

12

The Elements of Great Managing

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MAIN IDEA

When The Gallup Organization analyzed more than one million employee interviews, it was found there really were only twelve elements which employees needed their managers to provide in order to create a high-performance work environment.

The 12 elements of great managers

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|---|--|----|---|
| 1 | Let everyone know what is expected of them | 7 | Make everyone's opinions count |
| 2 | Ensure people have all the tools they need | 8 | Help everyone feel their job is important |
| 3 | Let people actually do what they do best | 9 | Associate with others who do quality work |
| 4 | Give recognition and praise for jobs done well | 10 | Encourage strong and vibrant friendships |
| 5 | Care about employees on a personal level | 11 | Evaluate performance in person regularly |
| 6 | Foster and encourage personal development | 12 | Provide opportunities to learn and grow |

In short, if you want your people to do great things for your organization, make sure you do these twelve things for them.

Element #1 – Let everyone know what is expected of them Page 2
Great managers combine individual efforts to create the greatest feasible cumulative results by first ensuring everyone is working towards a common objective. Synchronization produces tangible gains.

Element #2 – Ensure people have all the tools they need. Page 2
As basic as this may seem, great managers make certain their people have the right tools to do their jobs. When people feel confident the company backs them up, they will generally perform better.

Element #3 – Let people actually do what they do best Page 3
Matching the right person to the right job is one of the most challenging assignments there is in business. Great managers create opportunities for people to do what they do best day-in and day-out.

Element #4 – Give recognition and praise for jobs done well. Page 3
Great managers reinforce positive and productive behavior by giving genuine praise where it's due. When this is done consistently well, a culture of achievement just naturally emerges and grows.

Element #5 – Care about employees on a personal level Page 4
Great managers genuinely care about their people. They don't just view them as interchangeable parts of the overall business. Instead, results-driven managers take a personal interest in their employees.

Element #6 – Foster and encourage personal development Page 4
Superior managers mentor those who work with them. They work closely with them, steer them in the right direction, feed them appropriate development activities and help them get ahead.

Element #7 – Make everyone's opinions count Page 5
Great managers listen to their staff. They show by their subsequent actions that the opinions of their workers count for something and are valued by the company. This significantly enhances productivity.

Element #8 – Help everyone feel their job is important Page 5
High-performing managers have the knack of making everyone feel like what they do is important and valued. How they do this varies but when people feel connected, they are just naturally more productive.

Element #9 – Associate with others who do quality work. Page 6
People who are putting in 100-percent effort into their work often resent having to carry those who are less committed. Great managers understand this dynamic, and work to make sure everyone contributes.

Element #10 – Encourage strong and vibrant friendships Page 6
While this may sound touchy-feely, the data shows people are more productive when they have a best friend who works alongside them. Great managers create circumstances where friendships can grow.

Element #11 – Evaluate performance in person regularly. Page 7
People actually prefer knowing exactly where they stand within the organization. Great managers provide regular, systematic and ongoing performance evaluations. They don't let this get lost in the shuffle.

Element #12 – Provide opportunities to learn and grow Page 7
Great managers understand people crave opportunities to learn and grow at work. They create win-win situations where people take on stretch assignments which will be highly beneficial for the organization.

Bringing the 12 elements together Page 8

12 Elements

1

Let everyone know what is expected of them

Great managers combine individual efforts to create the greatest feasible cumulative results by first ensuring everyone is working towards a common objective. Synchronization produces tangible gains.

Talent alone won't generate superior performance, even if you've got individual star performers involved. A team of average performers who understand how to work together well will consistently outperform a collection of individual stars over the long term. The key to generating impressive team accomplishments is to get everyone on the same page and focusing on a common objective first and foremost.

When you organize your team around the right objective or set of objectives, you make it possible for the team members to build on each other's work rather than attacking the challenge separately and independently. The first step in orchestrating superior performance is to let everyone know where your organization needs to be heading in the future. Once that happens, then managers can work on how to knit everything together seamlessly and professionally. The idea is to get everyone engaged and pooling their brainpower and know-how.

