

Supervisor Effectiveness Index for Q¹²®

SUPERVISOR EFFECTIVENESS DRIVES ENGAGEMENT

Employees do not leave organizations; they leave managers. Organizations are placing more and more emphasis on driving employee engagement as an organizational initiative, but the latest Gallup research shows that the manager has the most direct influence on an employee's engagement.

MEASURING SUPERVISOR EFFECTIVENESS

Gallup's employee engagement program is a highly effective solution for organizations seeking to improve important performance outcomes. Gallup conducts ongoing research, analysis and validation of the science behind its proprietary Q¹² employee engagement measurement. This ensures that Q¹² continues to be the most predictive measure of employee engagement and performance outcomes.

Leading organizations understand that employees are their greatest asset and that retaining them requires superior managers. Gallup asked U.S. workers a series of questions addressing their supervisor's ability to create an environment of engagement and then conducted an extensive analysis of reliability, validity and item redundancy to determine the supervisor effectiveness items most useful for measuring this construct.

From the original items, Gallup selected the three that explain most of the variance in the other items tested. These items constitute the empirically based Supervisor Effectiveness Index to Gallup's employee engagement program. Gallup's research indicates that adding the Supervisor Effectiveness Index to an effective engagement program can help further explain variance in the quality of management and coworker relationships.

THE MANAGER'S EFFECT

Gallup's Supervisor Effectiveness Index research had impressive findings.

World-class managers are:

- better change agents
- more trustworthy
- more inspiring

The findings strongly suggest that when organizations put employee engagement in the hands of good managers, the chances are greater that employees will become more psychologically committed to their organization and their job.

SUPERVISOR EFFECTIVENESS INDEX ITEMS

My supervisor is an active supporter of the changes that affect our workgroup.

My supervisor creates an environment that is trusting and open.

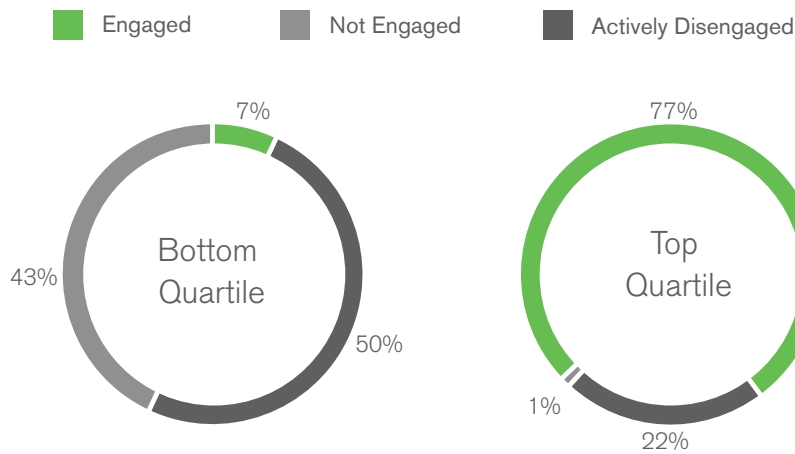
My supervisor inspires me to do more than I thought I could.

KEY SUPERVISOR EFFECTIVENESS DRIVERS

Only a small proportion, 23%, of the U.S. working population strongly agrees with all three items most predictive of effective management, creating cause for concern among organizations that rely on local managers to retain and inspire their most talented employees. Furthermore, engagement is highly related to managerial talent, demonstrating that managers are the single most important influence on an employee's emotional commitment to an organization. Sixty-one percent of the engaged population, 9% of the not engaged population and only 1% of the actively disengaged population strongly agree with all three items.

Employees without an effective supervisor are much more likely to be disengaged. In fact, half of employees who rate their supervisor in the bottom quartile on the supervisor effectiveness questions are actively disengaged. Another 43% are not engaged, providing overwhelming evidence of the supervisor's effect on the engagement of each employee. By contrast, 77% of employees who rank their supervisor in the top quartile are engaged, 22% are not engaged, and only 1% are actively disengaged.

