

# What's the Cost of your Employee Disengagement?

By Judith Bergstrom and Dominique Delgott



Many millions of dollars are spent each year on large scale programs designed to transform the business. Meanwhile employees become more detached, and disengaged. What is the risk of allowing employees to remain on the sidelines during important transformations? How can your business effect real organizational change? We've shared 10 actionable techniques which when implemented together in a change management program can bring about stellar results.

We speak about change in organizations as a "fact of life," unfortunately, many organizations position themselves as recipients of change rather than promoters of change. Change is inevitable, is your organization poised to exploit it's opportunities?

“ IT MAY BE HARD FOR AN EGG TO TURN INTO A BIRD: IT WOULD BE A JOLLY SIGHT HARDER FOR IT TO LEARN TO FLY WHILE REMAINING AN EGG. WE ARE LIKE EGGS AT PRESENT. AND YOU CANNOT GO ON INDEFINITELY BEING JUST AN ORDINARY, DECENT EGG. WE MUST BE HATCHED OR GO BAD. ”  
– C. S. LEWIS

## Change Programs are Pivotal

Improved behavior, strengthened leadership, decreased waste and increased profits are inherent prospects of change when managed effectively. The more effective the change management program, the greater likelihood projects will meet or exceed objectives.



**FIGURE 1**  
**CORRELATION TO**  
**MEETING OBJECTIVES'**

## Widespread Disengagement

The pitfalls, risks and destructive outcomes of disengaged employees can cost organizations missed opportunities and yield catastrophic failures. According to a Gallup research and polling study, disengaged employees cost the U.S. between \$450 – \$550 billion each year in lost productivity. Results also found a staggering 70% of all employed Americans to be disengaged. Consider that for every one engaged employee in your organization there are likely three who are disengaged.

## Engagement Optimization

A McKinsey study examined the effect of an Organizational Change Management (OCM) programs on a project's ROI. The study showed the ROI was:

- 143 percent when an excellent OCM program was part of the initiative;
- 35 percent when there was a poor OCM program or no program.

What do those these results mean? A 143 percent ROI means that for every dollar spent on the project the company is gaining 43 cents. On the other hand, a 35 percent ROI means that for every dollar spent they are losing 65 cents. According to the Hay Group, companies with engaged employees make 2.5 times the revenue. Happy employees are reported to contribute 3x more creativity.

## WHY INVEST IN COMPANY CULTURE?

An investment in company culture doesn't just improve employee satisfaction. Increased workplace happiness has far-reaching effects that impact every level of business.

### PERFORMANCE



Engaged employees perform **20%** better than their disengaged counterparts.

**202%**

Companies with engaged employees out perform up to **202%** better.

### HAPPY EMPLOYEES HAVE:



**31%** Higher Productivity



**37%** Higher Sales



**3x** Higher Creativity

**FIGURE 2**  
**WHY INVEST IN**  
**COMPANY CULTURE?<sup>vi</sup>**

## Strategy

If you are thinking that change management strategy could help your organization, you are in good company. A recent search on Amazon.com for books on “change and management” turned up 6,153 titles. Startlingly, only 25% of leaders have an engagement strategy despite 90% thinking that it would be helpful. While change is inevitable in all organizations, only those who acknowledge and plan for change properly will flourish. Employees reflect company culture and drive prosperity.

## Getting Engaged

Not unlike two people actually evolving their relationship to an engagement, engaging employees is somewhat of a courting process—building trust, common vision, and excitement about the future are goals and underlying themes of the FluidEdge Optimization Methodology. The FluidEdge approach drives clients to get employees highly engaged while focusing on resolving pain points, optimizing process and preparing employees for the future. We employ a 10-point technique which integrates Process Optimization, Training, Readiness AND change management to drive employee engagement throughout all levels of the organization.

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## **1. Process design starts at the big picture**

It is imperative to start with the clearly designing and articulating the operational framework and work your way down through the multiple levels of the process design and documentation. This ensures that everyone can understand how their individual parts fit into the big picture. Just documenting how to do things in a system without clearly articulating how the entire process works, or how individual actions impact overall success will fail to engage the employees and leave them disconnected. Workers who simply perform their own tasks over and over without focus on how it impacts overall corporate success, lack desire and are likely not engaged.

## **2. Key business owners “own” their processes**

Process optimization associated with or without system implementations requires business area leaders and key team members to take ownership for challenging the status quo and changing and championing new processes. Process design often requires external expertise to facilitate and articulate best practices, however, this is best done in a collaborative environment. Leaders who take responsibility for their processes bring pride and enthusiasm to change within their own areas as well as across the organization.

## **3. Approvals are incremental moving up and across the management hierarchy**

As individual processes are drafted, they should be vetted BY the business teams with each level of management as well as teams and leaders who are the recipients of handoffs. Ensuring there are no broken processes, and everyone needed to make a process successful is clear on their pieces not only improves obvious performance, but breeds confidence and cooperation across business areas. 33% of projects fail because of a lack of involvement from senior management.

