

Leadership, Employee Engagement and Wellness

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Moving From the “Old Economy” of Physical Performance

- Factories churning out endless consumer products were built around assembly line jobs
 - physically taxing and
 - mind-numbingly boring
- Today, robots on the line or workers in developing countries do most of this type of work.
 - Factory worker dissatisfaction no longer is a major threat to productivity.

To the “New Economy” of Mental Performance

- Shift to knowledge work was predicted to create the best kind of jobs
 - Skilled
 - Mentally challenging and engaging
 - Enabled decision-making
- Hidden assumptions:
 - Time to think
 - Emotional support
 - Stability in the environment
- We got “mental performance” work but in a *way* that actually undermines it.

Economy of Mental Performance

- The “new” economy comes in the guise of a stressful culture of overwork
- Organizational Restructuring-Downsizing
 - Increased time in work
 - Increased dependence on technology
 - Reduced sense of job security
 - Reduced trust of managers and the organization
 - Reduced ability and desire to participate in change initiatives
- Culture of Hours
 - “...if you don't work long hours and take work home, you will not advance in your career, not keep your job during downsizing...”
- Role Overload
 - Role overload: not just too much to do, not enough time but feeling rushed, time-crunched, physically and emotionally exhausted and not having enough time for oneself.
 - Increased stress and emotional illness

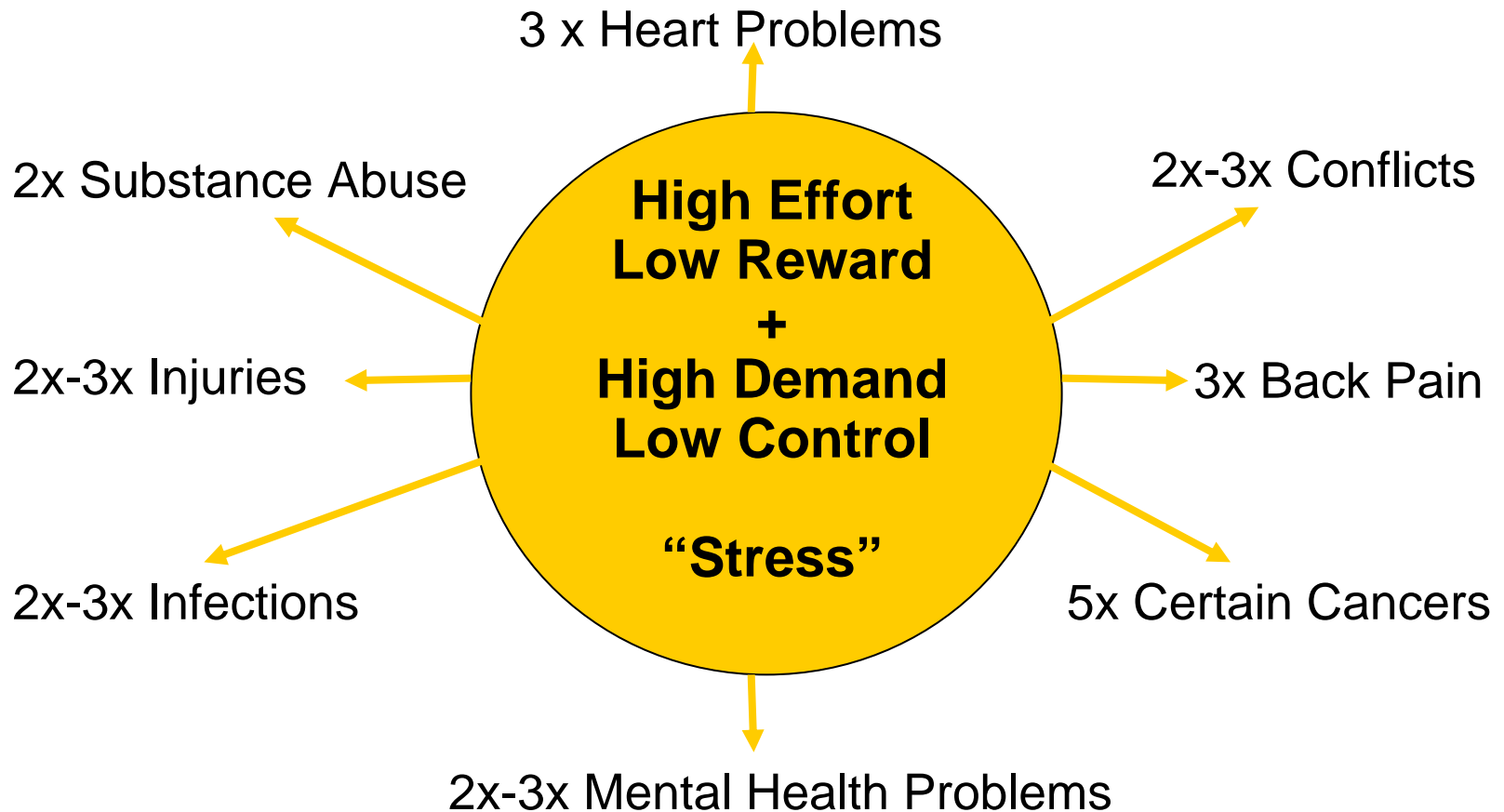
- L. Duxbury, Sprott School of Business, Carleton U. and C. Higgins, Ivey School of Business, U.W.O.
- http://www.canadiansocialresearch.net/work_life_balance.htm

