



RESEARCH WHITE PAPER: ORGANIZATIONAL ENGAGEMENT

By: DR. JIM BOHN

INTRODUCTION

WHAT IS ORGANIZATIONAL ENGAGEMENT?

Organizational Engagement is the level of motivation activated by employee perceptions of their organization's ability to achieve outcomes. Organizations have long used employee engagement as a tool for corporate change. Yet employees are strongly influenced by whether they believe their company has "what it takes" to accomplish organizational strategies. Organizational Engagement **influences how people** persist, how they work together, their sense of well-being on a job, job satisfaction, collective work engagement, and firm performance as viewed by employees.

This paper was validated globally, translated into eight languages, and summarizes research that proves the power of using Organizational Engagement as a tool for analysis and organizational performance improvement.

Organizational Engagement is a means for gaining employee perceptions of an organization's capabilities.

*"... We introduced the **Organization Engagement assessment tool to our business in 2018** as the first step in our newly created Human Capital initiative.*

*The survey results allowed us to align our global leadership team and **validated several key transformational opportunities to improve our organizational performance** and our overall business results. Any company looking to take their Human Capital Management to the next level would benefit from utilizing this approach to an engaged workforce."*

Rob Hoglund,
CFO and VP of Finance

THE SIX ELEMENTS OF ORGANIZATIONAL ENGAGEMENT

Organizational Engagement is built from six concurrent elements which influence organizational performance in all organizations, no matter the industry. These key elements are experienced every day in organizations across the world, irrespective of geography or culture. No matter the product or service, these factors remain constant in all organizations, large or small, national, or global.

Observations in scores of Fortune 100 and Fortune 500 organizations reveal common factors that affect organizational output. **Every organization demonstrates the following elements, either effectively or ineffectively.** Observations of daily corporate life, along with both Organizational Behavior Theory and popular leadership literature, lead us to these elements.

SIX ELEMENTS OF ORGANIZATIONAL ENGAGEMENT

How would your team answer the following questions?

1. **Cohesion** - Can we work together to achieve mission outcomes?
2. **Clarity of mission** - Do we have confidence in where the organization is going?
3. **Resilience** - Can we stay the course when times get tough? (Lower score is better)
4. **Leader commitment** - Are our leaders capable of effectively achieving mission outcomes?
5. **Consequences/accountability** - Are people rewarded and recognized fairly?
6. **Communication effectiveness** - How well does the organization distribute critical information?

WHAT VALUE DOES ORGANIZATIONAL ENGAGEMENT BRING TO CORPORATIONS?

- Organizational Engagement is a **strategic method** for assessing major organizational behavior challenges.
- It has the power to **dramatically influence** the enterprise in ways that cannot be achieved by employee engagement.
- The overall goal of assessing Organizational Level Engagement is to discover **how employees feel** about the capabilities of the entire company, not just their personal concerns.

What is the value of measuring at the organizational level?

1. Measuring organizational level engagement is an important critical step to determine if it has the power to manage outcomes.
2. Measuring at the organizational level provides data for enterprise level transformation.
3. Research shows that "... aggregated employee attitudes are related to organizational performance¹."

Consider that phrase, "aggregated employee attitudes." This means discovering what everyone in the company thinks about organizational capability. As one journal article states, "Our results ... suggest that models that draw the causal arrows from employee attitudes to performance at the organizational level of analysis are at **best too simplistic and at worst wrong**."¹

In other words, the idea that employee morale creates organizational performance may be a bit presumptuous. It is likely the other way around.

