



MARCH 1, 2011

# Strengthening Your Company's Performance

by Jim Asplund and Nikki Blacksmith

---

## Why engaged organizations with employees who use their strengths achieve better results

The "Great Recession" has forced companies worldwide to get out their knives and cut -- slashing spending on projects and training. But above all, it has meant cutting staff. Most companies made these cuts knowing that drastic reductions would likely cause problems in the future: What they would lose today, they might need tomorrow -- especially the people.

To maximize performance, you need both engagement and ability.

Well, forward-thinking organizations might want to put the cutlery away. Recent research points to several effective methods to improve productivity and profitability, and none of them rely solely on reducing headcount.

### **High productivity from lean workforces**

For decades, scientists at Gallup and elsewhere have studied companies that get remarkably high productivity from a lean workforce. Over and over, rigorous examination shows that these companies are different from the rest in one particular way -- they engage their employees emotionally. And those engaged employees gain a strong sense of fulfillment from their jobs.

"One way people express engagement is with the feeling that 'I'm dedicated. I'm loyal. I love this organization. It'd be really hard to get me out of here.' That's enduring," says Kim S. Cameron, Ph.D., William Russell Kelly Professor of Management and Organizations at the University of

Michigan's Ross School of Business. "Another way is feeling really excited about or enthused about the day-to-day work, which may be more temporary. Both are good for companies."

For those reasons, engaged employees are extremely valuable -- they outperform employees who are not engaged and those who are actively disengaged on a multitude of performance metrics. "The impact of engagement at work has been well-established: The organization's performance, its honest-to-goodness profitability, productivity, quality, and customer satisfaction are all affected," says Cameron. "All of the work that gets at components of engagement shows wonderful outcomes."

In the past few years, Gallup scientists have found that there's an accelerant to engagement -- an element that produces more engagement, higher productivity, and more profitability. In fact, this accelerant is the single best means of improving the employee-manager relationship that Gallup has ever observed. And every company already has it on hand, whether they know it or not.

### The (lucrative) human side of business

"Employees who are cognitively involved in their work but not enthusiastic may have a good understanding of their job requirements and enjoy their work. But they may still be unwilling to turn the involvement into activity that benefits their workgroup or organization," says Jim Harter, Gallup's chief scientist of workplace engagement and wellbeing. "Conversely, employees who are enthusiastic but not cognitively involved may have a great deal of undirected or unfocused energy that is similarly inefficient for the workgroup or organization."

In other words, to maximize performance, you need both engagement and ability. Ability -- an innate talent for the job or task at hand -- is one key component. Gallup has also found that when managers wield all 12 elements that are crucial to engaging employees -- and when they also ensure that people have the opportunity to use their strengths and do what they do best every day -- a kind of organizational magic happens.

Abstract issues -- such as conflict management, communication, mentoring, time management, and career planning -- become easier to overcome. Research also indicates that there are many

## The Three Types of Employees

1	<p><b>ENGAGED</b> employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.</p>
2	<p><b>NOT-ENGAGED</b> employees are essentially "checked out." They're sleepwalking through their workday, putting time -- but not energy or passion -- into their work.</p>
3	<p><b>ACTIVELY DISENGAGED</b> employees aren't just unhappy at work; they're busy acting out their unhappiness. Every day, these workers undermine what their engaged coworkers accomplish.</p>

benefits to providing strengths-based development in the workplace, including improved communication, stronger workplace relationships, and effective teams.

"Those abstract issues are the sorts of things that can be improved by self-knowledge," says Cameron. "Techniques like Six Sigma, lean management -- those can all be critical and are a savvy set of tools, techniques, and processes. But the human side, the soft side of that equation, is often more important than we give it credit for."

Not only is it more important, but the human side is also more lucrative than leaders may realize. In one study of 65,672 employees, turnover rates were 14.9% lower among employees who received feedback on their strengths. In a study of 530 work units, units with managers who received strengths feedback showed 12.5% greater productivity post-intervention relative to units with managers who received no feedback. A study of 1,874 individual employees, most of them in sales functions, found that productivity improved by 7.8% after a strengths intervention. And in another study of 469 business units in organizations ranging from retail stores to large manufacturing facilities, units with managers who received strengths feedback showed 8.9% greater profitability.

