



ECONOMY

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Managers With High Talent Twice as Likely to Be Engaged

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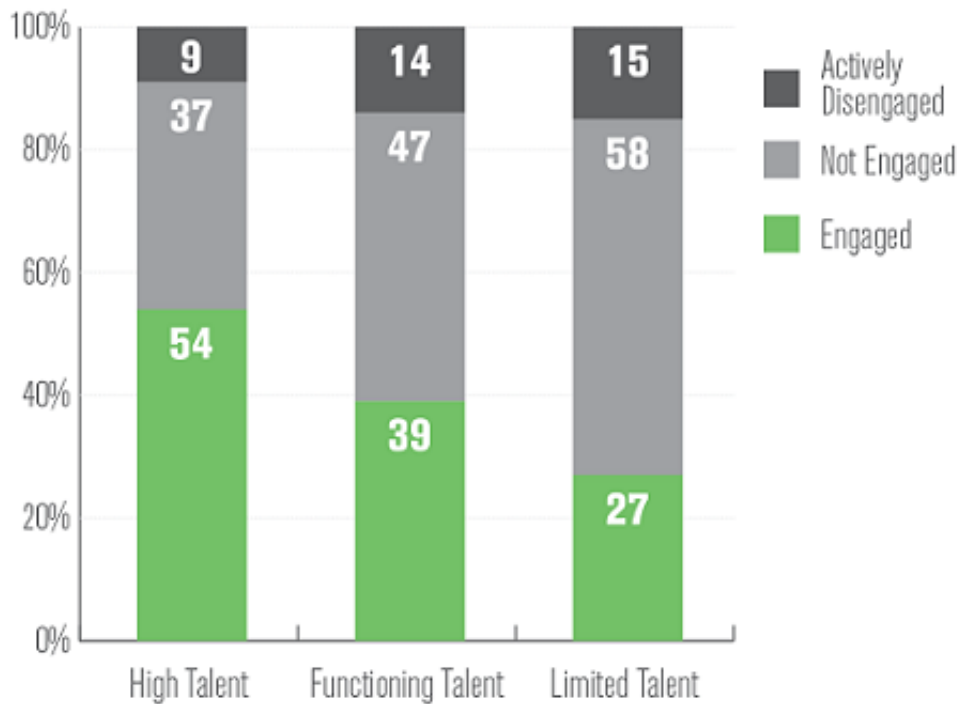


Story Highlights

- *54% of managers with high talent, 27% with low talent are engaged*
- *Only 35% of U.S. managers are engaged in their workplace*
- *Just 18% of managers have "high degree" of managing talent*

PRINCETON, N.J. -- Managers in businesses and organizations who have been identified as having high managerial talent -- a natural capacity for excellence -- are twice as likely to be engaged (54%) as managers who have limited talent (27%). Those who possess "functioning" or moderate talent are also significantly less likely than the most talented group to be engaged at work.

MANAGERS WITH HIGH TALENT ARE TWICE AS LIKELY TO BE ENGAGED



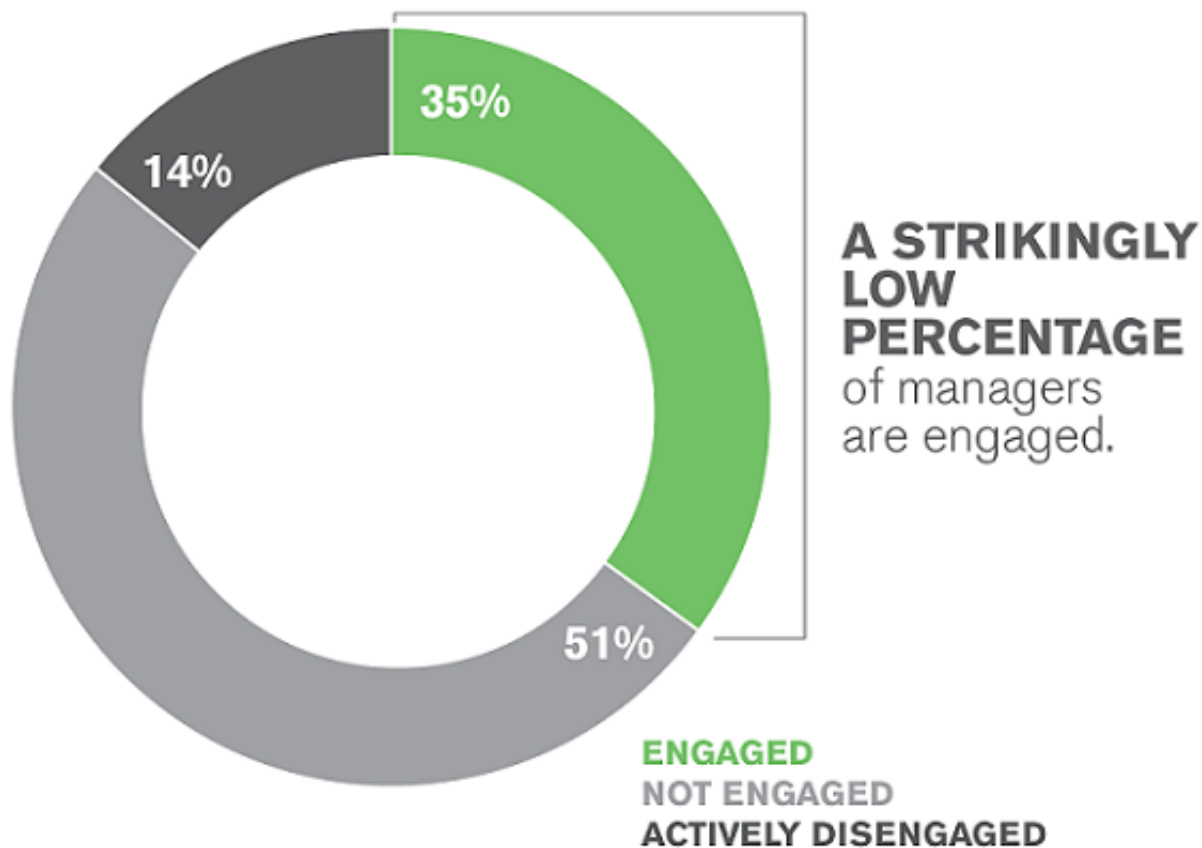
Fifty-four percent of managers who possess high managerial talent are "engaged" at work, while 37% are "not engaged." Conversely, 27% of managers deemed to have "limited talent" are engaged at work, while the majority, 58%, are not engaged in the workplace.

