

The Program for Real, Sustainable Change

As companies transition their strategic thinking from the crisis management of 2020 to a more sustainable future, it is important not to overlook a critical element of performance improvement: *employee engagement*.

The ideal approach for lasting improvement is engaging employees to take ownership in solving real company problems. When leadership clearly articulates the need and vision for change, employees are empowered to step up and meet the challenge of improving the company. The outcome is both company improvement and an employee base with a far greater stake in the organization's success.

"We have been overwhelmed by the creativity of our people and the ideas that this process has unlocked." – CEO

While there is a place for traditional employee participation, including social events, surveys, suggestion boxes and other broad invitations for employee contributions, they do not result in the same integration and commitment to company goals as focused,



collaborative problem solving. There is a difference between colleagues sharing a workspace and working through a complex business problem. Both present opportunities for connection but the meaningful collaboration will more consistently lead to a deeper company connection.

In our experience, the shared purpose of a well-coordinated and well-communicated performance improvement program allows employees to be engaged in meaningful change with many benefits. Particularly now, as the workforce is strained

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Principles of Effective Employee Engagement

- ▶ **Present a credible rationale.** Leadership must posit a real challenge the company faces to create a rationale that resonates with employees. This could be as simple as the need to get back to profitability or a broader vision of cultural improvement and growth with the right engine.
- ▶ **Be inclusive.** All employees must be included, even if the level of involvement differs, e.g., some organize the effort, some attend opportunity identification meetings, others submit ideas for improvement.
- ▶ **Provide a transparent, objective decision-making process.** There must be a transparent identification, evaluation and decision-making approach that is applied consistently to all opportunities identified with no arbitrary elimination.
- ▶ **Engender support at all levels.** With executive leadership providing the impetus for change and all employees invited to participate, there must be support from managers. The mid-level managers who are responsible for the day-to-day success of the company are critical as they often have the most impactful ideas and serve as a contact point for their direct reports.
- ▶ **Establish accountability for tangible results.** Each opportunity surfaced does not need to result in change, but there must be visible change from the program itself. Success derives from implementing employee-identified improvements that make the company stronger and impact the bottom line.

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“Our biggest obstacle was getting our people to think more aggressively about improvement opportunities. We used this program to get our geographically dispersed organization aligned and truly motivated and bought into what we were doing and what was possible.” – *CEO*

from the pandemic, relief from unnecessary overhead, rework, and complexity is vital. Unleashing the creativity, self-determination, and substantive interaction of the workforce is energizing.

The obvious benefits of employee engagement belie the difficulty of its execution. Many companies value their workforce yet fail to recognize that they are the best source of improvement ideas. In large companies, the sheer number of employees poses a challenge to how

significantly they can be engaged; we often hear that leadership requests company improvement ideas to no avail. Conversely, employees may offer valuable suggestions and suffer the disappointment of a lack of executive follow-through or have perceptions of an impermeable status quo.

Although many companies have acted top-down to drive immediate changes to the cost structure during the pandemic, a more balanced approach is needed for sustained improvement post-pandemic.

“This is something that’s coming from the bottom up. Anytime we listen to employees, it makes us a more solid company.” – *Executive Participant*

Deploying a balanced bottom-up and top-lead, comprehensive effort that adheres to the principles above has proven highly successful in engaging employees to greatly enhance company performance. Companies that cannot accelerate employee engagement may lag

peers, lose talent, and will continue to miss vital opportunities. Those companies that understand the crucial role of employee engagement will return stronger and be better positioned to confront the future.

A Successful Program Overcomes Major Obstacles

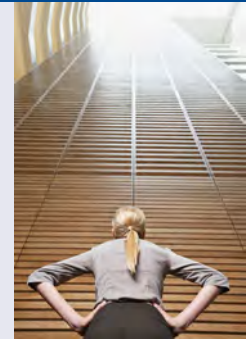
Example

Change Agent

Lisa: Customer Account Manager

Goal

Wants to simplify the new client onboarding process



Obstacle 1

An environment in which:

- Higher managers send mixed signals about desirability of change
- Fear about personnel impacts discourages analysis of ideas
- The path to decision making and funding for new ideas is unclear

Obstacle 2

Perspective limited by:

- Lack of visibility into the entire value chain, including pre- and post-process elements
- Lack of perspective about acceptable levels of variation across individuals, customers, etc.
- Tendency to automatically rank value of one’s own idea lower than alternatives

Obstacle 3

Advocacy and adoption limited by:

- Lack of fluency with making data-driven, fact-based arguments
- Inability to translate those arguments into financial valuations
- Personal inexperience and comfort level making recommendations to senior executives

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