased urbanization, uncontrolled medical inflation, and expensive technological advances — the rise of preventable chronic diseases such as obesity, Type 2 diabetes, and cardiovascular disease also contribute to the problem. The number of those who are obese has doubled worldwide since 1980 according to the World Health Organization (WHO), and it is increasing rapidly in low- and middle-income countries.

Mounting evidence suggests that leaders stand the greatest chance of containing runaway healthcare spending by focusing on helping individuals avoid poor health choices that lead to costly chronic conditions. Gallup's studies have shown that by investing in programs designed to improve employees' overall well-being, companies can boost workers' engagement levels and gain a distinct competitive advantage in the global marketplace.

Engaged Workers Lead Healthier Lives

While studying engagement outcomes worldwide, Gallup discovered a correlation between employees' engagement levels at work and their physical health. Gallup found that employees who are engaged in their jobs are generally in better health and have healthier habits than employees who are not engaged or are actively disengaged. Engaged employees have lower incidences of chronic health problems such as high blood pressure, high cholesterol, diabetes, obesity, diagnosed depression, and heart attacks than actively disengaged employees. They also eat healthier, exercise more frequently, and consume more fruits and vegetables than their not engaged or actively disengaged counterparts. Further, these engaged employees are more likely to participate in employer-sponsored wellness programs.

These findings suggest that organizations that make an effort to improve their employees' engagement levels will also help their workers improve the quality of their lives, minimizing the costs of decreased productivity resulting from chronic illnesses.

"Thriving" Employees Have Lower Healthcare Costs

In addition to measuring workers' engagement levels, Gallup categorizes them as "thriving," "struggling," or "suffering" according to how they rate their current and future lives on a ladder scale with steps numbered from zero to 10, based on the Cantril Self-Anchoring Striving Scale, where zero represents the worst possible life and 10 represents the best possible life. Gallup discovered dramatic differences in actual healthcare costs employers pay each year on employees' behalf based on each category. In one U.S. study, employees who are thriving had 41% lower health-related costs compared with employees who are struggling and 62% lower costs compared with employees who are suffering. These findings suggest that if employers made an intentional effort to raise well-being levels for all workers, they would realize significant savings in their medical costs.

In countries where employers are not directly involved in subsidizing employees' medical costs, organizations still benefit greatly from employee well-being initiatives. Gallup has found that poor physical and mental health contributes to a host of issues that are bad for business, including increased absenteeism, lower performance, and lower productivity.

The highest-performing managers find ways to improve employees' lives.

Engaged and Thriving Employees Are Resilient and Agile

Beyond the advantages companies realize when they either engage their employees or increase their well-being, Gallup researchers discovered that attending to both simultaneously accelerates employee engagement levels. Gallup found that employees who are thriving in their lives overall are more than twice as likely as those who are struggling to be engaged in their jobs, and thriving employees are nearly six times as likely to be engaged as those who are suffering. However, more than half of employees worldwide are struggling or suffering in aspects of their overall lives, highlighting an important opportunity for managers.

When employees are engaged *and* thriving, they are more likely to be agile and resilient. These employees have their workplace lives *and* their overall lives operating smoothly, so major organizational changes or disruptions in their personal lives are unlikely to throw them off course. They are physically healthy, have strong relationships, are active in their communities, and are in control of their finances. They also enjoy their work and are more likely to report excellent performance and stay with their company than those who are engaged but are struggling or suffering in their overall lives.

Likewise, engaged, thriving employees have fewer health problems. Compared with their engaged but struggling/suffering counterparts, they have fewer unhealthy days as a result of physical or mental illness, are less likely to be diagnosed with a new disease in the next year, and are less likely to be newly diagnosed with anxiety and depression. These numbers add up to big savings for companies' bottom line in terms of productivity and performance.

