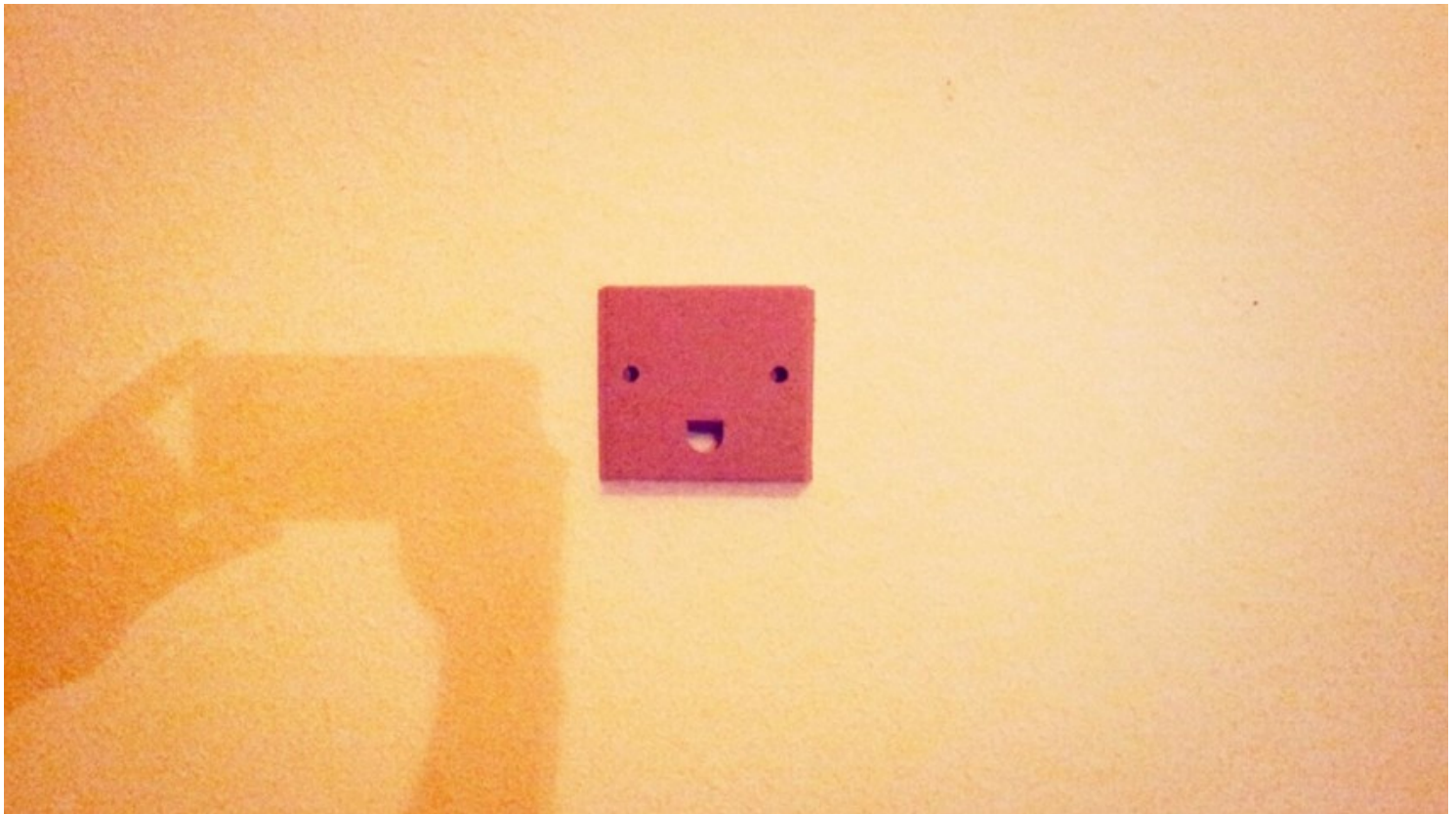# Engaging Your Employees Is Good, but Don't Stop There

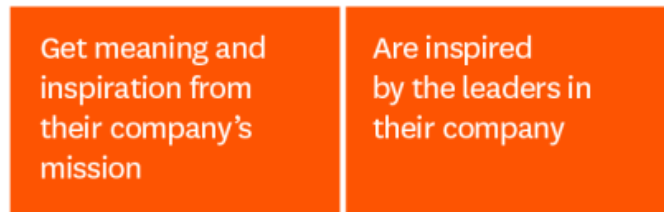by Eric Garton and Michael C. Mankins

DECEMBER 09, 2015

Genius, as Thomas A. Edison famously declared, may be 1% inspiration and 99% perspiration. But building a company employees truly love reverses the equation: it's almost all inspiration, and sweat has only a little to do with it. This is the unexpected conclusion of new research from Bain & Company, conducted in conjunction with the Economist Intelligence Unit.

