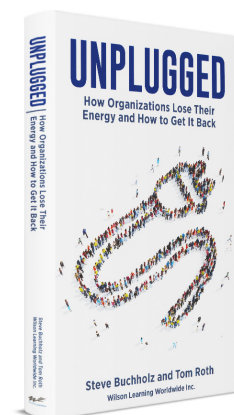


Unplugged

How Organizations Lose Their Energy and How to Get It Back

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THE SUMMARY IN BRIEF

What happens to employees when they lose their way amidst change, when they become unplugged from purpose, connection, direction, meaning, and value—when they, in a word, lose their energy? *Unplugged* provides a fresh look at engagement as a choice employees make based on how they perceive the change and on how much discretionary energy they will give to the endeavor.

Various factors contribute to employees unplugging: experiencing change as loss, repetitive change leading to fatigue and/or apathy, becoming overwhelmed because of additional workload, low work satisfaction, and feeling poorly led. *Unplugged* shows leaders how to restore this lost energy. The key is for leaders to set the example and focus on five elements that will help them refocus employees and reengage their energy.

But it isn't enough to tell leaders what to focus on; leaders also need to understand what to do. *Unplugged* achieves this, by showing how to introduce exciting new practices into how organizations operate.

IN THIS SUMMARY, YOU WILL LEARN:

- Five key lessons for why organizations become unplugged.
- The importance of essence-based leadership for reengagement.
- To help employees perceive opportunity and build personal accountability.
- To foster organizational connectedness, inclusion, and validation.

Unplugged—How an Organization's Employees Lose Their Energy

Every manager or leader in any organization is in the energy business—the human energy business. Employees are limited energy resources, and how they use their energy over the course of an eight-to-10-hour day will determine the level of performance achieved, as indicated by engagement research.

Leadership can mandate the amount of time an employee works, but it can't mandate the amount of *discretionary energy* (the energy over and above what is routinely needed to do one's job) invested by the employee.

Engagement is the combination of the perception of desired changes and the amount of physical energy expended on the changes. When employees are asked to engage, they determine whether the request is positive, neutral, or negative. They then choose how much energy they will invest.

Engagement most clearly happens when employees decide to have a positive perception of what is happening in the organization, particularly in times of change, and then they choose to devote a high level of energy to executing the change and helping the organization drive its strategy and achieve its goals.

Disengagement: What Causes an Organization to Become Unplugged?

Research on organizations going through change reveals five key lessons:

Lesson one: the role “perceived loss” plays. The fundamental premise of how change affects an organization is simple: If employees perceive change as primarily a gain (positive for the organization and for them personally), many of the engagement-related issues do not occur. On the other hand, if the majority of employees perceive the change as a loss, disengagement is likely, with employees becoming stuck in the change rather than moving through it.

Lesson two: loss comes “in code.” Loss can be experienced or exhibited in four basic patterns: disorientation, discontent, disidentification, and disengagement. Disorientation occurs when an employee is confused or unclear about what is happening. Discontent occurs when an employee is angry or frustrated with the changes that have occurred or with the leadership that initiated them. Disidentification occurs when an employee focuses more on what was rather than on what will be. Disengagement

occurs when an employee invests little or no discretionary energy. A questionnaire given to 5,000 employees from various organizations revealed that disengagement was by far the most common way employees reacted to perceived loss. The first three patterns of loss can certainly cause employees to stay stuck in change, but they don't necessarily result in energy loss. Disengagement does.

Lesson three: repetitive change leads to change fatigue. If an organization is frequently changing, it can result in a form of fatigue, leading to more chronic and ongoing disengagement. Employees can become overwhelmed and burn out or put their energy on hold or “rust out,” which occurs when employees experience the death of ambition.

Lesson four: how much energy employees give at work is their choice. Individuals have three primary categories of choices to make when deciding how to use their energy: proactive, reactive, or inactive. When employees choose to expend energy in a positive way, they're described as proactive. The varying degrees of expended energy are **complying willingly**—moderately positive but expending a low level of energy; **enrolling**—engaged but not fully; and **committing fully**—high level of energy in a positive way.

Employees who chose to use their energy to oppose or argue against change are described as reactive. The three varying degrees are **complying grudgingly**—feeling compelled or coerced to invest some energy to minimize some risk; **resisting**—putting energy into fighting the changes or convincing other employees that it's a bad idea or strategy; and **getting even**—using energy to get even, which can take the form of badmouthing leadership, theft, legal recourse, or sabotage.

