Managers:
Your Strongest (or Weakest) Link in Driving Employee Engagement?
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Why this Research?

There are over 2,000 European organisations in the Aon Hewitt employee engagement database, representing more than 800,000 employees, of which more than 25,000 are middle managers. In our engagement surveys, we typically ask participants whether they think the survey results will be acted upon. **The responses are quite shocking: one in four managers (22 percent) strongly believes that there will be no changes and no actions based on the survey.**

This figure raises some questions. Who or what are managers waiting for? Do they understand their role in building engaged teams, and if not, why is that? Are they empowered? Do they get the right kind of support from HR and leadership? Is it on their day-to-day agenda?

**Are managers the missing link in generating change and creating an engaged workforce?**

Aon Hewitt’s employee engagement research and consulting experience with leading organisations around the globe, tells us that managers are indeed key in the translation of employee survey data into actions that will improve engagement and generate positive business value.

To better understand the manager’s viewpoint and to investigate how companies can be more successful in involving managers to make change happen we ran a specific survey across Europe. In June 2011, over 700 managers from ten European countries responded to a questionnaire on employee engagement. Our survey focused mainly on the experience of managers in the engagement cycle and the role that they play in maximising the return on investment of employee surveys. We also conducted a number of qualitative interviews to draw out the distinguishing characteristics of truly engaging managers.

In this report, we examine how to ensure that managers are fully committed to the business of engaging employees as well as the specific behaviours which differentiate the truly great managers from the average ones. We also provide some practical suggestions on how to move forward with making managers your strongest link in driving employee engagement.
Summary of Findings

Engaging managers in employee engagement

- **Only engaged leaders and managers can create engaged teams.**
  The more engaged your managers are, the more time and effort they will be willing to spend on engaging their own teams. Our research clearly indicates that managers are more likely to work on engagement actions if they are themselves engaged. Managers who reviewed their survey results and identified actions had an engagement score of 63 percent. This compares with an average score of 52 percent for managers who only reviewed their results but did not take action, which is in line with the average European benchmark for engagement in our database.

- **Engagement needs to be made part of everyday life.**
  In our recent survey, 47 percent of managers indicated that they spend between two and five days per year on activities related to the annual engagement survey. Organisations need to change the focus from engagement as a once-a-year set of tasks and activities to something addressed as business-as-usual. This is important in order for engagement to be seen as more than just a set of scores and numbers and to ensure that the right level of attention is paid to action-planning and monitoring progress on an ongoing basis. Our research also highlights that more engaged managers are ready and willing to make this a reality.

- **Involvement and commitment—you will not succeed without them.**
  A number of factors are critical here. Managers need to have evidence of the impact of employee engagement. Our recent research shows that 71 percent of managers who have seen a clear correlation between engagement and business results review their data and take action. Managers are also more likely to take action if they have seen overall organisation results as well as survey results for their own team. It is also important to ensure that managers have clear individual goals and targets for taking action and improving engagement scores.

- **Managers need to be supported.**
  Setting clear expectations for managers, having positive senior leader role models and having access to training, information and an effective support network are all important factors. Of the managers in our survey who responded that they have sufficient support in these areas, more than 70 percent will take action.
The behaviours of engaging managers

Analysis of qualitative interviews highlights that there are nine areas of focus for managers. These include effective performance coaching, supporting individual growth and development, communication, integrity, personal commitment and resilience. A decoding of the DNA of an engaging manager is included on page 15 of this report.

Practical suggestions for reinforcing managers as the critical link

Our work with clients over the past 30 years has proven that there isn’t a standardised set of solutions that works for everyone. However, there are a number of practical steps both in terms of the engagement survey process, and the ongoing activities beyond the survey cycle that can be taken to reinforce managers as the critical link. We have explored these steps in more detail on page 17.

Managers could and should have a positive impact on employee engagement in organisations. With careful planning, expectation setting and support, it is possible to make this a reality.
Engaging Managers in Employee Engagement

1. Only engaged leaders and managers can create engaged teams

Aon Hewitt’s analysis of companies with strong financial results shows that one distinguishing feature is the quality of their senior management. In particular we see that senior managers’ levels of engagement are high and their ability to engage others in the organisation is strong.

Our research shows that 95 percent of senior leaders in high performing organisations are engaged. This compares with 70 percent of senior leaders in other organisations (Figure 1).

