



KELLOGG
RURAL LEADERSHIP
PROGRAMME



Lead Your People – They Will Stay:

The impact leadership has on staff engagement and retention

Kellogg Rural Leadership Programme

Course 46 2022

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I wish to thank the Kellogg Programme Investing Partners
for their continued support.



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Executive Summary

A highly skilled and valued staff member resigning can damage any team or business. Impacts can include significant loss of sales, productivity, and intellectual property loss, not to mention the costs of replacing a staff member. In this current era of low employee engagement and high employee turnover, organisations are losing good and valued people.

This research aimed to understand the impact of leadership on engagement and retention and provide recommendations on how organisations can identify the problem and introduce a meaningful approach to improve culture, engagement, and retention in their organisations.

The reasons for disengagement and turnover in organisations were discovered by comparing, contrasting, and evaluating the significant factors contributing to thriving organisational cultures with engaged and committed people.

This research project consists of a literature review, semi-structured interviews, and a thematic analysis to identify themes. From the analysis, data were evaluated to pinpoint key areas of importance.

Leadership's impact on staff fulfilment, engagement, and retention is significant and is the fundamental driving factor that can make or break an organisation's culture, engagement, and retention.

Organisations and leaders recognise the need and underlying benefits of creating a people-centred culture. Employees will flourish in an environment that is focused on care, support, and growth. Leadership is instrumental in driving these outcomes, and not enough focus is being placed on this. More significant investment in leadership is the denominating factor in improving culture, engagement, and retention.

Recommendations

- Make leadership a genuine focus on strategic imperatives.
- Identify strategies that cultivate a people-centric leadership model to deliver successful engagement and retention outcomes.
- Cease relying on engagement survey data as the sole feedback for workplace engagement.
- Convene a working party with a cross-section of people across the business that will meet to review the current organisational culture to create meaningful, authentic, and transparent guiding principles of leadership for the organisation.
- Commission a case study that investigates people-centric businesses that are achieving success.
- Prioritise a leadership recruitment strategy with clearly defined guidelines that identify specific leadership skills and attributes that will support recruiting the right people and align with the guiding principles of leadership.
- Invest in setting up a leadership development programme to deliver the training and skills for a people-centric leadership model.

Acknowledgements

Firstly, I would like to acknowledge the remarkable work of the New Zealand Rural Leadership Trust. Chris Parsons, Scott Champion, Lisa Rogers, Patrick Aldwell, and Annie Chant – the programme you deliver is compelling, thought-provoking and provided an incredible opportunity to be inspired and to grow as a rural leader. Your knowledge, insights, and unfaltering dedication and commitment to the programme and the participants are outstanding.

Thank you to Farmlands, my employer, for recognising my potential and investing in my future development.

To all the organisational leaders and rural professionals, I have had the good fortune to connect with, thank you for giving your valuable time and contributions. Your opinions, insights and our discussions were incredibly rewarding. It was a privilege to have you involved.

To my incredible support network who coached, mentored, and motivated me, thank you for giving me your time, wisdom, and inspiring me.

I would like to acknowledge Cohort 46 – thank you for making my Kellogg's journey an enjoyable one. I appreciate your support and your friendship. Thank you for sharing your knowledge and experiences and providing connections that I truly value.

Lastly, I would like to thank my beautiful family – I will always be grateful for your unconditional support, encouragement, and love.

1 Introduction

Gallup (2021) defines employee engagement as the involvement and enthusiasm of employees in their work and their workplace. Employees become engaged when their basic needs are met and when they have a chance to contribute, a sense of belonging and are given opportunities to learn and grow.

Gallup's research however found that people are disengaged in their workplaces. Good people with key talent are looking to leave their workplaces and go somewhere where their needs will be met.

- The percentage of adults worldwide who work full time for an employer and are engaged at work is only 15%.
- Only 14% of employees in Australia/New Zealand are engaged in their jobs, showing up every day with enthusiasm and the motivation to be highly productive.
- In Australia/New Zealand, 71% of employees are not engaged in their workplace.
- Another 15% of employees are actively disengaged. This means they are not only unhappy at work but determined to undermine their colleagues' positive efforts.

For businesses this means a low percentage of engaged employees is a barrier to creating high performing cultures.

Why is it important to optimise workplace conditions to support employee fulfilment, engagement, and productivity? Considering the massive amount that businesses spend on labour costs, the idea that 71% of employees are not engaged or are actively disengaged at work is alarming (Gallup, 2021).