The choice to be inactive is a form of disengagement that occurs when employees choose to withhold their energy, to be in a period of waiting, or to withdraw. The three degrees of inactive choices, which are all forms of disengagement, are **pseudo complying**—employees give the impression that they are positive and expending some energy, when in reality they aren't; **waiting and seeing**—employees remain neutral and withhold their energy until they either better understand the situation in a positive way or are swayed to act in some manner; and **unplugging**—employees have quit and stayed or have made the decision to leave but have yet to do so. They're negative and have no energy for work.

Lesson five: organizations can disengage in a short period of time, while reengaging is a longer, more difficult undertaking. It is amazing how fast change can

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affect the energy and engagement of people at work. Reengagement is a longer, more difficult undertaking.

Getting the Energy Back: Reengaging the Organization

The key responsibilities of leadership are to refocus the energy and reengage employees. To do so, leaders must understand, from the employees' perspective, what is needed for reengagement. Five elements are key to either maintaining engagement or recovering lost engagement:

- Perceived opportunity;
- Personal accountability;
- Connectedness;
- Inclusion;
- Validation.

But first, let's look at the role leadership plays in reengagement, plugging back into the organization's energy supply—the performance of its employees.

Leadership's Example

There is a specific type of leadership—called essence-based leadership—required to exemplify and develop the five elements of engagement.

Character-based, or essence-based leadership, speaks to one's being and represents those core qualities driven from the inside out. Essence is about one's purpose, values, beliefs, and vision. Essence describes who the leader wants to be to his or her followers—the example the leader wants to set. The first step is to understand yourself, who you want to *be* as a leader.

Meanwhile, form refers to what a leader needs to do—the behaviors and actions taken that demonstrate leadership competencies and are often driven by organizational expectations and norms. Form comes from the outside in and is the image or persona the leader creates by what he or she does.

Integrity is the integration between who one is and what one does—essence and form. Both are important to lead-

ership, but more important is keeping essence and form in balance. The question for leaders to answer is, "Where do you get your signals that influence and shape you as a leader, from inside (essence) or outside (form)?"

Understanding the importance of leading from an internal orientation is critical for leaders who are challenged by how to help employees reengage following organizational change.

Essence-Based Leadership

Being essence-based, or leading from within, is essential for reengaging an organization, for four key reasons:

Reengagement requires the leader to set the example. Whether the leader wants to be or not, he or she is being watched and is therefore always setting an example, and the employees are talking about that example. Therefore, a critical question for leaders to ask themselves every day is, "What do I want my example to be?"

Reengagement needs leadership resiliency. A resilient leader needs to strike a balance between being flexible and durable—in other words, between pathfinding and stewardship. Being a pathfinder calls for taking others to a place they wouldn't go by themselves. Stewardship is about protecting those enduring tenets that shouldn't change. These tenets include the leader's values, purpose, and vision. This is about the strength of one's example.

Reengagement calls for leadership courage. Be clear on what you stand for: your values, philosophy, and beliefs, which are the essence qualities. Living life in response to one's values, measuring success by effectiveness and contribution to others, and living life on purpose provide the foundation upon which to lead courageously.

Reengagement requires the leader to practice mutual influence. Mutual influence means that each person can influence the ideas and behaviors of others. A mutual influence relationship is an open working relationship in which both individuals are encouraged to speak freely, challenge each other, and hear and accept what the other offers. Your ability to influence others is directly tied to your willingness to be influenced by others.

Let's now discuss the five elements of engagement, which help you focus on what to do, not through your position, power, or authority but by your example.

The Element of Perceived Opportunity

Engagement occurs when employees feel they are part of something important, when they feel that what they are doing has purpose, and when they can clearly link their purpose to organizational direction. Engagement begins when employees buy into something.

Leaders who are sponsoring change to effectively manage the transition must communicate realities and take care of their constituency. Speaking to the problems focuses primarily on the current state of the organization, on what isn't working. Examples could be poor fiscal performance, increased competition, high operating costs, a looming downturn, and so on.

It's a good strategy in the right situations, but it's accompanied by a level of risk. Focusing on the problem can just as easily disengage employees rather than engage them.

The mindset that best serves full engagement is realistic optimism—working positively toward a desired outcome or solution. Realistic optimism is truthfully sharing problems associated with the organization's current reality and, most importantly, moving to a focus on how to create a positive future.

