DEVELOPING MANAGERS

A Key to Employee Happiness
Managers don’t have it easy. They are expected to be responsible for the lion’s share of recognition and employee engagement at any organization, but they rarely get recognized themselves, and are oftentimes left to their own devices, lacking the proper tools and resources to engage their teams effectively.

Gallup tells us that highly engaged employees can increase productivity and profitability by 21 percent and 22 percent, respectively.

The difference between highly engaged and disengaged employees can be measured in manager training. An employee’s relationship with his/her direct manager wields considerable influence over his/her on-the-job happiness and productivity and is a top driver of engagement. Managers have always been the key to employee happiness.

But in the past decade, their roles as engagers have become more complex. The nature of work has evolved in leaps and bounds since the advent of the 21st century. Employees today are much more empowered, independent and socially conscious, and they judge organizations harshly by their workplace culture and their level of commitment to employees as individuals.
In other words, it’s not enough to just mail an award anymore — the employee’s overall experience must be engaging and memorable to keep the connection with the employer front-of-mind. To do that, managers need hard skills like communications, public speaking and emotional intelligence, and they must use them dynamically throughout each day to create their own recognition opportunities. This is a challenge in its own right, but it’s made next to impossible without proper training.

Managers represent one of the biggest training gaps organizations face today. Out of the number of respondents in a WorldatWork survey, only 12 percent of organizations provide managers some training in recognition, even with nine out of 10 (88 percent) saying they have a recognition program in place. Managers say they feel lost as well with 26 percent of respondents in a CareerBuilder survey claiming they weren’t ready to become leaders when they started, and 58 percent saying they didn’t receive any leadership training when they got the job.

To make matters worse, managers are rarely recognized or engaged in the workplace. Root Inc’s America’s Workforce Study found that 69 percent of senior leaders don’t even believe there is a strong link between manager training and business performance, and 57 percent of manager training programs are not directly supported by them. Adding insult to injury, a full 32 percent of respondents say they didn’t think their company viewed managers as critical to success. This is a tune that needs to change, and some notable companies have taken bold steps to do just that.

Manager Training at Zappos Contributes to High Engagement and Retention

Zappos, the popular Internet storefront and subsidiary of Amazon.com, rigorously trains and prepares all of its employees and serves as a model for engagement with an extraordinary staff retention rate of 85 percent. Zappos CEO Tony Hsieh wants his employees to think of their jobs as a calling instead of a career, so he puts a hefty amount of resources toward training, development and culturebuilding, maintaining a talent pipeline of current employees in every department and promoting almost exclusively within the organization.

The type of training provided is also crucial to being an engaging manager, focusing on areas like communications, emotional intelligence, workplace recognition and empathy. Specific training is unique to each department, and in many cases there are required courses to take in order to be promoted to management; e.g., Zappos History, Zappos Culture, Delivering Happiness, Public Speaking.

With such a myriad of helpful topics, it’s easy to imagine how wellprepared a Zappos manager must be to recognize his/her employees. Even “gimme” subjects like public speaking are consistently overlooked by many other companies. Even “gimme” subjects like public speaking are
consistently overlooked by many other companies. By making a substantial seven-year training and development commitment for each employee, Zappos keeps a full pipeline of talent for each department contained within its organization, and it creates clear expectations for employees looking to develop their careers.

In many cases, managers elsewhere simply don’t have the same level of commitment or allotted time by their employer to develop these skills. Several organizations also make the fatal mistake of assuming the title of “manager” automatically confers the bearer with the skills necessary to recognize and engage employees. Nothing is automatic with recognition — public speaking, leadership, and engaging and empathizing with others are all hard skills that must be well developed before their benefits can be enjoyed. Zappos is way ahead of the curve on this.

**Top-Down Commitment to In-House Development at Costco Makes a Happy Place to Work**

Another leader in the field is Costco. The world’s largest warehouse retailer has gained admiration and respect over the years for being a top company to work for and was recently named one of the 2016 Top 50 Happiest Places to Work by CareerBliss. The company has done it in part by paying employees an average of $17 an hour and covering 90 percent of healthcare costs for full and part-timers while consistently increasing their profits and stock value year after year, a true unicorn of the retail industry.

However, much of Costco’s success also can be attributed to its commitment to make employee appreciation its No. 1 priority from the top down. Co-founder and former CEO Jim Sinegal famously said “when employees are happy, they are your very best ambassadors,” a tenet that is carried on by current CEO Craig Jelinek. Today, every decision Costco management makes first takes into account the impact on employees. Some might argue that this simple act — putting employee happiness above shareholder happiness and developing a work culture that emphasizes individual recognition — has an even bigger impact on culture and retention than competitive wages and benefits.

Like Zappos, Costco recognizes the prudence of developing managerial talent from within, rarely looking to outsiders to fill key warehouse management positions. While it doesn’t have as rigid of a talent pipeline as Zappos, it will always provide training and consider current employees before looking elsewhere to fill management slots, but it rarely has to look elsewhere.

A good example of this was detailed in a case study by Quest Consulting, who helped Costco grow 5,000 new leaders from its own ranks when faced with a plan to add 35 to 40 new stores over a five-year period. The company built what became known as Costco University, an online resource that uses cases specific to Costco’s business to train potential warehouse managers on best practices, critical thinking and interpersonal skills. Most important, however, the employees were held accountable. As a result, Costco was able to fill every new warehouse manager position internally over the past six years.

Thanks in large part to a top-down commitment to in-house development and training, Costco thumbs a measly 5 percent voluntary turnover rate at its competitors, an extraordinarily low number for the retail industry.

**Investing in Management Culture (or Development) Is Crucial to Engagement**

Organizations like Zappos and Costco that invest heavily in defining and establishing a curriculum for their own management cultures fare much better in the areas of profitability, productivity and retention than those that don’t, and it’s no surprise. Employee recognition is a top driver of engagement, but many frontline managers lack the training or support from their companies to make meaningful connections with employees possible. The skills required to make those connections are the life force of a company, the fabric of its organizational culture and the beating heart of employee recognition.

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**AID and CARE for Employees**

Two acronyms managers:

**(A)ssist** – Provide any and all assistance your employees need within your reach.

**(I)nform** – Keep them informed of strategy changes, important company news, and give regular feedback.

**(D)e fend** – Defend them from things that may impede their progress, distract from their work or add stress.

**(C)all** – Talk to employees on the phone or in person. Real interactions are always more engaging.

**(R)e member** – Remember their major milestones (birthday, service anniversary, etc.) and celebrate accordingly.

**(E)m pathize** – Always show respect and attempt to see things from the perspective of others.