

The quarterly newsletter for performance-oriented consultants and HR professionals



Do Leadership Practices Affect a Psychologically Healthy Workplace?

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Leadership and relationships play a key role in organizational success. Recent research on the association between employee satisfaction and job performance suggests that the single most important contributor to the feelings of employee engagement, empowerment and satisfaction is based on the relationship they have with the leaders of the organization. A recent meta-analysis of over 7,939 business units in 38 companies explored the relationship at the business-unit level between

employee satisfaction-engagement and the business-unit outcomes of customer satisfaction, productivity, profit, employee turnover, and accidents (Harter & Schmidt, 2002). Generalizable relationships, large enough to have substantial practical value, were found between unit-level employee satisfaction-engagement and these business-unit outcomes suggesting that management practices that affect satisfaction can have bottom line results on productivity and profit.

see [Leadership Practices](#), page 2 ▶

Calendar of Events

January, One month **FREE** trial of **PeopleIndex**.

Happy Holidays!



peopleindexSM

New Emotional Intelligence Assessment

ConsultingToolsUSA has just released its latest emotional intelligence instrument called PeopleIndex. This new self-assessment tool is designed to measure 17 emotional intelligence competencies to help your clients recognize, understand and manage their emotions and behavior. Based on the most widely accepted model of emotional intelligence by Daniel Goleman, PeopleIndex assesses self-awareness, social awareness, self-management, and relationship management—and provides an in-depth report of strengths and specific exercises to increase emotional intelligence. This comprehensive self-assessment is ideal for use in executive coaching, senior management/executive development programs, supervisory and management training, and developmental programs for employees at every level of the organization. Contact ConsultingToolsUSA today to request a free trial during the month of December 2005. ☺

New ViewSuite360 Report Printing Options

ConsultingTools USA is pleased to announce the latest release of ViewSuite360. In an ongoing effort to provide superior service and improve project management and reporting systems, using the most advanced, user-friendly technology, we have incorporated enhancements that allow for increased flexibility with the use of our off-the-shelf products. Recent revisions to ViewSuite360 include

upgraded and extended reporting options for Emotional IntelligenceView360, ExecutiveView360, LeaderView360, ManagerView360, and PerformanceView360. Some of the new feedback report printing options include:

Choice of Scoring Type: Average Scores (Raw), Z-Scores or T-Scores. Z-Scores and T-Scores provide an effective way to compare a

participant's score to those in a large, international normative database.

Score Ordering: Ascending, Descending or Default. Default corresponds to the layout of competencies as shown in the Professional Development Plan.

Choice of Line Graphs or Bar Graphs

Johari Window: Self-Awareness and Social Awareness View. Provides feedback about the

MANAGER VIEW360
Most Frequent Behaviors - All Raters

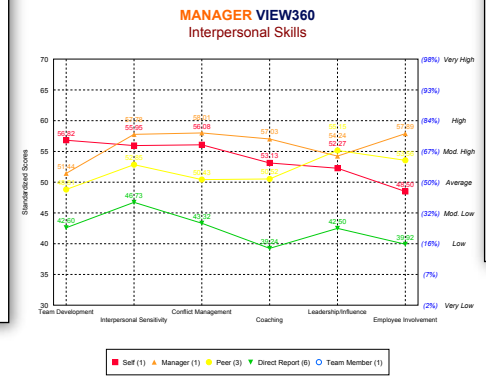
The following behaviors were identified by your respondents as your most frequently demonstrated behaviors and grouped by relevant competency. They are ranked ordered so that the first item is perceived to be your most frequently demonstrated behavior. The number of raters is shown for each rating level of the behavior. A box indicates your own self-rating on this behavior (note: if there is no box present for an item, it means that you did not provide an answer below the scale 1 and 7).

These represent behaviors perceived by others as frequently practiced. As such, you should consider ways to continue leveraging these behaviors as strengths.