To enhance the element of perceived opportunity, leadership needs to create a message of realistic optimism. The most basic way to prepare a statement of realistic optimism is to complete the following statements:

- Looking forward, what worries you the most?
- Looking forward, what excites you the most?

With the information from these two questions, write a simple statement of realistic optimism that describes a positive picture about the future for your specific constituency. The message has to feel real to people, not just “rah, rah” or “we're going to be the greatest.” Be real. That's what employees want. Presenting only a positive picture when everyone knows when problems exist can create the impression that leadership isn't being truthful with them.

Several practices give an organization a sense of future, also referred to as a sense of perceived opportunity. These practices include the following: having a strong vision, creating a

sense of mission, creating a sense of personal purpose, and setting organizational goals.

Realistic Optimism and Strategy Development

When exploring a strategy for moving the company forward, realistic optimism must meet certain criteria. The three criteria from the employee's perspective are

- Is the strategy believable?
- Is the strategy doable?
- Is the strategy feasible?

Employees and management need to buy in to what is being asked of them. If the majority of employees don't think the strategy is believable, it's likely that the strategy will meet some form of resistance or a wait-and-see posture.

Sometimes, the strategy is believable (a good idea), but it's not doable in the minds of the employees. They question execution when they can't see the strategy being accomplished for reasons of time, required expertise, complexity, and so on. If a percentage of the organization doesn't feel the strategy is doable, at best engagement will be some form of compliance: willful, grudging, or pseudo complying.

At times, the strategy is believable and doable but not feasible. Management or employees question feasibility when the strategy is believable and doable, but the lack of money or resources will prevent execution.

When any one of the three questions remains unanswered or is a concern, the employees will likely choose to withhold their energy or grudgingly comply at best.

The Element of Personal Accountability

Engagement happens when employees are expected to give their best and know what they are being held accountable for. When this is the case, personal accountability increases.

Accountability gives employees a sense of direction. Accountability clarifies for employees where and how to focus their time and energy. *Personal accountability* is present when employees are clear about what is expected of them from both performance goals and behavioral expectations.

Personal accountability gives employees the opportunity to answer, “How am I doing?” from a self-perspective. They're able to assess their performance against the knowledge of the goals and expectations being asked of them. The ability

to hold oneself accountable and monitor one's own performance is a stronger factor in an employee's reengagement than if accountability and feedback on performance come from external sources such as a manager.

Performance Goals and Expectations

If the objective is to increase personal accountability, make sure you differentiate between a performance goal and an expectation. Performance goals focus on achieving desired business outcomes. Well-written performance goals usually start with the word "to" followed by a verb.

For example, "to increase face-to-face sales calls to five per week by June 1," or "to reduce machine downtime by 10 percent by March 1." Leaders are generally good at setting performance goals.

Expectations focus on expected behavior. Focus on two areas when clarifying behavioral expectations: performance focus and values focus.

Performance focus: Leaders need to connect expectations to a variety of performance-related activities. For example, a corporate strategy might be to focus on select vertical markets. An expected behavior might be to establish criteria you'll use to focus on markets. A key corporate initiative might be to increase customer intimacy. Expected behaviors might be to consider the customer's perspective when solving problems and to seek feedback from your customers to ensure their satisfaction.

Values focus. The second area of focus for expectations relates to corporate values. After leaders have identified what the corporate values are, they need to clarify expectations for how employees operationalize those values and behave consistently with them.

Wilson Learning has a set of beliefs and core values. Each of those core values has a list of expectations to guide employees to know how to behave consistently with those core values. One of their values states "We value collaboration and teamwork with our customers and throughout our global organization." The expected behaviors for this value include "We accept and support team decisions after they're made; we acknowledge the value of all team members' contributions; and we make decisions based upon business interests, not self-interest."

In general, leaders have learned how to provide clarity on performance goals. The opportunity for improvement is often on the expectations side of the equation.

Not only does setting expectations help your employees know how to behave, but it also increases your ability and the effectiveness of using consequences like rewards and behavioral correcting later when your employees either meet or don't meet goals and expectations. The more specific the goals and expectations, the more effective your consequences will be because your employee will know exactly what they did or didn't do to get either rewarded or corrected.

Engagement occurs when employees feel connected with each other, focus on mutual interests, and share responsibility.

The Element of Connectedness

Engagement occurs when employees feel connected with each other, focus on mutual interests, and share responsibility.

