MAXIMIZING WORKFORCE ENGAGEMENT™

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Executive Summary

Around the globe, every organization is searching for ways to motivate and mobilize their workforce in an effort to bring about success. Whether it is a non-profit organization, a for-profit company, or a government agency they are continually struggling to maximize the engagement of their people in an effort to drive extraordinary results and achieve their intended mission.

Current Challenges

While every organization faces external challenges beyond their control, some of the most frustrating and costly challenges occur right under their roofs. These challenges include employee turnover, disengaged employees, poor leadership, employee burnout, employee conflict, ethics violations, and employee theft. All of these issues have one thing in common…***people*.**

However, organizations that can recruit, develop, engage, and retain people with a high degree of skill in leading and governing themselves to their full potential will have the greatest advantage. This advantage will be the direct result of those high-performing individuals contributing to effective work teams, which will then positively impact the success of any of the organization's culture initiatives. (See Appendix: 'Anatomy of a Winning Culture' for details.)

High-Performing Cultures

Research shows that high-performing cultures consistently deliver extraordinary results and outperform their peers. Culture determines how things are done, how people behave, and how value is created. As former IBM CEO Lou Gerstner states, ***"Culture isn't just one aspect of the game, it is the game."***

Yet, a high-performing culture is made up of employees that are healthy, self-governing, and high-performing themselves. Without leaders and employees that possess these qualities, there is little hope of positively transforming our organizations.

This is why we believe that establishing a **PLE Culture** is foundational to creating a long-term, sustainable, high-performing organizational culture.

Acquire, Develop, Engage and Retain the Right People

Building a high-performing culture requires deliberate focus and attention. Organizations need to be as intentional about hiring for 'fit and alignment' with their organizational culture as they are about the needs of the position. Since turnover costs can run 1.5-2.5 times a person's salary, and the cost of a bad hire can run as high as $300,000, taking the time to get the 'right people on the bus,' as business management guru Jim Collins would say, is crucial.

The commitment to ongoing employee development is just as important as hiring the right people. Investing in your employees to help them become more effective at leading themselves and working well with others will have a significant payback. The research shows that this type of investment constitutes only a mere fraction of the cost associated with turnover and replacement, or the costs related to employee disengagement. According to Stanford Research Institute findings, an investment in cultivating 'people leaders' has an even bigger payback due to the multiplicative effect that managers and supervisors have on their employees. Similarly, Google found that investing in the 'soft skills' of their managers resulted in a statistically significant improvement for 75% of their lowest-performing managers.

High levels of employee engagement are the result of effective leadership, high-quality managers, and employees that are aware of their own strengths, growth edges, and unique contributions. Studies show that as few as 26% of employees are fully engaged and are contributing maximum value. Disengaged employees are costly and can be toxic to the rest of the culture. However, research also shows that more than anything else, leadership and culture drive employee engagement. Three out of four of those surveyed stated that relationships, trust, and culture impact their level of engagement at work more than anything else. Research also shows that highly engaged employees are less likely to leave the organization, yielding significant cost savings.

These cost savings are the result of reducing employee turnover and the lag time associated with getting the newly acquired 'replacement employees' up to full speed.

Establish, Develop, and Sustain a Personal Leadership Effectiveness Culture

To effectively address the issues associated with acquiring, developing, engaging, and retaining the right people for your organization you will want to take a deliberate and thoughtful approach to achieve the greatest results and impact. Any transformation process should be incremental in nature. There should be an emphasis on short-term wins, on building upon successes, and learning from mistakes. This paper will explore the three critical phases for *establishing*, *developing,* and *sustaining* a high-performance **Personal Leadership Effectiveness Culture** in any organization.

➔ **Personal Leadership Effectiveness (PLE)** is defined as, "**The skill of leading and governing yourself to reach your full potential**."

➔ **FACT**: An individual's **Personal Leadership Effectiveness** is the foundation to their **Professional Leadership Effectiveness**.

Special Note: An individual's **Personal Leadership Effectiveness** and **Professional Leadership Effectiveness** will have a positive or negative impact upon their productivity, performance, team effectiveness, and bottom line contributions within their organization. Everyone's **PLE** also impacts:

- Vision, Mission, and Purpose
- Operational Efficiencies
- Net Operating Income
- Risks and Liabilities

Establishing a PLE Culture: To 'establish' anything well requires that it be built upon a strong foundation. When *establishing* a **PLE Culture** there are four important ingredients that make up that strong foundation:

1. The first ingredient is 'internal ownership.' At the executive level of the organization there must be agreement that the organization has human capital challenges, and those challenges *must* be addressed, not just in the short-term, but for the long-term. To accomplish this level of 'buy-in' the Executive Leaders will immerse themselves in the foundational activities that will successfully establish a **PLE Culture**.

2. The second ingredient is identifying a select number of 'internal champions' that will be integral to the ongoing maintenance of the strong foundation. The internal champions must be professionally equipped to lead and facilitate the various phases of Organizational Culture transformation.

3. The third ingredient is gathering reliable data; in this case 'human capital data.' Carefully selecting the most appropriate diagnostic tools for understanding the overall **Character Competencies and Behavior Traits** of any person, work team, or culture is a critical ingredient for success.
4. The final ingredient is assessing the organization's current **Core Values** and determining to what degree they are adopted and embraced throughout the company. It is critical that the Core Values be integrated into an organization's culture, talent acquisition, employee development, and employee retention initiatives.

Developing a PLE Culture: To develop the PLE Culture the leadership team first needs to engage in a defined **PLE Learning Methodology Process**. It is so important that the Leadership Team learns and applies several foundational principles to their personal and professional lives, so they can lead by example and be able to implement the PLE Learning Process throughout the organizational culture.

Having done the hard work of *establishing* a **PLE Culture** and *engaging* in the learning-coaching methodology that supports it, it is now time to *extend* the **PLE Culture** into other departments, divisions, branches, and work teams throughout the organization. This is the point at which other team leaders, managers, and supervisors now engage with the **PLE Learning Methodology** to develop the ability to teach and coach other employees through a structured process of **Personal Leadership Effectiveness** improvement.

Sustaining a PLE Culture: Once the organization has learned to **crawl** and **walk** through the first two phases, it is now time to **RUN**! The **Sustain Phase** is where the organization adopts a **Human Capital Blueprint**. This is absolutely critical for overall process improvement and the strategic integration of human capital initiatives that will drive and sustain the **PLE Culture** transformation process.

The benefits of investing in developing your people and overall culture are significant. Imagine a workplace where people are skilled in taking initiative, handling stress, and maintaining a positive attitude while thinking critically.

Imagine a work environment in which employees are living with a sense of purpose and passion, while maintaining a healthy work/life balance. Envision a culture that is characterized by positive and strong relationships among coworkers, where productivity is maximized both personally and professionally.

In his book *The Advantage*, Patrick Lencioni writes:

> Turning an unhealthy company into a healthy one will not only create a massive competitive advantage and improved bottom line, it will also make a real difference in the lives of the people who work there. And for the leaders who spearhead those efforts, it will be one of the most meaningful and rewarding endeavors they will ever pursue.

So here is the question, *"Will you be one of those leaders who spearhead an effort to make your organization and the people who work there more effective?"* We hope your answer to that question will be a resounding 'Yes!'

Not only will your organization yield significant increases in performance and productivity by maximizing the **Personal Leadership Effectiveness** of your employees, but you will also be contributing to the improvement of your surrounding communities as employees return to their families, neighborhoods, and volunteer organizations as better leaders.

Introduction

We live in a time of unprecedented complexity, volatility, change, and even uncertainty. Over the past decade we have witnessed huge swings in the housing market and the unprecedented growth of the stock market. At the same time, we are witnessing partisan politics on a level we have never seen before. Street protests accompanied by violence and intolerance of the opinions of others seem to be at an all-time high. And in the corporate sector we have recently seen some very talented and visionary corporate leaders being forced to resign their positions due to failures of leadership and character. Some observers are predicting that we may never again see the level of stability, trust, and civility that coexisted in America in previous generations. Many people are asking, "Where have all the great leaders gone?" There is reason to be concerned. Our world today needs solutions to the growing vacuum of character-based leaders that will effectively lead our communities, families, government, and organizations with integrity, skill, and humility.

And yet, during this cultural upheaval and vacuum of leadership, organizations and communities are thriving and entrepreneurial start-ups are at an all-time high, thanks in large part to the internet. In addition, social entrepreneurship is on the rise, evidenced by growth in fair trade products and markets around the globe. All of this illuminates the creativity, resilience, and drive that is deeply woven within the human spirit and that these companies have been able to harness in the midst of these volatile and challenging times.

As a manager or organizational leader, how do you effectively navigate this new normal and build an organization that can thrive?

Without a doubt visionary leadership, solving people's problems, and providing quality professional products are key elements to successful entrepreneurship. But as a company grows, all the human capital challenges increase as more and more people are added to the workforce. And it is your people that will determine the long-term sustainable success of your organization, be it a start-up or a well-established cultural brand name. How will you make certain that the people in your organization are healthy, engaged, and thriving?

Are your people prepared individually and collectively as a team to navigate the rough waters and challenging times ahead? Those organizations with employees that have a well-developed foundation of **PLE** will have the greatest advantage. It is our contention that fostering a **PLE Culture** is a critical component to establishing a strong, vibrant, and healthy organization; one that can sustain long-term success.

The ability to lead oneself has a direct impact on performance, both as an individual contributor and as an organizational leader.

After years of experience working with a variety of organizations, we have discovered that many of their people-related challenges are the result of inattention to the personal and professional leadership effectiveness of their workforce.

The ability to lead oneself has a direct impact on performance, both as an individual contributor and as an organizational leader. It impacts your ability to perform, produce and work effectively in a team environment. **PLE** also directly influences your level of engagement in the workplace.

In this *Maximizing Workforce Engagement Whitepaper,* we will explore the relationship of **Personal Leadership Effectiveness** with some of the key operational challenges facing organizational leaders today. We will look at the impact these challenges have on fulfilling your mission and achieving outstanding organizational performance. In addition, we will outline strategies to consider when addressing these problems and creating a sustainable plan for the future.

Current Organizational Challenges

Companies are trying to operate and succeed in an environment of increasing complexity, change, and volatility. External forces, such as a global financial crisis, increasing global competition, and increasing political and economic divides can all serve to create obstacles to success. Additionally, internal challenges such as the differing values and priorities of a multi-generational workforce, fiscal constraints that force organizations to do more with less, and the increasing disengagement of employees all serve as impediments to achieving organizational goals. It is within this tumultuous environment that companies are trying to mobilize their people to perform, produce, and collaborate in ways that contribute to success.

In his book *Good to Great,* Jim Collins wrote about 'getting the right people on the bus.' Here are some reliable statistics that illustrate what happens in an organization when you 'get too many of the wrong people on the bus.' Unfortunately, there have been no signs of improvement in recent years.

- **Burnout and Stress** - *According to a recent report by ComPsych, nearly two out of three employees report high levels of stress with extreme fatigue and a feeling of being out of control, while more than half miss one to two days of work per year due to stress. Other studies show three out of every four employees report that their boss is the worst and most stressful part of their job. In addition, employees that have poor relationships with their managers are 30% more likely to suffer coronary heart disease*.