Note, however, having a common objective is more than providing everyone with a job description. Rather than just a simple statement of the goal, people need to know:

- How what they do will fit in with what others are contributing.
- How the organization's expectations will change in response to changes in external conditions and circumstances.

In an effective organization, the people involved will pay close attention to these two factors. Everyone needs to know how to do their own job in concert with others so the organization as a whole can accomplish the larger goal. When that happens, real and genuine team work can be engaged in.

Put differently, knowledge in any organization takes two forms:

1. *Explicit knowledge* – which is knowledge of the basics involved in running the business. Every company in the industry will know these general rules and requirements.
2. *Tacit knowledge* – which is a keen awareness of the other person's style and what they are likely to do in any given situation. This is learned by hands-on experience rather than by reading manuals or listening to lectures.

In average organizations, people rely more or less exclusively on their explicit knowledge of what needs to happen. In high-performing organizations, there is both explicit and tacit knowledge brought to bear. People adjust according to what others around them are doing. The first step in making this happen is to get everyone on the same page. Managers have to communicate and let people know what is expected of them.

“Substantial gains on the First Element alone often correlate with productivity gains of five to ten percent, thousands more happy customers and 10 to 20 percent fewer on-job accidents.”

– The Gallup Organization Employee Engagement Business Impact Database

12 Elements

2

Ensure people have all the tools they need

As basic as this may seem, great managers make certain their people have the right tools to do their jobs. When people feel confident the company backs them up, they will generally perform better.

Few things are more frustrating to employees who genuinely want to do great things at work than to be held back by having inadequate equipment or resources. This is intensely demotivational. If you want your people to get good things done, prime the pump by first making sure they have everything they need at hand.

So what are the tools people need to be fully productive? A partial list would include many obvious but also some less obvious resources:

- Up-to-date and accurate information.
- Support and training resources.
- The right equipment which runs reliably and with a minimum of down-time or servicing.
- An adequate level of supplies of all the raw materials needed.
- The ability to approach head office to secure the authority or money needed to fix any problems which are happening at ground level.

If you really want to get the best from your people, take the time to consider how much freedom everyone in your organization has to vary the standard toolkit supplied to them. There are times when even small and seemingly minor changes in this standard toolkit can make a big difference. As you allow people to make these changes, there can be huge dividends in the level of personal engagement they feel. This can be something as simple as adding an inexpensive piece of office equipment which will get used daily or allowing employees to modify the software being used to better accommodate their personal preferences or work demands.

A good approach is to bring everyone together on a regular basis to discuss concerns and generate ideas about how to make improvements. Let people outline what is working for them and any little tweaks they may have come up with which generate significant improvements. Bring out any frustrations everyone feels about inadequate resources or equipment which is not running properly. This is also an opportunity to discuss safety issues or other concerns. If you work hard at making sure everyone have the resources they need to be fully engaged and productive, this can generate a boost in morale and performance. Even if you use these meetings merely to develop a list of the resources you'd like to have available in the future, at least this would act as a good starting point for your planning.

“Those managers with bottom quartile Second Element scores average 20 to 40 percent higher employee attrition than top quartile managers, representing millions of dollars in direct and indirect turnover costs. Less than one-third of employees agree they have the materials and the equipment needed.”

– The Gallup Organization Employee Engagement Business Impact Database

12 Elements

3

Let people actually do what they do best

Matching the right person to the right job is one of the most challenging assignments there is in business. Great managers create opportunities for people to do what they do best day-in and day-out.

