

What's More Important – Engagement or Performance?

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Many CEOs don't realize there's a philosophical battle occurring in their leadership ranks.

On one side are the performance-oriented leaders who help their team perform at high levels by focusing their management activities on the team's objectives, goals and desired outcomes. On the other side are the engagement-focused leaders who support their teams by focusing their efforts on creating an engaging environment that energizes and motivates employees.

So in this philosophical war, which side is right?

The Gallup Organization explored the question and discovered leaders don't have to choose between creating strong, positive teams or focusing on high performance and accountability... high-performance leaders do both. They're strengths-based, engagement-focused, and performance-oriented. They develop deep interpersonal relationships with their employees *and* focus on performance.

As a matter of fact, leaders who emphasize just one approach while ignoring the other risk alienating their team members, lowering engagement, and damaging performance.

Driving engagement by focusing on performance

Performance-oriented leaders help their employees identify and focus on their most important goals and desired outcomes. They create an engaging work environment promoting peak performance in three primary ways:

- 1. They're involved in their employees' work.** They don't subscribe to a laissez-faire approach to management, and they don't ignore their employees. When employees strongly agree their leader knows what projects or tasks they're working on, they're almost seven times more likely to be engaged.

However, when employees strongly disagree with that statement (indicating they're largely ignored by their bosses) they're 15 times more likely to be actively *disengaged*. Ignoring your employees is one of the worst things you can do as a leader.

- 2. They help employees set goals and prioritize their projects.** Employees who work for a leader who helps them set performance goals are 17 times more likely to be engaged than disengaged.

In contrast, employees who strongly disagree that their leaders help them set performance goals are almost seven times more likely to be disengaged.

These data demonstrate an important point that's overlooked too often – most employees want to succeed in their jobs. They want to strive for big goals and accomplish great things, but they need great leaders to support and guide them.

Leaders often keep their distance from employees because they fear being intrusive or micromanaging. But there's a distinct difference between micromanaging and being involved in your employees' work. Micromanagers take control of the process and the outcome, but great leaders support employees by helping them define the right outcomes, and then let them use their unique talents to choose the process that works best for them to get the job done.

- 3. They hold their employees accountable for performance.** It's not enough to be involved and provide direction – great leaders also ask their employees to take ownership of their successes or failures. High-performance leaders don't allow a culture of excuses or poor performance, because no one thrives in that culture. When leaders don't hold employees accountable for performance, about seven in 10 employees are actively disengaged and only three percent are engaged.

One of the easiest ways for leaders to start promoting engagement through performance is to establish regular meetings with their employees. On hearing this advice, many leaders push back, and perhaps rightly so, because meetings aren't what most companies do best.

However, Gallup's analysis found something surprising.

Regularly scheduled meetings with a leader are critical to an employee's engagement level. Only 15 percent of employees who work for a leader who doesn't meet with them regularly are engaged; leaders who regularly meet with their employees almost tripled engagement levels.

And regular meetings and involvement pay dividends in performance and engagement. Employees who meet regularly with their leader generate higher performance for their immediate team and company, are more likely to report they regularly receive recognition and praise, and that they know someone cares about their development.

For leaders, the first step to creating a culture of performance and engagement is the easiest – set up regular meetings with your team members.

Driving performance by focusing on engagement

Engagement-focused leaders increase productivity and success by creating an environment that energizes and motivates employees and teams, helping them reach the highest levels of performance.

Workgroups with high levels of employee engagement experience 22 percent higher profitability and 21 percent higher productivity compared with workgroups with low levels of engagement. They also experience 65 percent lower turnover and 10 percent higher customer ratings.

To achieve world-class levels of engagement, great leaders focus on Gallup's 12 elements of great managing at both the individual and team levels.

- **At an individual level**, many great leaders use the 12 elements as a project checklist. When they give employees an assignment, they ask themselves questions like: Have I clearly laid out the expected deliverables? Have I made sure there aren't barriers or obstacles in his way? Is this a project that uses this person's talents and strengths? Have I told the employee what I liked about her past work so she can apply that feedback on this project?
- **At a team level**, great leaders meet with their team to discuss their engagement at least once a year and revisit engagement commitments throughout the year. Teams that have taken Gallup's Q12 Employee Engagement Survey can use their results to discuss whether they're experiencing any barriers to their engagement and how to overcome them. They can also discuss how the team can meet its performance outcomes by making sure that each of the 12 elements is addressed. Together, team members can identify activities they can stop doing, start doing, or continue doing to increase engagement and performance.

The crucial point is that the team must have an open and honest discussion about its engagement. What's standing in the way of the team achieving its goals? Are expectations unclear for the team? Are team members unsure about how their tasks should be prioritized? Does the team need more support from other departments or coworkers? Great leaders discuss these and other questions and make plans to positively influence engagement and performance over the next year.

