

Achieving Business Alignment via Engagement

I must admit, when I first heard the term engagement I thought it was just the latest business fad. However, after several years of being involved in implementing engagement programs, my overall views of engagement have certainly changed and evolved.

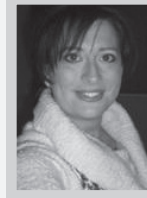
Behavioral research has identified three levels of motivation: self serving, relationship-based and belief-based. The concept of engagement is grounded in motivational theory, and successful engagement programs aim to draw connections between those three motivational levels, empowerment, and the associated states of emotional passion and rational commitment. But perhaps the biggest difference between today's engagement programs and those of the past is that businesses now have more reliable and consistent solutions for measuring engagement, using that information to create organizational change and directly tying those results to business performance.

While working as an organizational effectiveness and change management practitioner over the last 15 years, I have had the privilege of working with CEOs and leadership teams to influence and participate in implementing various strategies to address and/or manage business challenges. And, I have also had the opportunity to experience those same types of changes from an employee perspective. In all of these situations, the outcomes have typically fallen along a continuum – many solutions were executed extraordinarily well, some with mediocre success, and others required significant remedial work to avoid being complete train wrecks! Yet, in each of these situations, there were employees who exhibited high engagement by repeatedly demonstrating their willingness to expend significant discretionary effort, often with no overt reward (and conversely there were those who were not – but that's the disengagement chapter...right?).

For example, in 2003 I worked concurrently with two vastly different Australian organizations over a 12-month period: one a small, not-for-profit organization staffed largely by volunteers that derived the majority of its annual revenue from one month of fundraising each year, and the other a large manufacturing company that was making vast structural and productivity changes in the midst of trying to maneuver some significant financial challenges. Whilst in disparate circumstances, in both

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ZIONS BANCORPORATION



*By Claire Howells,
Vice President Engagement
& HR Communications,
Zions Bancorporation*

these organizations the timing and quality of employee and customer interactions was critical to business success.

At the small, not-for-profit organization, volunteers worked tirelessly to advertise, market, collect, administer and audit the donation process, and dedicated counselors contributed significant hours in providing counseling services associated with the organization's core business services. Unpaid and navigating the transition to a new leadership team, they were an interconnected group that demonstrated many traits of employeeship, a term coined by Time Manager International, one of the world's major learning consultancies, that refers to responsibility, loyalty and initiative. I recall initially being somewhat overwhelmed by the cohesiveness of this team, which operated more like a highly functioning family than a business, to the point of eating lunch together every day and calling employees who were not there to check on their status and safety. The business result was that it did not seem to matter what the challenge or how much work there was in the day, somehow it got done – and for the most part, cheerfully.

At the manufacturing company, the cultural fabric was completely different. Not only was the business facing significant financial challenges, but its production was seriously being impeded by missing process pieces, quality control, and parts and project management departments that failed to communicate with one another.

Our change management team implemented process re-engineering efforts, introduced productivity and safety standards, team restructures and financial reporting accountabilities. To successfully implement these initiatives, we also set up several focus groups from the outset to gain specific feedback from each workforce unit, increase their understanding of why changes were important and help them understand the associated impact on the business. Our objective was to increase the alignment of employee actions with required business goals. This is a fairly typical process, but what was atypical was the resulting change on the organization and the speed at which it happened. Workers who had previously been creating problems began helping to create solutions. Departments that had been

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working against each other began to increase their communication and support each other in an effort to work toward on-time project delivery. And, in general, there was a spirit of co-operation rather than contention. This change was a direct result of a positive shift in perspective and attitude. Many employees transitioned from being disengaged and de-motivated to being engaged to a point where they volunteered extra time and effort to progress the organization.

One particular example was a change in the organization's approach to vendor management. Previously, the payables department had essentially been ignoring payments requests from vendors and avoiding communicating with them, which led to delays in the delivery of parts and negatively impacted the production process. As the employees in the payable department became involved in the change initiatives, their own satisfaction (of being heard, involved, and professionally respected) increased and their interaction with vendors improved. The calls were still difficult, but the vendors were not ignored. Moreover, the appropriate negotiations resumed and kept the right parts flowing to the production line at the right time. The impact of these changes was that the organization was able to retain an ongoing business entity that was subsequently sold.

