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Debunking the

MAJOR MYTH

of Engagement

To understand engagement, we must first understand human development.

BY SOREN EILERTSEN

From a business perspective, employee engagement is about productivity and outcomes. From an employee perspective, engagement is ultimately about living a full life that actualizes potential and enables individuals to display their true identity, thoughts and feelings. Can these two perspectives be reconciled? The answer is complicated.

Typically, when optimizing for one factor, the other will be suboptimized. Under capitalism, business has traditionally optimized for business results. Some emerging business leaders are challenging this by prioritizing individual development and then setting tough business goals that can act as a pull for individual development toward self-actualization.





FIGURE 1: INDIVIDUAL AND LEADERSHIP DEVELOPMENT LEVELS AND CORRELATING LEADERSHIP APPROACHES

Ego focus	Level	Needs hierarchy (Maslow)	Mindset & capacity	Leadership approach	Where found
"humanity"	5	Actualization (and transcend ego) Creativity, authenticity and spontaneity.	Purpose Authentic vision that inspires and empowers others.	Servant Passionately in service of purpose and the removal of obstacles.	Emerging organizations based on new principles (Frederic Laloux's Teal organizations, Kegan's DDO).
	4	Esteem Mastery, confidence, independence and freedom.	Perspective Suspend belief — curiosity to learn and connect.	Situational Adjust style to empower others — looks to team for direction.	
"we"	3	Belonging Seeking acceptance, love, social needs, friendship and family.	Results Pursuit of efficiency and results to win over competition.	Authoritative Use management by objectives to control and reward.	Predominant current approach in U.S. companies and Wall Street banks; also seen in charter schools.
"us"	2	Safety Personal and financial security — health and well-being.	Rules Mastery of rules and development of know-how expertise.	Dogmatic Focus on stable and secure roles to create scalable hierarchy.	Military, traditional church, government organizations, school systems.
"me"	1	Physiological Survival — air, food, shelter, water, sleep, sex.	Power Drive to control and create action to survive situation.	Impulse Impulsive and reactive command authority to keep people in line.	Organized crime, street gangs, tribal militias.

Source: Koller Group Inc. and Soren Ellertsen.

UNDERSTANDING ENGAGEMENT

The term “employee engagement” first appeared in an article by Boston University organizational behavior professor William A. Kahn 30 years ago. Since then, it has become the pursuit of many performance-oriented organizations because leaders were sold on the strong correlation between engagement and performance. The global management consulting firm Hay Group found in 2001 that engaged employees were 43 percent more productive than employees who considered work “just a job.” Gallup’s 2017 “State of the Global Workplace” shows that more than 85 percent of employees are not engaged or are actively disengaged at work; it’s no wonder engagement is a big topic of discussion among business leaders.

Gallup defines engaged employees as “those who are involved in, enthusiastic about and committed to their work and workplace.” Gallup and others have attempted to create surveys to measure employee engagement levels as linked to business outcomes. The latter is important since surveys are optimized from the business perspective, not the individual worker’s. Inside companies, engagement initiatives typically fall into one of these categories: competitive compensation, values-based culture, team collaboration, work-life balance, or learning and development. In a quest to provide enviable benefits, companies often throw perks at their employees such as table tennis, catered lunches

and on-site massages.

Kahn, when originally defining engagement, had something else in mind. He defined personal engagement as the “simultaneous employment and expression of a person’s ‘preferred self’ (displaying real identity, thoughts and feelings) in task behaviors.”

Essentially, Kahn suggests that engaged people bring their whole selves to work. All jobs require people to take on certain roles. For many, this requires putting on a mask to hide part of their true self. The more a person can display real identity, thoughts and feelings in behaviors involved with their role,

the more personally engaged they will be in performing their job. Moreover, people who are personally engaged are more likely to stay in a role, creating a positive cycle.

