Achievers

The Secret Weapon to Driving Employee Success: Your Managers

INTRODUCTION

Employees don’t leave companies. They leave bad managers. Bad managers are the number one reason employees quit. We’ve all experienced them at some point. They are the leading cause of employee disengagement. Today, 70 percent of North American employees feel indifferent or disengaged at work, costing the U.S. economy nearly $500 billion every year[1] in lost productivity, substandard performance, and employee turnover.

Great managers can mean the difference between superior and average business performance.

On the other hand, great managers have a tremendous impact on improving employee engagement that leads to superior business performance. The few great managers who forge strong relationships with their teams tend to accomplish great things. Great managers can mean the difference between superior and average business performance.

If business were a sport, your employees would be your competitive advantage. But they need great coaches throughout every game. In any sport, coaches don't wait to provide feedback to their players annually. Can you imagine if they did? Winning teams provide inspired coaching continuously - in the moment. They align players with the team's game strategy. They engage players with constant feedback and recognition for playing smart and working hard. Your employees need coaches to help them meet their strategic objectives, too. They need someone who believes in their ability to succeed, while providing helpful advice and support. Your managers must be winning coaches – if, like a team owner, you insist they be.

So where do great managers come from?

This e-book will help you identify where great managers are and how to utilize them as a secret weapon in achieving business success. We'll teach you how to successfully avoid common manager pitfalls, and train your managers to drive engagement, alignment, and recognition of employees.

Let's get started. Your managers are waiting.

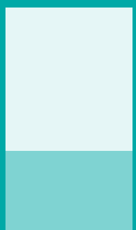
Transform your managers now.

LEARN MORE

THE CHANGING WORKFORCE

The Incoming Workforce

▸ WHICH IS MORE IMPORTANT TO YOU?



64%
Being recognized for individual accomplishments

36%
Being recognized for team accomplishments

▸ WHAT DO YOU EXPECT FROM YOUR MANAGER?*

79%
Immediate feedback

38%
Bi-annual feedback review

37%
Annual feedback review

1%
None - I don't like feedback

*Respondents selected all applicable answers.

The average Millennial stays with an organization fewer than two years. Great mangers are essential in attracting and retaining the Gen Y employees that will account for 50 percent of the workforce in less than five years by giving them what they need to be successful. According to a recent survey from ConnectEDU and Achievers, nearly 80 percent of the graduating class of 2013 expects immediate feedback from their managers. Another 64 percent of Millennials find recognition for individual accomplishments more important than recognition for accomplishing team goals, and they highly value career advancement opportunities and interesting, challenging work.[2] If companies don't change to meet the demands of the modern workforce, they may find themselves with unhappy employees – who will leave without looking back.

In addition to the new workforce, customers now play a more important role inside your business. They control it by the nanosecond. If your employees aren't providing service that exceeds customer expectations, your company is at risk of falling behind competitors. Zappos isn't always the cheapest retailer, yet remains a U.S. go-to when it comes to buying shoes and other clothing online. The reason is simple: They do whatever it takes to make life-long customers. Do your employees?

MANAGERS HAVE IT TOUGH

According to The Wall Street Journal, "Midlevel managers—whose ranks numbered 10.8 million in the U.S. last year, based on the Bureau of Labor Statistics—are often dismissed as paper-pushers, perpetuators of group-think and symbols of organizational bloat."[3] Ouch.

The article also reveals that despite an alarming lack of confidence in their abilities, managers are still expected to turn big-picture business strategy into measurable results. And their challenge doesn't stop there. As organizations become more agile and adopt more cross-functional structures with accountability spread throughout organizations, middle-manager resources are spread thinner than ever, causing managers to have to coach even more effectively and continuously.

For the past few decades, companies have operated on leaner budgets, putting pressure on middle managers to do more with less.

With all that responsibility and even less support from corporate, plenty of shortcomings attributed to managers are actually not their fault.

Five Manager Problems That Aren't Their Fault

LACK OF COACHING SKILLS.

People management is not an innate skill, so don't expect your managers to pick it up without training. Especially when promoting from within, make sure your manager either has previous management experience or has been given management training opportunities.

INVISIBLE EMPLOYEES.