In the early 20th century, social scientists hypothesized everyone starts out as a blank slate and can be shaped to become great in one specific field or another by sufficient training and practice. Under this viewpoint, whether we become doctors, lawyers or merchants is a byproduct of our early environment and nurturing more than any other factor. It wasn't until the late-1990s when scientists were finally able to actually measure and record differences in brain anatomy that it was accepted some people come naturally "pre-wired" to be innately better at some tasks than at others. Although this is still an evolving field of research, all of the data now flooding in suggests some people are genetically equipped to excel in one area of activity while others are similarly equipped to excel in a completely different field of endeavor.

Perhaps this explains at least in part why it is often so difficult to come up with the answer to what is a very simple question: "Who would excel in this assignment?" Often, answering that question merely ends up generating a series of follow-up puzzles:

- What makes one person fail in this position while another person excels, given the same input and resources?
- Is success the result of something innate, or does the person in the position just need to try a little harder?
- Can excellence in this role be learned or does it require a natural born performer?

More and more studies are suggesting the right combination of personality traits, talents and abilities underpin success than any amount of formal education or even previous experience. To get ahead of the curve in this area, you need to get into the habit of looking systematically at job candidate's inherent tendencies when matching them to a job. This talent-based approach is more likely to be successful in matching people to the right jobs than obsessing over formal education and experience has ever been.

Figuratively speaking, to get the most from your team, you need to get the right pegs in the right holes – you need to make sure people are placed in the jobs they are most likely to excel in because they are a good fit with how that person likes to work. When that happens, employees lose themselves in what they're doing and become internally motivated. If at all possible, make it clear that how the person achieves the goal really does not matter all that much. Let each person use their own unique skills and aptitudes to get the job done in their own style. When that happens to an extensive degree, your organization will move forward by leaps and bounds. This is all about building on strengths rather than correcting weaknesses.

"Organizations focused on maximizing the natural talents of their employees increased engagement levels by 33-percent per year, a net gain of \$5.4 million in productivity per organization."

– The Gallup Organization Employee Engagement Business Impact Database

12 Elements

4

Give recognition and praise for jobs done well

Great managers reinforce positive and productive behavior by giving genuine praise where it's due. When this is done consistently well, a culture of achievement just naturally emerges and grows.

In most workplaces, praise is much less likely to be given than reprimands or complaints. This is unfortunate because it creates a perception a person's best efforts are routinely ignored, which is hardly what could be considered motivational. In fact:

- Employees who feel unappreciated are more likely to quit, meaning the company has to invest in hiring and then training someone new.
- When people get praised, they tend to work harder in the future. Studies have suggested this positive mind-set alone boosts productivity by 10- to 20-percent.
- Positive employees are far more likely to generate engaged and happy customers, which sometimes boosts bottom-line profits substantially.

Cultures of recognition are relatively rare in the business world. Why is this? There are two potential main reasons:

1. Humans are better wired to receive praise than to give praise – which means we just naturally enjoy being praised but struggle to do the same for others.
2. Our survival instincts mean we're more vigilant for bad news than we are for positive events. In simple terms, we pick up on potential threats more efficiently than we do the things which are nice.

To offset this natural "negativity bias", you need to make a conscious effort to give more recognition and praise. In fact, at least every seven days you should find something positive to compliment your people on:

- The fact they have got their reports prepared on time.
- People staying behind on their own time to help their peers.
- Noteworthy accomplishments.
- Meeting or exceeding quotas or targets.
- Going beyond the call of duty to help out.
- Employees completing special tasks.
- People completing training programs.

The really good thing about giving genuine praise is studies have shown praise can be statistically linked to increases in happiness and job satisfaction not only for those who receive it but also for those who give it. Genuine recognition is a win-win proposition for everyone involved.

"Variation in the Fourth Element is responsible for 10- to 20-percent differences in productivity and revenue, and thousands of loyal customers to most large organizations. Because of its power, ridiculously low cost and rarity, the Fourth Element is one of the greatest lost opportunities in the business world."

– The Gallup Organization Employee Engagement Business Impact Database

12 Elements

5

Care about employees on a personal level

Great managers genuinely care about their people. They don't just view them as interchangeable parts of the overall business enterprise. Instead, results-driven managers take a personal interest in their employees.

