Improving Your Organization’s “People Quotient”  
A Strategy to Increase Employee Engagement in Organizations

By Scott Coady, Principal, Sage Alliance Partners

Organizations compete fiercely to attract and retain the best talent, recognizing that the key to consistent success and profits over time is having great people who are fully engaged in ensuring their company is successful.

The holy grail for most companies is getting everyone aligned, committed and moving together in a common direction with enough agility and speed to effectively respond to market and customer demands without moving so fast as to either burn people out or erode trust. For this synergy to happen, everybody in the business needs to continually change and grow together. Effective leadership and powerful teamwork are two areas in which companies often desire learning in the form of behavioral changes, investing in training programs hoping to improve their “people quotient” (quality of their people).

It is certainly possible to create a short term strategic advantage with a technical edge, but the key to having and maintaining sustainable advantages is a company culture in which people continually grow and become fully engaged. Business culture is created and sustained by the people who work for your company. In the best-run companies, the CEO takes responsibility for creating the best possible culture is actively involved in assessing, enriching, building and maintaining their company culture to ensure optimum performance from everyone who works for him or her, regardless of tenure or rank. The prudent CEO does not pass this responsibility onto anyone else.

One of the challenges that is most overlooked and that threatens to erode the fundamental culture of any company is the pace of change in the world. The pace of change is accelerating at an ever-increasing rate. A search for titles on Amazon.com with the word “Change” in the “Business” category resulted in an astonishing 55,286 books. It is my experience in dealing with hundreds of clients over the past eighteen years that learning is the only effective solution for a company that wishes to remain competitive and viable in the face of change. While there are many books and articles already published about creating learning within organizations, in this article, I will outline some of the challenges and requirements necessary to enable adult learning inside organizations that creates lasting and sustainable change.
A Case for Behavioral Learning

Viability in the face of constant accelerating change requires organizations to empower and enable their people to modify ineffective behaviors. Behavioral learning for professional adults is significantly different from the kind of learning most people mastered in college. Most executives and professionals are excellent at learning information and data. This skill enables them to effectively spout facts and figures, participate in conversations, win arguments and develop strategies and plans.

The key to establishing a sustainable, healthy culture within a company is to develop each individual’s ability to master change as it happens. Behavioral learning enables individuals to move gracefully through transitions by altering the automatic responses which prevent them from adapting to the changes that continually confront them within their organization.

Most of us have experienced a senior executive or manager who just rubs us the wrong way or who we do not trust, even though we may not have an effective or powerful explanation for our reaction to this person. Sure, he or she may be well versed in the particular subject he or she is talking to us about, his or her facts and figures are correct, yet we are resistant to participate in his or her plans or projects. This person’s way of being puts us off in some way.

Daniel Goleman’s book *Emotional Intelligence* may reveal a more powerful explanation. In the case of our mythical “V.P. Manager,” above, let’s pretend that he/she happens to pick up Goleman’s book and after reading it on the plane, determines he/she is not empathetic enough or does not have adequate emotional resilience. In other words, “V.P. manager” is unable to generate in others an understanding or feeling that he/she can empathize what they are going through; thus they are unable to create an effective connection and relationship. This mythical manager may sometimes yell at subordinates, or blow up in a rage when under stress, or simply ignore them. These common behaviors tend to generate fear, have others want to protect themselves, and promulgate further alienation.

It would be fantastic if “V.P. Manager” only had to read Goleman’s book to fix these problems, but even Mr. Goleman doesn’t believe reading his book will do the job. Goleman recognizes that simply reading about something will not change a person’s behaviors. To make the changes, the “V.P. Manager” will have to practice being different. To support that happening, Mr. Goleman provides the readers of his book with a rich set of exercises so they can begin to embody new behaviors that will result in a higher EQ (emotional quotient).
The Power in Creating a Learning Culture

The opportunity and challenge is to create a culture in which learning that actually produces lasting and measurable changes in behaviors and abilities continually takes place. This type of learning increases the value of the organization’s people, increases employee engagement and commitment, and generates greater possibilities for the business in the marketplace.