- **Relational Conflict** - *Supervisors spend more than 25% of their time on conflict management, and managers spend more than 18% of their time on employee relational conflicts. These figures continue to increase year after year. It is now becoming more evident that this is something that companies and managers need to recognize, and deal with. Conflict significantly affects employee morale, turnover, and litigation, which in turn affects the prosperity of a company. Research has found turnover can cost a company up to 200% of the employee's annual salary.*

- **Disengagement** – *Study results vary on employee engagement levels. They range from as low as 25% to 55% of employees being fully engaged. One recent study showed that 52% of employees are unengaged and just putting in time, while 19% are actively disengaged, unhappy, and spreading discontent. Regardless of which numbers you use, this is costly and has an impact on the performance of your organization.*

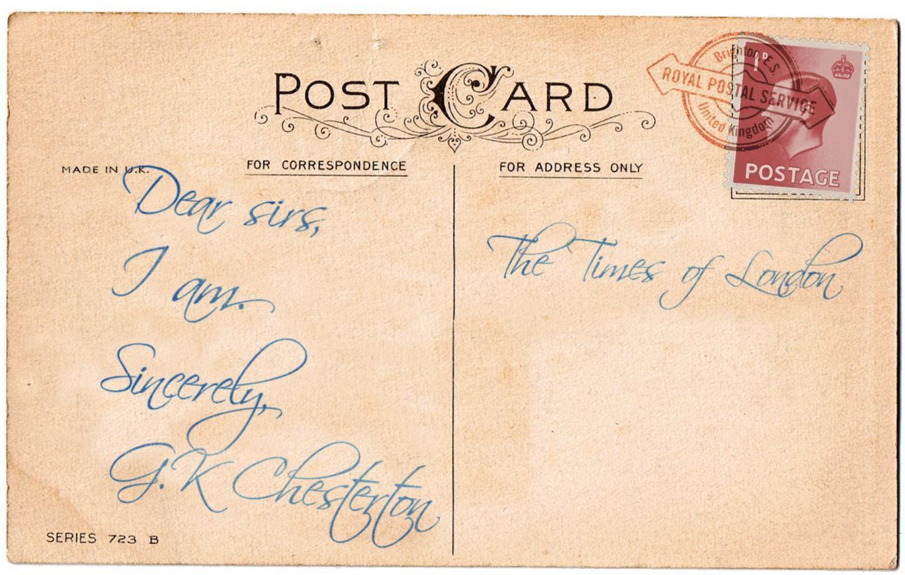
- **Turnover** – *At a cost of 1.5 times a person's salary for the average employee and up to 2.5 times for executives and other key staff, the cost of turnover can be substantial, and often times avoidable. Most turnovers can be traced back to lack of trust, relational conflict with a peer or boss, or lack of opportunity, growth, or challenge.*

- **Ethics Violations** – *45% of U.S. employees observed a violation of the law or ethics standards at their places of employment according the recently published National Business Ethics Survey® (NBES). Employees are reporting they are less confident in their own ability to handle 'ethically questionable' situations. Currently 23% claim they are unprepared to handle situations that invite misconduct, up from 14% in 2009. The report claims that overall organizational ethics are at the weakest point since the year 2000* (Ethics Resource Center 2012).

- **Theft** – *Employee theft, generally defined as 'any stealing, use or misuse of an employer's assets without permission to do so,' can take many forms, from stealing assets to manipulation of timesheets. It is estimated that employee theft costs US Businesses an estimated $15 billion a year and is one of the leading causes of failure for small to midsize companies. The study also found that businesses with fewer than 100 employees suffered the greatest percentage of employee theft due to fewer anti-theft controls.*

- **Fraud** - *It is estimated that the typical organization loses 5% of its revenue to fraud each year ($3.5 trillion globally). The median loss due to occupational fraud was $140,000, while 20% of the cases had losses greater than $1 million. Small businesses suffered the largest median losses and faced the most significant threats. Perpetrators of fraud spanned the organization, while the median loss through fraud committed by executives was $573,000, managers were $180,000 and employees were $60,000. It was also reported that 87% were first time offenders and had a clean employment and criminal history.*

It doesn't take long to realize that the source of a lot of the problems in business, government, and non-profit organizations is the result of the behavior and actions of the people that comprise them. If the goal is to get the 'right people' on the bus, who are the 'wrong people' that are causing all the problems in our companies? It is reported that when the English writer G.K. Chesterton was invited by *The Times of London,* along with several other eminent authors, to write an essay addressing the question, *"What's Wrong with the World?"* Mr. Chesterton responded:



The same could be said of our organizations today. If we are honest with ourselves at some level, we have all contributed to 'the problem.' At certain times and to varying degrees we are each capable of having a negative impact on the people around us and the organizations we serve. Whether through our words, actions, or decisions no one is exempt. From the front-line staff to the CEO, *everyone* benefits from paying careful attention to the ongoing development of their **Personal Leadership Effectiveness**.

The Personal Leadership Effectiveness Equation

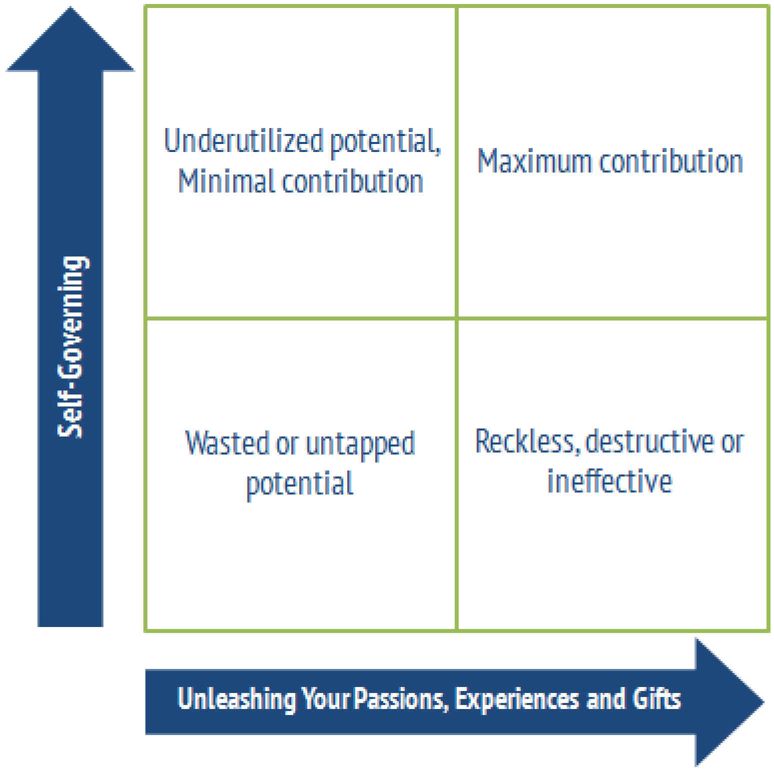
The solution is fairly simple. However, that doesn't mean it is easy. It requires each of us to develop the ability to maximize our potential by becoming more self-aware, cultivating our passions and gifts, paying attention to personal discipline, and self-regulating in order to govern our own lives well. It is a delicate balance that we must maintain between controlling our impulses and emotional responses to internal drives and external events, *and* passionately leveraging our ability to make the best use of our passion, experience, and skill-set for maximum contribution to the people, communities, and organizations we serve.

If, in the words of G.K. Chesterton, "*I am* what's wrong with the world," then shouldn't *we all* be doing whatever we can to improve the ways that we impact the people, communities, and organizations that we are involved with every day?

The **Personal Leadership Effectiveness Equation** goes something like this:

The passion to be our best, combined with the right leadership improvement tools and methodology, will yield a life that has been positively transformed to make a maximum contribution.

Personal Leadership Effectiveness



The Vertical Axis represents the increasing ability to govern one's self well, including appropriate responses to internal drives and external events.

The Horizontal Axis represents the increasing ability to understand and cultivate and leverage your unique passion and gifts for maximum contribution.

- **Lower Left:** Represents the individual who has not developed adequate self-awareness, nor the discipline or habits to effectively self-govern. As a result, their potential is not being maximized.
- **Upper Left:** Represents the individual who has developed good habits and self-control but has not fully explored their passion and giftedness. As a result, they will likely follow the rules and fall in line with organizational policy, but their true potential has yet to be uncovered.
- **Lower Right:** Represents the individual who has tapped into their passion and giftedness but has not developed the ability to govern themselves well. This can represent those with ideas and creative energy that are driven by a purpose but lack the discipline and habits to effectively execute; or those creative geniuses with limitless energy, but who lack the ability to get along with others or the personal discipline to avoid self-destructive behaviors.
- **Upper Right:** Represents the individual who is growing in greater self-awareness, is increasingly aware of their strengths and weaknesses, and is continually developing the personal discipline to effectively govern their life towards maximum contribution. They are proactively identifying their passions and gifts and exploring new ways to put them to use.

Developing our **PLE** will result in our ability to make a greater contribution to the success of anything with which we become involved. We need to understand that personal and organizational transformation go hand-in-hand. However, to effectively transform an entire organization we must facilitate the positive transformation of the other members of that organization. For the work of transformation let's consider ten Character Competencies that years of research and practical application have proven to be essential to the development of a person's **PLE**.

Personal Leadership Effectiveness Competencies

1. **Personal Discipline:** *The ability to take action, be proactive, developing healthy new habits, and personal discipline.*
2. **Accurate Self-Image:** *An accurate self-image based on increasing self-awareness, and an understanding of your strengths, weaknesses, passions, experiences, and gifts.*
3. **Positive Attitude:** *A positive attitude that gives us proper perspectives on the situations we face, and the ability to deal with fears, problems, and other difficulties in a healthy way.*
4. **Principle-Driven:** *The ability to consistently live a principle-centered life at home, work, and in the community.*
5. **Mission and Purpose:** *A clear sense of personal mission and purpose in your life.*
6. **Integrated Life:** *Balance in your personal priorities, attitudes, and goals that lead to a more whole, healthy, and productive life.*
7. **Others-Centered:** *A genuine concern for others and the ability to effectively listen to, confront, empathize with, and coach others.*
8. **Personal Transformation:** *The ability and commitment to continuously invest in your own personal and character development.*
9. **Adaptability:** *The ability to handle change and make necessary mid-course corrections.*
10. **Perseverance:** *The ability to stay focused on priorities and not give up during difficult times.*

Imagine yourself living each day with a mastery of each of those ten Character-Based Leadership Competencies. Would that make a difference in your personal or professional life? Now imagine a small team, each person regularly working on the development of their **PLE** while also working together towards a common organizational goal. Would mastery in those ten Character Competencies make a difference in how effectively they work together and what they could accomplish? Imagine a leadership team providing vision and a model for this type of behavior for the entire organization, while maximizing their overall team effectiveness.

Ideally, your entire organization would be made up of employees with greater self-awareness, personal disciplines, positive attitudes, interpersonal skills, passion, and creativity. Unfortunately, we don't live in a perfect world, so as organizational leaders we must make a prudent decision. Do we continue to tolerate our current situations, or do we invest in our most valuable assets, our human capital? There is a riddle that makes the rounds in Human Resource circles. It goes like this:

The CFO asks his CEO:

What happens if we invest in developing our people and then they leave the company?

The CEO answers:

What happens if we don't, **and they stay?**

The reality is that most of us have not yet learned or acquired the ability to develop ourselves to our full potential. Over time society has devalued the importance of the cultivation of one's character.

We try to address problems by creating more rules, more regulations, and more oversight which just adds to the cost and complexity of running our organizations. We rarely try to address the underlying source of our organizational problems, which is the ability of each and every one of us to govern ourselves well. We couldn't possibly create enough 'Do's and Don'ts' to cover the multitude of choices people face every day. Ultimately, we each must address the question of 'What kind of person should I be?' Company policy manuals will never produce the desired attitudes, beliefs, and commitments that are desired in every member of the organization.

Plato said,

"The first and best victory is to conquer self."

Organizations have plenty of reasons to be focused and engaged beyond the pursuit of more and more bottom line profits. They can invest themselves in developing better employees and citizens to send out into the community. They can find ways to invest in their communities by sponsoring leadership programs in schools and engaging with their local Chambers of Commerce and other Professional Trade Associations. The list goes on. When we learn to maximize the talent in our organizations by developing the required job skills *and* the soft skills, then a **Personal Leadership Effectiveness Culture** is established, and the organization will be more likely to achieve long-term, sustainable success.

Organizational leaders must be intentional about developing their own **Personal Leadership Effectiveness** and that of their employees. By doing so they will begin to see positive outcomes across the organization. Some of those outcomes are: greater focus, healthier communication, increased respect, personal integrity, a sense of purpose, passion, positive attitudes, and perseverance in the face of adversity. These are the characteristics of a healthy organizational culture capable of achieving sustainable success. Establishing and maintaining a thriving **PLE Culture** can ultimately become an organization's single greatest competitive advantage.

Words of Wisdom

A man's character is his fate.
- Heraclitus, Greek philosopher (c. 540-c. 475 B.C.)

Character is simply habit, long continued.
- ***Plutarch, Greek biographer (47-120 A.D.)***

The first and best victory is to conquer self.
- Plato

The unexamined life is not worth living.
- Socrates

The reputation of a thousand years may be determined by the conduct of one hour.
- ***Japanese Proverb***

You can easily judge the character of a man by how he treats those who can do nothing for him.
- ***Johann Wolfgang von Goethe***

The true test of civilization is not the census, nor the size of cities, nor the crops – no, but the kind of man the country turns out.
- ***Ralph Waldo Emerson***

Character, in the long run, is the decisive factor in the life of an individual and of nations alike.
- ***Theodore Roosevelt***

The world we have created is a product of our thinking. It cannot be changed without changing our thinking.
- Albert Einstein

The Power and Influence of Culture

We experience different cultures everywhere we go. Our families, communities, schools, workplaces, and nations each have their own unique culture. 'Culture' defines the collective character and essence of a group. It is both the conscious and unconscious set of forces that determine our individual and collective behavior, and it influences our thought patterns, our perceptions, and our values.

