DEVELOPING EMPLOYEES

Developing Employees' Strengths Boosts Sales, Profit, and Engagement

by Brandon Rigoni, Ph.D. and Jim Asplund

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Should companies primarily focus on playing to the strengths of their employees or help them improve on their weaknesses? This question is particularly important today, given low workplace engagement and higher expectations from workers about what a great job entails.

Gallup has studied thousands of work teams and millions of leaders, managers, and employees for more than five decades. We've found that there's significant potential in developing what is innately right with people versus trying to fix what's wrong with them.

We know, for example, that the more hours a day adults believe they use their strengths, the more likely they are to report having ample energy, feeling well-rested, being happy, smiling or laughing a lot, learning something interesting, and being treated with respect. In addition, people who use their strengths every day are more than three times more likely to report having an excellent quality of life and six times more likely to be engaged at work.

Focusing on employees' strengths does more than engage workers and enrich their lives, however: It also makes good business sense. Gallup recently completed a large study of companies that have implemented strengths-based management practices. The companies we studied develop what comes most naturally to people — e.g., having employees complete the CliftonStrengths assessment, incorporating strengths-based developmental coaching, positioning employees to do more of what they do best every day, and the like.

The study examined the effects those interventions had on workgroup performance. It included 49,495 business units with 1.2 million employees across 22 organizations in seven industries and 45 countries. Gallup focused on six outcomes: sales, profit, customer engagement, turnover, employee engagement, and safety.

On average, workgroups that received a strengths intervention improved on all of these measures by a significant amount compared with control groups that received less-intensive interventions or none at all. Ninety percent of the workgroups that implemented a strengths intervention of any magnitude saw performance increases at or above the ranges shown below. Even at the low end, these are impressive gains.

- 10%-19% increase in sales
- 14%-29% increase in profit
- 3%-7% increase in customer engagement

- 9%-15% increase in engaged employees
- 6- to 16-point decrease in turnover (in low-turnover organizations)
- 26- to 72-point decrease in turnover (in high-turnover organizations)
- 22%-59% decrease in safety incidents

So how can your organization approach these impressive numbers? This research, combined with our work with hundreds of organizations, also identified seven best practices for optimizing strengths initiatives. Companies that practiced more of them saw results at the *top* of the ranges shown above.

Start with leadership. Sometimes a few isolated departments will implement strengths interventions independently, creating a limited impact. But when leaders make these interventions a fundamental strategic priority, that's when change *really* happens. Take profitability, for example: We found that the potential for increased profits multiplies when top-level leaders push strengths throughout the entire company.

After a four-way merger, senior leaders at a North American company implemented a "Lead With Your Strengths" program to help employees at all levels understand how to use their strengths to navigate the change, and to foster a unified culture with a shared operating strategy and mutual goals. In the first year alone, the company's employee engagement levels improved by 26 percentile points in Gallup's overall organization-level database.

Get managers on board. The best way for employers to maximize workers' strengths is through their managers. Almost seven in 10 employees who strongly agree that their manager focuses on their strengths or positive characteristics are engaged. When employees strongly disagree with this statement, the percentage of engaged employees plummets to 1%. Manager alignment on a strengths initiative is crucial because managers are ultimately responsible for developing workers based on strengths. This best practice has a profound impact on performance.

Generate awareness and enthusiasm company-wide. When strengths concepts are consistently communicated, employees use their strengths more. A mid-sized financial services company prominently displayed each employee's top five strengths in their office or cubicle — helping all employees keep one another's natural talents top of mind. Leaders should also communicate their business strategy in terms of their organization's competitive strong points – their company's strengths. Additionally, they need to deliver praise throughout the organization in ways that convey how individuals and teams within have relied on their strengths to be successful. These messages encourage everyone to buy in.

Be mindful of strengths when creating project teams. Not only do leaders need to create ways for all employees to increase their self-awareness, but they should also employ tactics to ensure teams are assembled with each individual's innate talents in mind. Responsibilities need to be assigned based on what comes most naturally for each team member. For example, strategically partnering two people — whereby both contribute in their area of greatest strength — can make the difference between whether or not teams accomplish overall goals, or even simple objectives.

