

# How Managers Create a Culture of Engagement That Drives Performance







## Introduction

Over 70% of the global workforce is either not fully engaged or actively disengaged at work, per a recent poll by Mercer | Sirota. In fact, only about 1 in 3 employees report strong feelings of pride, commitment, and energy related to their workplace.¹ However, evidence suggests organizations that achieve high levels of employee engagement have higher levels of customer satisfaction, profit, safety, and other important business outcomes.² CEOs and senior leaders across the world cite it as one of their top challenges,² resulting in companies pouring millions of dollars annually into engagement programs.³ Even so, overall employee engagement levels haven't changed in the last three years.⁴ Therefore, given that a key driver of an employee's engagement is the behavior and practices of their immediate boss, engaging leaders are the first step to create engaged employees.

# What Is An Engaging Leader?

Engagement is the degree to which employees think, feel, and act in ways that show their commitment to the organization. Engaged employees are energized, proud, enthusiastic, and have positive attitudes at work.<sup>5</sup> Leaders can encourage employee engagement by improving communication with employees, creating an environment where employees feel valued,<sup>6</sup> and providing resources such as constructive feedback.<sup>7</sup>

Leaders serve as role models to their employees, and their personality influences how the employees act.8 In fact, it's the personality of the leader that predicts the quality of their relationships with team members, more so than the personality traits of all the team members. In other words, leader personality dictates the quality of the relationship rather than the other way around.9

Hogan argues that an engaging leader will possess certain personality characteristics, which directly affect employee engagement. In a study conducted at a leading refiner and marketer of transportation fuels, Hogan found that a manager's personality influenced direct reports' perceptions of his or her managerial performance. Managers who were perceived by employees as organized and dependable, practical and hands-on, and interested in providing training and development were more effective – and effective managers were twice as likely to have highly engaged employees.

Another study conducted by Hogan found that the personality of managers at a leading manufacturer of jetliners and military aircraft predicts employee engagement. Managers who were calm, business-focused, organized and willing to listen were three times more likely to have highly engaged employees, as compared to managers described as manipulative, arrogant, distractible, and overly attention-seeking.

Finally, Hogan examined employee engagement and leader personality at a leading broadcaster and satellite service provider. Findings showed that more engaging leaders were friendly and cooperative, practical and process-oriented, energetic and entertaining, flexible and progressive, and create environments that are enjoyable. Together, these studies demonstrate the utility of personality as a predictor of engaging leadership behaviors.



# Why is This Important?

The bottom line is that engaged employees are better workers and engaging leaders encourage employee engagement through the environment they create. Leadership personality and values contribute to the overall organizational culture. However, despite the evidence of a strong link between the personality of the leader and employee engagement levels, the vast majority of organizations fail to make this connection when it comes to taking action on their engagement survey results. Helping leaders understand how their personality impacts the energy and productivity they get from their team is the first step in helping the organization create a more engaged workforce – starting from the core: the leader/employee dynamic.

### How Can I Use This Information?

Companies with highly engaged workforces show higher returns on assets, are more profitable, and demonstrate nearly twice the value to their shareholders, compared to companies characterized by low employee engagement.<sup>11</sup> Research clearly shows that possessing an engaged workforce could mean the difference between a profitable organization and failure.

To help organizations create a more engaged workforce through leadership, Hogan and Mercer | Sirota teamed up to create the Engaging Leader report. This report represents an effort to uncover relationships between individual leader personality and employee engagement by giving leaders information about how they behave and how that directly affects their teams' engagement. By leveraging the Engaging Leader report, organizations can develop leaders who will create an environment that engages employees.

For more information on the Engaging Leader report, visit theengagingleader.com

### References

- Mercer | Sirota. (2016). Leader personality and team engagement/effectiveness. Presented at the Hogan Assessment Systems Summit conference, Tulsa, OK.
- 2. Sirota, D. & Mischkind, L. A. The enthusiastic employee: How companies profit by giving workers what they want. Philadelphia, PA: Wharton School Publishing, 2008.
- 3. Brown, D., Bersin, J., Gosling, W., & Sloan, N. (2016, February 29). Engagement: Always on [Web log post]. Retrieved from https://dupress.deloitte.com/dup-us-en/focus/human-capital-trends/2016/employee-engagement-and-retention.html
- 4. Bersin, J. (2016). Predictions for 2017: Everything is becoming digital. Westlake, TX: Deloitte University Press.
- 5. Christian, M. S., Garza, A. S., & Slaughter, J. E. "Work engagement: A quantitative review and test of its relations with task and contextual performance." Personnel Psychology 64, (2011): 89.
- 6. Saks, A. M., & Gruman, J. A. "Manage employee engagement to manage performance," *Industrial and Organizational Psychology:* Perspectives on Science and Practice 4, (2011): 204.
- 7. Crawford, E. R., LePine, J. A., & Rich, B. L. "Linking job demands and resources to employee engagement and burnout: A theoretical extension and meta-analytic test," *Journal of Applied Psychology* 95, (2010): 834.
- 8. Trow, D. B., & Smith, D. H. (1983). Correlates of volunteering in advocacy planning: Testing a theory. In D. H. Smith, & J. Van Til (Eds.), International perspectives on voluntary action research (pp. 96-104). Washington, DC: University Press of America.
- 9. Yoon, D. J., & Bono, J. E. "Hierarchical power and personality in leader-member exchange," *Journal of Managerial Psychology* 31, no. 7 (2016): 1198.
- 10. <u>Giberson, T. R., Resick, C. J., & Dickson, M. W. "Embedding leader characteristics: An examination of homogeneity of personality and values in organizations," *Journal of Applied Psychology* 90, no. 5, (2005): 1002.</u>
- 11. Macey, W. H., Schneider, B., Barbera, K. M., & Young, S. A. Employee engagement: Tool for analysis, practice, and competitive advantage. Malden, MA: Wiley-Blackwell, 2009.