

Cracking the Corporate Culture Code:

5 Practices for Peak Performance & Employee Engagement

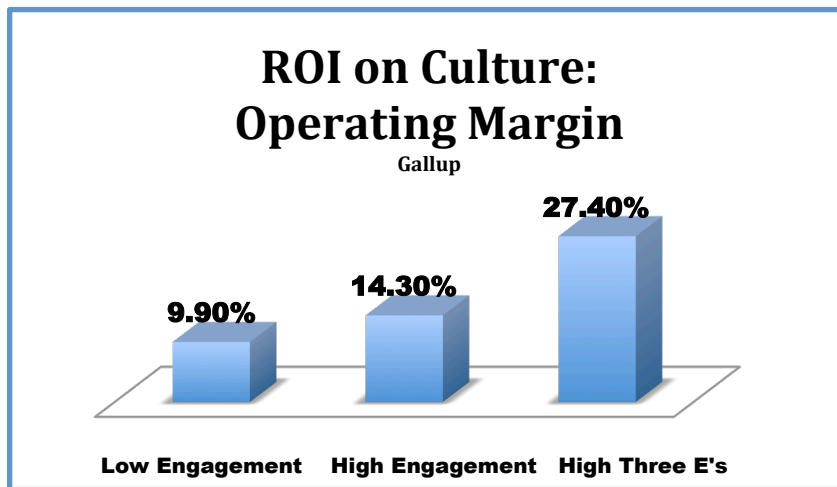
December 2012

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My best assets get up and walk out of the office at five o'clock everyday. Help me make the most of them, and you'll have solved nearly all of my problems.



The president of a professional services company recently shared his gut-level awareness of workplace culture's importance and how elusive it was for him and his senior leadership team to purposefully master.

His words echo conversations with other C-Level leaders, across the country and around the globe. It also evidences what many research companies have studied, and what he, like many of you, already intuitively knows.

Based on decades of research, the Corporate Culture Code quite simply can be broken down into the three E's of a peak performing culture; **empowered, energized and engaged** people – at all levels.

Without these three E's, organizations struggle with interpersonal dysfunction, business unit battles and leadership deficiencies at all levels, or as we have come to see it; Corporate Cancer. Companies that have highly **engaged, empowered and energized** employees are without doubt, more effective. Often, much more effective.

Profitability, employee retention, safety, creativity, cost reduction and earnings per share have all been directly correlated to employee engagement in studies by Accenture, Gallup, Towers Watson and many others.

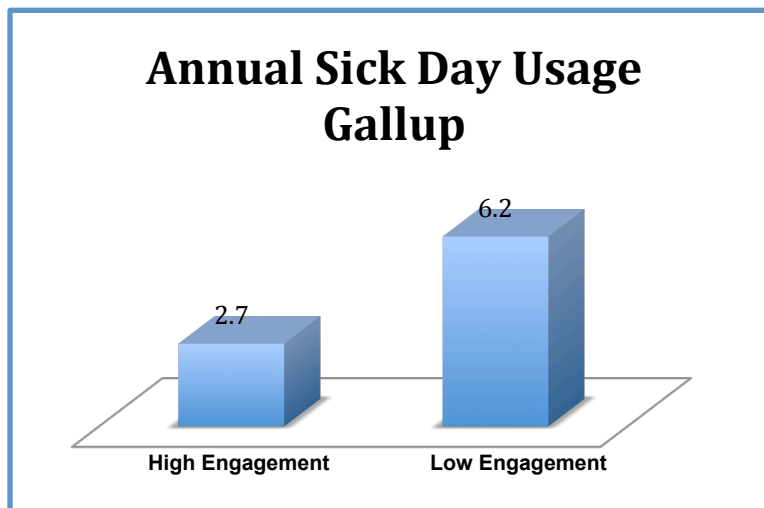
Corporate Cancer's Impact on Staff Performance

- 31 – 51% more employee turnover
- 51% more inventory shrinkage
- 62% more accidents

Gallup

In a multi-decade study of over 5,000 companies, Gallup discovered that those firms with highly engaged team members are 12% more profitable and 18% more productive compared to their peers. Additionally, earnings per share (EPS) growth of eighty-nine publicly traded organizations were examined and the growth of highly engaged companies was 2.6 times that of organizations with below-average scores.

Those firms with Corporate Cancer; high levels of disengaged, disempowered and unmotivated staff had high levels of turn over, inventory shrinkage, injuries, sick time usage and an underperforming EPS.



But what, exactly is the recipe for employee engagement? More importantly, what can you do to sustain and go beyond engagement? How do you create a culture that supports **engaged, empowered and energized** teams that own their efforts with pride and passion?