Enduring companies are built upon cultures that are able to consistently attract and retain loyal employees and satisfied customers. Culture determines how things are done, how people behave, and how value is created. In 1993 IBM hired outsider Lou Gerstner as CEO in an attempt to save the company. Gerstner is credited with successfully leading the turnaround of IBM, which was ultimately a result of completely transforming the company's culture. In his book *Who Says Elephants Can't Dance?* Gerstner writes:

> Until I came to IBM, I probably would have told you that culture was just one among several important elements in any organization's makeup and success—along with vision, strategy, marketing, financials, and the like. I came to see, in my time at IBM, that **culture isn't just one aspect of the game, it is the game.** In the end, an organization is nothing more than the collective capacity of its people to create value.

Bain & Company's research confirms this position. They found that nearly 70% of business leaders agree that culture provides the greatest source of competitive advantage and claim that it is the hardest thing for competitors to copy. In an interview with the Harvard Business Review, past Dell CEO Kevin Rollins stated, **"The key to our success is years and years of DNA development that is not replicable outside the company."**

Leadership and culture are two sides of the same coin. In every social interaction, whether we are aware of it or not, we function as leaders. We not only reinforce and act as part of the present cultural dynamics, but we also influence it when introducing new cultural elements based upon our values, beliefs, and associated actions and behaviors. Over time these new important elements have the ability to strengthen and enhance the culture or erode and weaken it.

- Does your current culture reflect a positive working environment?
- Are a winning attitude, teamwork, discipline, and excellence all evident?
- Or is your company characterized by competing internal politics, sense of entitlement, negative attitudes, and burnout?

While there is not one right culture for every organization, there are valuable success attributes to define a high-performing organizational culture.

(***See sidebar – 'The Anatomy of a Winning Culture'***)

The leaders and employees of an organization will influence the culture and subcultures that arise, as well as how the total system functions as a whole. While the responsibility for creating and preserving the organization's culture ultimately lies with the senior leadership, it is important to recognize that every employee plays a unique role as culture creator, evolver, and manager.

The Anatomy of a Winning Culture

10 Attributes of High Performing Organizations

While there is no one right culture for any company, there are common attributes present in companies that outperform their peers on a consistent basis. The 10 key attributes identified below represent a consolidation of research and findings conducted by Accenture, McKinsey, Bain, Deloitte, and other thought leaders in the area of culture and its impact on organizational performance.

A more detailed description can be found in the Appendix.

1. **Unique Purpose and Personality**
2. **Passion for Performance**
3. **Bias Toward Action**
4. **Outward-Focused**
5. **Team-Oriented**
6. **Value Individuals**
7. **Highly Adaptable**
8. **Lead by Example**
9. **Organizational Alignment and Congruency**
10. **Effective Communication**

Ultimately, the quality and health of your organization is the result of both the quality and the health of the people who comprise it. If a considerable proportion of your employees struggle to make their own lives work, how would you expect them to create a healthy thriving organizational culture?

If one person is entitled and lacks discipline, another is consistently negative, and a third is arrogant and self-centered there will be a less-than-desirable influence upon any group culture in which these three persons participate. These undesirable attitudes and behaviors will become particularly problematic if they are not dealt with decisively and are allowed to become part of daily behavior and norms.

An Example: In a recent client engagement one of the newly hired managers was made aware of some issues that needed to be addressed by her team. During the staff meeting she commented, "I will go put the hammer down right after this meeting." Following the meeting, her direct supervisor pulled her aside and explained that '*Putting the hammer down* is not how we do things around here.'

He then gave her some suggestions as to how to handle the issue with methods more aligned with the company's culture and values. Had this not been addressed it's possible that 'Putting the hammer down' could have become a new 'leadership norm' for this group, especially if the undesirable behavior had been corrected utilizing heavy-handed leadership skills.

This is why talent acquisition and employee development become so critical to building and sustaining a high-performance culture. Each new hire brings in their own attitudes, values, experiences, and behaviors that will contribute positively or negatively to the overall existing culture of the organization. That is why it is critical to put in place a methodology for acquiring new talent that aligns and fits within the existing culture of the organization. After an individual has been hired there should be systems in place that expose him or her repeatedly to the organization's values *and* desired standards of behavior and performance.

To create a healthy, high-performing organizational culture there have to be employees that are healthy, self-governing, and high-performing.

This is why we stress the importance of establishing a **PLE Culture** as the foundational cornerstone to building a long term, sustainable, high-performing organizational culture. Without leaders and employees that are *inwardly transformed*, we have very little hope of *outwardly transforming* our organizations in a positive manner.

Three Critical Factors for Organizational Success

Now we will examine more closely some critical factors for transforming an organization's culture by committing to the development of existing and newly acquired 'talent.' If you want to ***establish, develop, and sustain a culture*** that maximizes performance, productivity, team effectiveness, and bottom line results you will need to strategically recruit, develop, engage, and retain the **right people** (human capital talent) for the organization.

Talent Acquisition: Getting the Right People on the Bus

The old adage that people are your greatest asset is not completely accurate. A more correct statement would be that the *right people* are your greatest asset. Jim Collins in his classic book *Good to Great* states that, "Those who build great organizations make sure they have the right people on the bus, the wrong people off the bus, and the right people in the key seats before they figure out where to drive the bus." (Collins 2001) This does not necessarily mean hiring the smartest or most experienced candidate. Best practices suggest that you hire the right person to fit the culture of the organization and the job. The right people don't need to be managed. As Jim Collins said in a recent interview, **"The moment you feel the need to tightly manage someone, you've made a hiring mistake. The right people don't think they have a job: they have responsibilities. The right people do what they say they will do."**

The Human Capital Institute claims that one of the most important management competencies for the future is the ability to 'hire, develop, engage, and retain the right people for the job.' Yet, according to a recent study by Development Dimensions International, hiring managers consistently make five common mistakes during the hiring process.

These mistakes are:

1. They ask questions that do not provide them with useful information about how the candidate will perform on the job.
2. They don't use a process to systematically evaluate the responses of candidates.
3. They rely on gut instinct to make the final decision, ignoring critical information about the candidate's 'fit to the job'.
4. They don't use a process to systematically evaluate the responses of candidates.
5. They rely on gut instinct to make the final decision, ignoring critical information about the candidate's 'fit to the job'.

To address some of these issues, it is recommended that organizations more thoroughly identify job-relevant factors that predict success and then utilize a variety of diagnostic tools to assess candidates on those specific factors. This can serve to eliminate some of the subjective reliance on gut instinct. It is also key to have managers and recruiters who are skilled at interviewing and who have the ability to utilize open-ended questions that target a candidate's work ethic, personality, work style, and attitude.

We can find the skills anywhere we need them. The real issue right now is finding the people who are going to actually fit in our organizations and in our cultures.

It's a challenge to find the right people for the job. Successful employees must have the skills required to succeed and also the attitudes, personal disciplines, and people skills that align them with the organization and its existing core values. According to a recent Accenture Study, 'The top issue on the minds of global executives is whether or not their company has the ability to acquire and retain outstanding performers.'

While this may be a pressing issue for executives, a McKinsey study found that, 'Only 23% of executives feel confident they are able to attract the top talent they need.' That's a significant problem. Ram Charan found that 70% of organizations say that they have an insufficient pipeline of talent for leadership and strategic jobs, and that stop-gap measures such as 'quick hires' typically have a 40% failure rate within the first 12 months.

Making quick decisions or poor decisions that result in hiring the wrong person can be costly. Studies show that managers spend in excess of 20% of their time dealing with poor or problem performers.

This is probably due to the fact that they hastily screen applicants and then hire based on existing job skills and prior experience. Instead, these hiring managers should be assessing potential new hires for alignment and fit within the existing culture of the organization.

They should be assessing the **Character Competencies**, **Behavior Traits**, and **Attitudes**, **Beliefs**, and **Commitments** of every potential job applicant. This is why its common wisdom in HR circles that **'Organizations hire for skill, but fire for character.'** It's time to reverse that trend.

The resulting cost of a bad hire is estimated to be over $300,000 when cost is quantified based on people who are poor hires and get to stay in the organization's ozone…yet add little value. These people retire in place and never do quite enough to be fired for performance reasons. This 'deadwood' does little to contribute to the overall success of the organization. The financial impact can be much greater in public sector organizations that have to account for lifetime retirement benefits in addition to the loss of productivity in current job responsibilities. The numbers can quickly escalate into millions of dollars if the bad hire goes beyond 'workfare' and their behavior results in gross negligence, ethics violations, lawsuits, or lost customers.

So, what can be done? First and foremost, consider placing a greater emphasis on hiring for character, attitude, personal leadership, values, and cultural fit. *Then* train for skills. Mark Murphy, author of *Hiring for Attitude*, said that Southwest Airlines and other companies such as Apple, Google, and Ritz-Carlton are great examples of this.

There is no one 'right attitude' for success but, according to Murphy, '89% of the time if a new hire fails, they fail for attitude, not for skills.'

He states that, "We can find the skills anywhere we need them. The real issue right now is finding the people who are going to actually fit in our organizations and in our cultures."

Health Check

- Are you assessing candidates for cultural fit, values alignment, attitude, and other job-fit characteristics beyond functional skills?
- Are your managers able to identify the qualities of the individuals that are critical to the long-term success of your organization?
- Do you have a standard process or tool that assesses for character, personality, and other distinguishing traits?
- How do you avoid making rushed hiring decisions based on gut instinct?

Employee Development: Maximizing Personal Performance

> **The foundation of a great company is the way it develops people—providing the right experiences, learning from other people, giving candid feedback and providing coaching, education and training. If you spend the same amount of time and energy developing people as you do on budgeting, strategic planning and financial monitoring, the payoff will come in sustainable competitive advantage.**
>
> -- Bossidy 2002

Organizational leaders should be facilitating and encouraging the ongoing development of their people. While personal development is certainly an individual's responsibility, organizations can play a significant role in identifying and nurturing the potential in their employees. They can create an environment that encourages ongoing growth and professional development. Many organizations will invest in training for job-specific skills, yet they don't think that it is a smart investment of their money to invest in the development of their employees' personal and professional leadership capabilities.

However, as we have pointed out, many organizations are suffering from the inability of their employees to lead and govern their lives well and to their full potential. This is evidenced by the array of interpersonal conflicts, burnout, low engagement levels, lack of discipline, and a whole host of other issues that arise within our organizations. Research finds that it costs roughly 1/30th the amount to develop an excellent person as it does to hire his or her replacement. As Geoff Colvin pointed out in *Talent is Overrated*, **"For virtually every company, the scarce resource today is human ability. That's why companies are under unprecedented pressure to make sure that every employee is as highly developed as possible."**

Organizations should be investing in the development of the **PLE** of every employee. It is the foundation from which all other training and development should be built upon. From the CEO to the front-line contributors, each individual needs to develop their ability to lead themselves well. As we nurture these skills and become effective at leading and governing our own lives well, we will have increased energy and more confidence, a greater sense of purpose and significance, and an increase in our productivity. Each of these factors will result in achieving greater success, both personally and professionally.

While each individual within the organization will benefit from a strong **PLE** foundation to build upon, those responsible for managing and leading other people should receive special attention. It is hard enough to lead our own lives well, but when we add the complexity and responsibility of leading others the stakes are even higher.

> *"For virtually every company, the scarce resource today is human ability. That's why companies are under unprecedented pressure to make sure that every employee is as highly developed as possible."*

You have probably heard before the saying, **'People will join companies, but they will leave managers.'** When new hires join a company, it is often because of the perceived opportunity and what they believe the company offers. Yet a significant number of exit interviews reveal that people will leave an organization because of their managers. One survey found that 65% of the respondents said they would take a new boss over a pay raise. Yet when managers were asked why their people left the number one answer given was, "For more money." This discrepancy shows a significant disconnect between those in management and the people that they lead.

The impact that middle managers and supervisors have upon the performance of the organization should not be underestimated. According to a study by the Corporate Leadership Council, 'Managers impact 15 of the top 20 drivers of employee engagement.'

The Stanford Institute for Economic Policy Research published a research paper titled *The Value of Bosses*. This publication was the result of a study that spanned 5 years and included over 23,000 employees and 1,900 supervisors. Its valuable contribution has not diminished.

