Dynamic Employee Engagement in Times of Change

Mark Norman

© 2014 by Mark Norman on behalf of Schulich Executive Education Centre (SEEC). All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, recording, photocopying or otherwise, without written permission of the copyright holder.
## MCML Program Components

### 3 Modules

<table>
<thead>
<tr>
<th>ESSENTIAL SKILLS FOR MUNICIPAL SECTOR LEADERS</th>
<th>INSPIRING ORGANIZATIONAL EXCELLENCE</th>
<th>MUNICIPAL SECTOR PRACTICES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Individual</strong></td>
<td><strong>The Leader &amp; The Organization</strong></td>
<td><strong>The Big Picture</strong></td>
</tr>
<tr>
<td>✓ Leadership Development</td>
<td>✓ Strategic Management</td>
<td>✓ Dynamic Employee Engagement</td>
</tr>
<tr>
<td>✓ Competency Based</td>
<td>✓ Strategic Thinking</td>
<td>✓ Negotiating For Success In Business</td>
</tr>
<tr>
<td>✓ Measurements</td>
<td>✓ Improving Organizational Performance</td>
<td>✓ An Effective “Change Agent” In Troubled Times</td>
</tr>
<tr>
<td>✓ Critical Leadership Skills</td>
<td>✓ Improving Productivity</td>
<td>✓ Leading with a Vision for Performance</td>
</tr>
<tr>
<td>✓ Teams Leadership</td>
<td>✓ Solving Complex Problems</td>
<td></td>
</tr>
<tr>
<td>✓ Ethical Strategies</td>
<td>✓ Obstacles to Effectiveness</td>
<td></td>
</tr>
<tr>
<td>✓ Business Sustainability</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Session: Current Perspectives on Employee Engagement

- Current framing of dynamic Employee Relations and Engagement
- Organizational impacts of engagement and disengagement
- Current North American engagement data
- Impact of local leaders on employee engagement

## Session: Leadership Skills For Engagement

- The appreciative mindset
- The emotional drivers of engagement
- The practical drivers of engagement
- Case studies
- Developing your engagement strategy
Objectives

• Understand how to build or maintain employee commitment, morale and satisfaction
• Understand the key local drivers of engagement and how to use them on a day to day basis
• Be equipped with a mindset that helps manage the human dynamics of change
• Create or reinforce a local strategy
Content

• Definitions and understanding of
  – Employee Relations
  – Levers of engagement
  – Contributions of management levels to engagement
• Managerial skills for engagement
  – Appreciative mindset
  – 3 Qs
  – Managing the human dynamics of change
• Case studies
• Applications
Small Group Discussion

• Describe together the Ideal Employee
Ideal Employee

Thinking

Growing

Connected with the mission

Committed

Skilled

?
• Describe the ideal manager
Employee Relations

Definition

• Policies and practices designed to maintain order within organizations. Has largely replaced the notion of industrial relations.
  • Includes the managerial practices that encourage employees to identify with organizational objectives, and to participate significantly in their attainment.
• Latest shift in definition is moving much more towards strategies, policies and managerial practices that create the conditions for employee engagement.
Traditional focus / Current focus

• Traditional (more reactive)
  – Manage discipline
  – Ensure compliance
  – Manage gaps in performance
  – Meet requirements
  – Resolve disputes
  – Just get the job done

• Current focus (more proactive)
  – Manage energy
  – Create high trust and low negative conflict environments
  – Generate high commitment to clients
  – Ensure alignment with values
  – Deliver excellence
Engaged Employees

• Definition of Employee Engagement and Engaged Employees:
  – “a heightened emotional connection that an employee feels for his or her organization, that influences him or her to exert greater discretionary effort to his or her work” US Conference Board
  – Engagement = High Satisfaction + High Commitment BlessingWhite
  – Employees who are fully involved in their work and organization and take pride in both (investing discretionary effort and intending to stay) Kehoe and Norman
What do we currently know about the impact of employee engagement?