Most Frequent Behaviors	Competency	Average Score	To be Extremely Small Extent	To be Small Extent	To be Moderate Extent	To be Very Large Extent	To be Extremely Large Extent
Makes decisions confidently & quickly when necessary.	Decisiveness/Judgment	5.9	0	1	0	0	1
Collects enough information, data & input before making a decision.	Decisiveness/Judgment	5.9	0	0	0	1	2
Makes timely decisions based on adequate data & information.	Decisiveness/Judgment	5.8	0	1	0	1	2
Writes in a logical & organized manner.	Written Communication	5.8	0	1	0	1	2
Demonstrates sensitivity towards diversity in the workplace (i.e. gender, race, ethnicity, age) & treats all employees in a fair & consistent manner.	Interpersonal Sensitivity	5.7	1	0	0	0	1
Uses appropriate grammar, tense & language in written communications.	Written Communication	5.7	0	1	0	1	2
Maintains eye contact when speaking to others.	Oral Communication	5.7	1	0	0	0	2
Articulates & enunciates clearly when speaking & communicating.	Oral Communication	5.7	0	1	0	1	2
Gathers & utilizes available information in order to understand and solve organizational issues & problems.	Problem Analysis	5.6	0	1	0	1	4
Maintains eye contact and attentive non-verbal behavior when being spoken to.	Listening	5.6	1	0	0	0	1
Writes in a clear, direct & concise manner.	Written Communication	5.6	0	1	0	2	1

▲ Behavior Distribution

T-Scores Line Graph ▶



Leadership Practices, continued from page 1

A 2005 survey of 7,600 employees in diverse industries by Career Systems International (Training and Development, April 2005) on the top "retention drivers" found that third on the list at 41.8% was "relationships and working with great people" (exciting work/challenge was first with 48.4% followed by career growth, learning and development 42.6%). In another survey with 2 million employees in 700 companies, Gallop found that employee tenure and productivity are directly related to relationships

between employees and their supervisors and not salary.

In the old economy, it was virtually a "buyer's market" where companies had their pick of top talent. In today's global economy where outsourcing, downsizing and acquisitions are common place, companies must compete to find, attract, develop and retain the best talent. Given estimates that the costs of replacement of highly skilled workers and those in leadership roles can run up to 200% of the employee's salary, plus the cost of

losing valued employees—sometimes even to competitors—the incentive for selecting and retaining talent is of enormous importance to employers. Furthermore, turnover is now a principal concern of CEOs because it can directly affect the bottom line.

In another study sponsored by both Unifi Network (a division of Pricewaterhouse Coopers) and Roper Starch Worldwide Network, Inc., turnover has a direct and negative impact on both customer service and

participant's self and social awareness by comparing their ratings to those of others across the product's competencies.

Most Frequent / Least Frequent Behaviors: New presentation format with score distribution.

Open Ended Comments: Group comments by rater type, run a list of comments with (rater type not

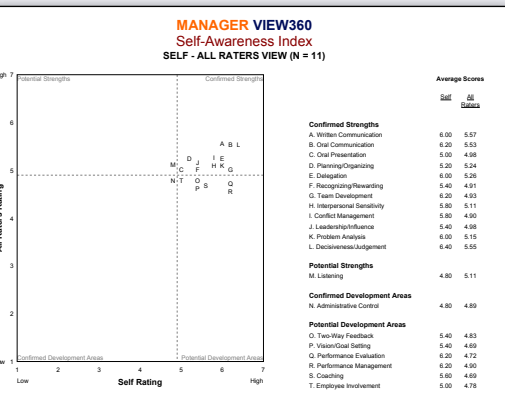
specified), or create a custom combination.

Need a visual? View an Interactive Sample Feedback Report at <http://www1.viewsuite360.net/reportOptions>.