Then There's the Work Itself and the Organizational Context

The Work

- High effort/low reward
 - Feeling unappreciated
- High demand/low control
 - Feeling helpless
- The Organizational Context
 - Unclear organizational direction and policies
 - Career and job ambiguity
 - Inconsistent performance management
 - Lack of two way vertical communication
 - Feeling uncertainty, fear

Mental Health Impacts Body Health



The Disengaging Effects of Stressful Change

- As organizations cut costs on the front side of bottom line
 - Reduce budgets and headcounts
 - Look good to *stockholders or taxpayers*
- Raise costs on the back side of bottom line
 - **As employees find ways to cope with stresses of change. They disengage.**
 - Turnover – they quit
 - “Presenteeism” – they quit and stay and try to cope
 - Increased absenteeism,
 - Use of short and long term disability payments,
 - Use of drug benefits payments (anti-depressants, sedatives, cardio-vascular regulators) to deal with the effects of stress

The Good News

Employee Engagement
Productivity and
Workplace Wellness
Are Linked!

And We Can Do Something
About Engagement...



Employee Engagement

- An engaged employee
 - A person who is fully involved in, passionate about their work
 - Pride in Work
 - Cares about the future of the organization
 - Who when they have a choice will act in a way that furthers their organization's interests
 - Willing to “go the extra distance”
 - **Has a positive emotional connection** with the organization and its purpose

Engaged Employees Answer Each of 7 Questions With an Unequivocal “Yes”



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

Engaged Employees: Original Study

- These questions are from Marcus Buckingham's engagement survey - began focus on engagement
- 12 strong questions – survey of 108,000+ employees in a variety of industries - 1999
- Defines employee “engagement”
 - The number 5's on the 12 strongly written questions
- These seven are the mostly highly correlated with all outcome measures
 - Buckingham, M., C. Coffman (1999) “**First Break All the Rules**”. New York: Simon and Schuster.