People join companies, but leave managers.

The Institute's research found that replacing a boss who is in the lower 10th percentile of 'boss quality' with one who is in the 90th percentile increases the productivity of each subordinate's output by more than 10 percent. This is the equivalent of adding one full-time worker to a nine-member team. This implies that the typical boss is about 1.75 times as productive as the typical worker because of the exponential effect of their role across the entire team, compared with the additive effect of bringing on an additional employee.

So, what are the skills required for someone to lead others well and positively impact the performance of the organization, and can those capabilities be developed?

According to the Stanford study, one of the biggest differences found in 'boss quality' was related to their ability to teach, coach, and transfer skills, such as a good work ethic or good habits. It was estimated that teaching accounts for 67 percent of the effect that bosses have on their employee's productivity. The study also found that teaching was more important than motivating, primarily because the skills and behaviors developed as a result of teaching endure, whereas external motivation is short-lived.

Eight Habits of Highly Effective Google Managers

1. Be a good coach.
2. Empower your team, and do not micromanage.
3. Express interest in team members' personal success and well-being.
4. Be productive and results oriented.
5. Communicate and listen to your team.
6. Help your employees with career development.
7. Express a clear vision and strategy for the team.
8. Demonstrate key technical skills so you can help advise the team.

In a recent effort by Google to answer the same question they undertook an initiative called Project Oxygen.

What Google found was that the best managers had teams that performed better and had higher employee retention.

They realized that if they could replicate the behaviors of their highest-performing managers, and make everyone as good as their top performers, it would have a significant impact on company performance and the bottom line.

Thus, they began to explore what made their best managers so good and tried to determine whether these important attributes could be replicated. In their attempt to build better bosses statisticians gathered and analyzed more than 10,000 observations about managers across more than 100 variables from years of performance reviews, employee surveys, and HR interview notes. They then coded all the information in an effort to identify patterns. What they discovered were eight key attributes of their most effective managers. (**See the Sidebar** - ***Eight Habits of Highly Effective Google Managers***)

What is most encouraging from these findings and the findings of hundreds of similar studies is that those critical skills required of effective managers can all be developed. Skills such as being a good coach, expressing interest in your staff, being results-oriented, teaching, communicating, listening, and resolving conflict. These all are impacted by and require proficiency in the ten Character-Based Leadership Competencies that were identified on page 17 of this whitepaper.

Is it worth the effort and cost?

Not surprisingly companies that are out-performing their competitors are those that are also *out-investing* their competitors when it comes to leadership development programs for employees at every level of the organizational chart. The annual investment average per person/per year for high-quality leadership training for managers sank from $1,247 per manager in 2023 to $313 permanager in 2024. The average amount spent on leadership development per employee is $183.

It's a fact that companies with mature leadership development programs spend an average of 30 to 60 percent more per participant. Research indicates that organizations realize a seven dollar Return on Investment for every dollar spent on leadership development. These investments pay off in improved leadership capabilities, better business results, increased employee retention, and higher levels of employee engagement and productivity. It's a winning strategy all around for employees, managers, executive leaders, shareholders, and the surrounding communities. Perhaps the commitment to include leadership training in the annual corporate budget has waned due to the fact that much of leadership training is not scalable apart from the involvement of over-priced consultants. What is needed is an internal platform, process and leadership development solution that can be internally adopted and executed in a cost-effective manner.

While the discussion of developing leadership capabilities receives some level of attention in most organizations, often the 'soft skills' take a back seat to what are considered by some to be the more important 'hard skills,' like finance, research and development, sales techniques, strategy, and project management. In fact the decision to invest in a company is often predicated on the strength of its management team. Assessing the organization's human capital begins as soon as due diligence commences.

Although people are always looking for the next new thing in leadership, Google's data suggest that not much has changed in terms of what makes for an effective leader.
-- Laszlo Bock

According to Google, their own investment paid off quickly once they started teaching their 'Eight Habits' in training programs and coupled it with coaching support and performance review sessions. As a result of their efforts, they were able to achieve a statistical improvement in manager quality of **75 percent** for their lowest-performing managers!

One of the things that we find in our discussions with organizational leaders is that they seem to be looking for the next 'new thing' in leadership development, as though human nature has drastically changed since the last time they gave this any serious consideration.

Organizations would be better served if they would stick with the ongoing development of their people in some core competencies around the issues of self-leadership and the leading and coaching of others. As noted, this was confirmed by Google's *Project Oxygen* and by the findings from the recent Stanford study on the *Value of Bosses*.

Health Check

- The most successful companies have a mindset that talent is an asset to be unleashed, not a cost to be contained. Are you creating a culture that embodies this view?
- Are your people clear about their unique skills, experiences, and contributions? Are they working out of their strengths?
- Are your development activities primarily skill-based or do they focus on developing the whole person, including their Personal Leadership Effectiveness?
- Do you have strategies that address developing Personal Leadership Effectiveness at all levels of the organization, from the CEO to the most entry-level position?
- Do your development strategies include traditional training and development along with coaching, mentoring, and other effective methods?

In an interview with the New York Times Laszlo Bock, Google's Vice President of People Operations, stated that, "**Although people are always looking for the next new thing in leadership, Google's data suggests that not much has changed in terms of what makes for an effective leader**."

Engaging and Retaining your People

Once you have gone to all the expense and effort needed to find top talent that aligns with your organizational culture and values, you also need to make sure that you get them engaged. It is critical to get employees to utilize their gifts and talents in a way they find personally satisfying. Yielding maximum contribution for the organization is the desired outcome. If done well, there is a higher probability that when your 'human capital assets' go home at night, they will happily return the next morning. It is important for organizational leaders to understand what motivates people and to help draw out the best in them. The role of leaders today is to create an environment in which people can grow, develop self-mastery, and gain a sense of purpose and value from their work.

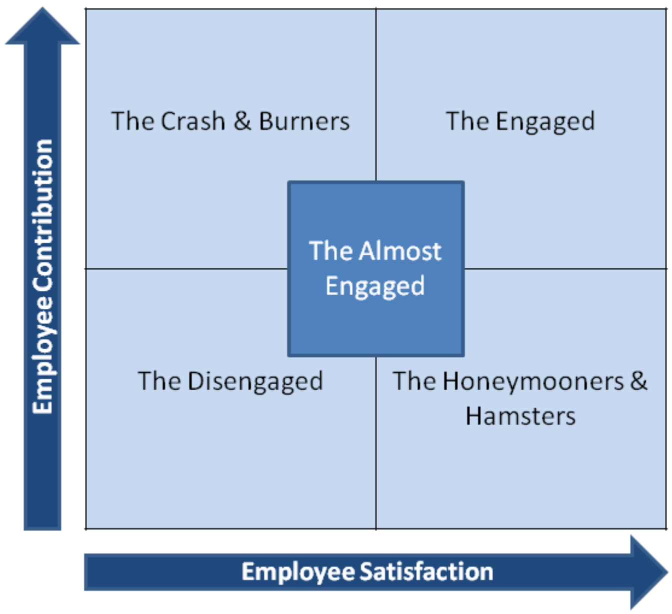
According to Scarlett Surveys, **"Employee Engagement is the measurable degree of an employee's positive or negative emotional attachment to their job, colleagues, and organization that profoundly influences their willingness to learn and perform at work."**

An *engaged employee* is one who is fully involved in and enthusiastic about their work and will thus act in a way that furthers their organization's interests. The bottom line is that highly engaged employees provide higher value and are less likely to leave the organization for which they work. They are more effective at producing high-quality, innovative products and services. They have a greater impact on customer satisfaction, cost, and revenue growth. Highly engaged employees remain with organizations because they believe they have something to contribute and that they can make a positive difference. In contrast, disengaged employees tend to stay only for what they can get out of the organization.

The results of research in the area of 'employee engagement' vary widely. But typically, they indicate a percentage range of fully engaged employees that falls in the 25% to the 55% range. This means that there are many people working at jobs that don't feel like they are being fully utilized and appreciated for what they could potentially offer the company as it pursues its vision and mission.

One study showed that 52% of employees are disengaged and just putting in time, while 19% are actively disengaged, unhappy, and spreading discontent throughout the organization. Regardless of the statistics, disengaged employees are costly and adversely impact the overall performance of an organization.

Generally speaking, active engagement tends to increase as a person moves up the organizational ranks. One study showed that 59% of executive-level staffers are fully engaged while those on the front lines vary between 27% and 33% engaged. There are several possible contributing factors to these results. A higher level of engagement can be attributed to greater autonomy on the job, as mastery and expertise bring additional confidence.



Also, the longer one is in the workforce the more time they have to discover their own unique skill set and interests as they are exposed to a variety of job functions. The increased exposure will help them find their 'place' in the organization that aligns with their strengths, sense of purpose, and experiences.

The Engaged: High Contribution and High Satisfaction

Honeymooners & Hamsters: High satisfaction but low contribution

Crash and Burners: High Contribution but low satisfaction

The Disengaged: Low contribution and low satisfaction

The Almost Engaged: Medium to high contribution and satisfaction

Blessing-White has conducted research around the world on the topic of employee engagement. They provide a simple model and way to think about employee engagement. (See the tables on the left.) The assumption is that the organization and each of its employees is moving toward their own definitions of success.

An organization moves toward its definition of success that is captured in its vision, mission, values, and supporting goals and strategies. At the same time, employees are moving toward their own personal definitions of success. These are uniquely based upon each employee's values, goals, interests, capabilities, and work-life challenges.

The larger the organization, the more complex this becomes. If you have 10 employees, you will have 10 different definitions of success. Whereas with 20,000 employees, you now have 20,000 unique definitions of success. The goal is to find an intersection as high up the scale on employee satisfaction as possible, while also getting maximum contribution to the organization's own goals and objectives.

When we look out across our organizations we find a spectrum of engagement. The Blessing-White model uses five categories based upon where a person falls on the Employee Satisfaction Scale and the Employee Contribution Scale. The *Engaged* are those that are providing maximum contribution to the organization and receiving maximum satisfaction as an employee. Those that are high on personal satisfaction and low on contribution are called the *Honeymooners and Hamsters*, because they are probably new to their position, happy to be there, but have yet to contribute on a significant level. Or maybe they are content to just coast along.

Then there are those employees that are high on organizational contribution but are not receiving much personal satisfaction. These people are referred to as *Crash and Burners* and are at risk of either leaving the organization or sliding into the *Disengaged* category due to burnout and frustration. The *Disengaged* are neither satisfied nor contributing and are the ones most likely to spread discontent and negativity throughout the organization.

Finally, there are the '*Almost Engaged'* employees who typically make up a large part of any organization. They are an important segment to address because they are decent performers who are often overlooked when it comes to training and coaching. This is because organizations often focus attention on either 'high potentials', or those towards the bottom who are causing the greatest issues. Since they are only moderately satisfied, they are at a higher risk of leaving in search of an opportunity that may yield more challenge and overall satisfaction.

So, what are the causes of low employee engagement, and what can we do to address it?

As we look at engagement through the lens of contribution to the organization and employee satisfaction, the reasons for being engaged, disengaged, at risk of burnout, or just coasting along can be as varied as the people who work for us. However, when you look at the research conducted on the topic, common themes emerge:

- **Employee Satisfaction:** Employee satisfaction can be affected by a number of factors. These include:
  - ✓ Whether they feel valued by the organization.
  - ✓ Their relationship with peers and managers.
  - ✓ The level of trust in leadership and those on their team.
  - ✓ Whether they feel challenged and have an opportunity to learn and grow.
  - ✓ Their ability to connect passion and gifts with their job responsibilities, and the organization's mission, vision, and purpose.

- **Employee Engagement:** The variables that impact employee engagement and their contribution to the success of the organization can also vary widely. These include:
  - ✓ A lack of clarity regarding job roles and responsibilities.
  - ✓ Lack of clearly defined expectations and regular feedback.
  - ✓ Lack of skill or training in a certain area.
  - ✓ Not being in the right role.
  - ✓ Internal bureaucracy.
  - ✓ Poor communication.
  - ✓ Lack of collaboration and teamwork.

Based on a published *Employee Engagement Report* by Blessing-White, they identified the top 'Contribution' and 'Satisfaction' drivers of engagement. The table on the next page highlights these findings.