Managers can't be everywhere at once, so it's impossible for them to see every accomplishment (or failure) their employees deliver. The answer? One in five people in the world owns a smartphone. Find ways to improve visibility through technology, and you'll give managers more opportunities to coach and recognize accomplishments when it's most important – in the moment.

INADEQUATE PERFORMANCE REVIEWS.

In most companies, performance appraisals are time-consuming and too infrequent to be of value. Managers and employees are asked to remember important details from the beginning of the year, far too removed to be accurate, helpful, or fair. Encourage managers to schedule more frequent reviews to maximize results (and minimize dread).

LEADERSHIP BUY-IN.

Over 50 percent of middle managers are perceived as not being able to drive business success by their superiors. Therefore, superiors should take the time to regularly recognize middle managers for their teams' accomplishments and for effective coaching. Recognition will amplify this kind of performance.

ACCOUNTABILITY.

If there isn't accountability in meeting objectives—or objectives are not set at all—don't be surprised when none are met. Make your managers accountable to their bosses and reward them when they meet targets for retention, engagement, and the other things for which they are responsible.

THE SECRET WEAPON EXPOSED

The only thing tougher than being a leader is being a middle manager. Middle managers receive fewer resources, manage more people, and are less engaged than all other employee groups.[4] But they add incredible value. In fact, new research suggests that these managers are just as crucial as senior leaders to the company's bottom line.

The Secret Power of Middle Managers

Middle managers are significant drivers of business success because they are required to be simultaneously strategic, tactical, and operational. However, they must be able to understand team dynamics, develop top talent, delegate, and motivate, and make informed decisions that positively impact the business.[5]

Middle managers are also the strategic bridge between senior leaders and employees. Without them, employees would not have a higher level liaison to guide them in achieving the company's objectives, which are most often set at the executive levels. Employees would not have someone to explain how their performance impacts overall business success and would become completely detached from the bigger picture — a certain path to disengagement. Middle managers need to be informed about the nuances of the business every day and they must be able to provide in-the-moment information to their employees to align them with the company's goals.

Although middle managers act as a bridge between senior leaders and employees, it's also important that they understand the tactical aspects of employee performance. Managers are responsible for guiding employee performance by providing specific and timely feedback to ensure that employees stay on task to meet their goals.

Middle managers have a measurable impact on business results and influence the business significantly more than individual contributors.

A recent study from the University of Pennsylvania found a 35% difference in levels of performance between teams led by strong versus weak management.

MANAGERS NEED COACHES TOO

If you're wondering how to start empowering your managers, look no further than your senior leaders. Middle managers have a big job to do and they cannot be successful without support from the top.

Have Your Senior Leaders Dropped the Ball?

The Boston Consulting Group reports that middle managers have experienced the most dramatic decline in engagement since the recession. Part of the problem is that no one is supporting them. Another survey reports that 37 percent of senior leaders either never or only sometimes hold their direct reports accountable for helping middle managers achieve their goals.[6] Often senior leaders fail to recognize the importance of the partnership that exists between themselves and middle managers in working toward the same objectives together.

If senior leaders want their employees to be aligned to the company vision they need to better utilize their middle managers.

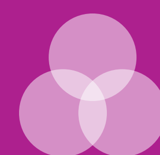
The Trifecta of Engagement

Senior leaders, managers, and employees can only improve engagement together as one team. None of these groups can impact engagement in isolation. Furthermore, the Human Capital Institute reports that the biggest differentiator between a poorly engaged workforce and a highly engaged one—in other words, between sporadic engagement and sustained engagement—is the support from senior leaders and managers.[7]

So what happens when you hold managers accountable for employee performance? According to a recent study by Bersin by Deloitte, as soon as business leaders prioritize manager accountability, there is a dramatic increase in above-average business results.[8]

It's time to make sure that managers have great coaches, too. It's critical for executives to understand the manager's role in top and bottom line results.

THE TRIFECTA OF ENGAGEMENT



Senior leaders, managers, and employees can only improve engagement together as one team.

The key takeaway: there are significant advantages for your business in empowering managers to succeed. And it all starts with senior leadership.

Seventy-seven percent of organizations with senior leaders who hold middle managers accountable for helping employees meet business goals have above-average business results.[9]

If that doesn't sound like your workplace, get started with the list below.