Engaged, empowered and energized employees willingly and passionately commit discretionary mental capacity, creativity, innovation and energy to their work. Based on the research, this is a direct result of workplace culture. It's not a result of your corporate mission statement or any document some unknown committee wrote and hung in your lobby.

Based on years of practical fieldwork, we have identified five practices of a highly effective Culture: **Engaged, Empowered & Energized** staff.

Effective Cultures are not spontaneously generated, and for them to take root require managers and senior leaders to step into a leadership model that exercises and stewards these five practices.

Weekly Feedback's Impact

- 43% of team feels more highly engaged
- Only 18% of team reports low engagement

Watson Wyatt

1) Two-way Feedback

Regular, unstructured and grounded in open, honest and responsible language, two-way feedback generates a sense that the company cares AND is open to the

insights of the employee; Simultaneously it allows the supervisor/manager a culturally accepted channel to coach the staff member to ever higher levels of performance.

Create an expectation of regular, professional and honest feedback, both up and down the enterprise. This can be one of the most challenging practices to incorporate. Without honest two-way feedback, however, the other five practices are nearly impossible.

Ground-rules for feedback sessions include; Timeliness of feedback; Openness to feedback - ask the person about to receive feedback if they are open and have time for the conversation; and above all else, make it Concrete and Connected to behaviors, results and how each tie back to the client.

Keep it Timely, Open, Concrete and Connected. Solicit their thoughts on improving the situation. Lastly, offer to be of service to them, to support them in creating the changes needed to maintain the positive or to improve the negative.

Culture Case Study Global Manufacturer, UK

- On-time delivery improved to 98% meeting internal benchmark
- Productivity increased by 250%
- Scrap rates decreased by 67%
- Customer Satisfaction saw a 73% reduction in customer complaints

2) Trust

Knowing that managers are making the right decisions for the right reasons, and that staff are doing the right things at the right times are the two main aspects of workplace trust. Team-members crave a culture in which leaders, managers and peers are trusted.

Mistrust in leadership, whether it's executives, managers or supervisors, is often cited as the number one reason people quit. Favoritism, micromanagement, inconsistency, unprofessionalism and hypocrisy are the key factors that lead to mistrust in leadership.

Often, when confronted with the challenges of mistrust, managers point fingers at colleagues or direct reports. What most business managers fail to realize is leadership starts with **leadership-of-self**; which can make it a catch 22.

Leadership-of-self lays the footing for building trust. The key quality central to leadership-of-self is operating with a keen sense of integrity. Integrity includes consistently doing what you say you are going to do; keeping your word; honoring and respecting others; and clearly communicating and acting upon the best interests of the organization and client.

Pivotal to maintaining trust is how staff handles broken trust or behavior incongruous with integrity. Owning mistakes and committing to correcting the behavior that led to the mistake is critical to repairing and sustaining trust.

Witnessing a leader standing in front of his or her team, humbly owning a mistake and asking for support in being held accountable has brought teams to their feet in support. This is a supremely effective way to rebuild broken trust. It takes a very courageous leader to step into that level of vulnerability.

Nothing evidences trust like gut-level honesty & vulnerability. You can't have one without the others.

Results on Engaged Teams Gallup 2002 Study

- Actively Disengaged employees **cost over \$2,700 per person per year**
- Only 29% of an average company enjoys highly engaged staff
- 71% of workforce is disengaged

3) Career Track & Training

Genuine conversations about development, advancement and growth are important to every team member - at every level. Staff members desire an environment where any competent team member can live the American dream, even if they themselves never pursue it.

An absence of these talks and opportunities lead employees to feel caught in a dead-end job where management doesn't really care. Quick way to dis-engage people.

These conversations don't need to be about promises or possibilities where none exist. Sharing a good book, providing flexibility in schedules to support a team member's community college work or even asking for their input on workplace training and professional development are all great places to start this practice.

Most importantly, having conversations where managers listen to and hear the aspirations of their direct reports communicates that management cares, and that with appropriate resources, they may be willing to support the employee in growing.

Talk to staff about what they can do and about the level of value to the company and the client they would need to deliver for advancement may give an aspiring leader a path forward when before none may have been clear.

Training opportunities can also create responsibilities that lead to growth. Whether inside training, colleague to colleague, bringing in an outside training firm or offering staff a budget to spend with management approval on outside training of

their own choosing, all can provide material evidence that the organization respects them and sees potential beyond current levels of pay, responsibility and authority.

Additionally, be on the lookout for informal training that can occur with delegation. Look for those who want and can take on more responsibility, in turn freeing you up for higher-level tasks yourself. It's hard to get promoted if you don't have anyone ready to fill your shoes.

