

# Creating a Culture of Engagement

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A collaborative/democratic leadership style that drives employee engagement is critical in the current business climate. Why? With the economy's anxiety-producing effects, leaders - now more than ever - must engage employees to maintain focus and productivity. Even if leaders do not come by this style naturally, it is possible to use a well-designed performance management process to hardwire this style of leadership throughout the organization, creating the cultural change necessary for real employee engagement.

## How a collaborative/democratic leadership style drives engagement – and productivity

The hallmark of this leadership style is treating people as partners, taking the time and interest to hear their ideas and opinions, and thus getting buy-in. These leaders build and maintain relationships at all levels, and drive results through influence. The outcome of this style is a workforce that personally invests in the direction and the success of the organization.

In research conducted by Hay Group in 2008, 62 percent of the 1140 companies surveyed world-wide reported that matrix roles are increasing in their organizations. Leaders in these organizations are more often in the position of directing people who do not report to them. They cannot count on being in a role of authority in order to gain the attention and commitment of people. This places tremendous importance on the leader's ability to influence, partner and build relationships. These, of course, are the skills of a collaborative/democratic leader.

At the national level, we have seen the effect of this style of leadership. The Obama team, during the campaign

and beyond, has gone to unprecedented lengths to involve and engage the public through a well-organized two-way communication. They have engaged people in the conversation, sparking their interest in participating in the national agenda.



Research by Gallop has shown that engagement drives productivity, profitability, retention and customer satisfaction. Of course, Gallop's engagement survey is legendary and is recognized as a tool to measure the strength of an organization. In their database, employees who respond more positively to the Gallop survey questions are the employees who work in the more profitable companies.

Utilizing a collaborative leadership style that creates and maintains a culture of engaged people appears to make sense any way you look at it, whether trying to counteract the negative effects of an unfavorable business climate, shoring-up the effectiveness of a matrix organization or enhancing business results.

## **The performance management process reinforces collaborative leadership**

As practitioners working within organizations for more than 15 years, Talent Strategy Partners has witnessed companies make significant strides in employee engagement through performance management. In the performance management process, there are four key factors that drive engagement, and they are directly related to collaborative leadership and goal setting.

The first factor is a high degree of involvement. Talent Strategy Partners' consulting model is to partner with clients, at all levels. The very design of the program is a collaborative endeavor with employees and managers across the company. This can be accomplished through focus groups, as well as cross-functional groups where employees are involved in choices about what program components will work best in their organization. As a result of this model, the organization owns the performance management program and people throughout the organization are invested in its success. Gaining the buy-in of people throughout the company - and particularly those who are opinion leaders - early in the process is a powerful success factor and ensures employee engagement.

The second key factor is the ability to see the big picture. The performance management process is designed to ensure that managers and employees collaborate to set employee goals that are aligned with the company's goals. This model of "cascading goals" is a vehicle for communicating to the workforce what is important to the company. When individual goals are clearly aligned to work group, department and company goals, people can see how they fit into the big picture, how they contribute. Furthermore, having truly relevant goals helps people understand what is expected of them. Gallop research reports that the yardstick, "I know what's expected of me" most highly correlates with engagement.

The third factor is shared ownership. The best performance management programs require employees to take an active role in establishing their goals

and monitoring progress toward those goals. When participation is baked into the process it further reinforces the concept of collaboration. For managers who do not "naturally" seek input and gain buy-in, the process of partnering with employees to set goals and monitor progress gives those managers a guide book.

Communication is the fourth key factor. When designing a performance management program, the development of a communication strategy is critical. Successful implementation of performance management requires that people know why it is important and the steps and their role in the process. Training and communication play a key role. But what is even more important is that communication continues after implementation. And since people absorb information best when it is delivered multiple ways and from multiple sources, it is most effective to have written pieces reinforced by managers in formal and informal meetings/conversations.

Every year, people need to know what the company's goals are so they can develop meaningful individual goals. Putting a process in place where company goals are announced, and then managers "translate" those goals into action steps with their group, exercises the manager's collaborative leadership skills. To further enhance the manager's ability to lead a discussion or goal-setting meeting, having a script is an effective support. This script is a "manager toolkit" which provides everything a manager needs to effectively facilitate the performance management process. In addition to supporting the development of a collaborative leadership style among managers, it also ensures consistency of messages.

A well-designed performance management process that emphasizes these factors will reinforce collaborative leadership throughout the organization, which, in turn, will drive employee engagement. In this economic climate, no organization can afford to be paying employees who are not fully engaged and working at peak productivity.



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