• High engagement organizations
  – See a parallel increase in revenue (Watson and Wyatt 2007)
  – Across US, engaged employees have 33.3 million less sick days and use 7 times less health care than actively disengaged employees (Gallup)
  – Worldwide study in 59 orgs. (50000 employees):
    • Engaged staff 4 times less likely to leave
    • Engaged workforce: 21% increase in performance (Corporate Executive Board)
The Impact of Engagement Levels

• On low-engagement teams:
  – Turnover averaged 14.5%
  – Absenteeism was approximately 8%

• On highly engaged teams:
  – Turnover averaged only 4.1%
  – Absenteeism was only 4.8%
The Gallup Organization found Employee Engagement to have a profound impact on a number of similar company-related issues:

– 50% higher levels of Employee Retention
– 56% higher than average Customer Loyalty
– 38% above the average Productivity ratings
– 27% more Profitability
<table>
<thead>
<tr>
<th>Fully Engaged Employees</th>
<th>Actively Disengaged Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are proactive</td>
<td>Are reactive</td>
</tr>
<tr>
<td>Go the extra mile for the customer</td>
<td>Barely meet minimum customer service standards</td>
</tr>
<tr>
<td>Show creativity when problem solving</td>
<td>Walk away from difficult problems</td>
</tr>
<tr>
<td>Explore root causes when things go wrong</td>
<td>Blame others for things gone wrong</td>
</tr>
<tr>
<td>Initiate and foster change</td>
<td>Are reluctant to change</td>
</tr>
<tr>
<td>Step forward to solve problems</td>
<td>Wait for others to act first</td>
</tr>
<tr>
<td>Take pride in producing quality outcomes</td>
<td>Have little job pride or interest in producing quality outcomes</td>
</tr>
<tr>
<td>Speak well of the organization when talking to others</td>
<td>Complain about the organization when talking to others</td>
</tr>
<tr>
<td>Are ready to learn, try new things, take on new responsibilities</td>
<td>Are reluctant to learn or take on new responsibilities</td>
</tr>
</tbody>
</table>
Engagement by Generation, NA, 2011

Adapted from Gallup Global Engagement Report 2011
Intention to stay, 2011

<table>
<thead>
<tr>
<th>Intention to Stay</th>
<th>Engaged</th>
<th>Not Engaged</th>
<th>Actively Disengaged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intend to Stay</td>
<td>81%</td>
<td>49%</td>
<td>18%</td>
</tr>
<tr>
<td>Unsure</td>
<td>18%</td>
<td>39%</td>
<td>42%</td>
</tr>
<tr>
<td>Intend to Leave</td>
<td>1%</td>
<td>12%</td>
<td>40%</td>
</tr>
</tbody>
</table>
The Engaged stay for what they give; the Disengaged stay for what they get. Moreover, Engaged employees in most regions stay for what they give (they like their work and are able to contribute); Disengaged employees stay for what they get (a secure job in an unfavorable employment market, a desirable salary or bonus, favorable job conditions, or career advancement). This finding underscores the reality that “intent to stay” is code for commitment and willingness to apply discretionary effort. It begs the question: If losing Engaged employees amounts to “regrettable turnover,” does the departure of the Disengaged amount to “productive attrition?”
Dimensions of Engagement
(Aeon Hewitt)

- Physical Work Environment
  - Work Life Balance
- People/HR Practices
  - Managing Performance
  - Brand Alignment
  - Org. Reputation
  - Diversity
  - Communication
- Pay
- Benefits
- Recognition
- Company Practices
- Work
  - Work Tasks
  - Work Processes
  - Resources
  - Sense of Accomplishment
- Senior Leadership
- Manager
- Co-workers
- Customers
- Career Opportunities
- Learning and development
- Opportunities
- Rewards
- Quality of life
What’s going on out there?

- City of Ottawa, 2011 to 2014 Council Priorities:
  - **Employee Engagement:** Integrate and align human resource strategies with the City’s strategic planning process, and build a satisfied and committed workforce that will be a solid foundation for the coming decade.

- City of Vancouver 2012-2021, GOAL 4: The City inspires excellence in the workplace and it’s employees

  **LONG-TERM STRATEGIC GOAL**

  The City develops and sustains a dynamic, healthy and safe workplace environment that consistently attracts and retains top-quality people and enables them to perform at their best.

