How to Cultivate Engaged Employees

by Charalambos A. Vlachoutsicos
Successful managers depend on the capabilities of their subordinates: George’s marketing skills, Maria’s ability to run the numbers, Michael’s local knowledge, Dimitra’s IT expertise. Shelves and shelves of books offer managers’ advice on how to mobilize their people to achieve overall performance targets.

Although most upwardly mobile managers know that an empowered team enhances their performance, the everyday reality of corporate hierarchy and a compulsion to control their own fate can cloud that awareness. Many companies, particularly in the U.S. and western Europe, are abandoning the top-down, command-and-control model. Nevertheless, lots of managers still apply it, triggering a vicious cycle. When confronted with such a boss, employees respond by jealously guarding their only source of power—their distinctive experience—and the team is driven apart. The members may remain functionally interdependent, but that interdependence is ineffective, which means that a lot of value is squandered.

I have spent much of my career in companies and countries where this cycle of control and disengagement was especially vicious. For more than 30 years I worked for and then managed a family enterprise, founded by my grandfather in 1880, that traded extensively in Russia, eastern Europe, the Black Sea states, and elsewhere. After selling the business in the mid-1980s and for decades thereafter, I became an investor, researcher, and consultant for...
companies that were looking to enter those regions, as well as an educator. In these roles, my biggest challenge was teaching bosses how to glean contributions from, and thereby promote engagement by, their local employees. Their job, I explained, was to ensure that every interaction with a subordinate fostered a sense of mutual dependence, or what I call “mutuality.” To help in that effort, I developed a set of lessons, which I share in this article.

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The events I shall recount took place mostly in central and eastern Europe, but they can be applied universally, particularly at companies that still cling to top-down leadership and rigid hierarchy. Indeed, many of the managers I helped came from the U.S. and western Europe, and despite their formal management training they cultivated little more from their employees than their Soviet predecessors had done.

The lessons I share will seem familiar in the abstract, but the real value, as always, is in the details (although names have been changed to protect the innocent—and the guilty). Those details will help you compare what you and others in your organization are doing with what you know you ought to be doing.

1. **BE MODEST**
   Modesty, virtue though it is, often clashes with basic fears. Many new managers are nervous about proving themselves, so they end up discouraging their subordinates from speaking up and thereby fail to benefit from their experience. Consider Kurt, the German CEO of a privatized Albanian canned-fish packing plant that I consulted for in the 1990s.

   I sat in on one of the daily management meetings led by Kurt and attended by the heads of sales, production, finance, procurement, and government relations. The reporting part of the meeting went well. But then Kurt started talking. Both his words and his manner said, “Given that I know everything and you know nothing, here’s what you should do.” Condescending, absurdly detailed instructions were supplemented by irrelevant stories about how he had succeeded in solving problems. When he finished, an hour later, and asked for questions, the room seemed ready to ignite with one lit match. No one spoke, and the senior managers left silently and sullenly.

   If you find yourself telling a self-referential story like Kurt’s, stop and apologize for blathering. You’re just showing off your insecurities. Recount your ideas and advice can help them now. Also remember to share both your mistakes and your successes. Trying to achieve that balance brings you down to earth in the eyes of subordinates, and it makes you reflect on why you are telling stories in the first place.

2. **LISTEN SERIOUSLY—AND SHOW IT**
   In general, managers are getting better at listening to employees. But their teams don’t always see it, or even recognize that it matters. I remember leading a turnaround at a Georgian flour mill that had been taken over by Western investors. Local supervisors were resisting the changes I had proposed, despite my best efforts to engage them in decision making. I sat down with one of the most disaffected managers, who said I had never listened to his reservations. “But I’ve been taking careful notes at all our meetings,” I told him. “Surely you must have seen that!”

   “I saw you writing, yes,” he replied. “But you used loose sheets that I’m pretty sure you threw away afterward. If you were taking our input seriously, you’d be using a bound notebook, as you see me do.”

   I assured this manager that I was keeping the notes, but I could tell he didn’t believe me. So the next day I brought in my ringed binder, and he saw for himself how I had meticulously recorded and commented on what I had heard. The change in attitude was remarkable. He and his colleagues recognized that I had carefully considered their advice before going against it, which made it easier for them to accept my decision. It all turned on the way I had taken notes!

   This experience taught me that communication is multifaceted. People tune in to your body language, where you look, what you do with your hands. It can be hard to remember this when you’re in a meeting, but managing such signals is essential. (Whatever you do, don’t look at your watch or check the time on your mobile device while someone else is talking.)

3. **INVITE DISAGREEMENT**
   Although many companies are flattening their hierarchies, strong cultural and company norms work against dissent, especially in public and during times of economic uncertainty.

   One way to fight this tendency is to reformat meetings in simple ways. For
example, when the Western CEO of a large telecom company’s Ukrainian division was struggling to get his employees to do anything more than execute orders, I advised him to stop holding discussion-oriented meetings at a traditional rectangular table, where everyone sat in hierarchical order, and start using a round one. A few months later, the CEO told me that the new format had worked so well that he and some of his direct reports had decided to get rid of their rectangular tables.

Solutions are not always that easy, of course. You must also work to elicit direct feedback, particularly disagreement, from employees. Managers should view every interaction with subordinates, not just formal one-on-one meetings, as a chance to tap their expertise and encourage them to express what they really think.

I was once asked by a large U.S. dispatch company to sort out a problem it faced in getting feedback from local staff in Belarus. Pekka, the Finnish manager in charge, complained, “No matter how much I try, they don’t even share their suggestions with me, let alone their disagreements.”