How to Create Senior-Led Accountability:

1. Assess where you stand. Ask your senior leaders three important questions:
   a. Do you believe that holding managers accountable is important?
   b. Are you comfortable having conversations with direct reports about supporting employees?
   c. Are there structural barriers that keep you from holding your direct reports accountable?

2. Identify a group of senior leaders within your organization who successfully hold their direct reports accountable and track their results.

3. Share results with senior leaders who are not doing so to show them the value of senior leader-led accountability.[10]

4. Keep it up. Once your new policy is in place, establish a rhythm and a frequency for reporting that works for your organization—the odd check-in here and there isn't enough to effect lasting change.

WHAT ABOUT HR?

Bersin by Deloitte reports that there is a one-to-one correlation between the effectiveness of an organization's managers and the overall effectiveness of its HR function.[11] Clearly, HR plays a large role in the success of managers.

Here are Four Tips for HR to Help Their Managers:

RE-EXAMINE BONUSES.

When you give a performance-based bonus, what type of performance does that require? Are you holding managers accountable for turnover? Team performance? You should be.

SOLICIT REGULAR FEEDBACK.

Ask employees probing questions about the quality of their managers and see if any trends emerge.

PROVIDE GREAT TRAINING.

We've already established that a great many managers are under-trained, and that offering training opportunities for high-potential employees is a great idea. Make sure that your training program focuses not just on what you want your managers to do, but also why. Understanding the meaning behind the programs you expect them to implement (such as employee recognition) will make them better at their jobs.

REDUCE THE LEARNING CURVE.

New managers have enough on their plate without also figuring out where to get the data they need. Providing managers with a dashboard of information—like employee performance, goals, achievements, and challenges—gives them a real leg up.

WHAT DO EMPLOYEES NEED FROM A MANAGER?

"Career conversations between managers and employees are critical in supporting engagement and retention, but these conversations have to be targeted and customized. Having effective career conversations with employees can bring clarity, and level expectations, of both parties. This, in turn, will lead to improved engagement."

- Karen McKay, Vice President of Human Resources/Learning & Development, Eli Lilly

Roughly 50 million American workers are disengaged, and of those, 20 million employees are actively disengaged.[12] Managers have their work cut out for them when it comes to inspiring their teams to succeed, so it's important they understand the dynamics of today's workforce. Your workforce is your biggest and most important asset. It's in your managers' best interests to get to know them.

Engagement is Contagious...But so is Disengagement

Engagement is a game-changer, but employees aren't the only ones for whom engagement matters. Unhappy managers can begin a cascade of disengagement, and middle-manager engagement is dangerously low. According to a recent survey, less than half of managers and supervisors are engaged.[13] Worse still, a disengaged manager is three times more likely to have disengaged employees.[14] And because disengaged employees are 2.5x more likely to leave for any level of pay increase compared to those employees that are engaged...well, you see the problem.[15]

On the flipside, engaged managers are more likely to improve the engagement of their direct reports. That's because there is a direct connection between employee engagement and manager/employee interaction. In fact, 53 percent of fully-engaged employees say they learn a lot from their supervisor compared to just 19 percent of people who are not fully engaged.[16] Positive or negative, the relationships managers have with their teams matter.

How to Engage the Employees You Can't See

Today's managers are required to engage employees even in large global corporations with dispersed and contingent workers. Organizations must expand their engagement strategies to include employees located in different parts of the company, not to mention different parts of the world.

So how do you avoid the threat of disengagement? The best way to engage a dispersed and contingent global workforce is to create a strong, positive company culture that is unique, yet equally shared among your many offices. Create an engaging recognition strategy that is not just for the people in HQ, but in every office, store, or home office using mobile technology. Done correctly, recognition amplifies positive behaviors that drive results. It helps align employees to core values and business objectives. Utilizing an engaging platform that helps to engage, align, and recognize employees will create a unique culture that connects everyone–regardless of physical location.

The key to global alignment begins here.

LEARN MORE

THE NEXT GENERATION OF MANAGER TOOLS

"The new HR organization functions like an integrated part of the business. It functions on data and drives managers to make data-driven decisions. The new HR organization uses integrated self-service technology; it is focused on leadership development, talent assessment and culture; and, it has a firm grasp on the business's current talent and future needs."