  **MEASURED BY**
  1. Employee engagement rate.
  2. Employee attendance rate.
  3. Employee workplace injury rate.
# City of Ottawa Expectations

## Attributes

Leaders need to:
- Model the corporate values
- Coach, develop and engage employees and teams
- Foster an accessible and inclusive workplace
- Build a safe and respectful workplace of learning and growth and that celebrates successes
- Take responsibility for building and retaining a diverse, organization-wide talent pool
- Commit to openness, transparency, mutual respect and culture of trust
City of Ottawa Expectations

Manager/Program Manager Behaviours (L4 and L5)
- Leads by example, promotes a safe work environment with a culture of trust, mutual respect and cooperation
- Consistently treats people with fairness and respect, is tactful and empathetic and follows through on commitments
- Values and solicits ideas and opinions of staff and others; involves staff in decision-making, allowing them to take ownership of decisions and actions
- Expands individual staff responsibility with assignments that increase discretionary range and scope; allows others to exercise their freedom and act within their area of expertise
- Develops people through regular coaching, career planning and proactive performance management
- Fosters an environment where successes are celebrated
- Creates a culture that fosters equity and inclusion
- Spends time with employees to develop mutual trust within and outside the Branch

CM/DCM/GM/Director Behaviours (L1 – L3)
- Leads by example, demonstrates principled leadership and a commitment to openness, transparency and integrity in achieving results
- Motivates and empowers those around him/her and builds dynamic teams bringing a high degree of personal confidence, enthusiasm, high energy, creativity and initiative to the work environment
- Develops leaders through regular coaching, career planning and proactive performance management, helping them build their capabilities
- Delegates appropriate levels of authority and empowers others, utilizing the team’s strengths and different perspectives
- Leads and supports corporate employee engagement and recognition as a critical success factor in organizational success
- Is visible and available to employees throughout the organization
- Expresses confidence in staff’s ability to be successful and supports the team and its reputation within the larger organization and community
Contributions to Engagement

• **Senior Leadership**
  – Trust
  – Communication
  – Culture

• **Managers**
  – Coaching
  – Relationships
  – Dialogue

• **Individual Contributors**
  – Ownership
  – Clarity
  – Action
What Individuals Do?

• Own your engagement
• Be clear on your values and goals
• Take action
What Can Managers Do?

• Take control of your engagement
• Know and use the basic levers of engagement (Q12 addressed later in the day)
• Build relationships with your staff
• Understand basic motivators and know how to work with your team’s dynamics
What Can Executives Do?

• Commit or quit
• Pay attention to the engagement of your direct reports
• Set a clear direction
• Build a culture that fuels engagement
• Inspire commitment and trust
• Talk about engagement with passion
<table>
<thead>
<tr>
<th>Action</th>
<th>Potential Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Link the work of the organization to a larger purpose</td>
<td>+13 pts</td>
</tr>
<tr>
<td>Act in alignment with organization’s core values or guiding principles</td>
<td>+14 pts</td>
</tr>
<tr>
<td>Communicate honestly</td>
<td>+17 pts</td>
</tr>
<tr>
<td>Create a work environment that drives high performance</td>
<td>+20 pts</td>
</tr>
<tr>
<td>Action</td>
<td>Potential Impact</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Delegates assignments effectively without micromanaging</td>
<td>+7 pts</td>
</tr>
<tr>
<td>Asks for and acts on my input</td>
<td>+8 pts</td>
</tr>
<tr>
<td>Treats me like an individual with unique interests and needs</td>
<td>+8 pts</td>
</tr>
<tr>
<td>Encourages me to use my talents</td>
<td>+9 pts</td>
</tr>
<tr>
<td>Recognizes and rewards my achievements</td>
<td>+12 pts</td>
</tr>
<tr>
<td>Has built a sense of belonging in our department or team</td>
<td>+14 pts</td>
</tr>
<tr>
<td>Provides me with regular specific feedback on my performance</td>
<td>+13 pts</td>
</tr>
</tbody>
</table>

Gap when comparing to overall engagement of 33% in NA
Strategic Actions for Building an Engaged Workforce

• Recruit for engagement
• Orient new and long term employees
• Provide performance supports
• Plan careers
• Develop the culture
• Develop the workforce
• Plan for succession
• Manage exits

See: Tactics for Engagement Toolkits, Ethos, 2007
Building Blocks Involved

- Rebuild a credible senior leadership presence
- Build the cohesiveness of the management team
  - Develop a common philosophy of leadership
  - Develop a track record of values based and purpose centered leadership
  - Change the narrative held by management
- Seek and enact opportunities for significant staff involvement
- Transform the relationship with the union executive
- Create contribution processes that involve all instead of maintaining the staff/management divide
Managerial Skills for Engagement
Situation

- Staff of 100
- Median age 44
- Unionized environment
- Morale low
- 36 outstanding grievances
- Absenteeism up 20% from 3 years ago