Focus performance reviews on the recognition and development of employees' strengths. Even leaders and managers who are motivated to capitalize on their employees' strengths will find this difficult to do if the company's performance management philosophy focuses on fixing employees' weaknesses. A strengths-based approach to performance management is straightforward, appealing and decisive. Managers should conduct performance reviews that encourage and make use of employees' talents and offer recognition and development aligned with their strengths. Managers should also provide clear performance expectations and help workers set demanding achievable goals. One result of strengths-based performance management is that employees feel their manager knows and respects them, which in turn boosts their performance.

Build a network of strengths experts and advocates. A company's internal strengths advocates and champions are personnel who play a crucial role in supporting all employees in using what they're good at to the best of their advantage. These champions help drive the strengths movement at every stage, from initial launch efforts to sustaining momentum down the road. Ultimately, their consistent encouragement can propel the company to world-class performance. One investment management company in the U.K. grew quickly with a network of internal experts who helped employees understand how they could use their strengths more effectively. The result? Despite a competitive and changing market conditions, these individuals were able to adapt to constantly changing environments and develop their skills at the same time.

Tie the organization's strengths-based culture to its larger brand. A brand that reflects an organization's strengths-based culture goes a *long* way for the company. A strengths-based brand attracts the right kind of job seekers – those who are driven to apply and develop their strengths and would be a good fit with the organization's culture. A strengths-centric brand is also compelling to customers, which can differentiate a company from the competition.

Struggling to live up to its brand promise of exceptional customer service, a large retail company trained its employees to offer shoppers personalized knowledge and advice about purchases, installations, and repairs. When employees were also encouraged to understand and use their strengths, they did an even *better* job of connecting with customers and providing individualized service. Stores that implemented the new customer strategy *and* the strengths-based focus grew 66% faster than stores that didn't use strengths in the initiative.

Now, let's be honest: employees can't completely avoid their weaknesses. That just isn't possible in the real world. But instead of having people waste too much time trying to improve in areas where they're unlikely to succeed, managers can form strategic partnerships and thoughtful processes that help them work around their weaknesses. Our data suggest that focusing energy on improving in areas that come most naturally to people reaps high returns, as employees and organizations that incorporate strengths as a strategy tend to realize significantly positive business results.

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Sam Ky 4 years ago

It seems to me that this article suffers from the same fundamental weakness that numerous other HBR articles do in that it fails to convincingly demonstrate its purported *causality*. While I cannot be sure of the authors' methodology - for they conspicuously chose not to disclose it - I strongly suspect that they conducted a basic employee survey with which they then ran a simple correlation between a 'strengths intervention' measurement and various outcome performance measurements. But that alone fails to demonstrate causality from the strengths intervention to the outcomes. *Reverse* causality seems to be a highly plausible possibility: perhaps workgroups that are *already* improving are more likely to receive a strengths intervention in the first place. Alternatively, an unnamed third variable may be the underlying cause of a strengths intervention and of outcome. For example, general macroeconomic booms may cause companies to provide more strengths interventions *and* also cause performance to improve. Either way, strengths interventions would not be causing performance.

To rigorously assess whether strengths interventions are indeed causing performance, one would at the very least require a longitudinal study that tracked employees over time to carefully investigate whether the strengths interventions *preceded* any performance improvement, while carefully controlling for macroeconomic trends or other alternative explanations. Better yet would be to implement an exogenous shock, ideally through a controlled experiment. For example, perhaps Gallup could take a group of employees and offer free/discounted strengths interventions to a randomly selected subset of those employees - a.k.a. a 'treatment group' - while not offering such discounts to the 'control group' of unselected employees. One could then compare the subsequent performance of the treatment group vs. the control group. Gallup is a wealthy organization; I have no doubt that they could easily afford to conduct such a study.

Otherwise, we simply don't know whether strengths interventions actually *cause* performance improvement, which renders this entire article moot. Causal prescriptions should be supported by causal evidence.

Reply

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