This report will enable organisational leaders to understand what impact leadership has on staff fulfilment, engagement, and retention. In addition, findings from this report will provide employers with some key strategies to engage better and retain their people.

2 Aim

This research project aims to better understand leadership's impact on staff fulfilment, engagement, and retention.

3 Objectives

- To understand what impact leadership has on engagement and retention.
- To investigate and evaluate employee engagement and the key factors contributing to engagement.
- To evaluate what the fundamental drivers that lead to high staff turnover are.
- Uncover the key elements that underpin good leadership and how this can impact staff engagement and retention.
- For this report to be used as a discussion point for businesses to consider and assess the impact leaders have on employee engagement and staff retention.
- To recommend how organisations can improve employee fulfilment, engagement, and staff retention.

4 Methodology

The methodology for this research consisted of a literature review that explored leadership, engagement, retention, and organisational culture. Resources included books, international journal articles, and business reviews. These were used to evaluate the key themes.

Ten semi-structured interviews were conducted with business leaders from a variety of backgrounds and industries. The interview questions can be found in Appendix 1. The interviews were conducted online, to ensure that an accurate record was obtained. Prior to the interviews, the participants signed a consent form and pseudonyms were used when quoting from the transcripts to ensure anonymity of the participants.

The interviews provided an extensive snapshot of experiences, philosophies, and interpretations of the key drivers that impact staff engagement and retention performance and what role leadership has.

Findings from the qualitative research are presented in key themes obtained from a reflexive thematic analysis (Braun & Clarke, 2017). The reflexive thematic analysis approach provided flexibility when interpreting the data and the dexterity to analyse a large dataset by sorting data into broad themes.

Data from the literature review and the interviews was compared, contrasted, and evaluated to ascertain the guiding principles for effective leadership and their impact on staff fulfilment and retention.

5 Literature Review

The following literature review explores leadership, employee engagement and staff retention.

Literature was sourced through the Lincoln University library databases and Google Scholar.

The key search words and groupings used were: (leadership employee experience); (leadership staff retention); (organisational culture and leadership); (human people leadership); and (leadership staff engagement).

Books and articles were included in the literature and to get a good understanding of the current environment, workplace engagement reports were also included.

Staff turnover is costly and disruptive, and New Zealand is experiencing critical labour shortages and employment in New Zealand has surged to a record high. As a result, job advertisements are at near-record highs, with the number of job advertisements in December 2021 being 33% higher than in December 2019 (Sense Partners, 2022).

The following literature review examines leadership's impact on staff fulfilment, engagement, and retention.

5.1 Leadership

Defining leadership is challenging, and the definition can result from a personal interpretation relevant to an environment or situation. Leadership has many definitions but no real consensus; however, for

this research, leadership will be defined as “a relationship through which one person influences the behaviour or actions of other people” (Mullins, 2010, p. 373).

Effective leadership is the ability to cultivate leadership in others and build commitment to the goals of the organisation (Joyce, 2013).

The actions and behaviours of leaders influence the actions and behaviours of others. People exhibit leadership daily, even without a formal title and often without thinking of themselves as leaders (Teschner, 2018). Chapman (2019) noted that people-centred leadership revolves around three main points:

1. Leaders should treat their employees like family.
2. The company’s biggest responsibility is its people.
3. Recognition and celebration are essential.

To measure leadership effectiveness at the organisation/business level, one of the first things to look at is staff retention and turnover. (Teschner, 2018).

Leaders and their skills in building a climate of retention, a culture that speaks to employees in a way that encourages them to stay, will be an organisation’s best defence against unwanted turnover. Therefore, leaders are the secret weapon in keeping valued talent longer (Wakabi, 2016).

Leaders who value morality and follow a moral compass outperform their unethical peers, regardless of industry, company size, or role. However, because people define a “moral leader” differently, leaders who try to do good may face unexpected difficulties (Biddle-Buffalo, 2019).

The current challenges that the world is facing have created opportunities for leaders to use new and innovative techniques in their leadership toolkits. Trailblazing leaders take more responsibility now for workers’ holistic wellbeing, they are taking the time to know their people, seek clarity, and earn their trust (Sage-Gavin, 2020).

This is because workers now expect more from employees and people are seeking a path forward to help meet their needs. Of the many expectations being expressed, compassionate and caring leadership is a priority (Sage-Gavin, 2020).