THE QUEST FOR SELF-ACTUALIZATION

To understand engagement from the individual’s perspective, it’s essential to understand human development. Most developmental scholars agree that individuals evolve through stages that build upon one another as nested holons — something that is simultaneously a whole and a part. Individual worldviews and other advanced capacities develop in response to awakened needs, similar to Maslow’s hierarchy of needs, which describes a progression from survival to self-actualization and transcendence. As these human needs unfold, innate capacities emerge to confront challenges. As a new stage is awakened, the individual’s worldview and meaning-making capacity evolves, shaping which employee engagement initiatives are relevant.

To explain the impact on employee engagement, Figure 1 offers a simple model of individual development stages and how they impact the leadership approach within an organization.

Very few individuals have reached this level of development; however, many are on the cusp. Here they connect to an internal, often selfless sense of pur-

pose and passion. At this stage, people understand what their work is in the world.

Michael Ray, author of “Creativity in Business,” uses a capital W to describe work because it refers to one’s reason for existence, their highest purpose. Millennials appear to connect with this notion in greater numbers than previous generations; they seek meaning in their work in a much higher degree, challenging today’s businesses and organizations to evolve their approach to engagement.

The existential psychologist Rollo May said, “The acorn becomes an oak by the means of automatic growth; no commitment is necessary.” This is dependent on the conditions and environment. Similarly, humans have the innate capacity to grow toward self-actualization, but individual growth and development hinges on circumstance and opportunity. As the individual’s needs progress from survival to self-actualization, there is a parallel progression of ego taming or suspension. At lower stages, human development begins with a “me”-focused perspective and, through normal growth, develops to an “us”- and “we”-focused perspective, ultimately transcending the ego.

MINDSET AND CAPACITY DEVELOPMENT

Corresponding to Maslow’s hierarchy, human mindset and capacity development related to the workplace can be categorized in five stages, shown in Figure 1. Each stage contains an intrinsic motivation that can be leveraged to increase engagement in work situations.

Level 1 of development is the capacity for “power” to survive; most employees have advanced beyond this stage. Level 2 focuses on “rules” to create personal and financial safety. This mindset makes it possible to follow procedure and develop deep expertise in an area. At level 3, “results,” individuals pursue status and rewards. The level 3 mindset is “I’m great, you are not,” as described by Dave Logan, author of “Tribal Leadership.”

At the “perspective” level, or level 4, the capacity to suspend belief develops, allowing for the discovery of new views and a greater interest in collaboration with others. The mindset here is “we are great, they are not.”

Finally, level 5 capacity, or “purpose,” corresponds to Maslow’s self-actualization need. Here the mindset is “life is great” and there is a sense of living in passionate pursuit of purpose while also in service to others. While the first four stages are primarily fear driven, the individual crosses the fear barrier with a sense of inspiring purpose at level 5.

Level 5 affords greater perspective, allowing the employee to apply all the other stage capacities at will. The integral philosopher Ken Wilber labeled this “second-tier thinking.” Here an employee is more likely

to meet others where they are and recognize differing viewpoints. Per Wilber, at this stage the individual can fully hold multiple perspectives and see the partial truths in any situation rather than as binary (either/or).

HOW ACTUALIZED IS THE LEADERSHIP?

An organization’s approach to employee engagement largely depends on the development of top leaders’ mindsets and capacities. The level of leadership development sets both the approach and the limits for employee engagement. Leaders coming from each of the human capacity levels prefer a corresponding leadership approach to collaboration within the organization. This approach determines the levers to drive employee engagement.

All jobs require people to take on certain roles. For many, this requires putting on a mask to hide part of their true self.

As the complexity of society has evolved, the nature of work in business has evolved from more manual, physical labor to complex, intellectual work that requires creativity and collaboration. It changes how businesses organize around human collaboration. This organizational evolution can be viewed in Figure 1, from early tribes with an impulsive chief exercising power (level 1) to a few emerging organizations where people self-manage in service of a greater purpose (level 5).

While these organizational forms have evolved over time, there are still examples of each in today’s society. In the U.S., most leaders use a level 3 approach. Some more recent culture-driven companies are operating at level 4, and some emerging companies are attempting to operate at level 5.