Top 'Contribution' Drivers of Engagement	Top 'Satisfaction' Drivers of Engagement
1. Greater clarity about job responsibilities and performance expectations.	1. More opportunities to do what I do best.
2. More readily available resources.	2. Career development opportunities and training.
3. A coach or mentor other than direct manager.	3. More flexible job conditions.
4. Regular specific feedback about how I am doing.	4. More challenging work.
5. Development opportunities and training.	5. Improved cooperation among co-workers and relationship with manager.
6. Better communication with manager.	6. Greater clarity about job responsibilities and performance expectations.
7. Better relationship with co-workers.	7. Greater clarity about personal work preferences and career goals.

Low employee engagement is a significant contributor to turnover and retention-related issues within organizations. However, as we become aware of and address the factors that impact engagement, we will begin to solve some of our retention problems. Investing the time and resources needed to understand engagement-related issues and solve them can yield big dividends, since unwanted turnover is so costly.

How costly is employee turnover?

According to a recent study by Birkman International 78% of organizational leaders say that retention has become a major priority. This is because employees are the lifeblood of our organizations. Employees are the drivers of creativity, innovation, strategy, and customer service. Losing them is extremely costly. Cisco has calculated that it costs them $250,000 for each talented engineer that leaves the company. Bristol-Myers Squibb estimates that it costs the company $500,000 whenever an executive leader leaves prematurely.

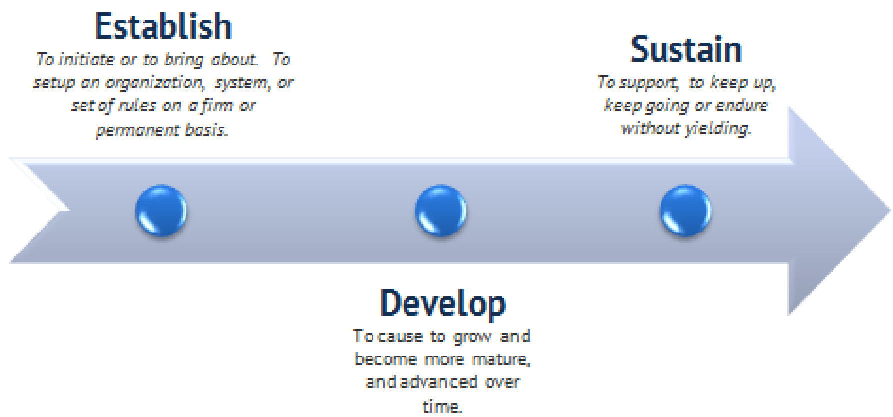
> Most turnover can be traced back to a lack of trust, relational conflict with a peer or boss, or lack of opportunity, growth or challenge.

Most industry estimates use a multiple of 1.5 to 2.5 times an individual's salary to calculate the cost and impact of turnover. This accounts for loss of knowledge, the cost of recruiting a replacement, and the 6-12 months it takes a new employee to become truly productive in their role. Even replacing minimum wage employees begins to add up. It is estimated that the average cost to replace a minimum wage employee is $3,500 when you take into account recruiting, interviewing, hiring, and training. To complicate matters there are Baby Boomers retiring in vast numbers. For organizations this translates into losing years of knowledge and experience. As young professionals enter the workforce many are not satisfied with what they are finding in organizations. One source claims that '95% of young professionals are regularly watching for new potential employers because they don't feel like they are learning, growing, or being valued in their job.' If organizational leaders can positively impact the 'employee engagement challenge' then hopefully they can impact the 'employee retention challenge' as well.

Health Check

- ☐ Is your organization creating a healthy culture where employees can thrive, grow, and contribute their best?
- ☐ Are your employees aware of their responsibility as it relates to their own engagement? Are they growing in self-awareness and gaining clarity regarding their unique interests, experiences, and skill sets? Are they clear about their unique value and contribution to the organization's mission?
- ☐ Are your managers aware of their role and that 15 of the top 20 drivers of employee engagement are within their span of control?
- ☐ Are you developing leaders throughout the organization that can develop and coach others to achieve their full potential and raise their engagement level?
- ☐ Do you know the rate and cost of turnover in your organization? If so, do you and your managers know the causes?

Establish, Develop, and Sustain a PLE Culture



To effectively create sustainable cultural transformation, you must have a fully integrated platform designed to achieve such ambitious goals. The obvious question at the beginning of such an endeavor is, 'Where do we start?' While the most pressing challenges will vary in each organization there are three critical phases that need to be considered as an organization embarks on the journey of building a **Personal Leadership Effectiveness Culture** (**PLE Culture**). These three 'phases' were briefly summarized earlier in this whitepaper

They are:

- ***Establish*** a Personal Leadership Effectiveness Culture.
- ***Develop*** a Personal Leadership Effectiveness Culture.
- ***Sustain*** a Personal Leadership Effectiveness Culture.

The remainder of this whitepaper will be dedicated to explaining in some detail just what is involved in these three critical phases for those organizations that are committed to ***Improving the Predictability of their Human Capital Decisions.*** This type of endeavor, first and foremost, requires internal ownership and adoption by the primary leadership team, a long-term commitment to sustainable success, and a passionate desire to positively impact and transform the organization's workforce.

PHASE ONE: Establish a PLE Culture

Establish *(v)*

"to initiate or set up a system, set of rules, or organization on a firm or permanent basis"

It is essential that this type of initiative is sponsored and driven out of the Executive C-Suites of the organization, and then from there *permeated* throughout the entire culture of the organization.

Once the senior leadership team recognizes that the greatest impact that they can have on the organization comes from investing themselves in the development of the people for whom they are responsible, then they are one step closer to successfully achieving the vision, mission, and purpose of that organization.

Create a Vision for the Future

It is important to begin with the end in mind. What is the desired end game for the culture of your organization? How would developing a **PLE Culture** positively impact your ability to execute on your organization's vision, mission, and purpose? It is important to be clear about your business goals and objectives so that you can align your human capital strategies with your business strategies. When you think in the context of your 'Service-Value Chain,' what are the personal leadership qualities and behaviors that are directly linked to your organization's perceived value, employee and customer satisfaction, and your sustainable success? Take time to review your organization's core values or guiding principles. Are those values and principles truly guiding the day-to-day operations of the company?

If you answered 'Yes,' are all employees aware of these values and do they know how to live them out on a daily basis? Are they aware of how those values directly relate to the achievement of the organization's mission? Are there consequences for not living by those values? The following exercise is very useful when assessing an organization's core values and guiding principles:

Organizational Values ‘Mapping’ Exercise

1. ***Confirm Organizational Values:*** Take time to collect and review the organization’s current core values and beliefs statements. Confirm that they are the current core values and still essential to the success of your organization.

2. ***Define each Value:*** Make sure each value is clearly defined. Don’t leave it open to individual interpretation. If one of your values is ‘excellence’, then what does excellence really mean in the context of your organization?

3. ***Describe the expected Actions and Behaviors:*** The next step is to describe the expected actions or observable behaviors of employees that are living out this value consistently on the job. What does ‘excellence’ look like at your organization? List 3-5 short sentences that describe ‘excellence’ in action.

4. ***‘Map’ Personal Leadership Competencies to the Values:*** The final step is to then identify and ‘map’ the personal leadership competencies (see page 17) to the organizational core values. This will inform the leadership team in regard to the Character-Based Leadership Competencies that would support living out a particular value within the organization. For example, the value of ‘excellence’ might require employees to possess the Character-Based Competencies of personal discipline, positive attitude, and perseverance.

This exercise will help provide clarity around the organization’s core values and their relationship to ten specific Character-Based Leadership Competencies that contribute to personal and professional success. This data gained from the Core Values Mapping Process can then be used to communicate clear expectations to employees. This strategy will become a valuable component of your recruiting and employee development process.

Assess the Current State of the Organization's Culture

Where is your organization today? How would you describe your current culture? Once you have established a clear picture of the type of culture you want to develop, it is important to pause and assess the current state of your organizational culture.

1. ***Describe your current Culture:*** How would you describe your current culture? How would management and employees describe the current culture? Are these assessments in sync? Look for areas of improvement and identify what is going well and contribute to your success so you don't 'fix' something that isn't broken.

2. ***Review the Anatomy of a Winning Culture:*** Review the 10 attributes described in the 'Anatomy of a Winning Culture' (See Appendix) and identify areas in which your organization is doing well and areas in which it could use some improvement.

3. ***Review Metrics and Data:*** Utilize the most appropriate diagnostics for assessing quality of leadership, effectiveness of teams, and workplace engagement. Reliable data will give you the power to make informed decisions relatively free from personal or professional bias. If you have additional metrics on turnover, and employee and customer satisfaction utilize this data to identify areas needing attention.

4. ***Review Qualitative Feedback:*** Don't ignore this vital resource. By conducting conversations with key management personnel and employees we can often discern some of the human capital challenges that exist within the organization. It will be eye-opening to learn what the rank and file members of the organization consider to be the biggest roadblocks to success.

The key here is to be confronted with the current reality and to have the courage to be honest in identifying the areas in which your organization is not living out its stated vision and mission. Once you have identified the gaps between where you are and where you want to go you can begin the process of developing an integrated plan that aligns your human capital strategy with your business strategies.

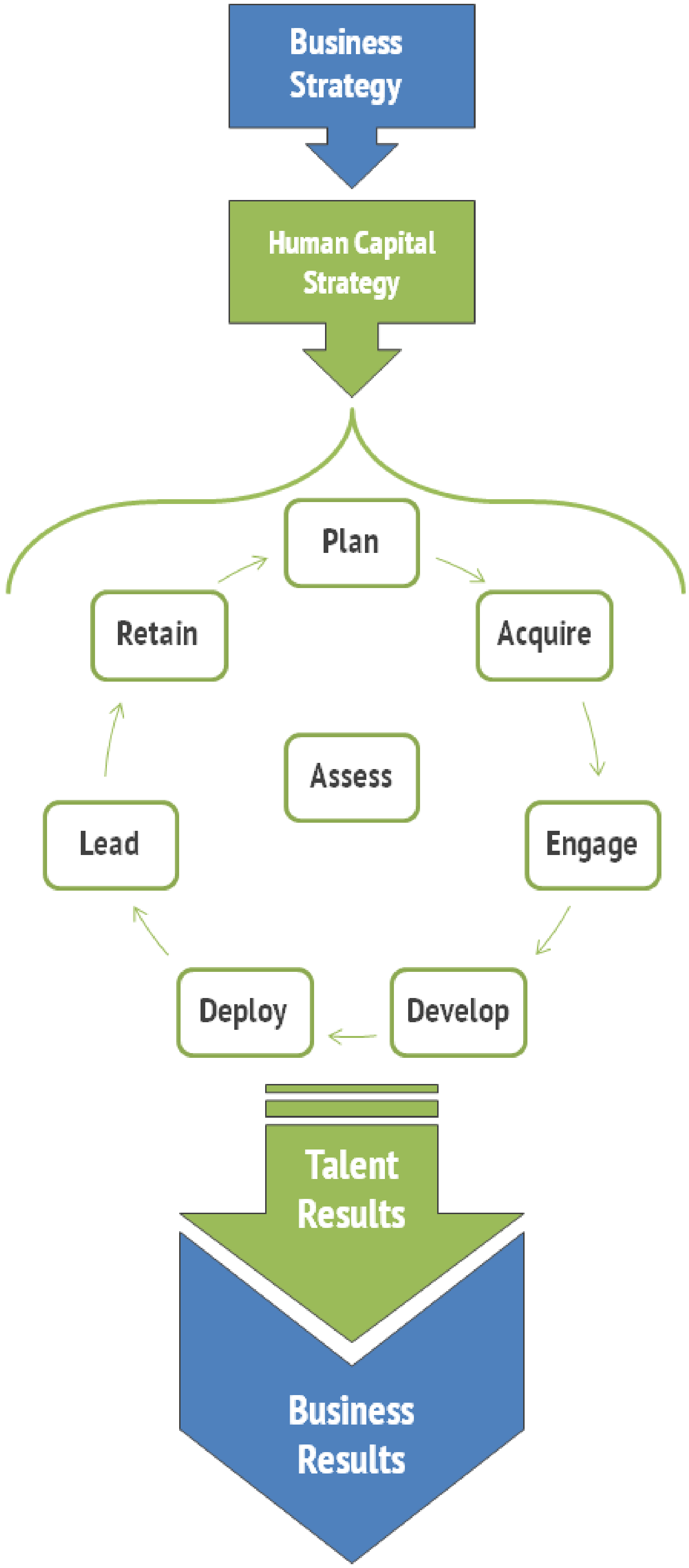
The Importance of an Integrated Human Capital Strategy

If your organization is like most your team has utilized some of the 'fractured' learning programs, products, and services that are supplied by numerous vendors in the marketplace. However, if you've been down that road and are still faced with 'people challenges,' your organization will appreciate the availability of a comprehensive suite of 'human capital solutions' that focus on the 'people factor' and provide tools and systems for every phase of human resource management and development.