Effective leaders have one clear dominating factor – they all have a high degree of what is known as emotional intelligence. Research clearly shows that emotional intelligence is a prerequisite for leadership. Without it, a person can have the best training in the world, an inclusive and analytical mind, and an endless supply of smart ideas, but they will still not make a great leader (Goleman, 2015).

When comparing star performers with average performers in senior leadership positions, nearly 90% of the difference in their profiles was attributable to emotional intelligence factors rather than cognitive abilities (Goleman, 2015)

Table 1. The five components of emotional intelligence at work (Goleman, 2015).

	Definition	Hallmarks
Self-awareness	The ability to recognise and understand your moods, emotions, and drives, as well as their effect on others.	Self-confidence. Realistic self-assessment. Self-deprecating sense of humour.
Self-regulation	The ability to control or redirect disruptive impulses and moods. The propensity to suspend judgement – to think before acting.	Trustworthiness and integrity. Comfort with ambiguity. Openness to change.
Motivation	A passion to work for reasons that go beyond money or status. A propensity to pursue goals with energy and persistence.	Strong drive to achieve. Optimism, even in the face of failure. Organisational commitment.
Empathy	The ability to understand the emotional makeup of other people. Skill in treating people according to their emotional reactions.	Expertise in building and retaining talent. Cross-cultural sensitivity. Services to clients and customers.
Social skills	Proficiency in managing relationships and building networks. An ability to find common ground and build rapport.	Effectiveness in leading change. Persuasiveness. Expertise in building and leading teams.

5.2 Employee engagement

Employee engagement is an employee's strong emotional and intellectual attachment to their job, organisation, manager, or co-workers, which motivates them to put in extra effort (Rumawas, 2021).

Gallup (2019) defined employee engagement as the involvement and enthusiasm of employees in both their work and the workplace. Employees become engaged when their basic needs are met and they have a chance to contribute, a sense of belonging, and opportunities to learn and grow.

In the *Employment Engagement and Performance* report produced by Gallup (2019) indicate that 71% of Australia and New Zealand employees are not engaged in their workplace.

Mulligan and Taylor (2019) stated that there are four key drivers of employee engagement:

1. Organisational factors
2. Job/career satisfaction
3. Co-workers' relationships
4. Credible leadership

Different generations tend to favour these four drivers in slightly different ways. Most importantly, quality leadership is the absolute most controllable driver of employee engagement, regardless of generation, organisation, or industry.

There is nothing that an organisation can change quicker and easier, and achieve greater results from, than changing how an organisation's leaders approach employee engagement.

If organisations want to engage and retain the most employees as possible, the best place to start is with leadership (Mulligan & Taylor, 2019).

McBain (2007) identified three slightly contrasting key clusters of drivers of engagement (see Table 2).

Table 2. The three key clusters of drivers of engagement (McBain, 2007).

The organisation	Management and leadership	Working life
<ul style="list-style-type: none"> • Organisational culture • Values and vision • The brand – Organisational or product 	<ul style="list-style-type: none"> • Senior management • Line manager commitment • Communication 	<ul style="list-style-type: none"> • Recognition • Supportive colleagues • Developing potential • Clarity of expectations • Flexibility • Work/life balance • Involvement in decision making • Working environment

People want to find meaningfulness at work and will employ discretionary effort in their job roles if the conditions are suitable (Radda, 2015). Employee engagement has also been linked to positive organisational outcomes.

When an employee cares more, there is a tendency to get involved and make greater contributions to the company, thereby resulting in organisational citizenship, commitment, and intent to stay, reducing employee turnover (Radda, 2015).

Creating a culture of engagement requires more than completing an annual employee survey and then leaving managers on their own, hoping they will learn something from the survey results that will change their daily behaviours (Mann & Harter, 2019).

The reality is that when companies focus exclusively on **measuring** engagement rather than on **improving** engagement, they often fail to make necessary changes that will engage employees or meet employees' workplace needs (Mann & Harter, 2019).

5.3 Retention

Retention of staff is an important and complex topic. Retention in human resources refers to attempts to ensure that employees stay in the organisation and minimise voluntary turnover. The main purpose of retention is to prevent competent employees from leaving the organisation, as this could adversely affect productivity and service delivery (Wakabi, 2016).

Employee retention is one of the most critical issues facing managers in organisations because of the shortage of skilled workforce, economic growth, and high employee turnover (Wakabi, 2016).

Retention allows senior and line managers to attract and effectively retain critical skills and high performing employees (Wakabi, 2016).