## **4. Use easy to read, colored coded and numbered process designs that don’t scream IT**

Process design is not the purview of the IT project team. In fact it is quite imperative the processes be designed with/or by the business areas who will use them. Processes should be documented in ways that do not intimidate non-IT employees. The must be easy to follow at a glance using colors and numbers to identify where they fit in the process hierarchy, who is performing the work and how the handoffs are controlled.

## **5. Training programs are real world and teach to the process not just the keystrokes**

It is well accepted that neither great systems nor great processes alone can ensure success without being coupled with effective learning programs. Truly effective training must employ best practice instructional design tools and techniques coupled with scenario based learning. This requires starting training at the big picture and sharing the overall process flow as it might occur throughout the work day. Combining keystroke level training with true process education creates knowledge workers, those who can and know when to think out of the box.

## **6. Combine classroom, online and laboratory training**

Robust training programs are a key element in promoting and reinforcing change. Including some on-line training provides a valuable opportunity to convey broad business knowledge, share mission and vision, educate employees in areas other than their own departments. During major transformation and particularly new systems, classroom training and the laboratories which reinforce the practical “how-to” of training should be incorporated despite the higher cost. Investing in these training approaches not only improves employee performance, it increases trust, confidence and company loyalty—important attributes of the engaged employee.

## **7. Run a Marketing Campaign to build excitement and gratitude heading into the future**

Project names, contests, logo’d swag all are effective ways to build excitement and demonstrate gratitude. Creative inspirational stories, meaningful gifts (even small tokens), celebratory events are all important and effective as organizations undergo change. When the business is changing, even when systems only affect certain departments, the program should speak to the whole organization. These programs must be designed to educate and reinforce transformational attributes of the business and those behaviors required of employees to be successful in the future state.

## **8. Associate transformation programs focus on managing in times of change**

Change Management programs must also incorporate more than excitement around the new to bring about true transformation. Confidence in the future must be conveyed and trust in the organization must be built by training associates and leaders how to perform in times of great change. The program should assist with supporting employees during the stress and uncertainty of change, and demonstrate leadership commitment and recognition of the difficulty that change presents. Identified change agents must be prepared to communicate the future vision and objectives of changes both great and small. And timely, transparent communication must be delivered in order to help individuals envision themselves in the future state. These efforts will set the stage for an engaged employee workforce.

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## 9. Documentation is captured in an easy to access Knowledge Management (KM) Solution for reference and maintenance

Change does not occur at one time or only once, it evolves and cycles. How things are done, who does them, and why they do them is not static. It is critical to capture all the artifacts associated with process, training and change so they can be maintained in perpetuity. Various systems can be used for KM, (our favorite is SharePoint), but regardless of the platform ease of access, use of meta data for searching and the ability to trace processes interrelationships are necessary components of a KM solution which keeps pace with change and keeps employees ever engaged in on-going improvements.

## 10. Get Ready

Bring all the pieces together, process, training, and change management into a transformation dress rehearsal. Everything that has been learned and studied, shared and communicated should be practiced. Rehearsing helps ensure leadership and team members are prepared to perform their work in the new way, and potentially with new systems and most importantly are doing so with an understanding of the future vision brings the whole new picture together.

These techniques and methodologies are recommended for any organization who is implementing or has previously implemented new systems. They can be incorporated into existing programs and focused at specific departments or business areas. Follow these techniques and your employees will be confident, tolerant of change, creative problem solvers and engaged for the future.

**FluidEdge Consulting would be pleased to connect you with our thought leaders.**

## About the Authors

**Judith Bergstrom** is an Executive Business Partner and Vice President with FluidEdge Consulting. With over 30 years of experience in healthcare and other industries, she has vast knowledge of management consulting services, including operational process improvement, selling and implementing packaged and custom software, process redesign, change management and delivering strategic IT consulting services. She has also served in various internal operational positions for healthcare organizations, including CIO, Transformation Director and Program Director. Judith holds a master's degree in Information Systems from George Washington University in Washington, DC and a bachelor's degree in International Relations from the Monterey Institute of International Studies in Monterey, CA.



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- i* Correlation to meeting objectives: <http://blog.prosci.com/the-correlation-between-change-management-and-project-success>
- ii* Gallup: <http://www.gallup.com/businessjournal/182912/companies-missing-opportunities-growth-revenue.aspx>
- iii* McKinsey: <http://www.mckinsey.com/business-functions/organization/our-insights/helping-employees-embrace-change>
- iv* 2.5 times revenue: [https://www.haygroup.com/downloads/ca/hay\\_group\\_employee\\_engagement\\_are\\_you\\_missing\\_something.pdf](https://www.haygroup.com/downloads/ca/hay_group_employee_engagement_are_you_missing_something.pdf)
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