



# Workplace America™ 2019 Leadership Report



This is our 3rd annual report on how organizations are leveraging their leaders to drive engagement. As we near the end of 2019, the strong economy continues to put pressure on employers in ways organizations have not dealt with before:

- unemployment rates are at 50-year lows
- searching and applying for jobs online is easier than ever
- more virtual positions and work-from-home options

Confronted by these factors, organizations are compelled to prioritize engagement and retention efforts. We've long believed leaders are your best resource to positively influence your culture, drive employee engagement, and increase retention. This research shows organizations understand the ability of their leaders to drive engagement but reveals their struggle to implement tactics to fully utilize them.

**"Leaders are the main influencers in engagement. Investing in leader engagement is crucial to organizational engagement success."** *-HR Professional*

## An Understanding of the Importance but a Lack of Commitment

The results in this year's study in some ways feel like a step backwards. Economic challenges may be limiting organizations' abilities to implement strategic engagement and retention initiatives even though they understand and desire the benefits.

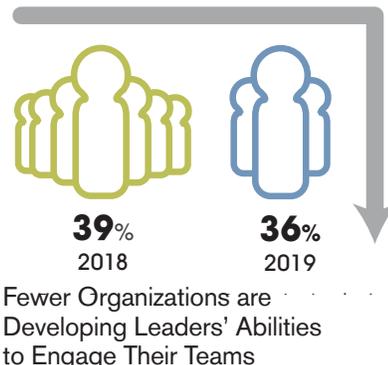
A highly engaged workforce improves key performance indicators such as safety, employee retention, absenteeism, quality, customer experience/loyalty, and patient safety. Recognize that your employee engagement will never be higher than your leader engagement. This makes the path to success very clear: first, measure leader engagement effectiveness, second, train leaders on engagement and retention skills, and third, hold them accountable.

As one survey respondent describes, *"The best leaders commit to something greater than just their own careers and self-interests; they remain focused on the vision and strategy for long term success."*

## Your Best Resource

We recognize one of the biggest challenges you face in using leaders to drive engagement is developing their ability to engage their teams. Just about a third of organizations, 36%, are working to train leaders to get better at engaging their teams.

Leaders are an existing resource we need to get better at training and deploying to drive employee engagement. Training your leaders in engagement and retention skills is a must if you plan to hold them accountable for their team's engagement. As one respondent said, *"Empowering leaders has a trickle-down effect!"*



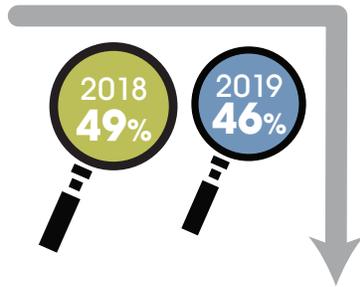
Leaders must be skilled in building a climate of engagement, retention, and a culture that speaks to employees in a way that encourages them to stay. One of the roadblocks we see to empowering leaders is understanding the skills they need. In our 20 years of research, we have identified 11 specific engagement skills leaders must have to be successful. We created an award-winning series of online training courses with these skills including Trust Builder, Esteem Builder, High Performance Builder and more, which allow leaders to quickly build competence where needed. If you are looking for a place to start, look for training like this that focuses on engagement and retention skills.

When leaders hold themselves accountable for energizing their employees, every aspect of the organization improves. Leaders must understand that this is not a thing to get done but a new way of doing business.

**"(Leaders) are the most important lever in delivering better engagement and retention, but if they are not coached on these skills, our company is losing out on a large opportunity."**  
*-Associate Director of IT*

## A Need for Evaluation and Education

We've been uncovering and laying out the barriers to using leaders to drive engagement and now it's time to take a hard look at how you can make progress despite them. It begins with evaluating each leader's effectiveness at engaging their team. This is such a natural place to start yet the number of organizations doing so are down this year to 46%. You must understand how well leaders are currently doing and specifically, what areas are in need of improvement. Leader engagement must be measured in ways that are clear and actionable.