The objective of retention policies should be to identify and retain committed employees for as long as is mutually profitable to the organisation and the employee (Wakabi, 2016).

Gallup's (2021) *State of the Global Workplace* report lists the follow factors which lead to high staff retention, and nearly all of these are directly related to leaders' actions and behaviours:

- Proactive supervision, including regular individual meetings.
- Quality feedback.
- Clear goals and expectations.
- Competitive salary, benefits, and incentives.
- Growth opportunities and a path to advancement.
- Promotions based upon performance.
- A strong team culture.
- Appreciation and acknowledgement of staff work.
- Connecting and building relationships with employees.
- Encouraging creativity and risk-taking.
- Quality communication.
- Flexible scheduling and allowing for time off.
- Training opportunities and staff retreats.
- Identifying and rewarding people with leadership potential.

An organisation with a high level of employee turnover faces the costs and effort of recruiting, inducting, and training new employees, with the risk of business disruption while new employees get up to speed on the job (Wakabi, 2016).

Some studies have reported strong correlations between organisational commitment and job satisfaction with turnover (Lok, 2004). When employees are dissatisfied at work, they are less committed and will look for opportunities to resign. If opportunities are unavailable, they may emotionally or mentally “withdraw” from the organisation. Thus, organisational commitment and job satisfaction are important attributes in assessing an employee's intention to resign and the employee's overall contribution to the organisation (Lok, 2004).

5.4 Culture

Culture is a deep phenomenon and manifests in a variety of behaviours. Organisational culture is defined as a set of shared underlying assumptions about an organisation regarding what is valued, how people should behave, and beliefs about what is “normal” within an organisation.

These shared assumptions come in the form of formal rules (e.g., policies and processes) and informal rules (i.e., commonly understood expectations, standards, and norms) guiding workplace behaviour and defining what is accepted and what is not. Organisational culture is similar to an organisation’s personality – it is the collective set of reasons why employees across all levels of an organisation behave the way they do. It signals, for example, what employees should pay attention to, how to react emotionally, and what actions to take in various situations (Schein, 1986).

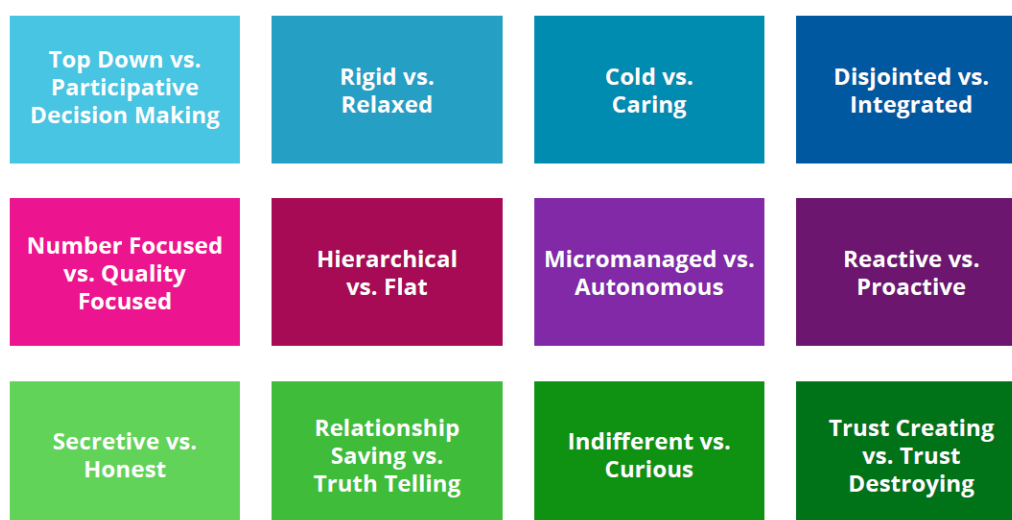
Schein’s (2004) model illustrates the fundamental components of organisational culture commonly reported in the literature. The model contends that organisational culture comprises three major components: artifacts, articulated beliefs and values, and underlying assumptions (see Table 3). Variations and different combinations of these three components define an organisation’s culture.