Here's the background. Many commentators talk glibly about employee "engagement," as if that concept were all-encompassing and easy to define. But we have always found it helpful to break the idea into its component parts.
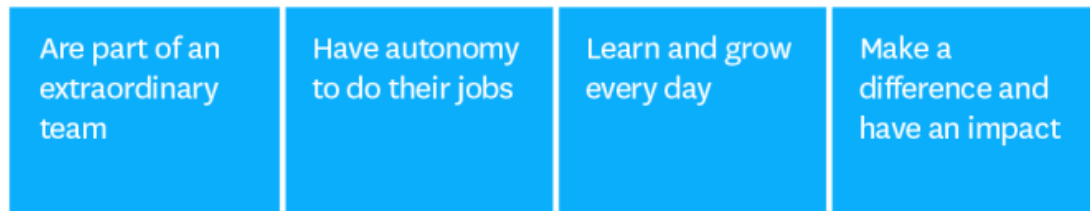
The foundational elements—call them employee satisfaction—are fundamentals such as having a safe work environment and the tools necessary to do the job. Abraham Maslow taught us that we can't concern ourselves with higher goals until we have the necessities of life, including security. So it is in the workplace: first things first.
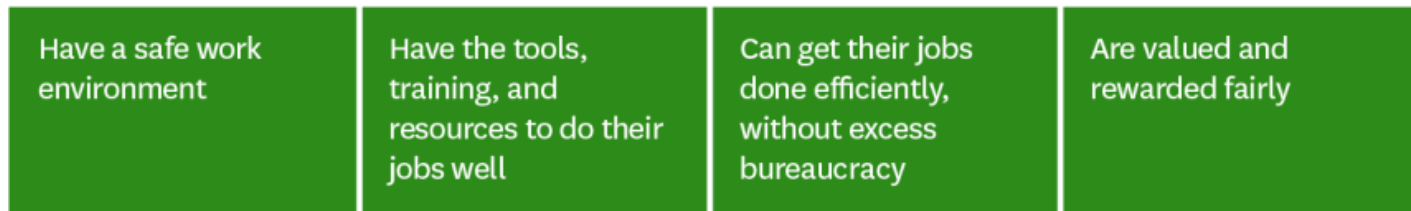
The Pyramid of Employee Needs

INSPIRED EMPLOYEES...

Get meaning and inspiration from their company's mission	Are inspired by the leaders in their company

ENGAGED EMPLOYEES...

Are part of an extraordinary team	Have autonomy to do their jobs	Learn and grow every day	Make a difference and have an impact

SATISFIED EMPLOYEES...

| Have a safe work environment	Have the tools, training, and resources to do their jobs well	Can get their jobs done efficiently, without excess bureaucracy	Are valued and rewarded fairly

Next come the elements of true engagement, such as the feeling that you're part of an extraordinary team, that you're learning and growing, and that you can make a real impact. And then, at the top—perhaps the equivalent of Maslow's self-actualization—is the feeling that you derive meaning and purpose from the company's mission. That's inspiration.

Most of us know how important inspiration can be in everyday life. In the workplace, as one pundit put it, employees react differently when they encounter a wall. Satisfied employees hold a meeting to discuss what to do about walls. Engaged employees begin looking around for ladders to scale the wall. Inspired employees break right through it.

In the research, we surveyed over 300 senior executives from companies all over the world. We asked them to assess, based on their impressions of employee output, the relative productivity of dissatisfied, satisfied, engaged, and inspired employees. The results point to the productive power of an engaged and inspired workforce. If satisfied employees are productive at an index level of 100, then engaged employees produce at 144, nearly half again as much. But then comes the real kicker: inspired employees score 225 on this scale. From a purely quantitative perspective, in other words, it would take two and a quarter satisfied employees to generate the same output as one inspired employee.