- How would you approach the situation?
Appreciative Mindset → Levers for Engagement → Skilled Local Leaders

Working through significant conversations

Employee Engagement

- Fully Involved
- Positive connection to organization
- Willing to go the extra mile
Unilateral Control

- I understand fully, you may not quite get it
- I’m always right
- My motives are pure, don’t know about yours
- I work the hardest and contribute the most

Mutual Learning

- We do best when we’re curious and transparent
- We encourage people to make the decisions they own
- We seek to understand rather than judge

Appreciative Mindset

- We see organizations as solutions
- We see our role as a balance of learning and decision-making
- We study the root cause of success
- We frame the future in the context of strengths
Appreciation: Valuing and Honouring

– Valuing and honoring the best of what is and was in the organization and in the lives of the people in it

– AI has one goal:
  • Discover the root cause of success
  • Since what we focus on becomes our reality.
  • Not the glass half empty but *why* the glass is half full.
Traditional - Appreciative

- Managers = Problem solvers
- Organizations full of problems
- Look for what needs to be fixed
- Deficit thinking
- Focus on what’s wrong to do less of it

- Managers = Learners
- Organizations are solutions
- Something works
- Learn from what works and do more of it
Appreciative Thinking

• To create change:
• Focus on what’s right and do more of it.
  – Twice as effective as the traditional “focus on what’s wrong and do less of it.”

• Asking questions of an organization or group influences them.
  – Change begins with the first question!
  – Ask a positive one
    • E.g. “What’s the problem?” becomes ”What do we want more of?”
Appreciative Thinking

- When we ask positive questions
  - We evoke positive emotions (interest, joy, anticipation, hope)
- We carry forward the *best* of the past
- And the positive energy required to move to the future
Motivation Acceptances

- Drive to feel right
- Motivation is internal
- We chose how we direct our own energy
- We can only manage ourselves, we can’t control others
Key Human Needs

• These go beyond basic survival and safety needs
  – Taken care of by any good employer through decent salary and due diligence around workplace safety

• The basic need of every human being is to be appreciated.
  • Wm. James
Three Elements of “Being Appreciated”

• People look to their immediate environment - their managers or supervisors, their team members - for answers to three vital questions:
  – Do I Matter (am I valuable, am I making a difference)?
  – Am I Competent (can I learn, is my competence recognized)?
  – Can I influence this situation (have a say. Make significant decisions)?

• Throughout our lives the answers to these questions shape our self-worth.
Appreciation in Action

• Workplace answers to these questions include:
  
  – **Do I Matter (am I valuable)?**
    • I am treated with respect and care by my boss, co-workers.
    • My work makes a difference to my unit, boss, organization.
    • I am regularly recognized (thanked) for my efforts.
  
  – **Am I Competent (or can I learn)?**
    • Someone regularly talks to me about how I’m doing.
    • I am clear about how I could learn more and develop in the future.
    • Someone is encouraging my development.
  
  – **Can I influence this situation (have a say)?**
    • I and my colleagues, co-workers, are involved in decisions that affect us.
    • I am listened to.
    • My opinions count.
Basic Needs and Engagement

• Everyone puts their “selves” on the line at work.
• When people get positive answers to these questions they are energized to achieve more
  – Become more cooperative
  – Become more engaged with their work and organization

• When they consistently get negative answers to these questions they have to defend themselves against these threats to their sense of self worth...
Every Conversation Counts

• Each conversation has a real effect on energy use in our workplace.
  – Provides people with a choice to work with us (Positively Oriented Outward Behaviour) - creative and collaborative
  – Or around us – Self-Preserving Behaviour (Fly Under the Radar) or Against us (In Your Face)
  – A choice to be enthusiastic or indifferent - engaged or disengaged
Engaged Employees

- Are fully involved in, passionate about their work
  - Take pride in it (emotional connection)
- Care about the future of the organization
  - Willing to “go the extra distance” (invest discretionary effort)
- **Have a positive emotional connection** with the organization and its purpose (intend to stay)
Appreciative Leaders Motivate

• They try to fully understand a situation before acting
  – They get “all sides” of the story
  – They consider the implications of their actions
  – They speak as a partner-in-the-process

• They act in ways that value their employees
  – Show respect, consideration, concern
  – Show gratitude and give credit (thanks, recognition)
  – They encourage, support and develop
  – They communicate with clarity, consistency, honesty

• They seek to increase the worth of the everything they touch
  – They take pride in what they do
  – They model the need for others to take pride
  – And deeper form of motivation – engagement.
Employee Engagement

Commonly measured by the strength of individual’s answers to a series of questions that describe factors which research demonstrates are related to measures of productivity.