When behavioral learning becomes part of the organization’s culture, amazing things start to happen. It is easier to attract the best and brightest people because they are looking to work in places where they can continue to grow and develop. Employees develop faster when they feel safe to admit that they don’t possess a certain skill or know something and are empowered to go out and develop it or learn it. Trust among everyone goes up and a mood of possibility envelops the organization. The private undercurrent of fear begins to go away enabling employees to become less concerned about self-preservation and become more focused on business opportunities and the actions to achieve them. This is measured as the level of “employee engagement” and is being used by leading companies as the best indicator of effective leadership.

Enemies of Learning

Creating a learning culture is an enormous challenge because of the difficulty adults have to be learners inside today’s organizations. In our traditional hierarchical based organizations power and politics have huge impacts on career and promotion; few people have been promoted or won employee of the month for saying “I don’t know,” yet that admission is the critical first step of learning. When an adult faces an opportunity for behavioral learning and growth, he/she is immediately confronted by one or more “Enemies of Learning,” which include:

- Inability to admit “I don’t know”
- Not making time for learning and practice
- Thinking that what he/she needs to learn can be done quickly (the “Quick Fix Syndrome”)
- Confusing acquiring information with developing new competency
- Unwillingness to authorize anyone to teach him/her
- Negative self judgments – “I can’t learn this, I’m too____!” (fill in the blank)
- Forgetting the role of the body in the behavioral learning process
- Wanting to learn alone, in secret, rather than with other committed learners
Leading the Learning
Creating a learning culture requires extraordinary leadership by the CEO and the executive team. For the effort to be successful, they must lead by:

- Declaring behavioral learning part of the businesses strategy
- Developing clear expectations and standards for learning inside their company
- ‘Walk their talk’ by showing others that they are behavioral learners themselves
- Budgeting time and resources for behavioral learning
- Acknowledging and rewarding those early adopters who get on the behavioral learning path

Role for Human Resources Managers
Human Resources Managers should play a huge role in making all this happen; yet, allowing the entire effort to be delegated to Human Resources is a trap. Without senior executive commitment, the culture will not change. Why? Because the best and brightest will copy what the CEO and executive team “does,” regardless of what they “say.” Therefore, Human Resources Managers have the opportunity and often the accountability of leading the entire effort by enrolling the CEO and executive team into the conversations necessary to ensure success. In other words, by generating the following conversations, the Human Resources Manager is in effect leading the effort to ensure that the responsibility for the organization’s culture stays with the CEO and senior executives. The primary elements of these conversations are:

- Set the context – What role should behavioral learning play in the culture of the company? For the sake of what purpose or result shall we take the actions to create our learning culture?
- Time – How much time will the CEO and executive team budget for their own learning and development and how much time will they insist that others do the same?
- Being public learners – What aspect of the executives learning can they be public about in order to show others what it looks like to be a learner?
- Money and resources – What is the budget for the effort?
- Executive participation – What will the CEO and executive team take on as their learning project and how will they demonstrate their personal commitment to learning?
- Measures and rewards – What percentage of variable compensation for managers and leaders will be tied to leading the learning efforts? What are the appropriate measures for success?
Opportunities for Behavioral Learning
There are countless opportunities for behavioral learning inside every organization. We help our clients achieve behavioral changes through our executive team alignment off-sites, executive coaching and high performance team and leadership development programs. Other examples include quality and safety programs that change the mindset and actions to ensure successful outcomes.

In my experience helping organizations achieve high performance, I have found that the biggest barrier to getting everyone aligned, committed and moving together in a common direction is lack of trust, (in either each other, or in the organization’s leadership) which produces low levels engagement. Trust is the foundation for effective leadership and teamwork; without it, extraordinary results are not possible. Since the ability to produce trust with others, or not, is largely generated out of our behaviors (ways of being), modifying these behaviors often requires executive coaching and or leadership development programs.

Generating more trust with others is not a matter of reading more books; it is about behaving in a reliable, honorable and authentic way. When an organization’s executives demonstrate that they are learning and developing themselves (behaviors), they produce powerful evidence for employees that they are committed to learning, growing and becoming better people and leaders which generate increased levels of trust of the executives.