Irrespective of how much technology may have advanced, human nature is still very much the same as ever. Deep down, people still want to belong to an organization or business enterprise they can be proud of. People enjoy and value the social benefits of belonging and feeling supported. If you take an interest in your people, your business will reap the rewards of better and more aligned teamwork.

Note caring about people on a personal level cannot be faked. You can't adopt the best practices of other workplaces and transpose them into your setting. Instead, you need to be authentic and genuine in what you do.

Some of the things which have worked for other managers and which you may want to try in your business to show the people you work with you care about them are:

- Follow the common social courtesies such as wishing people "Good morning" and asking about their families and so forth. Just simple small acts like these will communicate that you acknowledge them.
- Set some inspiring goals and then post progress results towards that goal on the walls where everyone can see what's happening. This builds a culture of involvement rather than saying only the inner circle should know what's going on.
- Have an open-door policy which is well signaled and communicated. Make it clear anyone can approach you at any time to discuss their concerns openly and candidly. Be willing to work things out with people informally and fairly.
- Do some fun and zany stuff to send the signal it's alright to be yourself and have some fun while at work. You may even enter into the spirit by wearing costumes to work or by putting on inline skates and skating through the building. All of these sorts of things have the effect of humanizing you and making you much more approachable.
- When great things happen, hold some genuine celebrations and invite everyone along. Have some events people will still rave about years after the fact. Let people mark their wins in meaningful ways.
- Do whatever it takes to get to know your people and to convince them you want to see them succeed. Let everyone know you believe they can accomplish great things and that we're all in this together, so let's get to work.

"The correlation between not feeling cared about and resigning has been observed repeatedly in studies of individual companies in the Gallup database and in analyses where data from many organizations is combined."
– The Gallup Organization Employee Engagement Business Impact Database

12 Elements

6

Foster and encourage personal development

Superior managers mentor those who work with them. They work closely with them, steer them in the right direction, feed them appropriate development activities and help them get ahead.

To mentor someone and enhance their career requires personal interaction. This is an activity which must be carried out one-to-one rather than in bulk. It's just natural for employees to want to report to someone who is actively working on their behalf. By fostering and encouraging personal development, you form a social contract with flow-on benefits to all the other elements of effective management.

Paradoxically, the more formalized a mentor program becomes, the less effective it is. The best mentoring programs tend to be informal, unofficial and voluntary. Effective mentoring relationships are self selecting and mutually agreeable. When the attempt is made to force these relationships, their effectiveness is usually somewhat diluted.

The most common mentoring relationships are where experienced veterans help newcomers learn the ropes, or where established executives take new executives under their wings and provide career guidance and support. People who have been mentored themselves at key points during their careers often feel a desire to reciprocate and help other newcomers become more at home.

Not everyone who is a mentor actually goes by that title. Instead, a mentor might be:

- A good "friend" who can provide ongoing advice.
- A "peer" who give the inside line on how to do things.
- A "business coach".
- A close "confidant" or "adviser".
- A corporate "sponsor".
- A "counselor".
- A "supporter" or career "booster".

In practical terms, when people find mentors, they feel like they fit in rather than feeling abandoned. A good mentor helps people learn the ropes and do whatever is needed to prepare for advancement opportunities. Mentors help bring the corporate goals to life and give confidence they are within reach rather than merely hypothetical possibilities. And of equal importance, mentors derive satisfaction from seeing the people they work with excel. This create a boost in morale for everyone concerned – the mentor, the person being mentored and the organization for which they work.

"It is difficult to get traction on any of the other elements without the Sixth. On average, four in ten feel neither their manager nor anyone else is looking out for their development. A mere 1-percent of those who have no mentor are able to achieve real engagement with their employer through the strength of the other 11 elements."
– The Gallup Organization Employee Engagement Business Impact Database

12 Elements

7

Make everyone's opinions count

Great managers listen to their staff. They show by their subsequent actions that the opinions of their workers count for something and are valued by the company. This significantly enhances productivity.