![Graph showing engagement by level in organisation](image)

Source: Aon Hewitt Global Best Employer Research

Our analysis also shows that the gap between the best performing organisations and the rest widens at lower organisational levels. Senior leaders in high-performing organisations do a better job of engaging others, particularly middle management levels. And it does not stop there: engaged managers are more likely to build engaged teams.
Recently we have seen an increasing number of organisations with middle managers who are less engaged than the employees they are managing. In these companies managers often feel under pressure from upper and lower organisational levels and are often asked to do more with fewer resources. In such situations it can only be a matter of time before the engagement levels of team members are negatively impacted by their disengaged managers.

The equation is simple: the more engaged your managers are, the more time and effort they are willing to spend on engaging their people as well.

Let’s have a look at a clear illustration of this based on our recent European research: 64 percent of respondents claimed to have reviewed their employee survey results and used them to identify actions for improvement—this group shows a 63 percent (above average) engagement score. 29 percent reviewed results but did not use them to build action plans and among this group, engagement is at 52 percent. Finally seven percent of respondents had access to results but did not even review them—the engagement level of this group of managers is a worrying 27 percent (Figure 2).

*Figure 2: Engagement of managers*

Source: Aon Hewitt European Manager Survey 2011
2. Engagement needs to be part of everyday life!

According to our research, most managers spend two to five days per year encouraging employee survey participation, interpreting results and action-planning. Shockingly low? Just enough to get the process accomplished? Feels just about right? Can this time invested in the initiative really ensure the right follow-up and changes?

The link between engagement and involvement is clearly illustrated by the time spent by managers on the engagement process. Managers who are engaged, understand and believe in the concept of engagement tend to dedicate more time to the activities associated with the employee engagement process. Our survey results show that engaged managers are twice as likely to spend more than ten days per year on engagement than their disengaged peers. Among disengaged managers, one in five spends almost no time on engagement matters, which in turn raises questions about the quality of action-planning (Figure 3).

![Figure 3: As a manager, how much time do you spend on average each year on encouraging employee survey participation, interpreting results and taking action?](image)

If you are serious about building a motivated and productive workforce, engagement needs to be embedded in the culture and everyday life of your organisation.

Instead of focusing on yearly measurement and action planning, there should be a strong employee engagement philosophy and strategy constantly running in the background. As with all corporate initiatives, ongoing, integrated plans and actions are more impactful than one-offs. The engagement initiative should also be strongly embedded in the organisational culture.

To achieve this, some of our clients have put in place specific training sessions for managers to explain their ongoing role in engaging employees and to explore company values and expected behaviours. Later in this report we highlight the key manager behaviours which can make a real difference to levels of employee engagement.

Other organisations take deliberate steps to ensure that implemented actions are communicated broadly through appropriate internal communication channels, specifically designing materials such as company newsletters and brochures that highlight what actions have been taken in response to the views expressed by employees in the annual survey.
3. Involvement and commitment—you will not succeed without them

Organisations where HR teams are the sole owners of engagement are likely to fail in their attempts to build an engaged workforce. Why? Because HR is not the ultimate driver of employee engagement. If managers see engagement as "HR voodoo" they will be less inclined to get involved and will not partner to initiate real change within the company. HR has a role to play, however, to get managers on board and to educate them on the power of engagement.

**Changing managers’ mindset is key: If you can persuade them that focusing on engagement will help them meet their goals, then you are on the right track!**

Some organisations that we work with schedule post-survey seminars to help their managers fully understand the importance of employee engagement and the impact it can have on the company and their own results. They also make sure that managers are interpreting the results correctly and identifying the priority actions for their teams.

**Managers need evidence**

If spending time and effort on improving employee engagement is to shift from being a hobby to becoming a fruitful investment, the first step is to have a clear understanding of how engaged teams will produce superior results. Our research shows that 60 percent of managers have observed a clear correlation between engagement and better business results. Figure 4 below indicates that managers who have seen that engagement drives business results are much more likely to build action plans: 71 percent of them do not stop after reviewing the results but also work on improving engagement.