Once you've decided on your preferred report printing options, submit them to us using the Project Intake Form at <http://www1.viewsuite360.net/reportOptions/optionForm.asp>

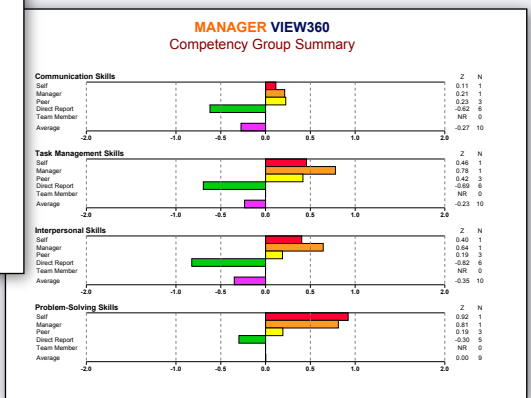
We welcome your questions and comments! Contact a ConsultingTools USA expert by phone toll free at (800) 335-0779 or send email to support@consultingtoolsusa.com. We'd like to hear from you!

Visit us on the web to learn more about the 360° tools that make up ViewSuite360, www.ConsultingToolsUSA.com. There you will find sample questionnaires, sample feedback reports, research articles and more. Logon now to request a free trial of the product of your choice! ⊕



▲ Johari Window

Z-Scores Bar Graph ▶



satisfaction. Their survey results suggest that employee turnover has a direct effect on customer retention, loyalty

Consulting Tools Inc. recently explored the relationship between leadership effectiveness (measured as a com-

surveys over a two year period. The employee surveys were distributed to all corporate and field employees in both 2002 and 2004. Single item measures were used to assess perceptions of stress, job satisfaction, engagement, perceived sensitivity to work and family issues, and retention (likeliness of leaving within the next 12 months).

Research suggests that the single most important contributor to the feelings of employee satisfaction is the relationship they have with the leaders of the organization.

and defection. More than 80% of those responding perceived employee retention as a problem. As a result, many companies are taking a more serious look at the principles of talent management and the impact of leadership effectiveness on retention.

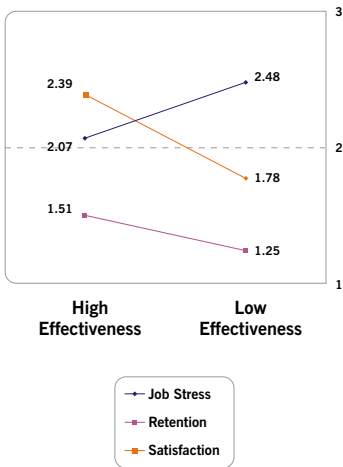
posite set of 8 specific management practices) and several specific outcomes including employee retention, job satisfaction, employee engagement and perceived stress in a large food service company as part of their annual employee satisfaction

Results from our statistical analyses revealed that employees who perceived that leaders in his/her organization were practicing poor see **Leadership Practices**, page 4 ▶

Leadership Practices, continued from page 3

management practices reported significantly higher intentions to leave the organization within 12 months, greater levels of work stress and lower overall job satisfaction and engagement (all p 's < .01). These results were also cross validated with a separate employee sample 2 years later using the same leadership effectiveness scale questions and stress, retention, satisfaction and engagement questions. Results of these subsequent analyses were also significant for each of the independent measures.

Leadership Effectiveness and Climate (N=153)
Significant Differences (all p 's < .01)



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Considerable evidence suggests that leaders and organizations that understand and respond to both the complexities of the business environment and to the basic needs of their people consistently outperform their less wise competitors by 30% to 40% (Pfeffer,

Leaders and organizations that **understand and respond** to the basic needs of their people **consistently outperform** their less wise competitors

1998). This appears to be true for all industries, regardless of their size, age or type. For example, Fortune's "100 Best" companies to work for are more likely to have cultures in

which employee's grow and have half the turnover rate (12.6% vs. 26%) and nearly twice the applications for employment of companies not on the list (Work and Family Newsbrief, 1999).

Leadership and management practices appear to be critical to a psychologically healthy workplace and directly lead to measurable and meaningful outcomes in terms of retention, satisfaction, perceptions of stress/workload and employee engagement (Levinson, 1965; Gilbreath & Benson, 2004; Sy, T., Cote, S. & Saavedra, R. 2005). The findings of our Consulting Tools Inc. study support the need for continued development and coaching of leaders in critical interpersonal, administrative and team related competencies to ensure a psychologically healthy workplace. ⊕