More often than not, the best ideas on how to improve anything come from the people who have hands-on involvement. When you incorporate feedback and suggestions from employees into everything which happens in your workplace, you'll usually end up creating more engaged employees and happier customers. In direct terms, people take greater personal ownership of what's being achieved when they have a say in what's going on.

External performance-based incentives are all well and fine but people are only going to put forward their most creative ideas when they think there is some point in doing so. This is the difference between a workplace where the boss says, "Do it my way" or where the prevailing attitude is "We're all in this together so what improvements do you suggest"? When you listen to everyone's opinions and ideas, you acknowledge this is their workplace too and not just somewhere they come because they have no other options.

Incorporating employee ideas often has two different paybacks:

1. You get good ideas which are practical and applicable to the specific workplace involved. Employees don't usually put forward suggestions which are highly theoretical and universally applicable. Instead, when an employee suggests some new idea, you most often get a practical idea which is specific to the needs and requirements of where they work day-in and day-out.
2. When employees know the idea has come from their own ranks rather than the management, they are often more committed to executing successfully. Employees feel like they are being treated with respect and that the company treats them fairly. They feel something of a vested interest in making the ideas suggested by their own peers work, which is great from the overall business perspective as well. They even make discretionary inputs into making the new idea work which are beyond their standard job requirements.

If you can foster an ability to make people feel like they are important by listening to their ideas and then acting on the best ideas which are put forward, productivity can be boosted and enhanced. Even better, you will create a great place to work because people will be working together to achieve something of note. That boost in workplace morale has many potential flow-on benefits well worth generating.

"Improving the proportion of employees with high Seventh Element scores from one in five to one in three has a substantial impact on customer experience, productivity, employee retention and safety, all of which create, on average, a 6-percent gain in profitability."

– The Gallup Organization Employee Engagement Business Impact Database

12 Elements

8

Help everyone feel their job is important

High-performing managers have the knack of making everyone feel like what they do is important and valued. How they do this varies but when people feel connected, they are just naturally more productive.

When people know how their jobs fit into the grand scheme of things, they become energized. This is such a powerful motivator that it's not uncommon in the business world for employees to turn down higher paying offers to remain where they feel a strong sense of connection to what's being achieved. Humans just naturally gravitate towards larger and more noble purposes than self-interest alone.

Since everyone likes to feel that what they are doing "makes a difference", you should do all you can to provide just such a setting. Keep in mind people tend to view their employment in three ways:

1. As a necessary inconvenience.
2. As a career and a way to work up the corporate ladder.
3. As a "calling" where the work is an end in and of itself because it "makes the world a better place".

Obviously, the more a person gets out of their employment, the more your organization will get out of them in return. The more connected and engaged a person feels, the higher the quality of their work will become. If you have a large proportion of your workforce who are just there to draw a paycheck, this will be a drag on your business profitability.

It will be unrealistic to expect all your employees to view their jobs as callings in life but at the same time you should do everything possible to help everyone feel like what they are doing is important and valued. Some ideas:

- Develop a corporate mission statement which incorporates some high ideals and noble concepts. People naturally gravitate to lofty aspirations such as these.
- Do everything reasonable to make jobs with your organization come alive and become meaningful in the eyes of your workers. Let people see the everyday value they provide to customers and feel good about that.
- Undertake some stiff challenges and get people enthusiastic about achieving what everyone else considers to be impossible. When people have walked through the fire, they will form a strong bond with your organization and with their peers. Do highly impressive things and work hard to meet some very tight deadlines.

"Business units in the top quartile of Gallup's engagement database on this element average from 5 to 15 percent higher profitability than bottom-quartile units. Mission-driven workgroups suffer 30 to 50 percent less accidents and have 15 to 30 percent lower turnover."