*Figure 4: Link between seeing evidence and taking action*

<table>
<thead>
<tr>
<th>managers who observed clear correlation</th>
<th>managers who have not observed correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did not review the results</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>25%</td>
</tr>
<tr>
<td>Reviewed the results</td>
<td>26%</td>
</tr>
<tr>
<td></td>
<td>34%</td>
</tr>
<tr>
<td>Reviewed the results and identified actions</td>
<td>71%</td>
</tr>
<tr>
<td></td>
<td>41%</td>
</tr>
</tbody>
</table>

Source: Aon Hewitt European Manager Survey 2011
There is plenty of academic research and evidence which shows that more engaged employees make companies more successful but it’s even more powerful when there is clear, fact-based evidence within your own company.

Leading organisations have started using their own KPIs to measure and track how their more engaged teams generate more value. They demonstrate the link between engagement, manager behaviours and business performance to increase commitment for action. This is even more effective if it is done at team level in addition to organisation level, so that managers can see and feel the impact on their own results and measures.

Their own data is not enough, managers also need the company-wide view

Another step to increase manager involvement is an open and honest conversation at all levels of the organisation and that starts with sharing the survey results. We were encouraged to see that almost all managers responding to our research are receiving results—for the overall company, their team or both.

The level of access to results makes a huge difference to the likelihood that managers will act on survey outcomes: the table below shows clearly that before taking action managers need access to their own team’s data, but they also need a picture of the overall organisation’s results. Of managers who received both types of results, 81 percent identified actions, while only 54-58 percent of those who received only team or only organisation level results did the same.

The overall organisation results will put the team results in context, establish a baseline for benchmarking and may even create some helpful competitive spirit amongst managers (Figure 5).

Figure 5: Managers having access to both their own results and the overall company picture are more likely to take action following the survey

<table>
<thead>
<tr>
<th>Likelihood to use results to take actions</th>
<th>Managars receiving results for the organisation overall</th>
<th>Managers receiving results for their own team</th>
<th>Managers receiving results for the organisation and own team</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>54%</td>
<td>58%</td>
<td>81%</td>
</tr>
</tbody>
</table>

Source: Aon Hewitt European Manager Survey 2011
Setting clear goals for managers

Embedding engagement into performance plans helps to reinforce three key messages:

**Link with the business results:** "As an organisation we know that employee engagement has an impact on business results, therefore we treat engagement as one of our KPIs."

**Managers’ accountability:** "Managers have a clear role to play in engaging employees."

**Long term commitment:** "As an organisation, we are committed to work on engagement. We will measure it regularly and monitor it together with other key indicators."

Our research shows that managers who have engagement as one of their performance objectives do focus their efforts more to work on the topic.

There are different approaches to building employee engagement into annual performance plans:

- Some organisations focus targets on changes in the engagement scores themselves. This approach is most appropriate for senior leaders who are accountable for company-wide practices and strategies that impact on employee engagement.

- Other organisations set goals connected with the implementation of action plans.

- Others combine both of the above—setting goals around improvement in the engagement score and also the critical path that will lead to it.

Some organisations set manager targets around survey response rates but depending on organisational culture and how such targets are positioned and rewarded, we have found that this practice can create risks for the overall integrity of the survey process. Over-zealous managers may put undue pressure on employees to complete the survey and create the impression that the organisation cares more about the number of responses received than acting on their results to improve employee engagement.
It is encouraging to see that the most common practice is to measure managers’ performance based on both the implementation of action plans and a change in engagement score (47 percent). Just 17 percent of managers are measured on a change of engagement score only.

Companies need to ensure that they give managers the tools and support they require to implement actions and improve engagement levels.

Embedding engagement in managers’ performance plans significantly improves the likelihood that they will take action.
4. Managers need support

Even if managers have the best intentions to work with the engagement results of their team, they may lack the necessary tools, experience and knowledge to produce efficient action plans. Managers need technical tools and know-how but they also need support in the form of role models from senior leaders.

Our research demonstrates a strong link between clear expectations, support from HR, senior leaders’ behaviour and managers’ willingness to take action.

Among those managers who...

- Have been set clear expectations: 75 percent will plan actions to engage employees.
- Feel that they get sufficient support from HR: 75 percent will plan actions on the results for their teams.
- See that senior leaders are leading by setting a positive example: 73 percent will plan actions on how to work on employee engagement.

Source: Aon Hewitt European Manager Survey 2011
What stops managers from taking responsibility for action?