Table 3. Components of organisational culture (Schein, 2004)

Artifacts	There are four major categories of artifacts: (1) symbols (natural/manufactured objects, physical settings); (2) organisational language (jargon, slang, gestures, humour, slogans); (3) narratives (stories, myths, legends); and (4) practices (rituals, taboos, traditions).
Articulated beliefs and values	Articulated beliefs and values are the strategies, goals, and philosophies of an organisation (articulated justifications). There are five key characteristics of organisational values: (1) they are concepts or beliefs; (2) pertain to desirable end-states/behaviours; (3) transcend situations; (4) guide selection or evaluation of behaviour and events; and (5) are ordered by relative importance.
Underlying assumptions	Underlying assumptions include unconscious, taken-for-granted beliefs, perceptions, thoughts, and feelings (ultimate source of values and actions). Challenging basic assumptions produces anxiety and defensiveness because they provide security through a sense of identity and a level of certainty.

Organisational culture can be abstract; however, it is a powerful force permeating across all levels of an organisation and frequently across functional boundaries and geographical locations. It is important to note that there is no “good” or “bad” organisational culture. Rather, a culture has certain characteristics (for examples see Figure 1) that either support or hinder an organisation’s ability to meet business objectives – and helping employees become and/or stay engaged, satisfied, and productive.

Figure 1. Examples of cultural attributes (Limeade, 2020).



The most fundamental, powerful, and enduring fuel for performance is a feeling of safety and trust – both in ourselves and in the world around us.

Most of us spend the greatest percentage of our waking lives in the workplace. But how much energy and capacity do we squander each day worrying about being criticised by our bosses, in conflict and competition with colleagues, or fielding customer complaints? (Chapman & Sisodia, 2015).

Organisational culture is the single most important factor in determining an organisation's success or failure. It has been repeatedly shown that company culture influences employees' job satisfaction, morale, performance, engagement, attitudes, motivation, commitment to their organisations, and turnover.

Over the last several decades, the workplace has shifted from one driven by the needs of the employers to one centred around the experience of employees. To compete in the modern workplace, organisations need to demonstrate to their workers that they support them in their work tasks and genuinely care about them as people (Hamilton et al., 2019).

Hamilton et al. (2019) noted that when employees are cared for:

- 60% of employees planned to stay at their company for three-plus years (as opposed to only 7% who did not feel cared for).
- 95% said they felt included in their organisation (compared to 14% who did not feel cared for).
- 90% said they were likely to recommend their organisation as a great place to work (compared to 9% who did not feel cared for).
- 94% said they felt personally engaged in their work (compared to 43% who did not feel cared for).
- 94% said they had wellbeing in their life (compared to 52% of those who did not feel cared for).
- 50% said their stress was manageable (compared to 14% of those who did not feel cared for).
- 56% said they did not feel burned out (compared to 16% of those who did not feel cared for).

The key findings in this report are significant. If organisations are serious about creating a people-centric culture, caring for employees and the stewardship of people has to be factored into the strategy, with low engagement figures and high employment. It is possible that creating a caring and people-centric culture could be the answer, and the literature and findings indicate that this concept is worth further investigation.

6 Findings and Discussion

Following are excerpts from the literature and semi-structured interviews that illustrate the themes that emerged throughout the interviews. My analysis and interpretations are interwoven throughout. For a full listing of themes from the thematic analysis, see Appendix 2.

To maintain anonymity, initials have been used in verbatim quotes that denote the participant's position within the company and the company they work for. This is intended to aid the reader to be able to follow participants throughout the report.

6.1 Leadership

The impact leadership has on staff fulfilment, engagement, and retention is significant and was highlighted in both the literature and the interviews:

You can tell very quickly when you start to look at retention, either by location or by leader – you know you get a good picture about where the leadership issues are based on attrition. (CEO, HT)

People often stay with a business because of the leadership, not the business. (GM, BW)

Leadership drove me out of two corporate roles. (GM, BW)

People will walk into battle for good leaders. People will retreat from poor leaders. (GM, BW)

People leave managers, not businesses, so there is a real immediate impact! It comes down to do “I actually like this person” and “do I feel comfortable working with them and the big one is their trust”. (SFEC, KS)

I have witnessed it first hand – changing leaders and leadership styles from caring values-based leadership to overly aggressive leaders resulted in a lot of people leaving. (SD, EM)

Leadership behaviours

Leadership behaviours were seen as a dominating factor in staff fulfilment, engagement, and retention.

The research has illustrated an increased demand by employees for an enhanced humanised leadership style. In *Caring is the right thing to do and good business*, Sage-Gavin (2020) noted that in this changing world where homes have been transformed into workplaces, compassionate leadership is a priority.