The authoritative meritocracy approach (level 3) relies primarily on incentives and rewards to increase efficiency and believes that high performance creates engagement. However, the result of this approach is a burned out and disengaged workforce, as evidenced by the poor results on broad engagement surveys. People in or seeking production-oriented jobs, including sales, tend to require incentive compensation to find engagement. This becomes less important for engagement in businesses that depend on a creative and knowledge-based workforce (assuming the companies can articulate a fair pay philosophy).

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Level 4 requires a higher level of leadership. At this stage, an egalitarian collaboration and situational leadership approach looks to empower and motivate employees through a family-like culture intended to create cohesion. Leaders must be able to establish meaning and trust among employees, and they begin to function more as coaches than authoritative bosses. The intention is for employees to feel empowered and motivated in their jobs by the culture and career-development opportunities created by the company. Leaders aim to create psychological safety for people to step into uncertainty and transcend themselves to collaborate in teams, and, in turn, individuals consider team success as important as personal success.

Some companies functioning closer to level 5 have changed the fundamental priority of business. Leadership in these companies seeks individual development first and expects business outcomes to result. Harvard professor Robert Kegan portrayed three such companies, Next Jump, Decurion and Bridgewater, in his book “An Everyone Culture.” The book distills the unique characteristics of “deliberately developmental organizations” and the practices to design and manage organizational cultures that promote employee growth.

DDO companies provide conditions where people can bring their whole selves to work. These companies focus on attracting people who are inspired by the company vision and interested in managing and developing themselves. DDOs organize their culture and practices to support their employees’ development process.

Decurion’s manifesto talks about people being seen as ends, not means. Where earlier-stage companies — particularly at level 3 — seem to trade making money for the well-being and growth of their people, Decurion believes that developing people is good business. Christopher Forman, CEO of Decurion, contends that “Developing people and pursuing profitability are not two separate things. We see them as the same thing. Each reinforces the other. Setting tough profitability targets creates a pull that mandates people develop themselves. And, in turn, their development creates increased profitability.”

At the same time, the manifesto says if a person is no longer being pulled to develop in a role, it’s time to find a new role or leave the company.

IMPLICATIONS OF WORLDVIEW THINKING

Everyone operates with different worldviews, and those views impact collaboration in organizations. For individuals to truly acknowledge the hierarchy in human development stages requires Wilber’s “second-tier thinking.” A few considerations can help leaders prevent dysfunction and encourage development.

First, be aware of similarities and differences in employee and leadership mindsets. Typically, the best con-

ditions for alignment exist when employees and leaders gravitate to the same worldview. A mismatch of levels will cause either a need for coping for both parties or the need to create subgroups where one type of employee is treated differently from another.

Next, foster authenticity between aspiration and practice. Problems occur when the organization’s stated vision isn’t aligned with the worldview practiced by the leadership. This happens when the official vision statement speaks to a different worldview than what takes place in the boardroom.

Third, accept change as necessary even if it’s difficult, precisely because a shift in worldview may be required. New leadership often comes in and defines a new vision without realizing that individual shifts in existing employees from one level to another can take years.

Fourth, encourage transparency to increase higher levels of worldviews for both individuals and the organization. For the individual, vulnerability as a form of transparency becomes key to development and transcending the ego. For the organization, information sharing and openness around process and decision-making becomes key to inspiring evolved employees. For example, Bridgewater records most meetings and makes the recordings available to all employees.

Finally, hold space for dialog. The evolved leader has the ability to hold space where diverse groups can come together and explore new strategic possibilities and respond to complex challenges in a radically changing world.

FROM SERVITUDE TO SELF-ACTUALIZATION

As society’s economic focus has evolved from agrarian to the current information economy, businesses have tried many approaches to tie employees to the organization. This has evolved from forced contracts of indentured servitude, where laborers received some kind of benefit to meet an obligation, to a more liberated relationship, where employers seek sustainable engagement by considering both the personal and professional needs of the employee.

Now more evolved leaders are seeing the role of human development in the workplace and the need to help individuals find their work purpose. This trend could shift the essential role of business in our society: to shoulder the mantle where wisdom traditions and school systems failed to create the circumstances and conditions for people to develop and to self-actualize, to live a full life, and to be able to display true identity, thoughts and feelings. **CLO**

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