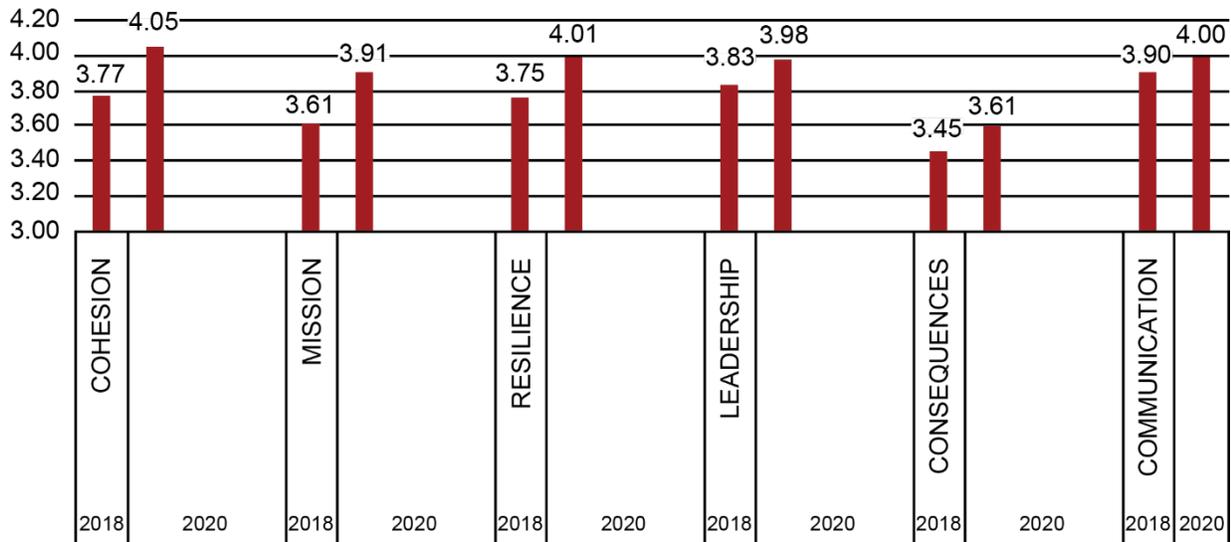
¹ Schneider, Hanges, Smith, Salvaggio, (2003). Which comes first, employees' attitudes or organizational and financial performance? Journal of Applied Psychology, 88 (5), 836-851.

CASE STUDY FINDINGS

The following charts demonstrate the effectiveness and impact of the company efforts in changing Organizational Engagement scores.

CHART 1

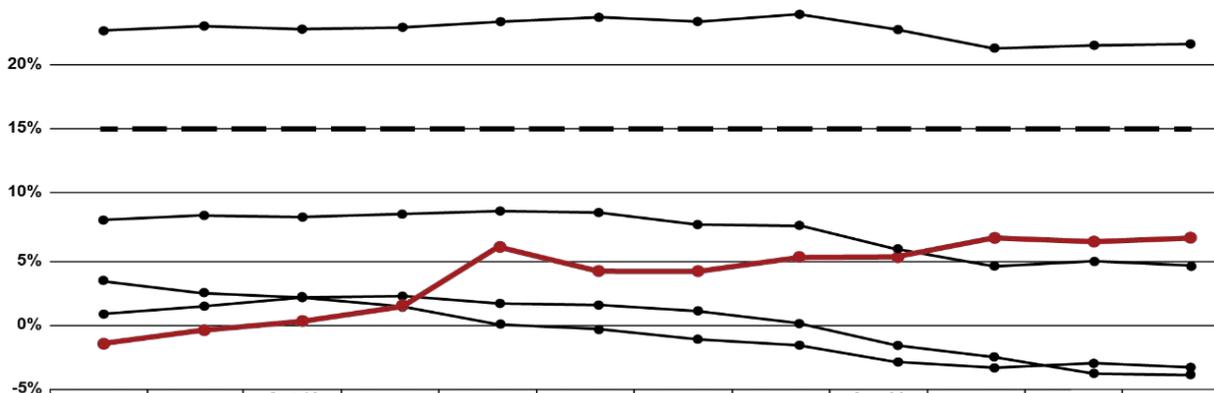
Organizational Engagement Elements Score 2018-2020



NOTE: Every category of Organizational Engagement improved over a two-year period as measured in this longitudinal study, **including during the 2020 COVID pandemic timeframe.**