Young, successful companies often have a natural sense of connectedness—referred to as a "small company or family-like culture"—one in which everyone knows everyone else, communication happens face-to-face, and members huddle informally rather than having scheduled meetings. In these organizations, employees feel energized and committed to each other, often with a strong feeling of support and camaraderie. In addition, these types of organizations can easily hire individuals who share the same values and beliefs.

However, as an organization grows, maintaining a true sense of connectedness becomes a challenge. What happens? Two processes are geographical disconnection, when companies grow and move employees to different locations, and organizational segmentation, when differentiation drives how leaders think and act.

Creating Connectedness

Each of the core reasons organizations disconnect has a series of ways to reconnect. Consider these strategies for making geographic segmentation work:

Familiarity. The more familiar employees are with each

other, even when geographically distanced from each other, the more likely they are to communicate and collaborate. To establish familiarity, have employees who need to connect meet each other face-to-face with the purpose of getting to know each other and plan the best ways to communicate. If getting together in person isn't easy, then have them spend some time on videoconference or on the phone learning about each other and establishing ways to stay connected.

Cross-pollination. Offering employees the opportunity to relocate to one of the smaller geographic locations or allowing an employee from one of the smaller locations to spend a period of time at the company's headquarters can prove beneficial. Both parties can learn different practices from each other, learn how small or large companies operate, share values and beliefs, and become familiar with each other.

Virtual teams. If employees are geographically segmented and serve a similar service or function as those employees in other locations, having them identify as a virtual team helps connectedness. A virtual team (also known as a geographically dispersed team, distributed team, or remote team) is a group of individuals who work across time, space, and organizational boundaries with links strengthened by forms of communication technology. An initial meeting, face-to-face if possible, allows team members to get to know each other and what they believe they add to the team.

In functional segmentation, the company's functions differentiate themselves from each other and can develop a silo mentality, put up barriers to collaboration, and advocate and defend for their part of the whole. In order to create connectedness, the company has to cover this differentiation.

De-differentiation. De-differentiation is the act of setting aside differentiated thinking that segments a group—many hats—and wearing what is referred to as “one hat.” In order to successfully connect, leaders or employees representing different functions must learn to take off their individual hats (their functional identities) and put on one hat that speaks to the whole that unites them all.

For example, if a senior team consisting of members of HR, finance, business development, and manufacturing is together, “one hat” implies everyone temporarily sets aside the belief they are there to represent their function, and put on a hat that changes their mindset to focus on what it means to be responsible for the whole—the business. The team must accept this identity to truly feel connected.

Developing a Collaborative Mindset

A second way to enhance connectedness is creating a collaborative mindset within the culture. For a collaborative mindset to exist, one key ingredient must always be present: mutual interest.

When teams operate with a collaborative mindset, all members need to be clear about the team goal that they're trying to achieve together, connect to the goal, and influence each other on how best to accomplish it. In a collaborative culture, members can feel free to influence others, but they must also have the skills to do so. As a leader, you play the most critical role in creating a collaborative culture first by practicing mutual influence skills and also by creating the expectations that everyone has the skills to practice mutual influence.

Three skill sets help people connect with each other and collaborate to create something of value:

Listen to learn. In a collaborative culture, the ideal is to listen for the benefit of understanding the ideas and assumptions of others in order to create solutions together.

Express to explore. Express to explore means expressing your ideas for the benefit of examining them and connecting to other ideas.

Integrate to innovate. Better solutions that serve multiple interests and truly solve the problem are created when you integrate diverse ideas. Focus on incorporating all viewpoints to create the best solution.

The Element of Inclusion

Engagement happens when employees are well informed and involved and have an opportunity to openly express their thoughts and feelings. Simply stated, people want to feel like they're in on things.

How information is gathered, shared, disseminated, and understood greatly impacts the sense of inclusion, as does whether individuals feel they have the freedom to openly express themselves. A lack of information flow is one of the fastest ways to create disengaged employees. If employees don't feel included, they won't feel engaged.

If you ask Joe Grabowski, the former president of environmental consulting and engineering firm Wenck Associates, what his key responsibilities were, he'll tell you that one of them was to inform and be informed by associates. When asked why he refers to employees as “associates” or “mem-

Engagement occurs when employees feel that they matter and that they have a valued place in the organization.

bers,” his response is, “I wanted them to feel like equal members of an open community.”

Informing others is demonstrated in many ways and is still carried on after Joe’s departure. Everyone gets a copy of the strategic plan. Embedded in this plan are the company’s vision, mission, and purpose. Town hall meetings allowed employees to get clarity on or question the strategic plan and its implications.