So on an organizational level, an engaged workforce using its strengths has a distinct performance advantage. On an individual level, knowledge of one's strengths has a deeply emotional impact. As one study by Bruce Avolio, Ph.D., and Fred Luthans, Ph.D., found, "Changes in one's perceived sense of self have been found to be enduring turning points in one's life." Yet that kind of epiphany has an impact on the job too, because it changes behavior; widens perspectives; and helps managers match people to job roles, teaching and educational opportunities, mentoring activities, individual and team coaching, and other organizational learning mechanisms.

But before a company can take advantage of all those benefits, employees need to know their strengths.

### **What's a strength?**

Gallup's definition of strength starts with talent. Talents are the reliable, innate features of our personalities, our inborn paths to high levels of performance. Dominant talents appear naturally and powerfully in a variety of situations. Talents begin to develop in childhood and stabilize in adulthood.

People aren't good judges of their own strengths. Everyone has a blind spot.

”

Talents don't become strengths, however, unless they're combined with skills, knowledge, and a final crucial element: practice. Unlike talents, skills and knowledge must be acquired. A person might have the talents for driving a truck, for instance, but could be a menace on the road without the requisite skills, knowledge, and practice required to be a professional driver. When talent is multiplied by knowledge, skills, and practice to become a strength, it becomes a powerful force in an organization.

The vital question, however, is how to identify talents. Gallup, along with leading scientists, researched this issue over the course of decades and created the Clifton StrengthsFinder, an assessment that reveals a person's top five talent themes. Among the 34 StrengthsFinder themes are Achiever, Strategic, and Relator, for example. To date, almost 6 million people have taken StrengthsFinder and have received a profile of their top five talents.

Just because someone takes an assessment doesn't mean she will be able to use her talents effectively in the workplace. So Gallup created a Strengths Orientation Index to capture those data. The intensity with which people agree to the items on the Strengths Orientation Index indicates the success they will have in using their strengths. That intensity is also a good predictor of workplace engagement levels.

### **Strengths Orientation Index:**

- Every week, I set goals and expectations based on my strengths.
- I can name the strengths of five people I work with.
- In the last three months, my supervisor and I have had a meaningful discussion about my strengths.
- My organization is committed to building the strengths of each associate.

### **Strengths + engagement**

Of the thousands of people who have answered the items in the Strengths Orientation Index, only 3% can strongly agree to all four of them. That may reflect individual workplace cultures. Gallup's employee engagement studies reveal that there is a significant amount of variability in the cultures of local workgroups, which may affect how employees in those groups apply what they have learned about strengths.

Some of this variability is unavoidable, as the underlying assumption of the strengths theory is that individuals will vary in their natural ability to learn, integrate, or apply *any* insight. But some of this variability is easily sidestepped.

"People ought to know their strengths and capitalize on them," says Cameron. "But people are not really good judges of their own strengths. Everyone has a big blind spot, which is why the Clifton StrengthsFinder is valuable." He adds, "Once you know what [strengths] are, you can label and describe them, you can deploy them, you've got some behavioral examples. Things like performance appraisals, feedback, coaching, and mentoring supplement that and are almost always helpful in broadening the known side of who you are."

Learning about strengths -- and learning how to apply them in a work role -- is a journey, and it starts with managers. Frontline supervisors must learn to support employees' strengths development. Performance management systems must be aligned to reinforce strengths and provide accurate, ongoing feedback to all workers.

Perhaps the largest organizational commitment of all is an extension of trust. By explicitly acknowledging the uniqueness of each employee, organizations can energize workers' independent thinking and creativity. This in turn tends to make their activities more financially productive.

Why? Because employees who know their strengths are better at knowing both the long-term and short-term goals of employee-customer interactions. They are also far more likely to care whether the interaction results in profit, more motivated to learn how to apply themselves, and likelier to know how far -- and when -- they can stretch business procedures and policies when the situation warrants it. Strengths development can accelerate this process by helping employees learn to be more intuitive and creative within the context of who they are. This is something everyone can learn to do better and can apply in ways that produce extraordinary financial returns.