A Drop in Organizations who Measure Effectiveness of Each Leader to Engage Their Team

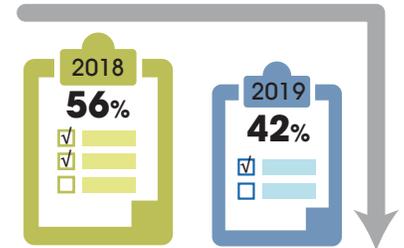
In our 2019 Workplace America research, 70% of organizations identified Developing & Coaching Talent as the leadership development initiatives that would most impact engagement. Leaders can conduct a Stay Interview with each employee to learn their career growth aspirations and coach them to excel in their current role so they will be ready when opportunities arise. Stay Interviews are a best practice used by 70% of Best-in-Class organizations and you should be using them too.

Through assessment and training, we can empower leaders to recognize engagement and retention are in their wheelhouse. They need programs and direction to

help foster their growth as engaging leaders. The fastest way to create a culture of engagement using our leaders is to make sure we are paving a clear path for them. We need to *empower them*.

## What Success Looks Like

You would think as organizations learned more about engagement strategies and implemented plans, they would feel more accomplished about their work, yet this metric dropped. This is consistent with data in our larger research study, Workplace America, published in April 2019.



Fewer Organizations Believe Their Strategic Plan for Engagement is Working

Perhaps the reduction in perceived effectiveness of overall engagement programs is linked to the reduction in the number of organizations leveraging leaders in their engagement efforts. After all, we have often said “Each leader is the lens through which their team views everything else in the organization.”

We've brought in a case study below to illustrate. A leader directly influences an employee's engagement level but, can that translate into issues which are seemingly out of a direct-leader's control such as compensation or opportunity for growth? These data confirm they absolutely can! For highly engaging

## Highly Engaging Leaders Positively Impact Their Team's Perceptions of Compensation and Growth Opportunities

Case Study from a Fortune 500 Communications Organization

Percentage of Team Members Who Agree

**Example 1:** My compensation is proportional to the contributions that I make

69% LEI 80% or Higher

52% LEI 79%–51%

43% LEI 50% or Below

**Example 2:** At work, I have sufficient opportunities for personal and professional growth

73% LEI 80% or Higher

55% LEI 79%–51%

40% LEI 50% or Below

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Leader Engagement Index (LEI) - a measure of how engaging a leader is to their team

leaders (80% or more of their team engaged by them), their team members respond more positively to other organizational factors such as pay and opportunity for growth than team members reporting to leaders with low team engagement (50% or less of their team members engaged by them).

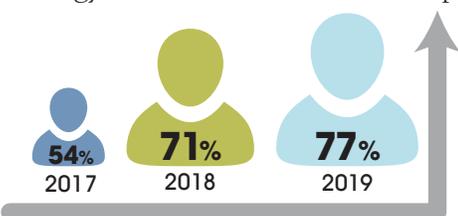
Example one, compensation, 69% of team members working for highly engaging leaders agree their compensation is proportional to the contributions they make. This is 26 points higher than just 43% of team members who agree while reporting to leaders with low team engagement. This “leader effect” is even more pronounced in example two, growth opportunities, where 73% of highly engaging leaders’ teams agree they have sufficient opportunities for growth compared to only 40% agreement from team members reporting to leaders with low team engagement, a 33 point difference!

Determining your leaders’ effectiveness at engaging employees can provide a clear path on where to focus your efforts. Find out what leaders with high engagement levels are doing to create that success train low scoring leaders on the skills and tactics your high performers are using. Leaders need to be trained in key skills and understand their role in retaining and motivating people.

## More Awareness is Not Enough

The awareness of leaders on the influence they have on team engagement was the only metric that rose in this year’s study, up to 77%. This is good news because the way to show more leaders just how much they matter is to develop metrics to measure how effective they are.

You must convince leaders that they are the lens through which their team members see everything else in the organization. There are two elements which must be considered as part of any effective engagement strategy. First, the level of leadership engagement



Front Line Leaders Increasingly Aware of Their Influence on Engagement

matters, or put another way “employee engagement will never be higher than leader engagement.”