Bersin by Deloitte[17]

With the rise of knowledge workers many managers are no longer required to personally monitor employee performance. Instead, they have the ability to access remote dashboards that display key performance indicators (KPIs) to tell them exactly what they need to know about how their employees are performing, feeling, and, behaving. Now that technology has automated the process of discovering what employees are doing, the manager's new role is to help them do it better.

Do You Really Need Analytics?

"With the right analytics, managers will have the right information to make data-driven decisions around their teams, such as identifying high-performers. Despite a high demand for better data, analytics in Human Capital Management (HCM) remains incredibly complex and complicated. Few HR professionals and technology providers have been able to simplify the process in a way that organizations can collect data,

assemble it into useful information, and deliver reports to senior leaders. As HCM professionals look to become more strategic for business, analytics is only useful to the point of decision—to help managers take action and drive business results."
– Aberdeen Group, 2013[18]

A recent HCM survey showed that 35 percent of organizations lack visibility into the skills and capabilities of their employees. Another 39 percent reported shortages of key skills for growth, requiring better insight into their talent pools. It's no wonder most managers lack the skills to coach employees—they don't have the visibility they need to improve their team's performance. Managers require a combination of data and insight to drive, measure, and invest in their teams' success.[19]

The survey also showed that 50 percent of organizations feel the need to rapidly realign their workforce to meet changing business priorities and customer demand. In today's business world this type of agility is crucial. Because many middle managers also oversee employees who interact with customers on a regular basis, it's critical for them to have the power to make in-the-moment decisions that impact business results and future business strategy.

With the need for greater agility, businesses must rely on managers to drive business success. Your employees are your biggest and most important asset, and they require support, feedback, and coaching to achieve their best results. Or as Gallup puts it, the manager role is the catalyst role.[20]

Insight Into the Workforce

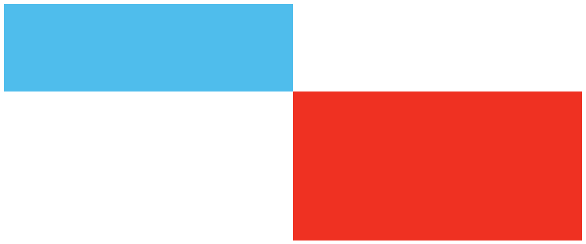
35%
Of organizations lack visibility into skills and capabilities of their employees

39%
Of organizations reported shortages of key skills for growth

50%
Of organizations feel the need to rapidly realign their workforce to meet change

The Bottom Line

▶ OPERATING INCOME



+19.2%
Highly-engaged organizations

-32.7%
Under-engaged organizations

▶ NET INCOME GROWTH

+13.7%
Highly-engaged organizations

-3.8%
Under-engaged organizations

Invest in Your Managers, See Increased Results

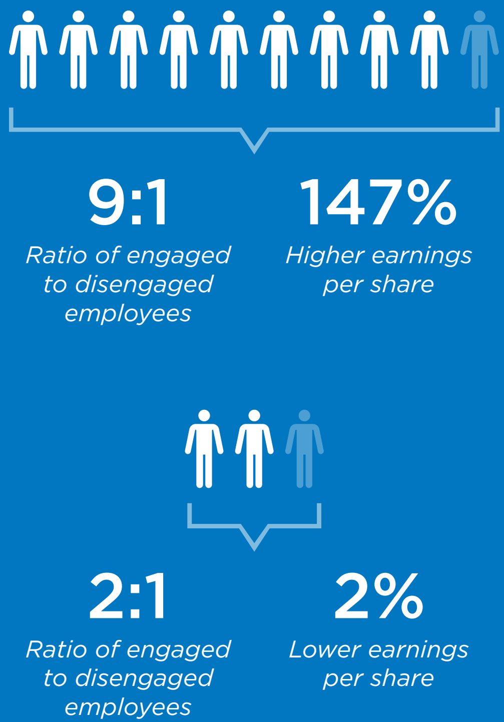
The dream of every organization is to have a happy workforce of engaged employees who exceed business objectives. Engaged employees perform 20 percent better and are 87 percent less likely to leave an organization.[21] They work harder, better and faster than their disengaged colleagues. But if an engaged employee is like Superman, bad managers are Kryptonite. The number one reason employees leave their jobs isn't salary, or boredom, or being passed over for promotion; it's their managers.[22]