Reflecting on the comparisons between these two organizations, I concluded that in any organization – whether paid or not – the action (or lack of action) that employees take stems from their own reasons and that those reasons, whilst able to be influenced externally, come from within.

This is important because regardless of the role they play or the environmental circumstances, this internal human motivation eventually surfaces.

There is a defining moment in every employee and customer interaction when the experience that an employee has on the inside (e.g., their attitudes, beliefs, experiences, expectations, current pressures, knowledge, etc.) carries over to the outside, and subsequently, results in either a positive or negative experience for the customer, depending on each parties' respective perceptions. The energy derived from the psychological undercurrent of these interactions either draws consumers and employees to a business or not. Plus, subconscious or not, each participant walks away with a future behavioral intent.

Thus, whether by formal or informal methods, analyzing the experience of employees and customers in the context of that moment and recognizing the power of that interaction to shape the identity of an organization is vital to influencing both consumer buying behavior and employee motivation. Moreover, an organization's ability to improve that interaction is crucial to achieving and maintaining a competitive advantage.

Customer and employee engagement practices strive to measure these interactions and subsequently provide an opportunity

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for improving them. As organizations develop a greater understanding of this, internal processes are evolved to help improve customer/employee interactions.

These business practices certainly hold true for Zions Bancorporation, a \$53b bank holding company with approximately 11,700 employees. Zions has been participating in employee engagement practices for more than five years, and in the last 18 months has shifted these activities to a coordinated enterprise-wide approach. In working with Zions to develop and implement the enterprise engagement strategy, I've observed several practices that contribute to the success of Zions' engagement efforts.

Zions places great value on business relationships, including those of its customers and employees. Measuring engagement data helps us listen to customers and employees in a meaningful and consistent way. At Zions, we continually strive to improve our organization's effectiveness by listening to employees and customers, and then analyzing and using that information to affect practical changes that will have a genuine impact on our business. Our overarching model for engagement encompasses three foundational processes: connect, evaluate and evolve.

Connect. To better understand the overall feelings of customers and employees, we employ a philosophy of any door is the right door and utilize engagement surveys, customer response mechanisms, performance reviews, exit surveys, marketing studies and more. It's all about listening to employees, vendors, customers and shareholders to gain insights and perspectives on their current state of engagement.

Evaluate. In an effort to analyze and make assessments to align changes with other business processes and put resources to best use, we analyze the engagement data and then view this data in context with other business data for a well developed perspective. Then, we work to develop an appropriate action platform to operationalize changes required from the feedback.

Evolve. We continue to build our organization's knowledge in the field of engagement and use the information we gathered during the previous two stages to create positive changes. By taking thoughtful actions and consistently implementing the changes planned, we are able to achieve step-by-step results that have a positive impact on our organization.

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The processes involved in each of these transactional interactions are as varied as the entities within the matrixed, decentralized footprint of Zions. But the end result for each group is the same – we have an increased quantitative and qualitative knowledge of employee and customer attitudes surrounding our organization. This data-focused analysis provides us with a distinct perspective from which we can look for outliers, establish correlations that we might otherwise not have found with more empirical data and take appropriate measured actions.

Engagement Has Significant Human Resources Impact

More than ever before, human resource professionals are expected to make a difference to business results and prove it. Since the landmark McKinsey study of 1998 (The War for Talent), workforce shortages and the aging workforce have been constant discussions. Furthermore, the cost of employee turnover and the effective management of human capital make the data provided by employee engagement studies even more valuable.

Globalization has resulted in greater workplace diversity. In addition to managing within their own cultural context, organizations now must manage interactions with employees, vendors and customers from multiple cultures, as well as try to manage and retain employees across vast generational groupings.

As if those factors weren't enough, the workforce composition fabric looks vastly different today than it did even just a few years ago. Like many organizations, the Zions' workforce is now made up of employees from six generations. Each generation has varying requirements for motivation, developmental aspirations and productivity. In addition, research shows that there is significant overlap between well being at work and employee productivity. This also impacts the underlying psychological contract, especially to the Gen X and Gen Y populations who believe being engaged at work equates to being engaged in life. Thus, engagement will most likely trend toward being a must-have component in aligning employees with an organization rather than simply a desired state.