– The Gallup Organization Employee Engagement Business Impact Database

12 Elements

9

Associate with others who do quality work

People who are putting in 100-percent effort into their work often resent having to carry those who are less committed. Great managers understand this dynamic, and work to make sure everyone contributes.

Having one group of employees who are attempting to get by on the efforts of everyone else is highly corrosive for any organization. Nobody likes having to carry free-loaders or baby-sit coworkers. When everyone shares the same work ethic and feels a keen sense of responsibility to each other, impressive things can and will happen.

People who are part of a cohesive team where it is perceived everyone is pulling their weight routinely feel better about themselves. They also feel more secure, less likely to want to move to other employment opportunities and more productive. With these types of benefits available, it makes good management sense to ensure everyone in your organization feels committed to making good things happen.

Ideally, you want to ensure everyone within your organization is contributing to the best of their abilities. So how can you achieve this in practice, especially when there is a need to be adding new people to the various teams all the time? There are no hard-and-fast answers, but some helpful suggestions might be:

- Begin by letting each team try some self-policing first. Let the fully engaged team members send some subtle social signals to the nonperformers. Sometimes even a serious chat over coffee will be enough to put a nonperformer on notice everyone else expects them to shape up or ship out.
- You might also consider becoming more involved in policing this balance of effort more openly. When you feel in your gut someone is performing below their abilities, put them on formal notice. By all means discuss a way forward but let them know unequivocally they need to do more. This will be well supported by the other members of the team because the only thing worse than having a slacker in their midst is having a manager who lacks the backbone to do anything about the situation.

Keep in mind whether you like it or not, your organization's overall standard of performance is set by whoever is doing the least amount of work. If you want to have any chance of reaching the ranks of the best-in-class performers in your industry, you'll need to work hard at bringing together a team where everyone contributes equally. This is the only way you can unleash the typical business synergy of $2 + 2 = 5$. If you tolerate nonperformers, all you'll end up with is $2 + 2 = 3$.

"At an Australian bank, variation in the Ninth Element accounts for a 14-percent difference in profitability across its many branch offices. For a food manufacturer in Europe, this accounts for a 51-percent range in on-the-job accidents."

– The Gallup Organization Employee Engagement Business Impact Database

12 Elements

10

Encourage strong and vibrant friendships

While this may sound a little too touchy-feely, the data shows people are more productive when they have a best friend who works alongside them. Great managers create circumstances where friendships can grow.

Pure and simple people do their best work when they get to associate with others they call friends. This may appear to be a subjective element but there is a correlation between friendships and high performance which can be scientifically confirmed. With this in mind, you'd be smart to do all you can to create a work environment with multiple opportunities for at-work close friendships to flourish.

The benefits of letting people work with their friends are numerous and obvious:

- Shrinkage and at-work thefts drop because people generally agree with the principle they wouldn't steal from their friends.
- Accident rates tend to be lower because people look out for their friends much more than they do for someone who has just walked in off the street.
- There is an increased willingness to put in whatever hours are required when people are working alongside friends rather than people who just happen to be employed by the same company.
- Workers are far more likely to share their ideas and suggestions for improvement candidly when they feel like their friends are listening.

In fact, to take a common example, many people hate commuting to work unless they are spending that time interacting with one of their very good friends. When people travel to work with a friend, this becomes a very enjoyable activity they look forward to. This same dynamic extends to all kinds of business activities.

With these kind of genuine business advantages available, it makes good sense to encourage people in your organization to form strong friendships with their co-workers. Naturally this cannot be done by decree from on high but you can create opportunities for friendships to thrive. This may be something as simple as setting aside regular time where people can mix socially or it may be a matter of putting new employees alongside people who will share common interests and hobbies. A little forethought and planning can greatly enhance the number of friendships which are formed. The solid and quantifiable benefits of doing so will substantially outweigh the costs and efforts required in doing so.