This was also echoed in the interviews:

People need to feel engaged; they need to feel that they are cared for. (CEO, TH)

Emotional intelligence is key to effective leadership – it's a prerequisite. (CEO, KM)

One of the most important skills a leader needs is high emotional intelligence. (CEO, SW)

The research indicates that there has been a shift in the workplace, from one driven by the needs of the employers, to one centred around the experience of employees (Hamilton et al., 2019)

I wanted to examine whether Bob Chapman's truly human leadership model should be considered when driving engagement and fulfilment. Bob Chapman's approach does have some level of correlation with the themes that emerged from the interviews. It should not be overlooked if organisations want to have a people-centric culture with a supporting leadership strategy.

Bob Chapman, CEO of Barry-Wehmiller, has pioneered a different approach to leadership and the results speak for themselves. Bob Chapman took over the reins of privately owned Barry-Wehmiller upon his father's death in 1975, when it was a struggling bottle washing business.

Through a series of challenges and bankruptcies, and after spending four years living day-to-day on cash, Barry-Wehmiller is a USD\$3 billion company today.

In 1997, Bob Chapman changed the way he viewed leadership forever. It struck him that management was the manipulation of others for his success, which did not align with his purpose and values. Chapman felt that traditional "management" was the root cause of many of the problems in his business and families, communities, and society. He wanted to go from management to leadership, which is the stewardship of the lives entrusted to him (Chapman, 2019; Chapman & Sisodia, 2015). At Barry-Wehmiller, they teach people in their company to be leaders who care for the people that they have the privilege of leading.

Truly human leadership means sending people home safe, healthy, and fulfilled.

Chapman and Sisodia (2015) wrote the 10 commandments of truly human leadership:

1. Begin every day with a focus on the lives you touch.
2. Know that leadership is the stewardship of the lives entrusted to you.
3. Embrace leadership practices that send people home each day safe, healthy, and fulfilled.
4. Align all actions to an inspirational vision of a better future.
5. Trust is the foundation of all relationships, act accordingly.
6. Look for the goodness in people and recognise and celebrate it daily.
7. Ask no more or less of anyone than you would of your own child.
8. Lead with a clear sense of grounded optimism.
9. Recognise and flex to the uniqueness of everyone.
10. Always measure success you touch the lives of people.

There were definite commonalities between Chapman and Sisodia's (2015) list and the themes that emerged from the interviews when discussing effective leadership attributes:

The following quotes illustrate the similarities between Chapman and Sisodia's 10 commandments of truly human leadership and the themes from the interviews when discussing effective leadership.

The 10 prominent interview themes were:

1. A purpose to support and care for others.
2. Curiosity and a real sense of wanting to learn.
3. Effective clear communication.
4. Listening to understand.
5. Creating an environment of trust.
6. Strategic thinking.
7. Emotional intelligence and empathy for people.
8. Bringing the best out in people with a focus on supporting and growing people (servant leadership).
9. A collaborative approach to decision making.
10. Be empowering and inspiring.

Leadership is about having a real sense of wanting to learn, so if you are wanting to learn you will learn about the people around you and be deeply engaged in getting the best out of people. (PDM, LV)

Curiosity is vital in leadership. (CEO, HT & PDM, LV)

Leadership is about having empathy for what people endure in their day-to-day, knowing what the opportunities and challenges are, but also empathy carried through into the business decisions. (GM, BW)

Great leaders are ok with being uncomfortable and being vulnerable. They have great self-awareness. So the vulnerability, the self-awareness, the ability to listen that is what I believe leadership is. (BDM, ME)

6.2 Employee engagement

To answer the research question “*What impact does leadership has on staff fulfilment, engagement and retention?*”, I compared what the literature reported as being the key drivers for engagement and disengagement, then compared the themes and responses from the interviews.

Engagement is not about high or low engagement scores. It's not about the survey results at one moment in time. It is about meeting employees' ongoing needs through culture (Gallup, 2019).

We measure employee engagement at the organisational and team levels; however, it is intensely personal. (PDM, LV)

Alarmingly, in Gallup's (2021) most recent *State of Global Workplace* report, only 13% of employees worldwide were engaged at work. In New Zealand and Australia, 71% of employees were not engaged in their workplace, with 14% engaged and 15% actively disengaged.

In the interviews, while not all disengagement was related to leadership, leadership had a significant role to play in engagement outcomes.

According to the research, employee engagement is emotional, and people will become disengaged when their emotional needs are unmet.