Inspired Employees Are the Most Productive

PRODUCTIVE OUTPUT
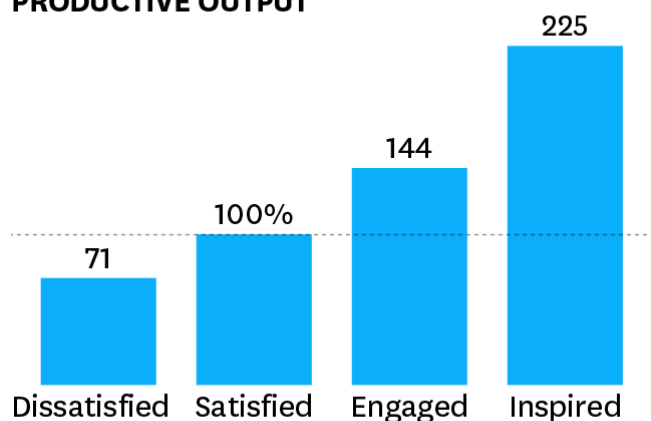
© HBR.ORG

What can companies do to build satisfaction, engagement, and ultimately inspiration? Most, unfortunately, go about things in the wrong way.

Look again at the top figure. Managers often decide that the real issue for employees is how much money they make. Pay people more, the story goes, and they'll do anything you ask. So the company overinvests in the economic rewards for the job. Ironically, this can have the effect of lessening engagement by turning everything into a quid pro quo. Most employees are not coin-operated, and more money does not lead to more engagement.

At the same time, many companies underinvest in some of the other foundational elements. Take the statement "I can get my job done efficiently, without excess bureaucracy." How many people in your organization would agree with it? If people are constantly struggling with unnecessary meetings, cumbersome approval processes, and routine obstacles, they are unlikely to be satisfied, let alone engaged or inspired. These ways of working, which determine where we work, how we work, and with whom we work, are as important in defining our workplace experience as the formal business processes that define the work's content. It's much the same with the statement, "I have autonomy to do my job." Low spans of managerial control often lead supervisors to micromanage their teams. The work itself is often routinized to the point where people have no chance to exercise their own judgment or creativity.

And what about inspiration? At their founding, most companies have a deep sense of purpose and mission (the top of the pyramid), which inspires employees throughout the organization. Southwest Airlines promised people the "freedom to fly" at a low price. Walmart allowed people to "save money, live better." Google would "organize the world's information." Many companies lose this sense of mission when the founder departs or dies and the organization ages. At that point the corporate goal sometimes seems to be no grander than making enough money each quarter to keep Wall Street happy—not exactly inspiring.

Some companies try to resurrect this lost sense of purpose, but here, too, they often go about it wrong. Maybe they write a bold new mission statement—which, unfortunately, no one takes seriously. Maybe they neglect to link the company's mission to individual and team-based missions, which is how people come to feel inspired by the company's purpose. As well, many companies evaluate their leaders primarily on the basis of performance—that's what determines bonuses—and only secondarily on the basis of whether they inspire the people they lead.

Of course, companies need leaders who value both performance and inspiration, just as a great place to work requires both high performance and high engagement. The problem is that the typical manager today is generally great at hitting his or her numbers, while only a small minority have mastered the art of inspirational leadership. As a result they are unable to manage individuals to their full potential, build and lead truly great teams, and connect a team or individual's mission to the company's overall purpose. To be sure, it's probably unrealistic to think that you can inspire every employee in your organization—each individual works for different reasons. But many people do seek fulfillment in their jobs. If you aren't trying to inspire these employees, you are leaving real money on the table.

The good news is that inspirational leadership can be taught, and it can be learned. In fact, all of us possess some of the qualities of inspiring leaders. The secret is to help leaders build upon the strengths they currently have and shore up any qualities that may compromise their ability to inspire. This starts with 360-degree feedback to assess each leader's current ability to inspire; it includes workshops and individual training to help executives become the most inspirational

leaders that they can be. The process takes time and perspiration—there's the 1%—but targeted investments to increase employee inspiration will pay big dividends in terms of workforce productivity and financial results.

Eric Garton is a partner in Bain & Company's Chicago office and leader of the firm's Global Organization practice.

Michael C. Mankins is a partner in Bain & Company's San Francisco office. He formerly led the firm's Organization Practice in the Americas.

Engaging Your Employees Is Good, but Don't Stop There

This article is about LEADERSHIP & MANAGING PEOPLE

⊕ **FOLLOW** THIS TOPIC

Related Topics: MANAGING ORGANIZATIONS | PRODUCTIVITY

Comments

> Leave a Comment

POST

21 COMMENTS

David Casullo   6 months ago

Mssrs. Garton and Mankins hit the mark! As defined herein, inspirational leadership is the gold standard in business. And, they are right, it can be learned. It is in short supply so business leaders who endeavor upon developing competence as an inspirational leader differentiate themselves.

They hit the mark again when they identify Assessment as a means to success. Done properly, it creates the awareness and the focused development that can lead to improvement. The ExPI is a primary tool companies are using fro this very purpose. We find that this assessment creates self-efficacy, the single most critical factor that drives developmental success.

REPLY   0 👍 0 👎