One problem was getting the local customs office to clear packages. The usual solution was simply to bribe officials, a practice strictly prohibited by the Western parent company. At a meeting, Pekka floated the idea of asking the U.S. embassy to lodge a protest. No one commented or offered suggestions. Later I met with Igor, a local manager who seemed to be an informal leader, and asked for his opinion. Without hesitation he said, “We can help the customs office with its perennial cash flow problem. We offer to prepay at the beginning of every month an amount corresponding to the latest six-month average of monthly customs fees, and every three months to square the amount with the fees due for the actual quantities cleared.”

I invited him to share this ingenious idea with Pekka, which he did. The advice was accepted, and the problem was solved. I explained to Pekka that after three generations under authoritarian communism, no one would volunteer an opinion, let alone contradict his boss, unless asked personally. So he began to solicit advice from individuals, and a few months later he reported to me that people had started to disagree and offer opinions.

Bosses in more-open cultures might see this problem as alien. But consider all your team members—especially those from other generations, cultures, or professional backgrounds—whose voices might be drowned out by vocal colleagues. Are you sure you wouldn’t get more from them with a personal approach?

4 FOCUS THE AGENDA

The road to hell is paved with good intentions. I’ve often seen managers who willingly invite disagreement do it in an undisciplined way, especially in meetings where “all ideas are on the table.” The trouble is that the more you put on the agenda, the less time each person has to talk, unless your meeting runs for a long time. If you set a time limit, you end up racing through parts of the agenda, which causes consternation.

In the 1960s northern Greece was our family company’s fastest-growing market. We opened an office in the regional capital, Thessaloníki, and appointed Stavros, our most experienced salesman, to head it. Contrary to expectations, sales stagnated. When I went to investigate, I observed the weekly sales-review meeting led by Stavros and attended by his eight sales supervisors. Before the meeting, I asked Stavros to tell me what would be discussed. He rattled off 12 items, many quite complex. At the meeting, he proceeded to give everyone a say, and we easily exceeded the allotted two hours and completed only half the agenda. Because the items had not been prioritized, many critical problems were not discussed.

So I helped Stavros to develop a set of agenda guidelines. He would sequence issues according to importance, and he...
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would omit those that could be settled in offline chats. He then looked for opportunities to reduce discussion time by, for example, sending written briefings the day before.

Stavros and I role-played together, switching parts as chairman and participant. Before I left, I attended a real meeting at which Stavros applied the “new way,” as he called it. He was uncomfortable at first, but he relaxed as the meeting progressed and the quality of the discussion improved. Within a few months, sales in the region picked up, and Stavros had even managed to shorten the meeting by about 30 minutes.

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Spyros had lost some face, so I took him out to lunch and emphasized how we managers can make things much easier just by admitting our ignorance. Sadly, Spyros never quite learned to do that, and eventually we had to replace him.

To be successful, managers must see themselves more as catalysts for problem solving than as problem solvers per se. I have learned to be suspicious of managers who seem to have all the answers. A far better indication of managerial skill is a willingness to admit, “I’m not sure what the answer is. Let’s have the team toss some ideas about.”

Pretty soon people stopped asking questions. I initially mistook this as evidence of my own leadership acumen, but I soon realized that I was often making bad decisions. So I met with my people individually and asked them why they weren’t critical when they felt I was wrong. Eventually they told me it was because I seemed to have made up my mind in advance, and they figured either that I knew something they didn’t or that I wouldn’t respond well to frequent dissent. I apologized and started to work toward building consensus. When people realized I was serious about that, they started participating actively again, and fewer mistakes were made.

If you can’t get agreement on a decision, don’t rush to impose one. Think instead about putting in place a process that yields decisions, even slowly made ones, that everyone can accept even if agreement is not unanimous. That way you won’t lose your people’s goodwill for the next round.

AS THESE six lessons show, your behavior as a manager can reinforce or destroy a sense of mutuality with your employees. Heaven knows how much value I squandered before I recognized my dependence on my subordinates to make practical decisions and to implement them effectively. This realization led me to develop and follow the six guidelines—not that they are the only ones worth heeding. The rewards are huge when you stop trying to control your subordinates and instead engage, empower, and motivate them to contribute their knowledge and experience to a consensus approach. They, you, and your company will all benefit from smarter, better-executed decisions.

DON’T INSIST THAT A DECISION MUST BE MADE

Conventional management wisdom holds that a flawed decision is better than no decision. After all, you can always change direction, and you will at the very least learn from your mistakes.

When I was making my way up through the ranks of my family business, people were keen to help me learn. The fact that I was the boss’s son did not stop employees, especially those with many years of experience, from saying what they thought. But I wanted to show that I was decisive. If a discussion didn’t end with a clear conclusion, I would say, “Since we don’t agree, I’m making the decision, and here’s what it is.”

DON’T TRY TO HAVE ALL THE ANSWERS

Problem solving is central to the manager’s sense of self, and feelings of inadequacy can surface when a solution is elusive. In such situations, some managers try to come up with answers on the spot.

In my family business, I once had to determine whether the warehouse had space for our new products. Spyros, our warehouse manager, was a can-do guy, but he was also compulsive. Without bothering to do any calculations, he proposed creating space by moving stacks of existing products closer to one another, and he quickly began telling people what to move where.

I felt a mounting, unexpressed tension develop among the workers. They were worried that if the stacks were moved any closer, the lifting trucks would be unable to maneuver among them. That tension and my presence caused Spyros to proffer increasingly unrealistic solutions, which only heightened tensions further. I proposed creating a space-management task force comprising Spyros, the warehouse personnel, and an outside specialist.

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