When you consider the tremendous cost of turnover—150 percent of salary for a mid-level employee—you can't afford not to invest in your managers.[23]

On the flipside, when managers recognize superior employee performance, engagement increases by almost 60 percent. This, in turn, has a huge effect on the business as a whole. In a 12-month study, Towers Watson found a dramatic difference in operating income between highly-engaged and under-engaged organizations: +19.2 percent versus -32.7, respectively. Net income growth was affected, too: +13.7 percent in high-engagement organizations versus -3.8 percent for their counterparts.[24]

Likewise, Gallup reports that managers who work like coaches and focus on their employees' strengths can practically eliminate active disengagement (which is costing you millions), and most importantly, see engagement levels that are double the average of U.S. workers. The top 25 percent of teams, which are the best managed, have significantly higher productivity, profitability, and customer ratings, less turnover and absenteeism, and fewer safety incidents than those in the bottom 25 percent.[25]

The Science of Employee Engagement



Even more importantly, when it comes to earnings per share, engagement makes a huge difference. Organizations with a 9:1 ratio of engaged employees to disengaged employees experienced 147 percent higher earnings per share, while employers with just a 2:1 ratio experienced two percent lower earnings per share during that same time period.[26]

To put it simply, your middle managers matter.

So You Have All This Data...Now What?

Now that a manager can just glance at a dashboard to see what his or her team is up to, there's no excuse not to act on that information. Has someone been going above and beyond, hitting goals and helping out team members? Recognize that individual. Is someone showing warning signs of disengagement, like absenteeism or reduced performance? Intervene before it's too late. In short, with new technologies that increase workplace visibility, managers now have the resources to transform rule-enforcing hall monitors into personally engaged coaches.

Most people had some kind of coach growing up. Whether it was a swim coach, dance teacher or guidance counselor, someone cheered them on when they were successful and gave constructive advice when there was room to improve. Coaches provide the guidance people need to reach their full potential and achieve their goals. Coaches help you win. It's the same in the business world. To optimize your organization's path to employee success, you need to transform your managers into coaches.

CHECKLIST: MANAGER ESSENTIALS

If you're going to hold your managers accountable for engaging, aligning, and recognizing employees, you need to provide them with the right tools for the job. Make sure your managers have your full support and access to each of these things:

REAL-TIME VISIBILITY INTO EMPLOYEE ENGAGEMENT.

Regardless of the tool you use, make sure managers can see a snapshot of their teams' engagement at a glance. An annual survey is not enough. Check-ins once a year don't tell the whole story and they can't provide insight to trends over time. Make sure you are measuring employee engagement frequently and are in tune with the pulse of the organization.

TRANSPARENCY ACROSS THE ORGANIZATION.

Managers need access to important company information to understand how their actions align to company goals, measure their teams' performance against the rest of the organization and show their employees how their behavior impacts the company's success. Make sure they have access to the data they need--whenever they need it.

REGULAR FEEDBACK.

Ditch the annual review and give your managers the opportunity to meet one-on-one with each of their team members every week. These conversations are invaluable. With these conversations, managers can help employees set career paths, provide all-important coaching moments, listen to ideas and suggestions and generally get to know their teams better.