The three critical areas that must be brought into sharp focus when developing an *integrated* human capital strategy are talent acquisition, employee development, and retaining the 'right' people. While limited time and resources will force you to be selective about the initiatives you undertake, it is important to understand the interdependencies of your human capital initiatives *and* their impact on the overall performance, productivity, and team effectiveness of the organization.

For example, if you begin making investments in the development of your people to positively shape your culture but ignore your talent acquisition efforts, you risk flooding your organization with people who don't align with the culture. That will negate your culture-shaping efforts. Conversely, if you focus on hiring the right people but don't engage in the ongoing development and preservation of your desired culture, you risk going adrift. In this case the people you have hired with tremendous potential will become disillusioned and move on to greener pastures with another company.

The Human Capital Institute provides a **Talent Management Model** which is a respected and beneficial point of reference when developing an 'organizational business strategy.' The graphic on the following page illustrates the link between an organization's business strategy and its human capital strategy.


Business Strategy
Human Capital Strategy
Plan
Acquire
Engage
Develop
Deploy
Lead
Retain
Assess
Talent Results
Business Results

As this graphic demonstrates the important thing to remember during the planning process is that an integrated Human Capital Strategy flows out of a well-developed Business Strategy. As you develop a supporting Human Capital Strategy it will be critical to consider how each element of that strategy contributes to the intended Talent Results and ultimately the desired Business Results.

Notice in the above Talent Management Model graphic that within the Human Capital Strategy 'execution phase' are eight core components: assessing, planning, acquiring, engaging, developing, deploying, leading, and retaining your human capital assets. *At the heart of that execution process is '**Assess**.'* A successful Human Capital Strategy that desires to Maximize Workforce Engagement *must* include the ability to gather valuable human capital intelligence (data).

The three critical factors to assess are:

1. Each employee's ten Character Competencies and four Behavior Traits (**MERIT Profile™**).
2. The dynamics of the work teams in the organization (**MERIT Team Dynamics™**).
3. The overall health of the organizational culture (**PLE Human Capital Screen™**).

Click to Review: PLE Human Capital Diagnostic Brochure

The Importance of Internal Ownership

Developing an integrated Human Capital Strategy that takes into consideration the interdependencies of activities *and* prioritizes decisions and investments based on business impact is a valuable and necessary exercise. While it should be comprehensive, cohesive, and integrated, a Human Capital Strategy should also be pragmatic and iterative. It must be capable of being rolled out incrementally while generating short-term wins, promoting employee buy-in, and creating a learning environment where permission is given to try new ways of thinking and working together. Executive leadership alone will not be able to accomplish this. There must be other **'internal' PLE Culture Champions** and **PLE Trainer-Coaches** trained and positioned within the organization. This level of commitment to building a **PLE Culture** will be essential to sustainable transformation.

PHASE TWO: Develop a PLE Culture

Develop *(v)*

"to grow and become more mature and advanced over time"

Once a solid **PLE Culture** foundation is established through **PLE Culture Champions** executing a strategy, plan, and integrating the appropriate diagnostic data. then it is time to pick up the pace and 'walk' into the strategic ***Develop Phase*** of the **PLE Culture**. The three critical activities necessary for developing a **PLE Culture** in any organization are:

1. **Utilizing a proven 'learning-coaching' methodology** that is capable of developing the Personal Leadership Effectiveness of the executives, managers, supervisors, and front-line employees in the organization. A **PLE Learning Methodology** should consider different learning styles and should generate deep reflection around character-based leadership issues rather than just putting information into the participant's head that will only be lost sooner than later.

2. **Equipping other 'PLE Trainer-Coaches'** within the organization to expand the reach of the **PLE Learning Methodology** into every department, division, and branch. A **PLE Culture** is necessarily a 'coaching culture.' The two are inseparable. Every leader in the organization must develop some basic mentor-coaching skills in order to develop in-house talent. This is the ideal time to expand the **PLE Trainer-Coach** base because once this phase is completed it will be time to aggressively expand the **PLE Culture** throughout the organization. This Develop Phase is the time to implement, test, and improve processes so that the Sustain Phase will be as seamlessly implemented as possible.

3. **Integrating the valuable data** that was collected during the Core Values Mapping Process. This data will be different for every organization. What will really make the difference is the ability to utilize this data while developing the leadership effectiveness of each employee. Depending on what the organizational culture says it 'values' will determine where certain emphases are placed during the PLE Learning phase of leadership development. This will help develop a 'Common Language' in the organization that will generate improved communications and meaningful collaboration.

Developing and Equipping Your Leaders

A strategy to develop the **Personal Leadership Effectiveness** of all your leaders, from the CEO to the front-line supervisors, is critical to the success of the organization's human capital initiatives. However, it starts with the key influencers and decision-makers in the organization. Why is this important?

- Because organizational leaders set the tone for other employees and must be able to lead by example.
- Because organizational leaders are responsible for hiring new employees.
- Because organizational leaders impact 15 of the top 20 variables that impact employee engagement and retention.
- Because organizational leaders have a multiplicative effect (positively and negatively) due to their positions and the relationships they have with those reporting to them.
- Because organizational leaders are the internal champions for a **PLE Culture** and are vital to its development strategy.

There are three core learning objectives that are essential to maximizing the effectiveness of any organization's leadership.

1. **Developing one's own Personal Leadership Effectiveness is an important first step**: (See **Developing in Personal Leadership Effectiveness** in the Appendix.) This is critical because everyone in a leadership position needs to first develop the ability to lead and govern their own lives well. You can't pass on what you don't possess yourself. If a leader is going to be able to lead others by example and effectively coach them then they must have experienced such growth in their own **Personal Leadership Effectiveness**.

2. **Developing the ability to effectively lead others**: Once a leader is growing in their own **PLE** it is important that they extend those concepts and apply them to their team environment. Leaders must learn how to identify **PLE**-related issues within a team, constructively manage issues and conflicts, reinforce desired behaviors, and build best practices into ongoing team management.

That leader must have in their possession a proven 'learning methodology' for developing the leadership capacity of those within the sphere of their influence.

3. **Developing the ability to coach others**: As highlighted in the Stanford Research and Google's Project Oxygen, one of the critical capabilities of the most effective leaders is the ability to mentor-coach others on the job. Coaching other people to learn how to lead and govern themselves to reach their full potential is an acquired, learned skill.

   Without that skill a leader will be handicapped in his or her efforts to assist the Organization as it strives to develop a **PLE Culture**. The training required to become a 'certified' executive coach is extensive and expensive. However, there are 'specific' coach training courses that are capable of preparing leaders for some specialized hands-on coaching/mentoring within a **PLE Culture**.

PHASE THREE: Sustain a PLE Culture

Sustain *(v)*

"to support, to keep up, keep going or endure without yielding"

The ***Sustain Phase*** of building a **PLE Culture** requires changing how people think. It requires altering habitual behaviors at individual and organizational levels. Remember, culture is a powerful force within your organization.

However, culture is a means to an end and not an end in itself. The end goal is to successfully achieve your organization's mission and strategic agenda. Edgar Schein has been respected as a leading expert on organizational development and culture for many years. He asserts that the most important thing that leaders do is transform and create organizational cultures. This distinguishes leaders from managers. Real change involves transforming the attitudes, norms, behaviors, and structures that influence our daily lives. It affects the attitudes and behaviors of the organization's members and provides leaders with the ability to achieve their vision.

The true test of success is whether the change substantially influences the day-to-day behavior and attitudes of everyone involved.

While many of the elements we have presented thus far depict culture as a 'soft' concept, it is also shaped and sustained by a whole host of 'hard' organizational disciplines. These include long and short-term strategic planning, operational systems, compliance and regulatory issues, performance metrics, compensation and reward structures, sales strategies, and talent management systems to name a few. Remember that one of the key attributes of a **Winning Culture** was related to the 'Alignment and Congruency' of organizational systems and structures.

Once an organization begins to make investments in its people, it must commit to the 'long road' of cultural transformation. The executive leaders must not approach this work as if it is the 'flavor of the month' program. If the important work of establishing, developing, and sustaining a **Personal Leadership Effectiveness Culture** is initiated and subsequently abandoned, then all the players on the field will quickly return to their old ways of doing things.

It is important to have an actionable **Human Capital Blueprint** to guide the *process* and sustain the *progress* that is made. Developing a **Personal Leadership Effectiveness Culture** will produce measurable results, so it is critical that a **platform** and a **methodology** are in place to ensure the culture's longevity and success.

Acquiring the Right Talent (People)

Organizations today need a defined talent acquisition strategy for recruiting and retaining high-quality individuals that will be assets to their existing culture. Most successful organizations have a variety of prerequisites for screening and interviewing job applicants. These might include background checks, drug testing, job skill assessments, resume reviews, etc.

However, by adding the following three practices to the talent acquisition process an organization can measurably improve its success rate for hiring the right people:

1. Utilize a 'mapping process' that integrates the organization's core values and the supporting character competencies into the job applicant selection process. The results of this mapping process should be utilized during the interview session to

quantify each applicant's potential fit and alignment with the culture of the organization and any work team to which they might be assigned.

2. Adopt a proven strategy to proficiently assess a job applicant's character competencies, behavior traits, and their attitudes, beliefs, and commitments. With the proper diagnostic tool organizations will minimize personal bias and gain greater insights prior to making a final hiring decision.
3. Improve the interview process and the skills of the talent acquisition team by providing them with job-specific interview questions that will deliver valuable insights regarding the job applicant's personal and professional leadership competencies *and* their potential for success in a specific job position.

Utilizing this process will ensure the likelihood of hiring individuals that will be successful in the position and environment in which they will work.

Interviewing for personal and professional leadership competencies *and* job-related skills is important. As we saw in the previous section, bringing in the wrong people can have a devastating impact on your organization. You want to determine whether the individual has the attributes you are looking for, both in their character and in technical, job-related skills. You must assess whether there would be good chemistry and whether the person will align with the culture of the team and organization as a whole.

Most organizations are very effective at screening for job experience, education, and technical skills, but struggle to assess character qualities such as level of self-awareness or a teachable attitude. This is also where things such as personality traits and behavioral 'hardwiring' come into play. Are you interviewing someone who has a natural propensity to be engaged with people and who likes to talk and socialize? What if the job requires them to work alone in a cubicle in the basement? Or are you interviewing someone who prefers to work alone and at their own pace in a calm and methodical manner, but the position requires joining a fast-paced, dynamic, and creative team?

Do you have the ability to identify these traits and potential issues during the interview process? If not, do you think the individual who is applying will admit that they might not be a good fit once you have described the job during the hiring process?

It is essential to establish a process not only for evaluating job skills and experience, but also for assessing character, behavioral style, and organizational and team alignment/fit. To do this effectively everyone in leadership, whether in marketing, finance, or engineering, will need to develop some job applicant assessment skills. This can no longer be the sole responsibility of the Human Resources Department. All managers, supervisors, and team leaders in an organization will need to assume expanded responsibilities regarding the human capital assets *if* the organization is committed to establishing, developing, and sustaining a **Personal Leadership Effectiveness Culture**.

Engaging and Retaining Your Employees

As pointed out previously, employee engagement is a tremendous contributor to the performance and success of an organization. By addressing the employee *engagement* issue we also will improve employee *retention* as highly engaged employees are much less likely to leave the organization.

First, we need to develop an engaged leadership team through the efforts described above in 'Developing Your Leaders.' Engaged leaders not only model the way, but also positively affect many of the things that impact employee engagement.

Once you have a great foundation established with your leadership team, you can begin to penetrate the entire organization with the **PLE Methodology**. Helping individual contributors grow in their personal leadership can increase their level of engagement for several reasons. First, as each employee becomes more self-aware, they gain a greater understanding of their strengths, weaknesses, interests, and skill sets. With greater self-awareness they can start honing their skills and aligning with opportunities that energize them.

Second, as employees learn to be accountable for their own direction, growth, ongoing development, and attitude they will take more personal responsibility for their level of engagement.

Finally, when an organization invests in its people, they feel valued by that organization. Not only is the organization helping put them on a positive path, but they are helping them grow personally and professionally.

Daniel Pink points out in his book *Drive* that **autonomy, mastery, and purpose** are the primary factors in motivating employees today. The more we tap into and effectively leverage and apply each of these factors, the more motivated and engaged our workforce will become.