A Client’s Perspective
Creating a learning culture is hard work yet very worth while. I recently had the privilege of working with a client organization in the commodities business. They were a billion dollar business with about a thousand employees and experiencing annual increases in net profit after tax per year. At the beginning of our work together, two months into their fiscal year, their goal was to achieve another year of typical growth in net profit after tax and raise the engagement scores of their employees (which were well below an acceptable level) and they were in doubt about their ability to achieve either. We assessed there was a lack of alignment and trust among the top executives and a lack of an ability to work together as true teammates driving the low “engagement scores” among the employees and we speculated that these trends would had a negative impact on their profitability growth potential.
Fortunately, this organization was lead by a CEO who knew that he, and his team, needed to learn how to change their behaviors if they were going to reach their true potential. He personally lead the effort to set aside time and resources for all twenty of the top executives to learn together how to become a high performance team, and show the rest of the organization that they were committed to creating a high performance team culture and that behavioral learning was going to be a key component in achieving their objectives.

We lead the top twenty executives and seventy senior managers though a series of teambuilding modules, off-site business meetings and learning conferences, executive coaching and training workshops. Ten months later, they astounded themselves and other business units by producing a record net profit after tax which was 460% higher than what they thought was possible! Their rate of earnings growth accelerated and the entire team believes that this process and deep learning as a team was principal to their incredible achievement. Moreover, they believe that their future became much brighter than they previous thought as they noticeably increased the team’s capacity to get things done, get them done soon, and increase the standards. While not scientific, the CEO said, “I believe that our improvement in leadership abilities, organizational energy, and team skills raised the capacity of our organization to execute by 20+ percent minimum with no additional capital expenditure or new people thus making better futures much closer to reach.”

Their amazing results happened because they showed the employees that the senior managers were committed to learning how to be a true high performance team and by doing so enrolled their employees into becoming learners for the sake of a common goal. This raised the level of engagement such that everyone began pulling together to achieve the impossible and was reflected in their engagement score going from the low 30’s to the high 60’s, a 100% increase.

**Improve Your “People Quotient”**

Improving your organization’s “people quotient” is a journey, not a destination. It can be difficult, yet very rewarding, just as any journey worth taking can be. It starts by creating a context for learning that is connected to a strategy for long term success in the face of ever accelerating change. Success requires the organization’s CEO and executive team to choose to be responsible for ensuring that learning is part of the organization’s culture and to lead the effort by modeling behavioral learning. It also requires leadership from the Human Resources function to generate the awareness, context and commitment among executives to create an organization where people can continue growing while focusing their creativity and energy on ensuring the organization’s ongoing success.
About Scott Coady
Scott Coady is a principal at Sage Alliance Partners and the Founder and Executive Director of the Institute for Embodied Wisdom, an education center located in Ojai, California and is committed to personal and professional leadership development, executive team effectiveness and organizational culture change.

Scott has dedicated his professional life to learning, embodying and applying emerging technologies from the areas of somatics, philosophy, linguistics, athletics, integral studies, experiential and action learning and appreciative inquiry into his groundbreaking work in leadership and team development, organizational culture change. Scott is a master executive coach, OD consultant, workshop leader and keynote speaker.


Scott's got his first taste of high-performance teamwork and leadership as a navigator in the U.S. Navy's Assault Craft Unit One, performing "insertions" and "extractions" for the US Navy’s S.E.A.L. Teams. Participation in competitive sports has provided further insights. In 1996 Scott set the record for the flying 200-meter time trial set at the National Sports Center Velodrome and competed at the Master’s World Championships. Scott has raised over $250,000 for non profit causes using a film he made about his adventure following the entire Tour de France from start to finish.

Scott resides in the Ojai Valley, near Santa Barbara, with his wife Kathleen and daughter, Olivia. His passions include surfing, bicycle racing, digital filmmaking and adventure travel.

For more information about Sage Alliance Partners, please visit: www.sageap.com

For more information about The Institute for Embodied Wisdom, please visit: www.embodiedwisdom.com

Scott may be reached via e-mail at: scott@sageap.com