EFFECTIVE SUPERVISORS INCREASE ENGAGEMENT



Quartiles Based on Supervisor Effectiveness Index

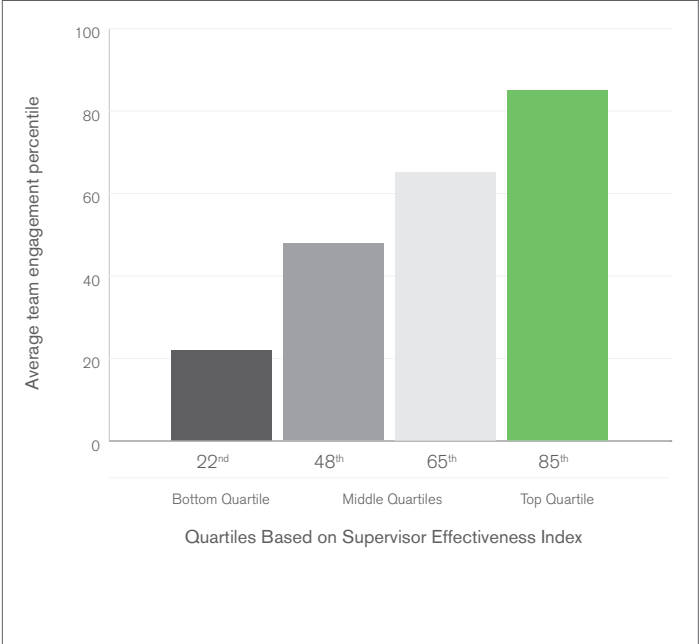
The one constant in organizations today is change. Gallup found that employee engagement is highly related to an organization's handling of change, given the importance of employee commitment during times of transformation. Seventy-eight percent of engaged employees versus only 8% of actively disengaged employees say their supervisor is an active supporter of the changes that affect their workgroup.

Teamwork, collaboration and communication all depend on one key factor — trust. Gallup's latest research finds that 71% of engaged employees versus merely 3% of actively disengaged employees say their supervisor creates an environment that is trusting and open.

An organization's culture plays a major role in each employee's perceived ability and actual performance. When Gallup surveyed employed adults, 78% of engaged respondents strongly agreed that their supervisor inspires them to do more than they thought they could. In contrast, only 5% of actively disengaged respondents agreed.

This same strong relationship between the effectiveness of the local manager and employee engagement has been found among organizations Gallup has studied across the globe and in many industries, including finance, retail, hospitality, healthcare and manufacturing. Across organizations, it has been found that team-level engagement is highly related to employees' perceptions of their supervisor. Employees who rate their supervisor as most effective (top quartile) have much more highly engaged teams (average 85th percentile of engagement), compared with employees who rate their supervisor as least effective (bottom quartile), whose teams are much less engaged (average 22nd percentile of engagement).

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THE BOTTOM LINE

An effective supervisor can make all the difference in whether an employee is engaged. To increase overall engagement, organizations must focus on getting the right managers in the right roles and developing the essentials of great managing in every manager. A poor manager can drive the most engaged, productive and profitable employees out the door before they even have a chance to be effective.

Organizations must measure the current state of their management to understand the supervisor's role in creating a more engaged environment. Gallup's Supervisor Effectiveness Index enables organizations to more effectively identify and manage variation in manager impact levels throughout workgroups. Although designed for internal measurement, the Supervisor Effectiveness Index does have external comparable data through Gallup's global client database or within the U.S. working population for organizations that want to benchmark their progress.

Also, Gallup has researched and developed many empirical indexes to help organizations strategically pinpoint and improve areas of focus that are important to their current situation. By using one or more of these indexes in conjunction with the Q¹² metric, leaders have another tool to capture more of their organization's engagement story. These indexes include Accountability, Brand Ambassador, Change Management, Collaboration, Communication, Customer Engagement Commitment, Customer Orientation, Ethics, Hope, Inclusiveness, Innovation, Leadership, Nursing, Patient Experience, Strengths Orientation, Supervisor Effectiveness, Values, Well-Being Culture and World Class.

Gallup has also researched more than 70 topic areas that address the wide range of issues organizations confront. Beyond asking the right questions, leaders must also have focused discussions during which data-driven decisions can occur. In-depth strategy sessions for leaders and managers are available for each index to help optimize company performance on specific business issues. Together, these indexes and interventions provide a flexible, targeted approach to addressing any organization's specific engagement needs.

Learn more!

For more information about Gallup solutions for optimizing business performance visit www.gallup.com or contact Gallup Client Support at 877.425.5871 (U.S.) or +1.402.951.3600 (International).