The Manager's Role in Improving Employee Engagement and Well-Being

Regardless of regional or cultural differences, managers around the world significantly influence their direct reports' engagement and well-being, which in turn affects their organization's bottom line. Managers can limit active disengagement and poor well-being on their teams by focusing on specific Q^{12} elements such as connecting their work to the organization's mission and purpose (Q08) and focusing more on employees' strengths (Q03). More broadly, Gallup found that the highest-performing managers find ways to improve employees' lives while helping them improve their work performance. Although some supervisors might expect employees to compartmentalize their work lives and their personal lives, great managers know that the whole person comes to work and that each employee's well-being influences individual and organizational performance. These managers inspire team engagement and performance in part because they invest in their employees' overall lives and well-being.

Business leaders and managers can play a major role in developing an approach to improve the workplace environment and potentially their workers' health and well-being. Leaders should consider the following insights when creating a plan that addresses their workplace's specific needs, keeping in mind that Gallup found that actions that affect employees' lives on a personal level are the most likely to succeed:

- **Make well-being an organizational strategy — much like other organizational outcomes.** Healthy behaviors are contagious. Employees in teams affect the well-being of others in the workgroup, so any strategy should seek to capitalize on this powerful chain of influence. Also, leaders who are thriving in their own well-being are more likely to have thriving employees. Organizations should expect that employees and those in management have high well-being, and leaders and managers should reinforce this expectation.

- **Communicate a commitment to well-being consistently in all of the programs the company offers.** Companies can help employees be more conscious of their well-being and understand how to improve it through various corporate programs and benefits. These benefits could include many offerings such as retirement savings programs, social or community activities, health-risk assessments, exercise machines, employee assistance programs, and nutrition information programs.

- **Hold leaders accountable for well-being programs available to employees.** Leaders should constantly evaluate programs they use for well-being improvement. Hold the organization accountable by measuring well-being and tracking improvements. Evaluate the effectiveness of existing programs to ensure that they are motivational and connect to the right outcomes.

- **Consider how to embed activities to increase well-being in individual development plans and goals.** Encourage well-being goal setting with individuals by having them share what feels comfortable about their goal with at least one person. Encourage employees to document their goals and track their individual well-being. Create activities and sessions that bring opportunities for peer discussions on well-being topics.

- **Set positive defaults for making healthy choices.** Employees face several choices and decisions throughout their workday. When it comes to well-being, make it easy to pick the right choices. Make it simple to participate in retirement savings programs, contribute to savings accounts, or take part in health programs. In vending machines and cafeterias, ensure that healthy snacks and drinks are the most accessible. Offer plenty of opportunities to join physical or social activities throughout the day. Look for other easy ways to incorporate well-being activities into the day-to-day routine at work.

When leaders follow these guiding principles, their companies will make substantial inroads to improving employee well-being. Given the existing teams, structure, departments, and social networks they can use to help effect change, organizations are in a unique position to make a real difference in the lives of employees, their families, and their communities. Gallup found that higher well-being among employees accelerates employee engagement, with engaged, thriving employees having the most positive effect in their workplaces. Organizations that find ways to engage their employees *and* increase their well-being will reap the financial benefits of higher engagement and find enormous savings in increased productivity and performance and fewer missed workdays, while enhancing employees' overall quality of life.

Bottom Line

Chronic, preventable disease is a significant barrier to economic growth and recovery. In many of the world's poorest countries, cheap preventative measures like bed nets to block the spread of malaria and chlorine tablets to purify drinking water are underutilized. Further, as more countries become industrialized and urbanized, the evidence suggests that they will likely adopt the sedentary lifestyle linked to the health problems plaguing developed nations. To date, governments and health organizations have been ineffective in developing successful strategies for either chronic disease prevention or healthcare cost containment.

Gallup's research suggests that businesses and organizations might be uniquely positioned to help solve this burgeoning international crisis. Gallup has found that employers have an immense influence on their workers' emotional and physical health — for better or for worse. By taking steps to improve employees' engagement and well-being, companies have the power to make an impact on escalating healthcare costs and disease burden in their countries, one workplace at a time. G