Engagement is about creating an emotional connection with employees that releases discretionary effort and delivers the organisation's aspirations (McBain, 2007):

The reason people have become disengaged in our business is a lack of connection to purpose or their leader is not developing them. (GM, BW)

That sense of belonging or inclusiveness or feeling a part of something drives engagement. (SFEC, KS)

You will get engagement when there is a high level of care, and they expect to see that from leaders. (PDM, LV)

People become disengaged when they become disconnected from the vision of the company, and they don't see how they fit in – they lose their sense of belonging. (PDM, LV)

You will get disengagement when there is a lack of purpose, a misalignment of values. (CEO, HT)

A definite contributor to disengagement is when poor performance is not being addressed by a leader. (CEO, HT)

If people see a lack of fairness or they feel as though they are not being listened to and there is a lack of development then you will quickly see employee engagement decrease. (CEO, MK)

6.3 Retention

Staff retention is an issue that most businesses are looking to address in the current economic climate with an all-time low level of unemployment and low level of engagement. In addition, because of the current climate, there is an increased motivation for many people to look for new positions.

The significant impact of employee retention was highlighted in the literature review. Employee retention is one of the most critical issues facing businesses because of a skilled workforce shortage, economic climate, and low unemployment (Wakabi, 2016).

To understand the actual impact that leadership has on retention, the literature was evaluated by comparing and contrasting with the themes that emerged from the interviews.

It was clear in the interviews that leadership can have a considerable effect on retention, and that care and a people-centric approach to leadership are what staff are looking for from their employer:

You as a leader are there to get the best out of people and make them feel valued – if they don't feel valued, they will leave. (PDM, LV)

A key part of employee retention is having an environment of safety. Really making sure that it's okay if something doesn't work out or a mistake is made – we learn from it and move on. (CEO, HT)

They want a high level of care and they expect to see that from their leaders. (PDM, LV)

Having the perception that no one cares, no one wants me here so I need to go somewhere that does care. (PDM, LV)

Growing talent not only with increased responsibilities but autonomy to own the decision and make mistakes to learn from is a key driver in staff retention. (GM, BW)

Consistency of message is a key driver in staff retention. (GM, BW)

Staff turnover is costly and includes the recruitment process and the cost of onboarding training as examples. When someone leaves a workplace, there is significant loss – loss in productivity, loss in engagement, decline in customer service standards and an impact on organisational culture.

When reviewing Gallup's (2021) workplace list of factors that lead to high staff retention, nearly all factors were directly related to leaders, actions, and behaviours.

Staff fulfilment, engagement and retention all correlate back to leadership. It is abundantly clear that leaders have a massive role in driving employee engagement and retention:

You get a picture very quickly about what the leadership issues were based on attrition! It's a key indicator on whether a leader is performing it's critical you can either create a really engaged team or you could very quickly disengage your team. (CEO, TH)

6.4 Culture

Culture exists in every organisation, whether by design or by default. Organisational culture is the single most important factor in determining an organisation's success or failure (Limeade, 2020).

All too often, companies have focused on their growth, productivity, and profitability rather than the underlying culture, which will eventually negatively affect engagement and ultimately retention.

Workplace culture can certainly affect staff fulfilment and engagement and dominate why staff leave workplaces:

When you have a toxic culture, you have a real problem on your hands. (CEO, MK)

There has been a significant shift, whereby the workplace was once driven by the employers' need to one centred around employees' experience (Limeade, 2020).

You've got to create that sense of team, that everyone has got each other's backs and that there is an element of care – looking after each other. (CEO, MK)

People-orientated and a people-centric culture have become an important focus for organisations. It is an aspirational goal recognised as needing to be a top priority for many of those interviewed:

We have a culture where the impact on people or the consideration of people is not being given enough weight when we weigh up all of the key priorities. (CEO, HT)

Understanding that people are at the centre of everything, and when organisations get that right and start to understand this then you can do extraordinary things with people. (PDM, LV)

There was a clear indication that the demand for a caring culture is becoming greater and something that companies can no longer ignore.

Culture is a continual work on, you must keep transforming your culture to be relevant for the current group of people and for the outside world. (PDM, LV)

Three years of restructure we are in a rebuilding phase, re-establishing trust – it's a journey and can't be earned overnight. (GM, BW)

7 Conclusion

What has echoed through the literature review and interviews is that leadership is one of the most critical drivers for staff engagement and retention.

With staggering low employee engagement rates and high staff turnover, this research confirms that organisations need to look to our leaders and leadership styles to turn this around.

