

# The Power of Trustee Engagement

**Timothy H. Johnson**

**Director of Administrative Services/ Former Retirement Board Trustee  
Allegheny County**

## Engagement

“The degree to which human energy is used  
to achieve a clearly defined set of goals.”

Excerpted from “The Power of Full Engagement”

By Dr. Jim Loehr

# Self Assessment

**REASON:** I am familiar with the values, purpose and responsibilities of the plan or system.

*Strongly Agree* 5 4 3 2 1 *Strongly Disagree*

**REQUISITE:** I have the capacity to carry-out the duties which apply.

*Strongly Agree* 5 4 3 2 1 *Strongly Disagree*

**REWARD:** I receive great satisfaction in exchange for outlay of my time and energy.

*Strongly Agree* 5 4 3 2 1 *Strongly Disagree*

**RESOURCES:** The advisors, managers and other professionals are in place to help me fulfill my fiduciary responsibility.

*Strongly Agree* 5 4 3 2 1 *Strongly Disagree*

**RITUAL:** I am involved in the execution and monitoring of the investment plans and policies.

*Strongly Agree* 5 4 3 2 1 *Strongly Disagree*

# Consequences of Disengagement

Reason	+	Requisite	+	Reward	+	Resources	+	Ritual	=	ENGAGEMENT
Missing	+	Requisite	+	Reward	+	Resources	+	Ritual	=	CONFUSION
Reason	+	Missing	+	Reward	+	Resources	+	Ritual	=	ANXIETY
Reason	+	Requisite	+	Missing	+	Resources	+	Ritual	=	NO URGENCY
Reason	+	Requisite	+	Reward	+	Missing	+	Ritual	=	FRUSTRATION
Reason	+	Requisite	+	Reward	+	Resources	+	Missing	=	FALSE STARTS

# Answer these 10 questions...

- 1) Number of employees and retirees
- 2) Contribution rate
- 3) Final Pay Formula
- 4) Requirement for full pension benefit
- 5) Market Value of Assets
- 6) Funding ratio
- 7) Return Assumption
- 8) Asset Allocation Targets
- 9) Number of investment managers
- 10) Names of consultants

**“Find your reward (purpose), the force which moves you to action when nothing else can, the thing which continually renews your spirit, and you find a well-spring of abundant energy.”**

**Excerpted from “The Power of Full Engagement”  
By Dr. Jim Loehr**

**“... if your ritual (story) isn’t working, then what do you tell yourself to justify it?”**

Excerpted from “The Power of Story”  
By Dr. Jim Loehr

# Accomplishments

- ✓ Consultant Hires
- ✓ Increased Contribution Rate
- ✓ Targeted Brokerage
- ✓ Alternative Investment Strategy
- ✓ Emerging and Minority Manger Programs
- ✓ Public Pension Summit
- ✓ Pension Preservation Legislation

**All driven by engaged Trustees!**

# Takeaway

Understand the Formula & Consequences

Self Assessment

“Requisite” Training

Find the “Reward”

Match the assignment

Support Positive “Rituals”

**Engage your trustees and you won't be able to contain their energy to learn and act.**