- **Autonomy:** People want to be empowered and freed up to make decisions and utilize their gifts. However, if people are motivated by autonomy, without the skills or abilities to self-govern, or to channel their autonomy into positive and purposeful directions, you can end up with chaos. When you assist your employees in developing good habits, based on a healthy sense of self, with a positive attitude, coupled with strong moorings (values and purpose), and that value others, then you are free to unleash the potential of your greatest assets, your people.

- **Mastery:** People desire mastery of a skill or talent, whether related to work or hobbies. First, we enable our employees with the mastery of life-skills (personal leadership), which will enable mastery of what their heart desires, based on their passion or purpose. If they are not able to master themselves first, they will struggle with mastering things outside themselves.

- **Purpose:** Leading people through the process of clarifying their values and mission (purpose), and helping them to think through their passion, experience, and giftedness, we can help them uncover a well of motivation they may not have known was there. Then as we help link their values and purpose to that of the organization they will become a more valuable asset.

The following table is a consolidation of the top 'Contribution and Satisfaction Drivers' associated with employee engagement. The right-hand column looks at how an individual's **PLE** impacts the specific driver, as well as how management and the organization influence the outcomes.

Top 'Contribution' and 'Satisfaction' Drivers of Engagement	Addressing the Problem
1. Greater clarity about job responsibilities and performance expectations (and why?), with regular and specific feedback about how I am doing.	Those in management or leadership positions need to develop greater coaching and communication skills to provide regular and timely feedback to staff. Leaders need to increase their ability to give specific and constructive feedback, provide guidance, and coach the individual to greater performance.
2. Greater clarity about personal work preferences and career goals.	This requires the employee to gain greater self-awareness regarding their character competencies and behavior traits. Employees need a process to help them gain insights about their strengths, growth areas, passion, experience, and gifts. Each of these are key elements associated with their **Personal Leadership Effectiveness**. By having a structured process, organizational leaders can assist by encouraging their employees to continue to grow and learn, provide learning opportunities, and make coaching and feedback available on an ongoing basis.
3. Career development opportunities, training, and a coach or mentor other than my direct supervisor.	Equipped with the information and personal insights from #2 above, employees can communicate with their manager about career aspirations and can be specific about gaps in experience and skills. Managers need to show interest in their employee's career development and provide training opportunities. This will be beneficial to all parties. Organizations can create internal coaching and mentoring programs for employees or hire external coaches to support this effort.

Top 'Contribution' and 'Satisfaction' Drivers of Engagement	Addressing the Problem
4. More challenging work and opportunities to do what I do best.	Employees need to develop clarity about their strengths, work preferences, passion, and purpose as described in #2 above. They have to know what they do best. This will come from a combination of greater self-awareness and, for some, experimenting with different job roles. Managers need to put effort into understanding the uniqueness of each employee, identify their strengths, and create opportunities for them to take on more challenging assignments. Managers have to become comfortable with allowing their people to fail in new 'stretch' assignments, so long as they are failing forward, learning from their mistakes, and growing.
5. Better communication and relationship with my manager. Improved cooperation and better relationships with co-workers.	Developing the ability to get along and work effectively with other people is a key personal leadership competency. As individuals we need to not only be aware of our own strengths, weaknesses, frustrations, and fear triggers, but also recognize those in others. It is very important to develop the ability to communicate clearly, to develop trust with others, and to show genuine concern and empathy. Leaders need to model the way and set an example. Organizations should be proactive in providing training and coaching that supports and improves the development of healthy interpersonal relationships.
6. More flexible job conditions.	While this is primarily a job and organizational design function, **PLE** does play an important role here. It would be much easier for organizations to implement flexible work schedules, telecommuting, and other ways of providing more autonomy to employees if the organization were filled with employees that were disciplined, trustworthy, and meaningfully engaged in the organization's vision, mission, and purpose. As employees demonstrate greater degrees of self-governance (**PLE**), then organizational leaders are less compelled to micro-manage and govern every activity.

Blessing-White breaks down specific responsibilities and actions for which all employees, managers, and executives are accountable in the effort to improve employee engagement and satisfaction throughout the organization. (Blessing-White 2013)

ACT - CARE - MAKE THE CASE

Employees need to ACT to take personal responsibility for their own engagement.

- **Assess**: Employees are responsible for assessing their own goals and satisfaction drivers to define what success looks like for them.
- **Communicate**: Employees should regularly communicate with management regarding their training and development needs and their goals and aspirations. They should receive feedback about their job priorities and performance.
- **Take Action**: Employees need to take action for their own development and personal engagement. They are responsible for achieving their definition of success, both personally and professionally.

Managers need to CARE about their employees if they want to increase engagement levels.

- **Coach**: Managers need to coach their employees with regard to their performance and ongoing professional development.
- **Align**: Managers are responsible for aligning employees' talents and desires with organizational priorities and goals.
- **Recognize**: Managers should take the time to recognize employees' contributions and achievements that support and align with the organization's goals and priorities.
- **Engage**: Managers need to engage themselves with each individual on their team to communicate and connect individual passions and skills to the organization's priorities.

Executives need to MAKE THE CASE for engagement.

- **Community**: Executives need to foster a sense of community and belonging throughout the organization.
- **Authentic**: Executives need to be authentic in what they say and do.
- **Significance**: Executives need to clearly communicate the significance of the specific goals of the organization, and help employees understand their part in meeting those goals.
- **Excitement**: Executives need to be passionate about their work, and then exude an excitement about the organization that is contagious.

When an organization is able to develop employees into people that are clear about who they are, clear about what they value, clear about what they want to do, and who will take personal responsibility to **ACT**, then that organization will benefit immeasurably from the loyalty and contributions of those employees.

In addition, if an organization can develop managers who **CARE** enough to coach its employees, align them with job functions that support their goals and interests, and recognize them for their contributions, those employees will be motivated to explore new opportunities to bring value to the company.

And finally, when an organization's executives **MAKE THE CASE** for employee engagement by communicating it clearly with authenticity and trust, and at the same time foster a company-wide sense of belonging to something bigger than any one person, they will create an organization that attracts the 'right people' and keeps them excited and engaged for years to come.

Create a Culture of Coaching

To sustain a **Personal Leadership Effectiveness Culture**, it will be important that the organization develop a 'culture of coaching' for the long term. As we saw with Google's Project Oxygen and the Stanford Study mentioned earlier, coaching is one of the key skills associated with effective managers. Internal Leader-Coaches or Manager-Mentors become critical in their roles as internal champions because they embody the organization's ability to adopt and scale the effort to establish, develop, and sustain a **PLE Culture**. They also serve a very important function by coaching other employees as they develop their own **Personal Leadership Effectiveness**. (See 'Developing' in **Personal Leadership Effectiveness** in the Appendix.)

For any type of change initiative to succeed internal champions are required. When an organization embarks on an initiative such as this it will typically employ the expertise of consultants and trainers that are proficient in the methodology. But unless the organization takes ownership of this effort internally, it will eventually run its course and be replaced with the 'next new thing' that comes down the road. And the cycle keeps repeating itself.

While utilizing outside consultants and trainers is an effective way to bring in new concepts, methodologies, and operational platforms it can often be viewed by employees as something that is being 'done to them' rather than something that the organizational leadership is invested in and wants to integrate into the organization's culture.

When you create internal **PLE Champions** and **PLE Leader-Coaches** you not only help with adoption and buy-in from other employees, but you also create a model for internal scalability. Relying solely on outside consultants, trainers, and coaches is not cost effective, since they won't be part of your organization long-term. When organizational leadership invests in certifying internal **PLE Leader-Coaches** it creates capacity to sustain and scale the effort across the organization through **PLE Workshops** and **PLE Online Educational Courses**, not to mention individual mentoring and coaching sessions.

Like the old adage says, 'Give a man a fish and he will eat for a day, teach him to fish and he will eat for a lifetime.' The ability for people to govern their lives well and to become successful in their personal and professional lives should not be viewed as a short-term endeavor, but rather a way of life for *every* employee in your organization.

As your organization develops internal coaches and champions, you will also develop the most effective and powerful source for change, which is 'on-the-job training.' While classrooms and other traditional learning methods play a valuable role in the training-learning cycle, the most effective learning environment happens in real time and on-the-job.

When managers and supervisors are trained as internal coaches, they can then coach those in their departments to:

1. More effectively communicate with their peers.
2. Identify an attitude that is negatively affecting the team.
3. Watch-out for behavioral patterns that prevent project completion.
4. Pay closer attention to details that negatively impact quality.

Leader-Coaches can come alongside and coach employees 'in the moment,' which is a training method proven to have long-lasting effects.

Continuous Improvement

Having a commitment to 'continuous improvement' is another key to sustainable improvement. Always looking for better ways to integrate, teach, and coach a **Personal Leadership Effectiveness Culture** within your organization will be instrumental. Are you achieving the outcomes you expected? How are you 'moving the needle' in your effort to create a culture that attracts the *best* and the *right* talent? It is important to monitor results and to be able to measure progress against your established Human Capital Blueprint.

Since an individual's character and the organization's culture are not static, they require constant attention and maintenance to ensure that you are cultivating the maturity and the positive results you desire. Continually look for ways to integrate your **PLE Culture** initiatives into your employees' individual development plans, the organization's mentoring and 'high potentials' programs, and your talent acquisition process.

As the organization begins to achieve objectives and witness positive leadership growth in its employees, then it should celebrate those successes and communicate it throughout the organization. This will provide encouragement and energy which will feed back into the process. Other employees will hear the success stories and become motivated to keep up their own efforts at **PLE** improvement.

Goal Congruence, Collaboration, and Integration

To sustain a **PLE Culture** over the long-term requires organizational leaders to pay close attention to aligning goals, structures, and systems in such a way as to encourage collaboration and integration across the enterprise. A truly people-centric organization is one that aligns the organization toward the creation of working relationships that attract talented individuals and allows them to work together in an effective manner. Too often important talent management processes such as performance management, skills development, and succession management are performed in silos. They are not integrated or synchronized and are therefore under-leveraged.

Not everything that can be counted counts, and not everything that counts can be counted.
--William Bruce Cameron

If your organization wants leaders to be collaborative, share ideas, and work together, while at the same time implementing performance management, compensation packages, and reward systems that reward individualistic behaviors only, you will encourage employee performance that might be at odds with **PLE Cultural** objectives. You need to look at existing policies and systems to see if they support and encourage a genuine **Personal Leadership Effectiveness Culture**.

Metrics and Data

American author and humorist William Bruce Cameron famously said, 'Not everything that can be measured counts and not everything that counts can be measured.' While we encourage capturing valuable data in order to make more informed decisions, we also recognize that measuring the wrong things or utilizing bad data can result in misinformed decisions.

Also, capturing data for data's sake can result in data overload and does not guarantee that your organization will draw meaningful conclusions. As a rule of thumb, if better decisions and actions cannot be made based upon the data collected then perhaps it should not be gathered at all.

The art of utilizing metrics is in finding the critical few metrics that are meaningful as opposed to being inundated with those metrics that aren't. By focusing on fewer rather than more metrics your chances are greater that you will take action, particularly when you are just beginning. Focusing on five to ten key metrics that are meaningful and easy to address is of more value than collecting data on 100 metrics that will only sit in an unopened file.

It is beneficial to measure the same things over time so that you capture trends. This will give insight to when you are making positive progress or when you might be reverting to bad habits. It will allow you to celebrate your successes with the organization or make necessary adjustments in areas where undesirable patterns of behavior are creeping back in.

Whenever possible, segmented data' should be gathered in addition to 'summary data.' When you segment data by location, department, position type, and manager you can gain better insights and draw more accurate conclusions than by using only summary data. For example, if a company's summary data indicated that the voluntary turnover rate was 10% across the board, it could conclude that this was pretty good. But if that company also had segmented data that showed that one department, led by one particular manager, had a voluntary turnover rate of 32%, it would draw some different conclusions and require a certain course of action.

According to the Human Capital Institute the top five metrics being tracked by organizations include:

1. Segmented turnover rates (Not just summary turnover figures.)
2. Readiness-level for leadership and key positions
3. Segmented engagement levels
4. Number of strategic/critical jobs unfilled
5. Percentage of inside vs. outside hires for leadership and critical jobs

Conclusion

Based on our experience working with countless clients on these issues and the research presented in this paper, we believe that organizational Leaders that commit to invest in establishing, developing, and sustaining a successful **Personal Leadership Effectiveness Culture** will positively impact the overall performance, productivity, team effectiveness, and profitability of their companies. Employees who are on the pathway of **PLE** improvement are learning to self-govern, growing in self-awareness, tapping into their passion and natural skills, and becoming more self-disciplined. By developing these healthy habits, they will want to invest themselves in others and ultimately make valuable contributions to their organizations.

