

# MANAGING FOR HIGH PERFORMANCE AND RETENTION

**Managers Disproportionately Impact Employee Performance and Retention**—Line managers directly control a majority of the most effective drivers of employee performance and retention, with impacts as high as 39%. The effectiveness of an organization’s people managers, accordingly, plays a critical role in organizational success.

**The Two Roles of the People Manager**—Managers ultimately impact employee performance through two roles. Managers first impact performance through direct management of the employee’s work objectives, such as assigning projects or providing feedback. Second, managers have a broader influence on the environment in which employees carry out their work, since they are the primary link between their employees and the organization. Managers can thereby improve performance through management of the employee’s relationship with the organization. This “conduit” role takes many forms, such as connecting the employee with the organization’s larger purpose or demonstrating to employees that the organization is committed to their development.

Regardless of the role, the manager’s actions have two simultaneous impacts on performance. First, actions can directly enable performance, such as providing employees with job-relevant information, experiences, or resources. But a manager’s actions will also impact the employee’s attitudes, particularly commitment to their jobs, teams, managers, and organizations. Commitment, in turn, drives discretionary effort—how hard employees work and, therefore, how well they perform—and how long they intend to stay with the organization.

*Based on extensive research into the interactions of these impacts on employee performance and engagement, the Council presents the top 10 imperatives for managing for high performance and retention across the manager’s two roles.*

## ROLE #1:

### MANAGING EMPLOYEE WORK AND PERFORMANCE

1. **Provide Fair and Accurate Informal Feedback**—Fair and accurate informal feedback from a knowledgeable source—in particular the line manager—is the most effective performance management strategy available to the organization.
2. **Emphasize Employee Strengths in Performance Reviews**—Managers should emphasize the positive during formal reviews while grounding discussions of weaknesses on specific suggestions for improvement.
3. **Clarify Performance Expectations**—A manager’s most important role in the formal performance management system is to provide specific, outcome-focused clarification of performance expectations.
4. **Leverage Employee “Fit”**—Managers should carefully match employees to jobs; employees who understand and enjoy their work significantly outperform those who do not.
5. **Provide Solutions to Day-to-Day Challenges**—One of the most important day-to-day impacts a manager has on performance is through helping employees find tangible, immediate solutions to specific work challenges.

## ROLE #2:

### MANAGING THE EMPLOYEE’S RELATIONSHIP WITH THE ORGANIZATION

6. **Amplify the Good, Filter the Bad**—The manager’s unique role as “conduit” requires the manager to strengthen employee engagement by amplifying organizational traits that positively impact performance and filtering those with negative effects.
7. **Connect Employees with the Organization and Its Success**—Managers must take time to “explain the big picture”; employees who feel connected to the organization and see how their effort contributes to its success engage with the organization and do their best work.
8. **Instill a Performance Culture**—Managers who promote open communication, flexibility, and innovation and risk taking create an environment that fosters employee engagement and enables employees to perform at their best.
9. **Connect Employees with Talented Coworkers**—Helping employees build a high-quality network of colleagues is one of the manager’s most important roles, as exposure to talented coworkers develops employees in nearly all aspects relevant for high performance.
10. **Demonstrate a “Credible Commitment” to Employee Development**—Engagement grows in a climate of organizational commitment to employee development, requiring managers to implement development plans with the resources and support necessary to credibly convince employees of the organization’s commitment to their development.