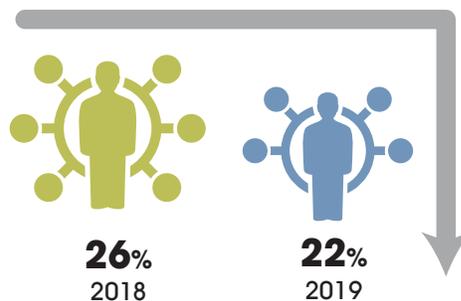
So, it is critical for organizations to measure and attend to improving the engagement of their leaders. If my leader is engaged, excited about their career growth opportunities, being effectively coached and developed by their manager, and feels the organization’s senior leaders are making all the right decisions, then I am likely to feel the same way! Secondly, organizations

must ensure leaders are engaging their team members by creating trusting relationships, communicating effectively, coaching and developing them to improve performance, and discussing their career growth aspirations.

“The employees look to their immediate supervisor as someone who will make or break their happiness with the company.” —Human Resources Professional

## Setting Expectations

This year, fewer organizations than ever are holding leaders accountable – just 22%. This is confusing to us because this metric should be at least 46%, which, as we reported earlier, is the percentage of organizations who measure it. We wonder, why would you measure something and not use the data? You hold leaders accountable for a variety of key performance indicators (KPIs) depending on your industry and their role; call handling time, net promoter score, patient safety, sales goals. Employee engagement and retention goals can



Fewer Organizations are Holding Leaders Accountable for Engagement

be naturally added to these other KPIs.

Fortunately, your leaders are an existing resource you can deploy very quickly to influence engagement levels in

your organization. Set the expectation they will be held accountable. The importance of holding them accountable for this part of their role cannot be overstated. Every leader should have engagement and retention goals, incentives to meet those goals, and consequences for failing to do so.

The skills and knowledge needed by leaders to create a culture of engagement and drive retention are truly core competencies for all leaders. You must include engagement skills when considering an employee for promotion into a leadership role and when creating a job description for recruiters to skill match. It’s time for leaders to realize engagement and retention skills are core competencies for their roles.

“When leaders are held accountable for their employees’ development and progress great things happen in the group” —Human Resources Professional

## A Path to Success

As a final thought on the study, one HR professional summed it up, “Leaders are the main influencers in engagement. Investing in leader engagement is crucial to the organizational engagement success.”

We agree and have spent years refining a plan that’s effective regardless of industry or size of organization. This proven approach drives leaders to accept accountability and learn new retention and engagement skills.

Use this 5-Step systematic approach to leveraging leaders to drive engagement:

- 1) Measure Leader Engagement: Use a questionnaire measuring leader engagement, employees’ willingness to recommend their leader, and organizational communication effectiveness.
- 2) Reporting: Provide clear, behaviorally-based individual leader and group reports so leaders know their strengths and areas of opportunity.
- 3) Action Planning Tools: Provide an online action planning tool for all levels of leadership. Offer versatile options including leveraging strengths, developing opportunity areas, inclusion of comments, and guides for setting SMARTER goals.
- 4) Team Meeting Guides: Help your leaders effectively communicate results at the team level. A guide for leaders on these conversations helps them prepare effectively for this discussion.

5) Identify Leadership Development Activities for Each Leader. Consider our Engagement and Retention Leadership Series, an 11-module training program pre-approved for up to 42 HRCI and SHRM recertification credits.

“Support from leaders in an organization is critical to the success of the engagement program. Engaged employees bring more to the table, are more committed and motivated. It is highly important.”

—HR Generalist, Telecommunications Organization

## Building the Case for Engagement

One thing we always recommend is to start your project by really getting a handle on what your engagement and retention rates are costing you. We have a very clear way of building the case for investment of time and resources into employee engagement solutions.

You may be tracking your turnover rates, but do you know exactly how much that is costing the organization? Use our free Turnover Cost Calculator to determine the cost of losing your employees. Use that amount (usually ½ to 1 times the salary of an individual contributor or 1 to 2 times the salary of a leader) to calculate what turnover is costing you annually. It may be higher than you expected but should help you secure budget to reduce it. Use our Turnover Cost Calculator at [www.talentkeepers.com/TCC](http://www.talentkeepers.com/TCC).



## Learn More About How to Assess Your Leader’s Current Engagement Levels and Identify the Skills Each Needs to be Successful

LEADS – Leadership Engagement and Retention System™

RQ – Retention Quotient

The Engagement and Retention Leadership Series™ Online Courses



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TalentKeepers® is celebrating 20 years of providing award-winning employee engagement and retention solutions to help organizations around the globe increase their performance.

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