Each Unit With the Most “5 out 5” Answers Was Very Successful

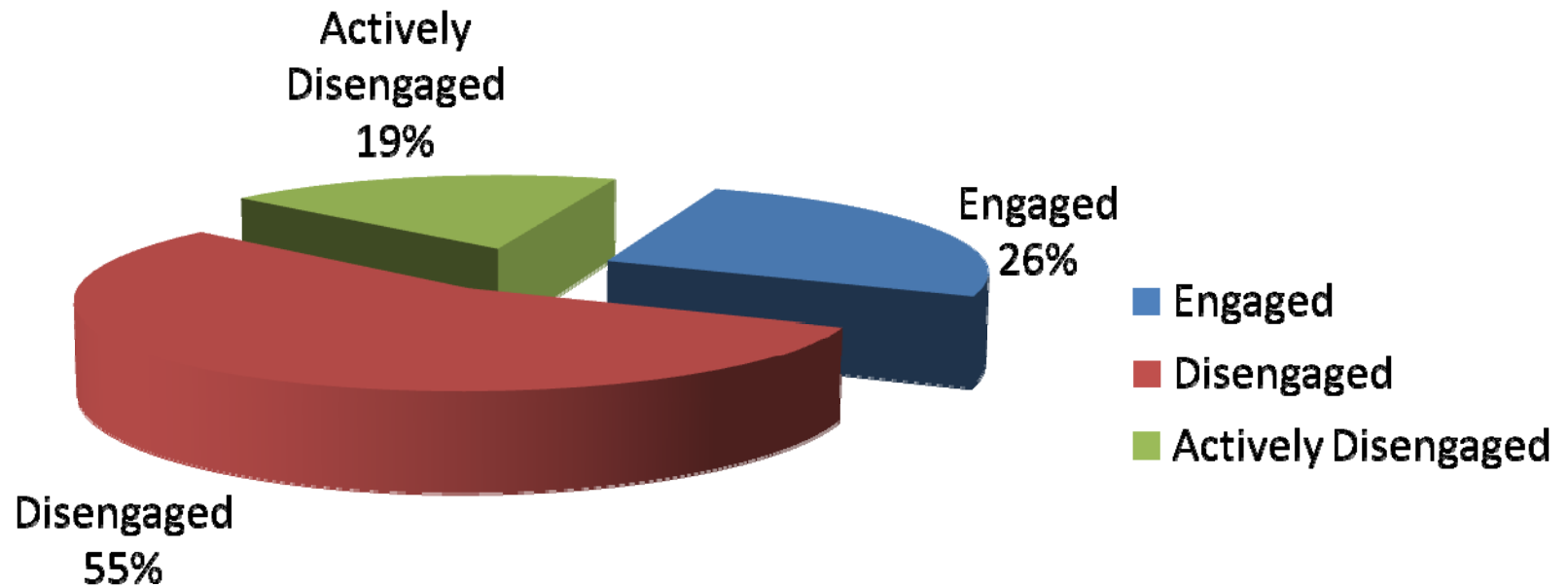
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Engagement And Productivity: The Results

- Buckingham found that the **relationship with local manager** drives engagement and productivity
- Only problem is the **small number** of engaged employees in this large national study

Engagement Results



Employees Are Engaged When They See Their Managers As

Clear

Considerate

Collaborative

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“Three C” Leadership For Engagement and Wellness

- **Clear**

- About connecting vision/mission to individual work
- About who does what and the resources they need

- **Considerate**

- Shows care, respect: Listens
- Recognizes and rewards individual achievement
- Encourages individual development

- **Collaborative**

- Focused on co-management: Involving employees in unit decisions
- Fair decision-making: Open, unbiased timely, individual decisions

Relationship to Local Leader is Key Driver in British Non Profits

- IES survey of over 10,000 employees in 14 organizations in the National Health Service
- The strongest driver of engagement is a sense of **feeling valued and involved**
- Line manager is key
 - Immediate manager is instrumental in communicating and demonstrating equality of opportunity, delivering performance appraisals, smoothing the path to training.
 - Managers listen to employees
 - Employees involved in decision making
 - Employees feel able to voice their opinions
 - Good suggestions are acted upon
 - Employees have the opportunity to develop their jobs

Canadian Work Life Balance Study

- The relationship with local manager shapes engagement and productivity and stress levels in private, non-profit and public sector
- Same Set Behaviours:

• Is effective at planning work	Shares information
• Makes expectations clear	Is available to answer questions
• Listens to my concerns	Provides constructive feedback
• Gives recognition when I do my job well	
• Provides me with challenging opportunities	
• Asks for input before making decisions that affect my work	

42% reported they had this kind of manager
And lower levels of perceived role overload and stress

- L. Duxbury, Sprott School of Business, Carleton U. and C. Higgins, Ivey School of Business, U.W.O., Report #5.