## THE 12 ELEMENTS OF GREAT MANAGING

To identify the elements of worker engagement, Gallup conducted many thousands of interviews in all kinds of organizations, at all levels, in most industries, and in many countries. These 12 statements – the Gallup Q<sup>12</sup> – emerged from Gallup's pioneering research as those that predict employee and workgroup performance.

1. I know what is expected of me at work.
2. I have the materials and equipment I need to do my work right.
3. At work, I have the opportunity to do what I do best every day.
4. In the last seven days, I have received recognition or praise for doing good work.
5. My supervisor, or someone at work, seems to care about me as a person.
6. There is someone at work who encourages my development.
7. At work, my opinions seem to count.
8. The mission or purpose of my company makes me feel my job is important.
9. My associates or fellow employees are committed to doing quality work.
10. I have a best friend at work.
11. In the last six months, someone at work has talked to me about my progress.
12. This last year, I have had opportunities at work to learn and grow.

---

Copyright © 1993-1998 Gallup, Inc. All rights reserved. Gallup® and Q<sup>12</sup>® are trademarks of Gallup, Inc.

The Gallup Q<sup>12</sup> items are Gallup proprietary information and are protected by law. You may not administer a survey with the Q<sup>12</sup> items or reproduce them without written consent from Gallup.

GALLUP®

### Additional Reading

Avolio, B.J., & Luthans, F. (2006). *The high impact leader: Moments matter in accelerating authentic leadership development*. New York: McGraw-Hill.

Jim Asplund is Chief Scientist, Strengths-Based Development and Performance Impact Consulting, at Gallup. He is coauthor of *Human Sigma: Managing the Employee-Customer Encounter*.

Nikki Blacksmith is a former Lead Researcher, Workplace Practice, at Gallup.

**RELEASE DATE:** March 1, 2011

**SOURCE:** Gallup <http://www.gallup.com/businessjournal/146351/strengthening-company-performance.aspx>

**CONTACT:** Gallup World Headquarters, 901 F Street, Washington, D.C., 20001, U.S.A  
+1 202.715.3030

Copyright © 2016 Gallup, Inc. All rights reserved.

Gallup, Inc. maintains several registered and unregistered trademarks that include but may not be limited to: A8, Accountability Index, Business Impact Analysis, BE10, CE11, CE11 Accelerator, Clifton StrengthsExplorer, Clifton StrengthsFinder, Customer Engagement Index, Customer Engagement Management, Dr. Gallup Portrait, Employee Engagement Index, Enetrix, Engagement Creation Index, Follow This Path, Gallup, Gallup Brain, Gallup Business Journal, GBJ, Gallup Consulting, Gallup-Healthways Well-Being Index, Gallup Management Journal, GMJ, Gallup Panel, Gallup Press, Gallup Tuesday Briefing, Gallup University, Gallup World News, HumanSigma, HumanSigma Accelerator, ICE11, I10, L3, ME25, NurseInsight, NurseStrengths, Patient Quality System, Performance Optimization, Power of 2, PrincipallInsight, Q12, Q12 Accelerator, Q12 Advantage, Selection Research, Inc., SE25, SF34, SRI, Soul of the City, Strengths Spotlight, Strengths-Based Selling, StatShot, StrengthsCoach, StrengthsExplorer, StrengthsFinder, StrengthsInsight, StrengthsQuest, SupportInsight, TX(R+E+R)=P3, TeacherInsight, The Gallup Path, The Gallup Poll, The Gallup School, VantagePoint, Varsity Management, Wellbeing Finder, Achiever, Activator, Adaptability, Analytical, Arranger, Belief, Command, Communication, Competition, Connectedness, Consistency, Context, Deliberative, Developer, Discipline, Empathy, Fairness, Focus, Futuristic, Harmony, Ideation, Includer, Individualization, Input, Intellection, Learner, Maximizer, Positivity, Relator, Responsibility, Restorative, Self-Assurance, Significance, Strategic, and Woo. All other trademarks are the property of their respective owners. These materials are provided for noncommercial, personal use only. Reproduction prohibited without the express permission of Gallup, Inc.