Too many companies send engagement survey results to managers and hope they will do something with them. Survey findings confirm our experience: managers spend less time on engagement if they feel they are working in isolation, and they will lose interest if they believe that they have no impact on the issues that are causing disengagement in their teams.

There needs to be a strong sense of shared responsibility. Managers need to know that their leaders are supportive. As shown in figure 10, managers are more likely to act on engagement survey results when their senior leadership is setting a positive example. Engagement truly starts at the top.

Some leading organisations have set up engagement communities and networks which own and drive action-planning and which at the same time provide members with an opportunity to share challenges, experiences and ideas for action.

Additionally, companies are making increased use of technology to share results and best practice actions across teams.
High Impact Manager Behaviours — Setting up for success beyond the engagement measurement process

While it is crucial to have support and effective tools in place to help managers implement actions, it is the managers’ behaviours, attitudes and practices that have the biggest impact on the engagement of individuals and teams. Knowing that engagement really starts at the top, it is equally important to make sure it does not stop there. Managers are the critical link that either transmit the attitude, energy and engagement from the top down or—if they are not doing their job properly—weaken the company’s efforts to build engagement.

You can probably think of a particular manager who has inspired you to do your best work but why does that particular manager stand out as truly great compared to others who were merely good? What makes an effective, engaging and inspiring manager?

As part of our ongoing research, we have conducted qualitative interviews with organisations across Europe to identify the managerial behaviours that make the difference between good and truly engaging managers. We have discovered that engaging managers demonstrate a pattern of behaviours that contribute to their teams’ engagement and help deliver performance that is, at a minimum, on-target. Below, is a brief decoding of the DNA of an engaging manager.

Engaging Managers are effective performance coaches. They:

- Set challenging goals and monitor performance
- Offer ongoing feedback on performance
- Take up challenging goals themselves and take accountability for their delivery
- Provide guidelines instead of "commands", fostering employee accountability and initiative

Engaging Managers empower their people to grow. They:

- Provide adequate support and authority when assigning challenging tasks or roles
- Build authority of those they are promoting into new roles
- Facilitate employee growth even if it means "losing" an employee to another team

Engaging Managers are tuned-in to people. They:

- Know the individual motivations, concerns and ambitions of their team members and appeal to them in order to convince or persuade them to take up challenging goals
- Build organisation-wide support networks for their projects and plans
Engaging Managers are assignment-assignee match-makers. They:

- Allocate tasks and assignments in line with individual talents and strengths thus enhancing employee satisfaction from work as well as fostering business efficiency
- Notice potential and help employees identify individual development paths

Engaging Managers promote open two-way communication. They:

- Communicate regularly and openly with their teams and are not afraid to share bad news
- Make sure that key changes, initiatives and decisions as well as business results are clearly communicated on time
- Invest time to explain, clarify and discuss matters that are impacting their teams
- Seek employees input to innovate or improve; are open to suggestions and ideas

Engaging Managers "walk the talk". They:

- Act in line with what they say
- Undertake tasks that will bring value
- Lead by example

Engaging Managers build team spirit. They:

- Create focus and communicate team priorities
- Celebrate team successes
- Recognise every contributor’s efforts
- Make people excited about working together and integrate them around common goal
- Speak in terms of "we, our, us" rather than "you, me, mine"

Engaging Managers are hands-on with their teams. They:

- Are accessible and have an "open door" attitude
- Get involved personally when teams are going through tough times
- Investigate personally and step in as objective mediators when conflicts arise

Engaging Managers are self-confident. They:

- Are composed and stay calm under pressure
- Demonstrate self-confidence in front of others
Strengthening the Link

As you consider how ready your own managers are to drive employee engagement, here are some good questions to ask:

☐ Are your managers equipped to understand and act upon engagement results?
☐ Do your most critical teams have the most engaged managers?
☐ Do all of your managers receive information on the engagement and business results of their teams?
☐ Do you have skilled HR people assigned to support managers?
☐ Is there visible support coming from your senior leadership team?
☐ How often does engagement feature on the agenda of team meetings?
☐ Do you have efficient tools and technology to support your managers?
☐ What sort of support networks do managers have?

What practical steps can you take to strengthen the manager link?
Here are some suggested practices to help ensure your managers are set-up to be engaged and engaging employees.

Review current levels of leader and manager engagement and identify any hot-spots where targeted action may need to be taken.