Organisations tend to rely on engagement surveys and the subsequent data to provide them with the answers and roadmaps to improve their engagement and, ultimately, retention results. The problem with “putting all of your eggs in one basket” is that organisations are then heavily reliant on asking the right questions, getting people engaged in providing accurate feedback, interpreting the data correctly, and then having skilled and trained leaders who can implement changes.

Organisations and leaders need to know their people. They need to know their passion, their purpose, and have the right people in leadership positions with the necessary skills and training to drive improvements.

The research indicates that organisations can talk the talk, but they must know how to walk the walk.

The workplace has evolved, previously driven by the needs of the employers to one centred around employees.

One of the resounding themes that emerged from this research is that business leaders recognise the benefits of striving for a people-centric leadership focus, recognising that people are at the centre of everything, and if they can get that right and start to understand this, then improvements in engagement and retention will follow.

It is the human side of leadership that employees are looking for; they want to be cared for, they want to be valued, they want to be supported to grow and develop, and they want to be listened to.

Leaders have a massive responsibility; they can be the dominating factor that can make or break the culture within a team or organisation.

Leaders are the facilitators responsible for creating the workplace culture, which is the foundation for influencing employees' job satisfaction, morale, performance, engagement, attitudes, motivation, commitment to their organisation and turnover.

This research has provided compelling information about staff fulfilment, retention, and engagement. We are currently experiencing low engagement levels and high staff turnover, and while leadership is a significant contributor to the problem, it can also be a significant contributor to the resolution.

8 Recommendations

If organisations want to improve their staff fulfilment, engagement, and retention, the following recommendations will provide a platform to achieve this. Organisations that follow this strategy will create an environment where leadership will truly deliver successful outcomes:

- Make leadership a genuine focus for strategic imperatives.
- Identify strategies that can cultivate a people-centric leadership model to deliver successful engagement and staff retention outcomes.
- Cease relying on engagement survey data as the sole feedback for engagement in the workplace.
- Convene a working party with a cross-section of people across the business that will come together to review the current organisational culture with the eventual goal of creating a guiding principles of leadership that is meaningful, authentic, and transparent.
- Commission a case study looking at people-centric businesses that are achieving success.
- Prioritise a leadership recruitment strategy with clearly defined guidelines that identify specific leadership skills and attributes that will support recruiting people and align with the guiding principles of leadership.
- Invest in setting up a leadership development programme that will deliver the training and skills for a people-centric leadership model.

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10 Appendices

Appendix 1: Interview questions

1. How do you see the culture of your organisation?
2. Please tell me what you believe attracts people to join your company?
3. How would you describe an effective leader?
4. On the flip side what does an ineffective leader look like?
5.
 - a. What do you see are the most important skills a leader should have?
 - b. What do you see are the most valuable personality characteristics for a leader?
6.
 - a. In your experience what impact does leadership have on staff engagement and retention?
 - b. Can you give me some examples perhaps of when you have witnessed this happening?
7. What do you see as the key drivers in retaining talent in a business?
8. What do you think are the main reasons staff become disengaged in an organisation?
9. Are the company's vision and values important to an employee?
10. What do you see as the major drivers when it comes to staff turnover in an organisation?
11. What are the costs to a business when a team members leave?
12. What are the benefits of improving the employee experience in a workplace?
13. How important do you think is the employee benefit offering in attracting talent and retaining staff?

Appendix 2: Generated themes from the thematic analysis

Effective Leadership	Ineffective Leadership	Culture
Supportive	Egocentric	People centric
Care	Command and control	Caring
People focussed	Hidden agenda	Family orientated
Communication	Disconnected	Collaborative
Listen to understand	Uncollaborative	Mentoring
Trustworthy	Doctoral	Supportive
Aspirational	Micromanagement	Community focus
Reliable	Lack of empathy	Humour
Consistent	Over-focussed on financial	Relevant
Empathetic	Risk adverse	Accountability
Curious	Finite mindset	Shared purpose
Wanting to learn	Poor performance	Connected
Visible	Blame	
Self-aware	Power hungry	
Empowering	Unclear vision	
Forward focussed		

Engagement	Retention
Culture	Care
Leadership	People focussed
Development	Belonging
Inclusiveness	Valued
Shared values	Needs met
Sense of belonging	Togetherness
Purpose	Collaborative
Listened to	Growth and development
Valued	Disillusionment
Communication	
Contributing	