Employee Engagement: A Buffer Against Stress

- Large Regional hospital in Toronto's GTA – our firm's change efforts
- Hired Entec to do engagement-wellness study
 - **Approximately 25% highly engaged**
 - Everyone had same work pressures; same budget cuts
- **More Engaged Employees had** less Burnout and Stress
- Wellness (Burnout) score was negatively correlated with engagement score
- Koscec, M.(2007) **Energizing Organizations: A New Method for Measuring Employee Engagement to Boost Profits and Corporate Success**, iUniverse Publishing.

Our Leadership, Engagement and Wellness Study

Questions that research showed are connected to
“healthy” engaged employees

- ❖ Vision and Values
- ❖ Corporate level practices
- ❖ Local Leadership Practices
- ❖ Local workplace practices

Plus a set of questions that measure individual
Emotional Wellness (EW)

Answers and engagement were correlated to EW
scores and to HR data on absenteeism

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Items Related to Wellness Scores

- Local Leadership Behavior

- Manager takes appropriate action with people who under perform.
- Manager resolves conflicts fairly and appropriately.
- Manager keeps promises and stands by decisions made.

- PLUS

- Workplace Practices

- Members of our team behave with integrity, honesty and fairness.
- Team works in a spirit of collaboration rather than confrontation or competition.
- Little to no office politics or gossip.
- One person at work whom I trust with my personal concerns.

Organizational Differences

- Engagement is related directly local leadership scores in retail sales, manufacturing
 - Clear, caring leadership matters
 - Directly affects employee emotions and commitment
- Engagement and wellness scores are related indirectly to local leadership in professional organizations. More affected by workplace practices:
 - Professionals seem to need an environment that supports their autonomy
 - Focus on respectful, “co-managed”, fair local leadership decisions
 - Low conflict relationships with colleagues

Fairness and Sickness

- Organizational Justice
 - Procedural justice - decision-making procedures are consistently applied, suppress bias, and are accurate, correctable, and ethical.
 - Relational justice - truthful, polite and considerate treatment by supervisors.
- Longitudinal Study of 7375 employees
 - (1156 men, 6219 women), In 10 Hospitals
- Low procedural justice of decision-making procedures was associated with a 41% higher risk of sickness and absence in men
 - Also with increased prevalence of smoking in women and heavy alcohol consumption in men
- Low relational justice increased the risk of sickness absence and minor psychiatric morbidity in both sexes
 - Organisational Justice and Health of Employees... M. Kivimaki, M. Elovainio, J. Vahtera and J.E. Ferrie, Occupational and Environmental Medicine, Jan 2003 v6, i1 p. 27(8).

Intervening For Employee Engagement and Wellness

- Develop management commitment to link between local leadership, engagement and wellness
 - Make the case that low engagement and wellness are a real, measurable financial drain on the organization
- Assign champions to move process forward
 - At the VP level and HR Department Levels
 - Provide resources for a diagnostic survey and commitment to do something about data after collected
- Comprehensive Diagnosis
 - Leadership, Engagement and Wellness Survey
 - By level, unit and local leader
- Intervention Plan
 - Make unit-level absenteeism reduction and wellness a KPI of managers
 - Provide training and wellness programs/support for staff
 - Make Diagnostic survey biannual event

Resources

Buckingham, M., C. Coffman (1999) **“First Break All the Rules”**. New York: Simon and Schuster.

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