"Large-scale multi-company analyses confirmed the Tenth Element is a salient ingredient in obtaining a number of business-relevant outcomes, including profitability, safety, inventory control and the emotional connection and loyalty of customers to the organization."

– The Gallup Organization Employee Engagement Business Impact Database

12 Elements

11

Evaluate performance in person regularly

People actually prefer knowing exactly where they stand within the organization. Great managers provide regular, systematic and ongoing performance evaluations. They don't let this get lost in the shuffle.

What proportion of your employees receive formal feedback on their performance every year? In one survey, it was found less than one-half of employees or managers had someone talk with them about their progress in the past six months. This is despite the fact there has been a large amount of discussion over various new kinds of evaluation appraisal techniques such as 360-degree feedback, Internet based performance evaluations and so forth.

The simple fact is people like to get some idea of where they stand on a regular basis. They like to know their efforts at making improvements and addressing their weaknesses have been noted and appreciated. In the absence of this kind of feedback, employees are forced to act in what is essentially a vacuum. By providing regular performance appraisals, you actually have more productive employees.

A good performance review should be like holding up a mirror to an employee. It should be a blend of negative and positive elements which both compliments for the progress made thus far while simultaneously laying out a roadmap for the way to move forward in the future. The appraisal needs to be part motivation and part spotlight shining on present weaknesses. If there is a strong linkage between what is actually said in the performance review and future raises or advancement opportunities, then so much the better.

The interesting thing is where a manager is regularly checking in with an employee, he or she tends to feel better about work. There is a greater likelihood the employee feels properly compensated for the work performed. Regular performance reviews also create an environment where the employee feels more optimistic about his or her future with the company. People who receive regular performance appraisals are also more likely to recommend the company to others as a great place to work.

If you're not in the habit of regularly evaluating the performance of your employees, start doing so now. Start with a very simple approach and then fine-tune it as you go along. Tailor your in-house evaluations to the personalities of your people and their circumstances. Then create regular and recurring opportunities to sit down and go over these reviews with each employee. Even the mere act of doing that on a regular basis will deliver some quite impressive productivity gains.

"The Eleventh Element is particularly powerful in driving productivity and safety. Business units in the top quartile on this element realize 10 to 15 percent higher productivity and 20 to 40 percent fewer accidents than bottom-quartile business units."

– The Gallup Organization Employee Engagement Business Impact Database

12 Elements

12

Provide opportunities to learn and grow

Great managers understand people crave opportunities to learn and grow at work. They create win-win situations where people can take on some stretch assignments which will be highly beneficial for the organization.

Everyone wants their career to be moving forward rather than descending into the same experience being repeated year after year. Humans perform to their best capacity not when they are sitting back in their recliners but in the heat of battle overcoming obstacles and really going places. We have an in-built and natural need to progress to be happy. With that in mind, you should be regularly challenging your employees to meet goals which can only be achieved with higher levels of performance.

This is more than telling people to "Do your best". Instead, you have to set specific and difficult-to-attain objectives which are personalized rather than generic. When employees have challenges to meet, they become motivated to learn and grow, which in turn actually makes them happier. Nobody likes the idea of being smothered or anchored permanently in mediocrity. When people are forced to sit in the same cubicle doing the same things year after year, they tend to languish both professionally and personally.

Learning and growth opportunities are central to breaking this "Groundhog Day" phenomena in business. When people feel like their careers are moving forward, they work harder and try to be more efficient. People who feel good about themselves interact with customers more positively and build the kind of relationships which tend to be more profitable. As an added bonus, employees who genuinely find their work interesting and fulfilling tend to come up with better ideas. All of these flow-on benefits come directly from providing worthwhile opportunities for people to grow and learn.

Note not all of these learning and growth opportunities need to be formal training or working closely with a mentor. Just providing people with an opportunity to accept new responsibilities can have the same effect. So too can providing casual informal opportunities to learn the nuances of a different job within the firm. These opportunities may not seem all that important at the time, but when combined with lots of other little signals employees can get the message they are not stuck in one place forever and always. They can see that the key to personal development and career enhancement is to stay with the firm and take advantage of the opportunities which will open up. This will be a huge step forward in your attempts to retain high-performing individuals.

