CORPORATE LEADERSHIP COUNCIL®

MANAGER GUIDE FOR IMPROVING ENGAGEMENT

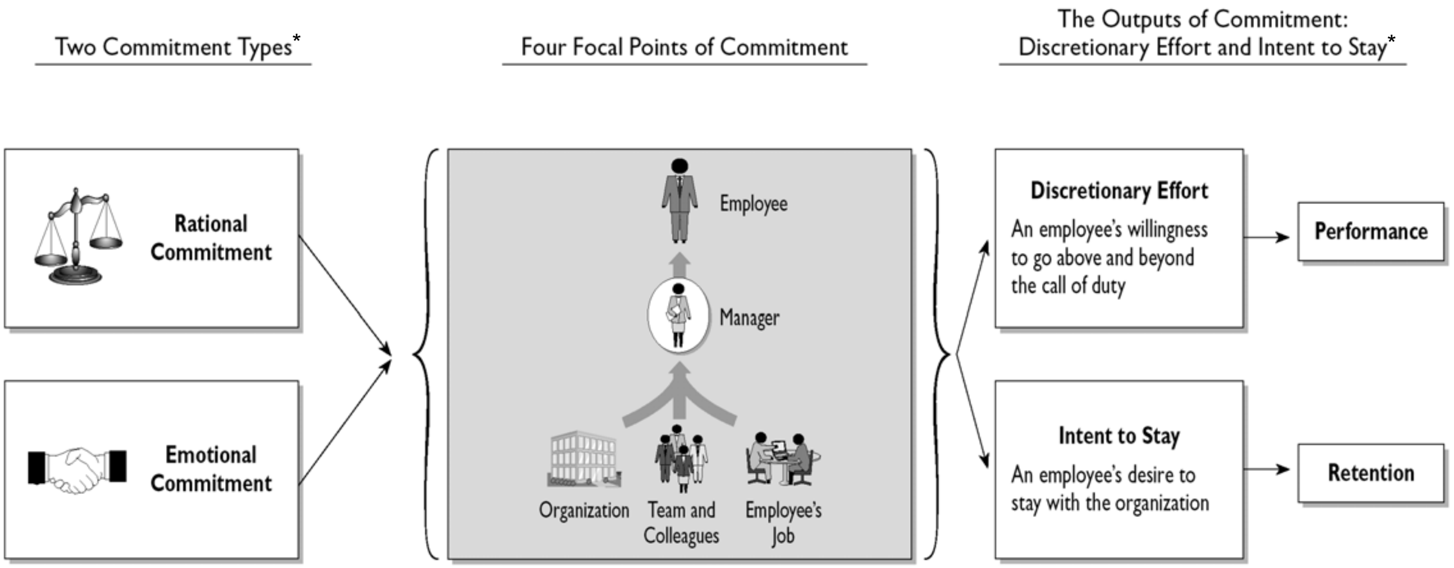
After analyzing over 300 drivers of engagement, the Corporate Leadership Council (CLC) found that managers play the most important role in improving the engagement of employees. As a group, you and other managers are the single most effective factor in driving employee engagement at your organization. In fact, you impact engagement in two ways: through your direct one-on-one relationships with employees and as a conduit for reinforcing the organization's strategic priorities, vision, and values. Within this brief, you will learn what actions you should take to improve the performance of your direct reports and increase the likelihood that the high performers on you team will stay with your organization.

POTENTIAL OUTCOMES OF A HIGHLY ENGAGED WORKFORCE

- Employees that work 57% harder and are 9 times less likely to leave
- An average three-year revenue growth of 20.1% as compared to industry average of 8.9%
- Higher stock price over a period of 3 years as compared to a sample of 500 leading companies in a variety of industries
- Three times higher EBITA growth as compared to industry average

MANAGER'S ROLE IN ENGAGEMENT

CLC defines engagement as the extent to which employees commit to something or someone in their organization and how hard they work and long they stay as a result of the commitment. The following model demonstrates your role as it relates to improving employee engagement.



* **Definitions:**

- **Rational commitment** forms when employees believe that they will personally benefit—financially, developmentally, or professionally—from their teams, managers, or organizations.
- **Emotional commitment** forms when employees believe in, value, or enjoy their jobs, managers, teams, or organizations.
- **Discretionary Effort** is employee willingness to go "above and beyond" the call of duty, such as looking for ways to perform their job more effectively.
- **Intent to Stay** is employee desire to stay with the organization, based on whether they frequently think of quitting or whether they are actively looking for a new job.

TEN MANAGER DRIVERS TO IMPROVE ENGAGEMENT

The following lists the top ten imperatives for you to drive employee engagement. For additional information, access a copy of CLC's study Managing for High Performance and Retention.

1. Provide fair and accurate informal feedback
2. Emphasize employee strengths in performance reviews
3. Clarify performance expectations
4. Leverage employee "fit" to the job
5. Provide solutions to day-to-day challenges
6. Amplify positive employee performance traits and filters negative effects
7. Connect employees with the organizations' strategy and its success
8. Instill a performance culture of open communication, flexibility, and innovation
9. Connect employees with talented coworkers
10. Demonstrate a credible commitment to employee development

FOUR MANAGER IMPERATIVES TO IMPROVE ENGAGEMENT DURING THE ECONOMIC DOWNTURN

Due to the economic downturn, you and other managers play an even more important role in improving engagement as your organization goes through significant change. The figure below provides more detail on the four most important actions for you to take during the downturn. For additional information, access a copy of CLC's study Managing in the Downturn: Four Imperatives to Drive Employee Innovation and Performance.

Figure 1: The Changing Role of the Manager in the Downturn

CHALLENGES DUE TO THE DOWNTURN	MANAGER IMPERATIVES	DESCRIPTION AND IMPACT
Significant change is making it difficult for managers to define employee roles.	Focus on objectives over role definition.	By clarifying employee objectives first, managers can improve discretionary effort by 10% despite business uncertainty.
Employee desire for job recognition is increasing.	Differentiate recognition rather than praise everyone.	Recognition that clearly differentiates levels of employee contribution accurately can improve discretionary effort by 11%.
Although understandable, managers are becoming risk-adverse, which may be limiting employee productivity.	Provide guidelines for innovation, not mandates.	Empowering employees to find creative solutions within manager guidelines can minimize the negative effects of the downturn.
Employee misconduct is rising.	Reinforce organizational values over empathy.	As the conduit for the organization, managers who demonstrate and communicate organizational values can improve discretionary effort by 12%.