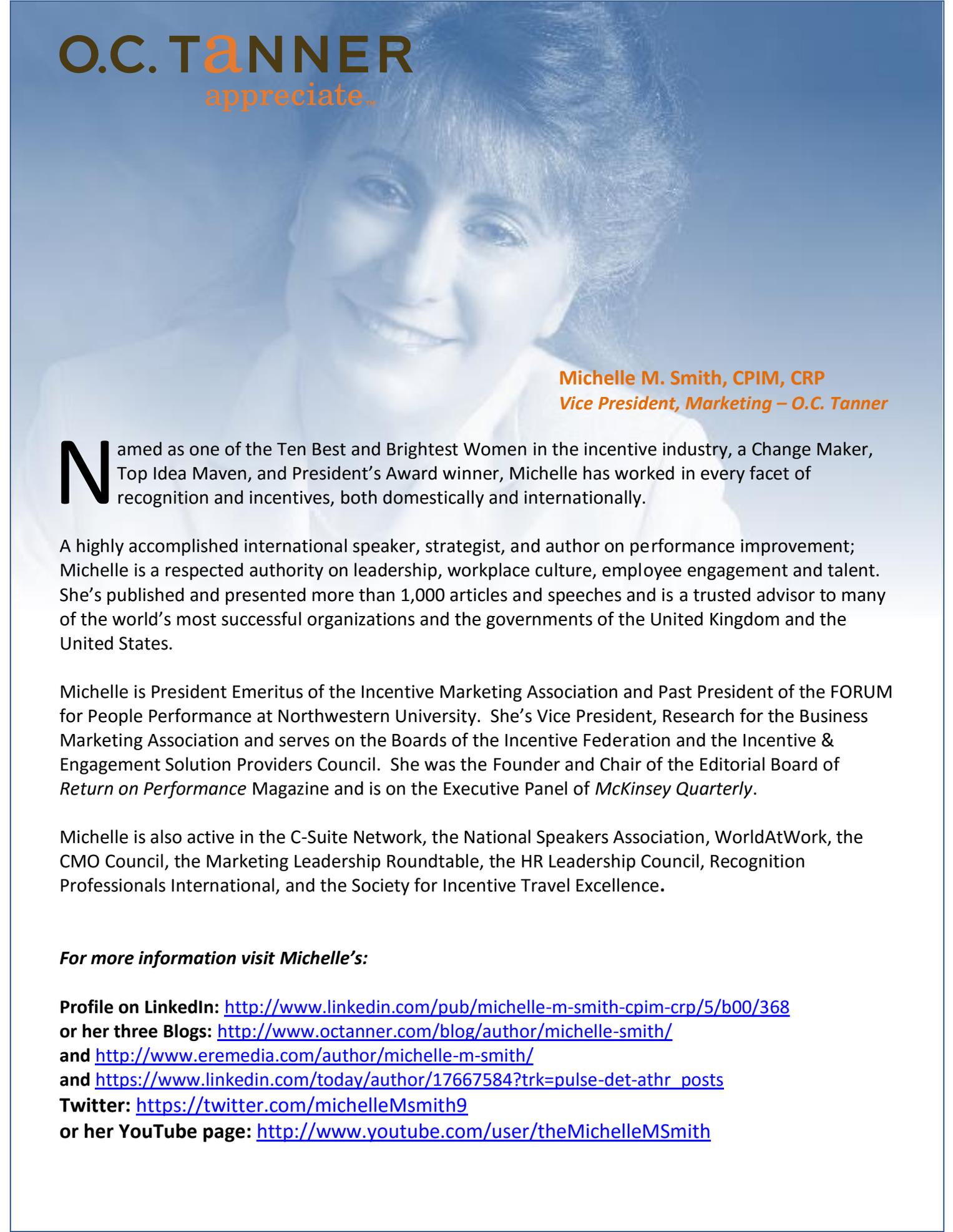
The key to success: Focus on performance and engagement

In the end, the philosophical battle between performance and engagement is no battle at all. High-performance leaders understand these goals are not mutually exclusive – they're mutually dependent. A team will never reach its full potential until it has a leader that is both performance-oriented AND engagement-focused.

Named one of the most influential women in the incentive industry, Michelle M. Smith, CPIM, CRP, is an accomplished international author and speaker, Past-President of the FORUM at Northwestern University, President Emeritus of the Incentive Marketing Association, Vice-President of Research for the Business Marketing Association, and Vice-President of Marketing for O.C. Tanner.

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appreciate..

A portrait of Michelle M. Smith, a woman with short, dark, curly hair, smiling. The image is overlaid with a semi-transparent blue filter. The text is positioned to the right of her face.

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Named as one of the Ten Best and Brightest Women in the incentive industry, a Change Maker, Top Idea Maven, and President's Award winner, Michelle has worked in every facet of recognition and incentives, both domestically and internationally.

A highly accomplished international speaker, strategist, and author on performance improvement; Michelle is a respected authority on leadership, workplace culture, employee engagement and talent. She's published and presented more than 1,000 articles and speeches and is a trusted advisor to many of the world's most successful organizations and the governments of the United Kingdom and the United States.

Michelle is President Emeritus of the Incentive Marketing Association and Past President of the FORUM for People Performance at Northwestern University. She's Vice President, Research for the Business Marketing Association and serves on the Boards of the Incentive Federation and the Incentive & Engagement Solution Providers Council. She was the Founder and Chair of the Editorial Board of *Return on Performance* Magazine and is on the Executive Panel of *McKinsey Quarterly*.

Michelle is also active in the C-Suite Network, the National Speakers Association, WorldAtWork, the CMO Council, the Marketing Leadership Roundtable, the HR Leadership Council, Recognition Professionals International, and the Society for Incentive Travel Excellence.

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