More than a motivation and satisfaction tool, employee engagement can provide human resource professionals with the support they need to make a significant impact in today's business environment. In particular, segmented engagement studies can assist in determining and managing across cultural and

generational differences. The surveying process gives increased voice to the audience, and when evaluating and assessing changes that might result from engagement studies, understanding the different motivators and needs of each generation can assist in developing the actions that will be the most appropriate for the intended target audience. For instance, one generational grouping may be to pair a particular business unit that has talent shortages with a generational group that has strong developmental aspirations, thereby meeting the needs of both groups over time.

Approaching change from this perspective also provides clarity in aligning available resources to projects in areas where the maximum impact is likely to be realized. This is especially true when the feedback is analyzed in conjunction with feedback data from other business units. What's more, engagement analytics, especially those that provide the ability to analyze customer data with employee data, can provide a quantitative mechanism for evidencing the efficiency and influence of HR-related activities.

Engagement is Not a Stand-alone Practice

Surveying and evaluating data is one thing, but creating aligning changes in an organization is quite another! Successful engagement initiatives recognize that engagement is not a stand-alone practice. Encouraging engagement involves more than implementing an employee and/or customer survey tool. We have found that data collection is a vehicle that provides a beginning – a pathway for subsequent analysis, if you will – that can provide a powerful way to align and unite an organization's many different functions in a common purpose: retaining, inspiring and growing the talent and processes that deliver core business services, and bringing those services to the right market at the right time to promote long-term business relationships. It is this configuration that drives increased overall business performance.

Engagement practices provide opportunities for conversations on organizational effectiveness among leaders of otherwise unconnected disciplines. We recognize that to create a competitive advantage, the efforts of the internal business unit must effectively meet the needs of the customer. To assess the need, each core business unit has a specific focus directed toward improving the customer experience.

For example:

- **Marketing** – focus on the right mix, the right date and the right message at the right price
- **Technology** – refine systems and processes to enhance the internal and external delivery of processes and systems that support the core business activities
- **Finance** – monitor the sustainability and access to resources
- **Human Resources** – manage available talent to produce results

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Overall, we find significant opportunities for alignment during the action planning phase when each group considers the contributions that they can make to achieve a broader goal. We look for ways to make meaningful changes that help the organization to progress – in its ability to service clients, facilitate internal communication, and manage its branding, motivation and culture.

Connect Engagement Initiatives to Existing Change Management and Business Practices

Implementing engagement practices can be a significant organization change initiative. For us, it was essential to employ a guiding coalition, not only from the executive suite, but in each layer of the organization. This is especially helpful in assessing organizational readiness, consolidating the changes into the organization's culture, utilizing previously existing systems and also moving at a pace that is appropriate and in alignment with core business objectives.

In any organization, engagement (and disengagement) grows organically, and it takes all three components to be effective: connect, evaluate and evolve. And as for us, we have found that there are twelve rules of engagement that help drive meaningful change:

1. You must be engaged to engage.
2. Engagement requires clear goals and actions.
3. Define what engagement means in your business context.
4. Engagement levels in individuals and organizations are not static.
5. Engagement is increased by alignment with recognition practices.
6. To engage you must participate.
7. Effective engagement requires alignment with other business processes.
8. Engagement practices must be operationalized to be sustainable.
9. Engagement measurement is a critical vehicle for analytics, not the ultimate solution.
10. Rigorous action planning is essential.
11. Engagement is line driven.
12. Establish your baseline (especially for an environment of acquisitions) and ask "are we getting better?"

In my view, engagement is not a new concept, but rather a re-branding of the underlying behavioral theories of human motivation. Thus, organizations that listen carefully to employees – and to their customers – substantially increase

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their ability to recognize points of differentiation and subsequently, their potential competitive advantages. Therefore, the businesses that will ultimately be the most successful over the long term are those that are able to truly and fully engage their customers and employees by tapping into and influencing the underlying elements of human motivations and interactions.

ABOUT THE AUTHOR

Claire Howells is Vice President Engagement and HR Communications for Zions Bancorporation, a SP500 listed, multi-bank holding company and national leader in SBA lending and public finance advisory services. As an organization change and communication strategist, Claire consults with senior management to promote the development and implementation of learning, change and communication strategies to support the 12,000 employees in the Zions Bancorporation footprint. She holds a masters degree in business from the University of Western Australia.

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