Ensure that your engagement survey results and the follow-up process are specifically designed to encourage managers to focus on priority actions.

Ensure any manager training or induction programs cover the topic of employee engagement.

Create manager forums and communities where engagement ideas can be shared and managers feel supported and part of the organisation’s drive to create an engaged workforce.

Make full use of technology to make it easier for managers to find everything they need to act on engagement and implement actions.

Communicate success stories and promote internal case studies showing how manager behaviours and actions have been proven to make a difference to levels of employee engagement.

Establish the links between employee engagement and key performance metrics in your organisation so that managers see tangible evidence of the impact of having an engaged team.

Identify what your organisation’s own "Engaging Leader DNA" should be, establish where your greatest gaps are at an organisation and individual manager level and create development plans to close the gaps.

Make sure your managers are ready to be the strongest link!
About Aon Hewitt’s Engagement Research

Aon Hewitt Global Engagement Database
One of the largest and most robust databases in the market
- More than 5 million employees surveyed
- 5,800 organisations
- More than 120 countries, 60 languages and nearly every industry
- Best Employers research studies across the globe

European Manager Survey 2011
Responses were collected from European team managers via a specific survey in June 2011 in the following countries:

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Managers Responding</th>
<th>Function Represented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>31%</td>
<td>All functions</td>
</tr>
<tr>
<td>France</td>
<td>30%</td>
<td>All functions</td>
</tr>
<tr>
<td>Germany</td>
<td>20%</td>
<td>All functions</td>
</tr>
<tr>
<td>Italy</td>
<td>19%</td>
<td>All functions</td>
</tr>
<tr>
<td>Netherlands</td>
<td>51%</td>
<td>All functions</td>
</tr>
<tr>
<td>Poland</td>
<td>51%</td>
<td>All functions</td>
</tr>
<tr>
<td>Russia</td>
<td>21%</td>
<td>All functions</td>
</tr>
<tr>
<td>Switzerland</td>
<td>21%</td>
<td>All functions</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>19%</td>
<td>All functions</td>
</tr>
</tbody>
</table>

731 managers responded to the survey. They represented all functions of their organisations. HR managers were intentionally excluded from the survey. Size of organisations and number of employees managed by respondents are shown below:

Number of employees in organisation

<table>
<thead>
<tr>
<th>Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>101 - 250</td>
<td>19%</td>
</tr>
<tr>
<td>251 - 500</td>
<td>13%</td>
</tr>
<tr>
<td>501 - 1000</td>
<td>21%</td>
</tr>
<tr>
<td>1001 - 5000</td>
<td>12%</td>
</tr>
<tr>
<td>5001 - 10 000</td>
<td>19%</td>
</tr>
<tr>
<td>10 001 +</td>
<td>16%</td>
</tr>
<tr>
<td>10 001 +</td>
<td>19%</td>
</tr>
</tbody>
</table>

Number of employees managed

<table>
<thead>
<tr>
<th>Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10 people</td>
<td>19%</td>
</tr>
<tr>
<td>10 - 20 people</td>
<td>19%</td>
</tr>
<tr>
<td>21 - 50 people</td>
<td>20%</td>
</tr>
<tr>
<td>51 + people</td>
<td>30%</td>
</tr>
<tr>
<td>10 001 +</td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: Aon Hewitt European Manager Survey 2011
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Employee Engagement

At Aon Hewitt, we use employee engagement as a key performance metric to measure the resilience and sustainability of organisations. We define "engagement" as the emotional and intellectual involvement that motivates employees to do their best work and contribute to your organisation’s success.

Aon Hewitt’s unique approach to engagement enables our clients to achieve superior performance at both individual and organisational levels. We provide insights into employee survey results which mean that actions are targeted and have a high impact on business results.

About Aon Hewitt

Aon Hewitt is the global leader in human resource consulting and outsourcing solutions. The company partners with organisations to solve their most complex benefits, talent and related financial challenges, and improve business performance. Aon Hewitt designs, implements, communicates and administers a wide range of human capital, retirement, investment management, health care, compensation and talent management strategies. With more than 29,000 professionals in 90 countries, Aon Hewitt makes the world a better place to work for clients and their employees.

For more information on Aon Hewitt, please visit [www.aonhewitt.com](http://www.aonhewitt.com)