- Engagement: The more 5’s in a unit, the higher the:
  - Productivity,
  - Employee retention,
  - Customer satisfaction and loyalty,
  - Profitability

- Buckingham and research since then has found that the relationship with local manager shapes engagement
Four Key Business Outcomes

- Productivity
- Profitability
- Employee Retention
- Customer Satisfaction
<table>
<thead>
<tr>
<th></th>
<th>1. Do I know what is expected of me at work?</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Do I have the right materials and equipment I need to do my work right?</td>
</tr>
<tr>
<td>3.</td>
<td>At work, do I have the opportunity to do what I do best every day?</td>
</tr>
<tr>
<td>4.</td>
<td>In the last seven days, have I received recognition or praise for doing good work?</td>
</tr>
<tr>
<td>5.</td>
<td>Does my supervisor, or someone at work, seem to care about me as a person?</td>
</tr>
<tr>
<td>6.</td>
<td>Is there someone at work who encourages my development?</td>
</tr>
<tr>
<td></td>
<td>7. At work, do my opinions count?</td>
</tr>
<tr>
<td>8.</td>
<td>Does the mission/purpose of my company make me feel my job is important?</td>
</tr>
<tr>
<td>9.</td>
<td>Are my co-workers committed to doing quality work?</td>
</tr>
<tr>
<td>10.</td>
<td>Do I have a best friend at work?</td>
</tr>
<tr>
<td>11.</td>
<td>In the last six months, has someone at work talked to me about my progress?</td>
</tr>
<tr>
<td>12.</td>
<td>This last year, have I had opportunities at work to learn and grow?</td>
</tr>
</tbody>
</table>
The 12 Key Questions Include

1. Do I know what is expected of me at work?
2. Do I have the right materials and equipment I need to do my work right?
3. At work, do I have the opportunity to do what I do best every day?
4. In the last seven days, have I received recognition or praise for doing good work?
5. Does my supervisor, or someone at work, seem to care about me as a person?
6. Is there someone at work who encourages my development?

6 Most Connected Questions

Productivity
Profitability
Employee Retention
Customer Satisfaction
5 Keys to Employee Retention

1. Do I know what is expected of me at work?
2. Do I have the right materials and equipment I need to do my work right?
3. At work, do I have the opportunity to do what I do best every day?
4. Does my supervisor, or someone at work, seem to care about me as a person?
7. At work, do my opinions count?
Managing Authority for Engagement

• What is authority?
• Who has authority?
• What can happen when authority isn’t well understood and managed?

• Part of a leader/manager’s role is to help people who report to them fully occupy their roles
Choices for managing authority

- **What will I focus on?**
  - Content
  - Processes and methods
  - Mindset and values

- **Who will I work with?**
  - Individual
  - Team
  - Organization

- **What behaviours are needed?**
  - Direction
  - Encouragement
  - Asking questions to provoke thinking
Impact of Direct Leaders

The Corporate Leadership Council has reported that 22 of the top 25 most effective levers of employees’ intentions to stay within an organization were driven by their managers (for example, accurately assessing employee potential, clearly articulating organizational goals, and encouraging employee development). Additional, employees’ perceptions of manager support play such a large role in their decision to stay or leave an organization that even when employees do not believe that their organization supports them, employee perceptions of manager support can still keep employees committed to their organization, preventing a rise in turnover intentions.

19 Corporate Leadership Council
20 Erickson and Roloff, 2007
"Engagement comes from leaders. People look to leadership to set the tone and expectations. Leaders make engagement important," says Agrawal. "If executives don't set the stage and practice what they preach about engagement, it'll be harder for others to follow."

The numbers support this. Managers who are directly supervised by highly engaged executive teams (those in the top quartile of employee engagement) are 39% more likely to be engaged than managers who are supervised by executive teams with below-average engagement.

From: Leading Engagement From the Top, by Jennifer Robison, Gallup Management Journal, November 2010
Objectives

• Understand how to build or maintain employee commitment, morale and satisfaction

• Understand the key local drivers of engagement and how to use them on a day to day basis

• Be equipped with a mindset that helps manage the human dynamics of change

• Create or reinforce a local strategy