These findings can be found in The *State of the American Manager* report, which contains new insights about managers, and especially the talents that are required for effectively managing teams in organizations. Gallup conceives of talent as the natural capacity for excellence in a given endeavor. Everyone has talent in some areas, but few have the innate talent to become a great manager. Just one in 10 people have the unique blend of innate characteristics that Gallup has found to be predictors of management excellence, including the motivator, assertiveness, accountability, relationships, and decision-making talents. Another two in 10 have "functioning" talent, meaning they possess some of the traits but not all and, with the right coaching, can become successful managers. Just 18% of *current managers* have high talent, which means organizations are missing out on placing the optimal people in managerial jobs 82% of the time.

Managers with high talent lead teams that achieve higher employee engagement, higher productivity and higher employee retention rates, and have more engaged customers and 48% higher profitability. They are also more likely to be brand ambassadors for their organization than those with lesser management talent. Those with high managerial talent are twice as likely as those with low talent to strongly advocate for the products and services of their organizations and twice as likely to say they know what their organization stands for.

Manager Engagement Is Too Low

While 54% of managers with high talent are engaged at work, just 35% of *all* U.S. managers are engaged in their work and workplaces. Fifty-one percent of all U.S. managers are not engaged, and 14% are actively disengaged. Through their impact, Gallup estimates that managers who are not engaged or actively disengaged cost the U.S. economy \$319 billion to \$398 billion annually.



One reason for the high cost is that manager engagement has a direct impact on employees' engagement. Employees who are supervised by highly engaged managers

are 59% more likely to be engaged than those who are supervised by disengaged managers -- leading to higher productivity, lower turnover, better-quality work, and higher profitability.

Implications

Managers influence everything that gets done in organizations. According to Gallup research, they may occupy the single most important role in workplaces throughout the world. They translate strategy into action and hold employee morale, turnover, productivity, safety and creativity in their hands. A great manager improves lives while improving performance. A poor manager makes workers' lives miserable while destroying performance.

Currently, only slightly more than 30% of employees in U.S. workplaces are engaged in their work and workplaces. This figure has hardly budged in nearly 15 years. But it doesn't have to be that way. Some organizations have 70% engagement or higher, and this hasn't happened by chance. They outpace their competitors in financial performance and make the lives of their employees better in the process. But most organizations are still struggling to improve the morale of their workforces and their performance. There is a root cause: They don't have enough great managers because they have placed people into the position of manager for the wrong reasons. Tenure or success in a prior nonmanager role, while seemingly equitable reasons on the surface, aren't the right reasons. Great managers have different natural talents than average or below-average managers. And they continue to improve if their organization sets the right criteria for building a productive culture.

Managers, through their natural talents, their own engagement and their behaviors explain at least 70% of the variance in engagement across teams. Few organizations have enough great managers. And there is no other job that has as much combined influence on American business success or failure as the manager.

Survey Methods

Estimates of the relationship between managerial talent and engagement and the level of engagement among managers were based on a sample of 2,564 U.S. managers completing Web and paper surveys during September and October 2013. Based on the total Gallup Panel sample of adult managers aged 18 and older, the margin of sampling error is ± 2 percentage points, at the 95% confidence level.

Gallup has a four-decade-long history of studying individuals' talents across a broad spectrum of jobs. This has included numerous studies of managerial talents across a wide range of managerial positions. Talent-based assessments, consisting primarily of in-depth structured interviews and Web-based assessments, have been designed to predict performance, and large-scale meta-analyses have been conducted examining the predictive validity of the instruments. Thresholds in instrument scores are set with an effort to optimize the probability of selecting high performers. Such thresholds, examined across 341,186 applicants and 70 applicant samples from organizations using managerial assessments, were used to inform the percentage of individuals with high and basic managerial talent. These findings were then cross-validated in a random sample of Gallup panelists (n=5,157). In estimating the percentage of variance in employee engagement that managers account for, multiple regression analysis was conducted across 11,781 work teams examining the relationship between various manager-related independent variables (team members' perceptions of their manager, the managers' engagement and manager talent) and the team's overall engagement as defined by Gallup's Q¹² instrument. The financial value of managerial engagement was estimated using standard utility analysis methods that include the relationship between manager engagement and the engagement of those that report to them, comparing differences between engaged, not engaged and actively disengaged managers. Utility analysis methods also included estimates of the relationship between employee engagement and performance, and literature estimates of the standard deviation of the dollar value of productivity for workers with mean U.S. salary.

Learn more about how the [Gallup Panel](#) works.

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SOURCE: Gallup <http://www.gallup.com/poll/182225/managers-high-talent-twice-likely-engaged.aspx>

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