Employees can use the compelling company website to stay current on organizational happenings, access a variety of information sources, and by just typing in a word, connect to a collection of resources available for experience and support. How the organization is doing on a monthly basis is posted, and at least once a month the president or a senior officer has an open information session with anyone who cares to attend.

Once a year, they have an all-hands meeting that everyone from every geographic location attends. This event provides a variety of opportunities to share, learn, better understand, and connect with colleagues.

Consider these other various forms of inclusion:

Information sharing. Information sharing has gone digital and can take the form of emailing, blogging, websites, wikis, podcasting, forums, images, newsgroups, and so on.

Inviting input. Inclusion occurs when employees feel they have the opportunity to weigh in on key matters that impact them and/or the business, usually in the form of surveys and focus groups. Inviting employees to share their thoughts and opinions is equally important. In its simplest form, inviting is asking rather than telling. Yet, inviting requires the leader to be genuine and truly open to others.

Providing feedback. Inclusion occurs when employees know how the organization is doing. They welcome any form of posted or shared information that gives them clear indicators of how they’re doing. For example, if you walk through the BMW sports utility vehicle manufacturing plant in High Point, South Carolina, you would see various

monitors continuously update employees with real-time information on production, quality, and safety.

Using teams. Inclusion occurs when employees feel they’re a part of a team that contributes to solving a problem or advancing a strategy. Engagement increases when employees feel they contribute.

Allowing for mutual influence. Mutual influence occurs when the leader has the ability and willingness to influence his or her team or associates, and they in turn have an opportunity to influence the leader. This culture of openness allows information to be readily shared.

Building trust. The most important element to a culture of inclusion is trust in each other. In order for these inclusion practices to have any real value, leaders need to be trusted. Employees need to feel safe in order to feel comfortable expressing themselves.

The Element of Validation

Engagement occurs when employees feel that they matter and that they have a valued place in the organization. Validation is the expressed interest leaders have in their employees. From the employees’ perspective, being validated is when they feel like the leader sees them as important. There is something about the way the leader engages with them that makes them feel like they matter, as a person, not just as employees. They feel validated because the leader demonstrates they truly matter to the leader.

Interest comes in a variety of forms: recognition, listening, involvement, understanding, rewards, learning, growth, and so on. The best way to demonstrate caring is through “acts of interest.” Three primary acts can become part of the element of validation:

Supporting the individual as a person and for the work he or she does. One of the questions employees often have on their mind is, “Where do I go for help?” A leader can support the individual in many ways, such as the following: providing additional help with a complex project that

is overwhelming the employee; helping make connections with key people as a way to make the employee more visible; helping in a personal family situation when daycare cancels due to weather; being a good listener; being an advocate in the employee's absence; supporting a balanced work life.

In each case, the employee feels validated because of the support others personally provide and for the work he or she does.

Rewarding the individual with both monetary and natural rewards. For most employees some form of monetary reward is still the primary means of recognition for performance. However, a financial reward or promotion may not always provide the kind of recognition the situation calls for. Natural rewards are forms of recognition an employee finds intrinsically satisfying about their work. One example of a natural reward is learning. Learning is a reward that the organization can build into the employee's work life in the form of new experiences, seminars, books, mentoring, and so on.

Developing the individual by providing opportunities to learn and grow. Humans are programmed to grow. Most employees want to continue to grow in knowledge, competence, experience, and responsibility. Employees grow in different ways, but to achieve high engagement, they want to feel that leadership is interested in their growth. They want to feel that possibilities for upward movement in the organization exist to develop mastery within their area of expertise.

Wenck Associates has three developmental tracks employees can follow: Track One is a mastery track where employees focus on their area of technical expertise—water, air quality, or municipal. The desire is to develop a domain compe-

tency where they can develop into a nationally recognized expert in their field. Track Two is to become a resource manager, where they take a leadership position but stay within their engineering disciplines.

Track Three is business operations, where they are groomed for a generalist role, sharing responsibility for how the organization runs. Each employee has a personal developmental budget he or she can use to enhance his or her expertise, learning, or experience.

Organizations disengage quickly, but reengagement is a long-term, culture-changing process. A key aspect of a highly engaged work culture is leadership that understands what it means to give energy rather than take energy away from an organization.

Armed with that understanding, leaders can implement the five elements of engagement.

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- *Simplify Work: Crushing Complexity to Liberate Innovation, Productivity, and Engagement* by Jesse W. Newton



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