



## Why is Engagement Important?

**70% x 4 is one way to answer this question:**

- 1. 70% or more of a typical workforce is disengaged.<sup>1</sup>**
- 2. 70% of the variance in return on investment is attributed to the leader and the team, not the strategy.<sup>2</sup>**
- 3. 70% of teammates report to a front line leader.**
- 4. 70% of the variance in engagement scores is attributed to the direct leader.<sup>1</sup>**

Let's start with **Point number 1**—70% disengagement levels. Gallup's research shows that the distribution of engagement is about 30/50/20. This means that about 30% of a typical organization is fully engaged—loads of discretionary effort. About 50% will do what you ask, but not much more—limited, if any, discretionary effort. Sadly, about 20% are disengaged, with some percent of those actively working against the goals of the enterprise. Worse still, the 30/50/20 engagement distribution has been largely fixed for years.

**Point number 2** – about 70% of the variance in return on investment is attributed to the leader and the team, not the strategy, according to MIT. An organization's strategy will and should change. A great leader/team will fix a bad strategy. A middling leader/team combination will mess up even a brilliant strategy. The implication is clear. Ultimately, return on investment is a bet on the leader and the team more than on the strategy.

**Point number 3** – about 70% of teammates report to a front-line leader, not to senior leaders. These front line leaders go to work every day wanting to do a good job. They are frustrated by working with disengaged teammates. Disengaged teammates spin (waste effort and talent on tasks that don't matter), settle (lack commitment though not dissatisfied enough to leave), and split (they quit).<sup>3,4</sup> Disengaged teammates view their jobs as an exchange of time for a paycheck. They arrive and

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leave on time, take their breaks, and offer minimal effort. The actively disengaged teammate is the most destructive. They undermine their teammates' performance by sharing their unhappiness in words, attitudes, and actions

**Point number 4** – about 70% of the variance in engagement scores is attributed to the direct leader. The business literature is chock full of advice on how leaders can motivate teammates. Yet, the reality is that organizations don't have to motivate their teammates. They have to stop demotivating them! Leaders inadvertently make it difficult for teammates to do their jobs. Endless paperwork, micromanagement, and fuzzy strategy, and most of all, lack of trust and care, all contribute to frustrated teammates. For

these reasons, people leave their leaders rather than their organizations.

An effective engagement strategy is focused on leadership development, the cost of which is well worth the investment. Study after study finds strong correlations between engagement and organizational performance, such as increased profitability; customer satisfaction; growth; and decreases in harm incidents; turnover; and absenteeism. These results are consistent across different organizations from diverse industries and regions of the world. In other words, these are human issues, not industry or nationality issues. These findings make it clear that taking care of teammates – being pro-social - is the best way to take care of organizational performance.

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1. What Is Employee Engagement and How Do You Improve It? Gallup. Accessed March 19, 2022.
  2. <https://www.gallup.com/workplace/285674/improve-employee-engagement-workplace.aspx>
  3. BlessingWhite. Employee Engagement Report 2006. BlessingWhite, Inc.; 2006.
  4. Towers Perrin. *Working Today: Understanding What Drives Employee Engagement*. The 2003 Towers Perrin Talent Report. Towers Perrin; 2003.