> …It will be one of the most meaningful and rewarding endeavors you will ever pursue.
>
> **Interested?**

It doesn't matter whether you are a CEO or an individual contributor, developing your personal and professional leadership effectiveness will positively impact your overall personal and professional performance. If you are a leader of people within your organization, your impact will be multiplied, either positively or negatively, by developing your own **PLE**. As you begin to shape your organization's culture by hiring, developing, engaging, and retaining the right people it will experience improved performance, productivity, and results across the board.

Remember: Personal Leadership Effectiveness is the foundation to…
Professional Leadership Effectiveness.

We encourage you to utilize your influence and leadership skills to make a positive difference within your organization. The first step is choosing to invest in yourself. The next step is choosing to invest in others by encouraging and coaching those around you.

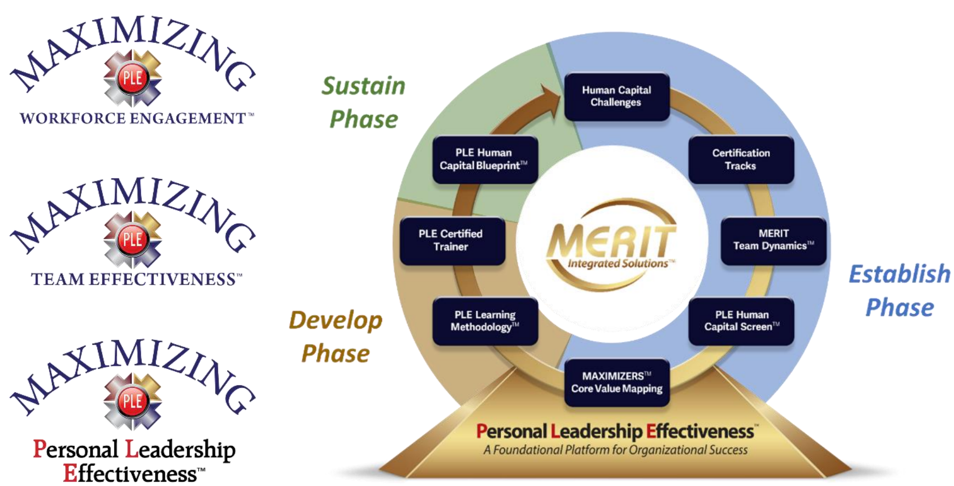
In closing, remember the words of Patrick Lencioni, **"Turning an unhealthy company into a healthy one will not only create a massive competitive advantage and improved bottom line, it will also make a real difference in the lives of the people who work there. And for the leaders who spearhead those efforts, it will be one of the most meaningful and rewarding endeavors they will ever pursue**."

NEXT STEP RECOMMENDATION

Creating an environment where everyone can achieve their potential is the first priority of every great leader. And while you might agree with that statement you are probably also scratching your head wondering, 'Yeah, but how am I going to do that?' The intent of this whitepaper is to introduce you to one answer to that question. Creating an environment (**PLE Culture**) where every person can learn to govern themselves to reach their full potential is possible when the primary leadership team is committed to the process. Untapped potential exists in every department in every organization. Assessing, developing, and engaging that potential is the key to an organization achieving its vision, mission, and purpose while remaining true to its core values, core operating principles, and its brand.

➔ The **MERIT Integrated Solutions**, graphically depicted below, represent over two decades of research into various disciplines that impact human potential and performance. As workplace demographics continue to change due to the rapid influx of the Millennial Generation and Generation Z, it is becoming more urgent that organizations have in place a foundational platform by which every employee can *reach their full potential, personally and professionally*.

MERIT Integrated Solutions™
Recommended Application Process



If your organization would like to learn more about our **MERIT Integrated Solutions** value proposition, then please contact the person that provided you with this Maximizing Workforce Engagement Whitepaper. **Note: Private Webinars Available Upon Request**.

A Foundational Platform for Organizational Success...AND a Process to Improve the Predictability of Important Human Capital Decisions.

Appendix

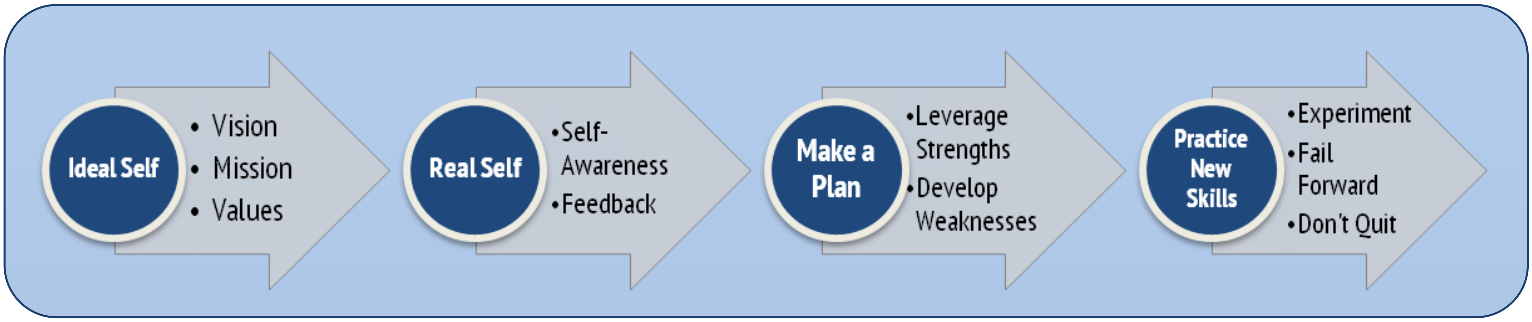
The Anatomy of a Winning Culture

Developing Personal Leadership Effectiveness

The Anatomy of a Winning Culture

Unique Purpose and Personality	High-performing organizations have a clearly established purpose, vision, mission, and values. These are communicated and lived out on a daily basis. This is the heart and soul of the organization – its reason for existing. It is what defines its character, forms its rituals, and establishes the shared values and beliefs which create a deep bond with its employees. It makes work meaningful and rewarding.
Passion for Performance	High-performing organizations have an infectious enthusiasm for continuous improvement and winning. They display high levels of energy that inspire people to go the extra mile, not just for short term financial gain, but for building something truly special and lasting. This is a restless energy for always doing more and doing something greater.
Bias Toward Action	High-performing organizations hire and develop people who are empowered to make decisions and display a propensity to act in the organization's best interest, without fear of making a mistake or being punished for attempting to do the right thing. There is an attitude of accountability and the discipline of focused execution. People put aside issues of personality, politics, and territory, and take personal responsibility for overall business performance and outcomes.
Outward-Focused	High-performing organizations dedicate all their energy and resources towards satisfying their customers, beating their competitors, and serving their communities. Organizational leaders eradicate unhealthy internal behavior and are intolerant of energy being expended on issues such as politics and personal gain.
Team-Oriented	High-performing organizations place a high value on teams and the benefits of collaboration. They create an environment for healthy debate over issues, eliminating group think, and are open to the ideas of others, regardless of age or title. Team members demonstrate mutual respect for one another, have developed trust, are able to handle conflict in healthy ways, and recognize their interdependence.
Value Individuals	High-performing organizations have a 'talent mindset,' whereby great care and concern is placed on the organization's greatest assets, their people. A considerable amount of time, money, and energy is focused on acquiring, assessing, developing, and retaining the right talent. They help individuals develop their full potential by uncovering their passions, developing their gifts, and aligning them with roles in which they can make the greatest contribution. They acknowledge that everyone is responsible for maintaining the culture.
Highly Adaptable	High-performing organizations are anchored by non-negotiable principles and values. They are able to effectively respond and adjust to a constantly changing environment. By exploring new ideas and approaches, eliminating sacred cows, demonstrating ingenuity, being willing to work without a script, and becoming comfortable with ambiguity, they are able to dream up new approaches to solving problems that have hindered others.
Lead by Example	High-performing organizations are characterized by a leadership team and employee population that 'Model the Way.' They demonstrate daily through their actions and communication the organization's values and reason for being. This provides a model for new employees and a reminder for others of the behavior that should be emulated. In a changing and unpredictable world, it provides an environment of stability and predictability for employees.
Alignment and Congruency	High-performing organizations create alignment and congruency between the organization's stated vision, mission, values, and goals and the way it actually operates through its strategies, policies, processes, hiring, compensation packages, norms, and internal way of life. They also address the patterns and conditions that are established both for behaviors that are rewarded and for those that require disciplinary action.
Effective Communication	High-performing organizations communicate, communicate, and then communicate. They are effective at consistently communicating their vision, mission, and purpose. They communicate the expected employee behaviors and point out when those behaviors are being modeled and when they are not being lived out. They communicate each person's responsibility and contribution to achieving the organization's goals. They teach their employees how to communicate effectively with one another. They fully understand the value of honest, transparent, and effective communication throughout the entire organization.

Developing Personal Leadership Effectiveness



Ideal Self

Before any change can occur in our lives, we have to have a ***vision*** for being different. We have to seek a better version of ourselves and possess the desire to change. What would your life be like and what would you be capable of if you developed healthy habits mentally, spiritually, emotionally, and physically? What difference would it make if you developed an accurate self-image, consistently had a positive attitude, and had a genuine concern for others? What if you had a clear sense of mission and purpose for your life, and were able to use your passion, experience, and gifts on a consistent basis? What if you could more effectively adjust to the constant curve balls life throws at you, and persevere in the face of adversity? Would any of this make a difference?

Real Self

Once we have begun to formulate a vision for who we want to become, it is important to recognize who we presently are and grapple with the 'real self'. This requires us to become more self-aware through the process of self-discovery and feedback from others. We must take time to explore what makes us tick, how we are wired, and what drives some of our default behavior. We need to understand what we value, as well as understanding what we are passionate about, what our life experience has prepared us for, and how we have been uniquely gifted. Then comes the part that most of us try to avoid and ignore…looking at our 'soft spots' and character flaws that tend to derail us and hold us back from reaching our full potential. Refer back to the Personal Leadership Competencies on page 17 and ask yourself, 'Which areas are strengths for me and which areas could use some attention and improvement?'

Make a Plan

Once we compare who we are today with the vision of who we could become, it is time to make a plan. While it is courageous to take time to explore our inner world, and even more so to accept honest feedback from others, that is often where the process breaks down. If we truly want to change, we have to be intentional about it. We have to identify an area we want to develop, then create a plan, and then commit to working on the plan on a consistent basis. This can't be approached like a New Year's Resolution, which often is forgotten within the first few days of the year. If we want to see transformation occur, we must resolve to be intentional about it.

Practice New Skills

Armed with a plan we have to put into action and then practice the new skills that we are trying to develop. If we are trying to become more empathetic, we need to understand what empathy looks like, and then go about practicing it. Whatever the change, you need to develop the means by which to put new skills into practice. It will always feel awkward at first. Can you remember what it felt like learning to ride a bike? Probably not, but it was awkward. And you kept practicing until what once felt awkward to you eventually became routine and a source of joy. Mastery was achieved through repetition and determination. When starting out the goal is not to be perfect, but to be intentional and to experiment with new skills. When you fail, and you will, fail forward. Get back up and try again. Like with any new habit or change we go from unconscious incompetence (Hadn't thought about riding a bike.), to conscious incompetence (I want to ride a bike, but I can't.), to conscious competence (Hey, look at me, no training wheels!), to unconscious competence. (Sunday afternoon ride down the bike trail without thinking twice.)

Some psychologists claim that it takes 21 days to form a new habit. Malcom Gladwell coined what is known as the 10,000-hour rule, which is the hours it takes to master any discipline (violin, golf, painting). So somewhere in between 21 days and 10,000 hours lies the opportunity to begin to realize the transformation that you are hoping to achieve!

Mentors and Trusted Friendships

The process of transformation is not easy, and we would be wise not to attempt this journey alone. Going through the process of:

- Identifying the 'ideal self.'
- Confronting the 'real self.'
- Creating a plan for growth and change.
- Practice new habits.

All the above should be done in the context of engaging a trusted mentor and/or friend that genuinely cares about your personal and professional success. We all need mentors and friends that can provide great wisdom, insight, and encouragement along the journey. These valued relationships can help us by seeing things we can't see because of our proximity. And they can give us the strength we need to keep on going in the face of obstacles and adversity.

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