"On average, business units in the top quartile of the Twelfth Element surpass their bottom quartile counterparts by 9 percent on customer engagement and loyalty measures, and by 10 percent on productivity. They have better ideas – a demonstrated correlation."

– The Gallup Organization Employee Engagement Business Impact Database

Bringing the 12 Elements Together

In summary, there are three key additional factors which affect all 12 elements of great managers:



Taking each of these factors in turn:

1. *Compensation or pay packages*

Pay is very difficult to get right because it is such a status-laden and emotive issue. From the perspective of the 12 elements of managing, Gallup research uncovered a few very interesting points:

- Higher pay does not automatically guarantee higher levels of engagement. To achieve that, other factors will always be involved.
- Both good and bad employees will generally be equally adamant they deserve a pay rise.
- It's very easy for there to be unintended negative consequences whenever you try and introduce new financial incentives.
- People genuinely don't want to be paid for doing nothing. They want what they do to have some meaning.
- A person's level of pay is much more about status than it is ever about paying the bills.
- Whenever employees compare their rate of pay with their peers, intense emotions can be brought to the surface.
- In most companies, people love to find out what others are paid but want their own compensation package to be kept private and confidential.
- The best way to establish feelings of fairness on pay is for established salary criteria to be open and very well understood.
- Most employees who feel they are generously compensated feel a genuine desire to repay the gesture and deliver exceptional results for their employers.

It's fair to say that compensation works in concert with each of the 12 elements. Money works as a motivator only when it is combined with all of the non-financial drivers of employee engagement. When workers are considering what they get out of a job, they will certainly start by considering what they are paid but then they will also factor in the numerous and rich psychological benefits of their jobs as well. This suggests efforts made on the parts of managers to create an engaging workplace are just as important as the company's ability to pay for outstanding people.

2. *Senior executives*

Before managers can deliver what is expected of them, they first need to feel like they are being looked after personally. This is where the senior executives can impact on the effectiveness of the twelve elements of great managing. Simply put if senior executives want their organizations to perform, they first need to ensure their managers and supervisors are happy in their own positions. This then produces a cascading effect of job satisfaction.

3. *Doing the right thing for others*

The real paradox of effective managing is those who are best at it don't do it for the money. Great managers work hard to do the right thing for their people. This is almost a spiritual issue which transcends the world of business, irrespective of the personal faith or beliefs of the individual manager involved. The best managers work very hard to help their people excel and thereby often end up creating incredible gains for their respective organizations.

Gallup research suggests the proportion of genuinely engaged workers in the United States is around the 28-percent mark in 2005. That puts the cost of lost productivity at around \$300 billion per year in the United States alone. The research also suggests similar figures can be calculated for every country Gallup studies. It's clear, therefore, that companies lose far more money due to employee disengagement than is ever lost to theft or any other factor. In short, managers count and they can have a significant impact on the financial performance of a company.

Great managers often generate sustained profits for their organizations because they make personal connections which are stronger than merely the profit motive. They live to see the results of their work in the lives of each person they are managing. They feel an obligation to enrich the quality of life – both professional and personal – of their people. And they are willing to invest time in getting that right.

"Worker commitment is by no means the sole source of success. Depending on the company's circumstances, it may not even be the most important. Introducing an incredible new product, finding new production methods, managing currency or commodity risks, perfecting an efficient operating model, and many other variables quite separate from personnel strategy can have dramatic effects on the business's fortunes. But the evidence is clear that the creation and maintenance of high employee engagement, as one of the few determinants of profitability largely within a company's control, is one of the most crucial imperatives of successful organizations. It introduces a powerful edge impossible to replicate through any other channel."

– The Gallup Organization Employee Engagement Business Impact Database