CHART 2

**Financial Operating Margin – Plant comparison
– one plant stood out**

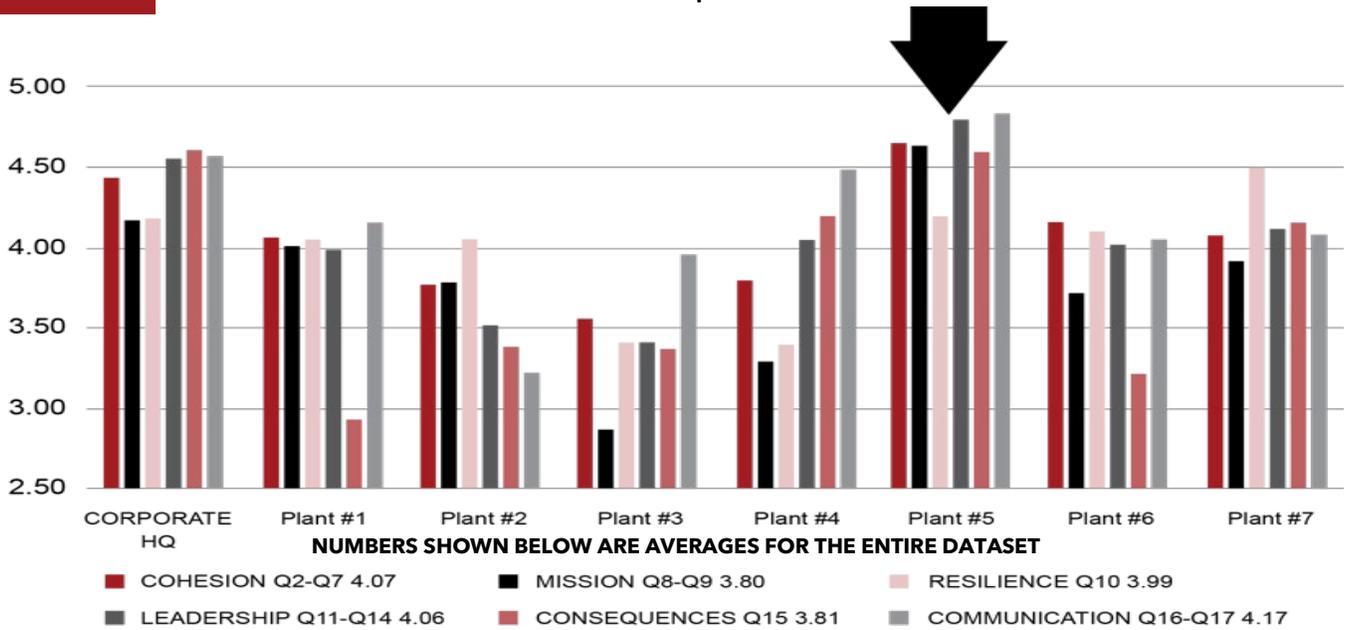


	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20
Plant 1	0.7%	1.3%	1.8%	1.9%	1.6%	1.4%	1.0%	-0.1%	-1.6%	-3.2%	-3.5%	-3.6%
Plant 2	22.6%	22.9%	22.6%	22.8%	23.3%	23.7%	23.5%	23.9%	22.7%	21.3%	21.4%	21.5%
Plant 3	3.2%	2.3%	1.8%	1.4%	0.0%	-0.3%	-1.2%	-1.5%	-2.9%	-3.4%	-3.0%	-3.4%
Plant 4	8.2%	8.3%	8.3%	8.3%	8.6%	8.3%	7.8%	7.4%	5.9%	4.9%	5.0%	4.9%
Plant 5	-1.3%	-0.4%	0.4%	1.3%	6.0%	4.6%	4.6%	5.2%	5.2%	6.5%	6.2%	6.5%

Plant #5 Operating Margin **improved concurrently with organizational engagement.** The plant highlighted in red above had significantly higher Organizational Engagement scores than all of the other plants.