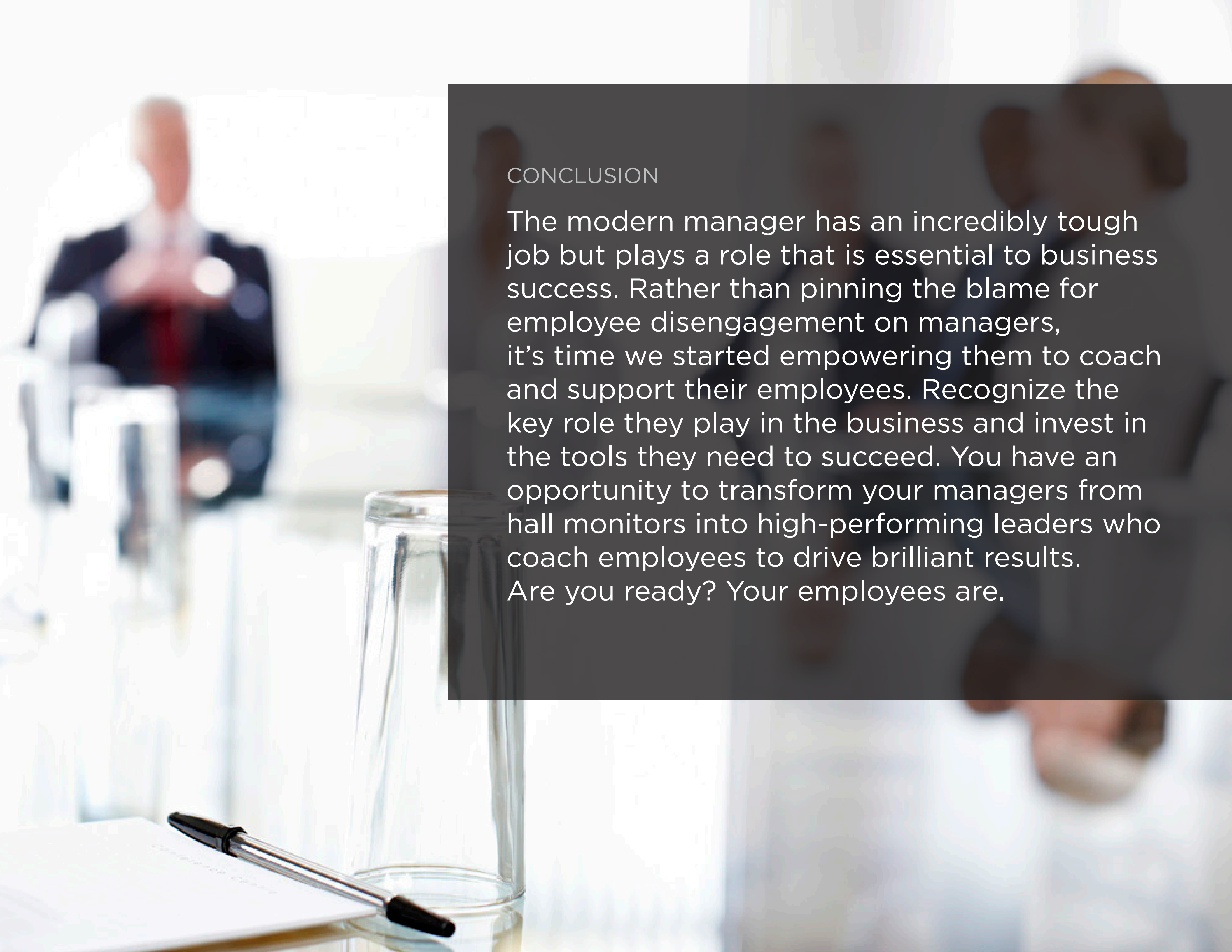
ALIGNMENT.

Coach managers to understand organizational top and bottom line goals. Managers will then align employees to company values and business objectives through achievements, milestones, and recognition.

RECOGNITION AND PERFORMANCE INSIGHT.

You should already be using an employee recognition program to bolster engagement. Now just make sure your managers have access to the powerful data it collects. By watching how employees recognize each other, managers can identify top performers and spot high-performing teams. This helps with succession planning and promotions so managers don't have to spend money hiring and training more people. They can also intervene when a lack of recognition—both given and received—indicates a problem before it escalates.

In short, managers need a 360-degree view of what peers, leaders, and employees are doing, thinking, and feeling. Give them the tools they need to do the job.



CONCLUSION

The modern manager has an incredibly tough job but plays a role that is essential to business success. Rather than pinning the blame for employee disengagement on managers, it’s time we started empowering them to coach and support their employees. Recognize the key role they play in the business and invest in the tools they need to succeed. You have an opportunity to transform your managers from hall monitors into high-performing leaders who coach employees to drive brilliant results. Are you ready? Your employees are.

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CLIENT RETENTION	NET PROMOTER SCORE	MEMBER SATISFACTION	MEMBER ADOPTION	COUNTRIES SERVICED

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