Hello, everybody. Dennis Engelbrecht with The Family Business Institute.

It's not every day you read something that sort of knocks you back in your seat, but a couple days ago, reading my Daily Leadership SmartBrief, I saw a headline that said, "70% of Team Engagement Is Determined by the Effectiveness of the Frontline Managers." I thought, "Wow, that's a big number. I should learn more about that and what that's about." So hopefully I'm going to share a little bit here, but engagement, I guess, for us all folks, is one of the new buzzwords that's out there, but, really, I think engagement is the key to better productivity, better retention, better company culture, and even better company results, because when people are engaged in their work, they're simply more effective, and they get more done, and they're happier about it.
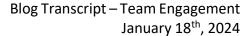
So, to think about your frontline managers being responsible for that engagement, in a sense, kind of takes it out of the one leader's hands, but maybe not. As we go along here, we will connect back into that, because a lot of times, those frontline managers are not good at employee engagement because they themselves are not engaged or not being given the leadership they need to be better engaged with their employees, and I'll give you just a quick example of that. Let's just say to be engaged, the employees want to know what the purpose and the goals are, and they want to know how the company's doing against those goals. Well, if you don't communicate that to your frontline managers, they can't communicate that to their team of people, right? They're in the dark, everyone else is in the dark, and it's harder to be engaged without that line of communication, but that's just one thing.

So, let's go back again. So, this 70% number, so what Gallup did, well, first of all, they've created a tool to measure engagement, and also to sort of measure the capability of managers and leaders of getting employee engagement, and it's got a whole bunch of things that they ask, and measure, and all that, but it's basically a 360 type of tool. So, what they found is that the upper quartile of their managers, in terms of their ability to create engagement, the upper quartile of those had team engagement of 83%, at the 83-percentile rate. The lower quartile of managers had a 12% engagement rate with their employees. Wow, if I had a quarter of my people that had 12% engagement with their teams, I got a serious problem, right? That just is not good. But, anyway, the 70% is the difference between that 83% of the upper quartile and the 12% of the lower quartile. So that's the difference of team engagement based on how your frontline people are doing.

In construction, we have a lot of frontline managers, the superintendents, the project managers. They're key people in our company, and probably the greatest key to our success, and then I also thought, "How many of those people have been trained in creating engagement with their teams? And the first number that came to my mind was zero. It may not be zero in your organization, it's probably not zero in the industry, but I would think it's darn close. I bet most frontline managers in construction don't even know what it is or how to achieve it, engagement, that is. So, this brings up a lot of big questions, and I'm not going to give you a lot of answers here, but I'm going to give you some big questions.

The first big question is: do you have frontline managers that are poor at engagement? And then, obviously, if so, what do you do about that? And we'll come back to that later. What are you doing as leaders to support them or resource them via clear purpose, clear goals, communication, how the results match up with the goals, clear direction, giving them autonomy, encouragement, et cetera? So, as upper-level leaders, what are you doing with those things to support your frontline leaders so that they can get better engagement with their people? Third big question: what are we doing to train them? And there is engagement training out there, there is engagement measurement out there. I know even a small percent of our construction companies are actually measuring engagement. We do have some who do, and they find it a very valuable tool, but what are you doing to train your people to be better at engaging folks?

And then, ultimately, I think you have to ask the question, "Do we have the right people in these positions, and do we even have the right criteria when we hire for these positions?" So, if engagement is important and it's necessary, how do we figure out what the characteristics of our people are so that they can be better at engaging people? Because certainly

a 12% engagement rate from frontline managers is very, very poor and very bad for your company, and then, ultimately, if you have some folks that are just fatally flawed, what damage is that doing to your company, and do we need to make some changes? If these people are trainable, that's great, but if they're not trainable, do we need to make some cuts in order to move the company forward? So, a little something. I don't have that many answers for you, but this engagement is an interesting term and certainly a huge difference between good engagement and bad engagement, and I'm sure that has huge effects on the results that you achieve in your business.

Dennis Engelbrecht, Family Business Institute. Thanks for tuning in.