4) Understanding their Role in Success

Employees crave a deep understanding of how their role, their efforts and their caring positively impact the success of the company and ultimately the success of the client. The more they know, the more they care.

Awareness

Less than 50% of chief financial officers appear to understand the return on their investments in human capital.

Accenture

Establish a customer centric culture where everyone, at every level, clearly and readily can explain how they impact the customer. This practice provides essential context for creativity, innovation and quality. Without a customer-centric focus, many well-intentioned initiatives can become an intellectual exercise, at best.

Understanding the impact their work results have on customers' experience fuels pride in a job well done. Provide customer testimony to staff, easily bringing the value loop full circle.

Nothing drives meaning and a sense of purpose more than knowing you helped to overcome a customer's want, need, fear or concern.

5) Influence

Being heard and having a meaningful influence in decision-making, particularly when it comes to physical environment, access to management and quality controls significantly impact employees' level of Empowerment, Energy & Engagement.

One of the most interesting paradigm shifts to see managers make is between setting performance standards versus coaching to employee-generated goals. This practice drives a team members' sense of meaningful influence on decision-making by empowering them to set their own performance goals.

“But! If I let them set their own goals, we’ll never have significant growth.”

Nothing could be further from the truth.

Gaining someone’s committed intention in attaining goals is far easier when they create the goal – provided you, as a leader, have established the minimum standard for performance first.

In fact, our experience has shown that more than 4 out of 5 team members, when given firm standards and the resources to succeed, establish goals more audacious than those envisioned by management.

Why force a person to comply with a corporate goal of 15% growth when they may voluntarily choose a self-imposed goal of 30%? Managing team members with this level of ownership becomes more like coaching an all-star team compared with supervising a high school detention hall.

This practice of empowering staff is based on the “educe” roots of empowering leadership. When leaders educe or draw the answers out of team-members, pull goals or solicit suggestions for process improvements, they implicitly value the employee’s thoughts, experiences and opinions. And it works without making constituencies wrong or weak, rather it empowers all team-members.

Status Quo on Corporate Cancer

- Only 29% of staff believed senior managers were sincerely interested in their well-being
- Only 31% thought senior managers communicated openly and honestly
- Only 3% thought their managers treated them as key parts of the organization
- 60% felt senior managers treated them as “just another asset” to be managed

Towers Watson

Enterprise Constituencies



Being open to the suggestions of others doesn't necessarily mean those ideas must be implemented.

Management's awareness of the influence and impact various constituencies have on one another must be considered when allowing members of those constituencies to have a direct voice. Department or business unit Town-hall meetings, which allow team members to anonymously address concerns in writing prior to gathering, can bypass negative influence and legacy bottlenecks to communication.

Allowing people to be heard and to hear, see and feel management's connection serves to bolster a sense of creativity, collaboration and influence.

Most importantly, being heard often allows others' ideas to be more readily adopted over one's own - if the process is authentic, genuine and open.

Bonus; you just may get some great ideas and from people who have felt disenfranchised.

Innovation & Creativity

Higher levels of engagement are strongly related to higher levels of innovation. 59% of engaged employees say that their job brings out their most creative ideas against only 3% of disengaged employees.

Gallup

Summary

Collaboration and creativity become living and breathing embodiments of an Effective Culture. Steward it by maintaining a level of self-awareness, accountability and commitment to results that only comes from a thorough examination of individual and organizational belief systems.

Recognize people that step into the changes needed to sustain an Effective Culture, a core habit of the senior leaders serves to reinforce an atmosphere of accountability.

Modeling the behavior, walking the walk - without question - is the most important thing leaders do to foster a Peak Performing Culture.

The ultimate question then: Are you willing to live and breathe the example you're asking others to step into? At the end of the day, asking team members to do what leadership and senior management is unwilling to do will worsen Corporate Cancer; disengagement and disempowerment and demotivation.

Leadership starts with leadership of self. Practice being the leader you want them to be, and you will begin building an Effective Culture.

ReMission Consulting provides customized corporate culture, employee engagement and management & leadership programs in companies across North America. ReMission operates from a philosophy that all people are capable of becoming self-aware, can be coached into accountability and can create results that are exponentially greater when they operate in an Effective Culture. Their programs are metrics driven and produce lasting change in clients' cultures. <http://www.remissionconsulting.com>

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“Possibly the most important aspect of our cultural effectiveness program was learning and teaching everyone how to speak to one another in Open, Honest and Responsible Language. It removed the blame & complain habits so common in a workforce. We are materially more effective both with our clients and with each other because of ReMission.”

Lisa Charest, President
Summit Health

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