CHART 3

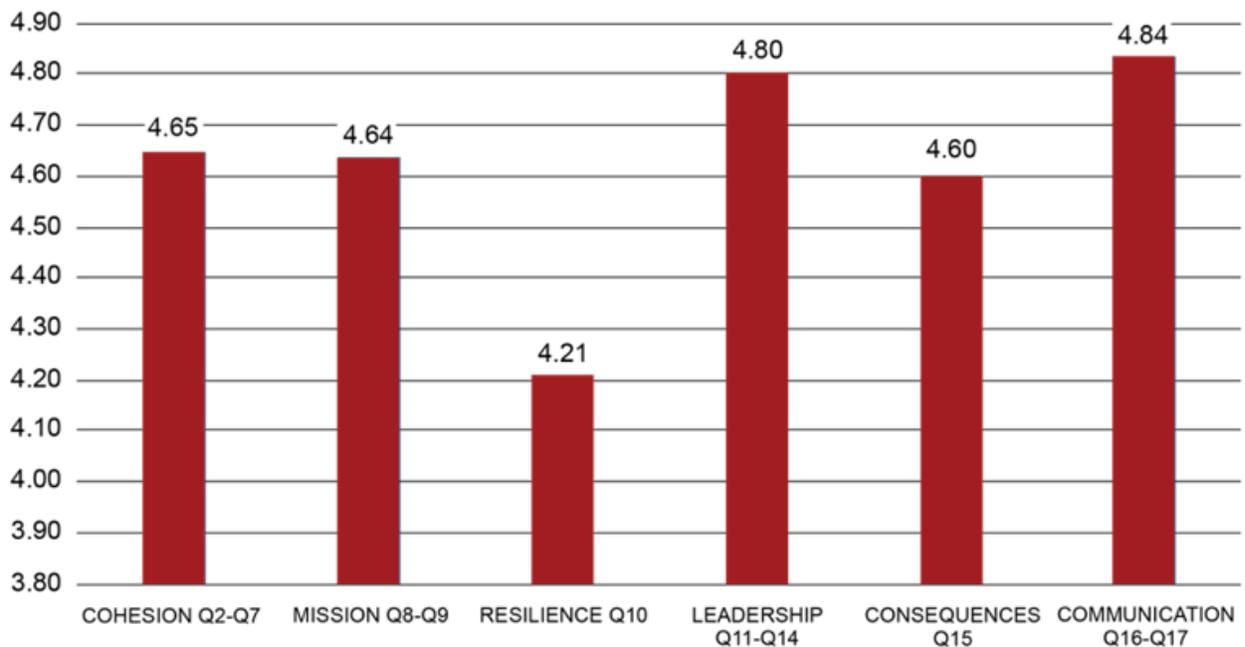
Plant Comparison



Plant #5 also had strong scores in all six elements of Organizational Engagement. We see from this data that **Organizational Engagement has a strong direct relationship with Operating Margin**. When a plant's team is working together, knows its mission, and communicates effectively, it can lower operating costs and increase operating profitability.

CHART 4

Plant #5 Individual Scores (1 = minimum score; 6 = maximum score)





THE BENEFITS OF THE SIX ELEMENTS OF ORGANIZATIONAL ENGAGEMENT:

1. They **address specific behavioral issues** that impact organizational performance.
2. They are **strategically powerful across an organization**, providing enterprise-level metrics that are precise and clear and that also demonstrate dramatic change.
3. They are **realistic in assessing the complexity** of an enterprise.
4. They are **generationally agnostic** - not relying on refining policies that only address specific generational needs.
5. They are **based on research** and they are understandable within the organization. (There are no clichés or odd, quirky phrases.)
6. They provide HR with a straightforward method for strategic organizational improvement, and therefore **elevate HR to be a true strategic partner**.
7. **They introduce strategic change that considers the “we” not the “me.”** In other words, they are no longer focused on the individual employee, but on all employees working together to strategically improve the organization.
8. **They are true organizational diagnostic tools** and not just another “check the box” program.

CONCLUSION: By conducting an Organizational Engagement Analysis on your enterprise, you will find the critical areas to focus on for improvement.

Our research shows you will discover:

- Better Financial Performance
- Increased Employee Morale
- Improved Production
- Increased Margins

ABOUT THE AUTHOR

"At this stage of my career, I want to share my learning and experience with others, so they avoid the mistakes I've made and gain from my victories."

Dr. Jim Bohn has served in a variety of roles in the corporate world, personally leading the transformation of multiple underperforming teams to achieve award-winning levels of success. *"Working in the real world, I have had to live with the change management decisions I have made, both good and bad, and I believe that experience has given me insight into the best ways to approach change."* After several decades with a Fortune 100 company, Dr. Bohn launched his own Change Management and Organizational Transformation Practice.

His book, [Architects of Change: Practical Tools for Executives to Build, Lead and Sustain Organizational Initiatives](#) was released in July 2015.

As a leader, Dr. Bohn has personally led significant change management projects including IT implementations, mergers and reorganizations. He has served in roles ranging from the shop floor to design, engineering, sales and service. *"I consider my early operations experience to be invaluable for understanding change problems."*

As an educator, Jim has taught Organization Development at University of Wisconsin's

LUBAR School of Business, Business Ethics and Strategy at Concordia University and Leadership at Marquette University.

As a social scientist, Jim is deeply passionate about learning, developing and practicing organizational research in the context of change.

As a scholar, Jim's interest in Organizational Efficacy began during his Ph.D. studies at the University of Wisconsin. *"The idea that people might be able to evaluate the power of an organization to control outcomes was very intriguing."* In 2006 Jim was interviewed by Business Week on the subject of Organizational Efficacy. His groundbreaking research in Organizational Efficacy was published in Human Resource Development Quarterly, vol. 21, no. 3, Fall 2010.

He is a Master Facilitator and has led hundreds of workshops with audiences ranging from frontline mechanics to Senior Vice-Presidents. In addition to his work in organizational transformation, he has spoken at the National Academy of Change Management Professionals and led workshops for SHRP and Wisconsin I/O Psychologists, Dakota County and Lakeville Chambers of Commerce, ASTD-Twin Cities, MNMCMN, MNODN, Atlanta Field Service Conference and the Chicago Corenet Real Estate Group among others.

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*"... The six elements of **Organizational Engagement transcend cultures and can be universally applied**. It moves away from the traditional survey of getting ground-up feedback and trying to fit into the bigger picture. Organizational Engagement starts with the 'Big Why' as a beacon for all employees to align their vision with the organization's vision. Well done!"*

~Raymund Chua, Managing Director, Heraeus, Singapore