

AL LOPUS

WITH CORY HARTMAN

ROAD
TO
FLOURISHING



EIGHT KEYS TO BOOST
EMPLOYEE ENGAGEMENT
AND WELL-BEING

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FROM TOXIC TO FLOURISHING

The Eight Keys to a Transformed Culture



During my forty-plus years in culture and human resources consulting, I've become convinced that any workplace can change. I've never seen a flourishing workplace that couldn't sag into mediocrity. And I've never seen a dysfunctional workplace that couldn't flourish.

One of the most memorable examples to me is an international missions organization I'll call FMA.¹ The ministry was founded and built by a dynamic, pioneering leader, but over time the stress of organizational expansion took a heavy toll on the culture of its home office. By and large, missionaries in the field were supported well and had a good experience, but many employees at headquarters were disengaged, and morale had sunk extremely low.

After the founder moved on from the organization, FMA's board replaced him with a new president who was willing to take the helm if he could lead from offsite for the first couple of years until he was able to relocate to the organization's headquarters. The president promptly brought in an executive vice president named Jim to manage the ministry onsite. Jim quickly discovered that the organizational culture was

a wreck, so he and Greg, FMA's vice president of human resources, asked me to help them investigate just how bad things were. They knew that they couldn't make their ministry better in the future if they didn't know precisely where they were in the present.

So together we conducted an employee engagement survey to get a read on the workplace culture. When I got the results back, I realized that these two leaders weren't kidding—the culture was indeed in bad shape. “Guys,” I told them over the phone, “you're right; this *is* bad.”

“How bad is it?” they asked.

I didn't want them to give up in defeat before they started, so I cautiously told them, “You're in the lower quartile of the organizations Best Christian Workplaces Institute has surveyed.”

“The lowest 25 percent?” they replied. “We knew it was bad; that's not all that shocking.”

“Well,” I continued, “you're really in something more like the bottom 10 percent.”

Fortunately, they took that news pretty well too, so I thought they might be ready for the blunt truth. “Okay,” I said, “if you really want to know, your culture might be the worst of any organization we've ever worked with!”

To their great credit, the two VPs were undaunted. “Al,” they said, “let's find out why.”

WHEN A TOXIC CULTURE DOESN'T GO AWAY

Engagement surveys like the one we conducted among FMA's employees can be very illuminating, but they're always incomplete without face-to-face dialogue where people can explain why they answered the way they did. So with Jim and Greg's approval I started to have these candid conversations without management in the room, and employees showed me they had a lot to say.

The most burning issue on their minds—at least on the surface—was *wasted talent*. “FMA hires great people and burns them out,” said one employee. Of more than fifty statements on the survey, the one FMA's employees agreed with least was “FMA retains highly qualified employees.”

One young woman's story was illustrative. One of FMA's most effective initiatives was a summer experience for college students that took them to the mission field and equipped them for hands-on work there. Many students were so deeply moved by the experience that they went on to become full-time missionaries themselves. This woman likewise found the summer program to be excellently run and very rewarding. When she graduated, she was fired up to help FMA any way she could, so she took a job in the main office. Unfortunately, the gap between her summer experience and her day-to-day experience in the office—which was inevitable to some degree—proved to be enormous. She was frustrated by poor communication and barren workplace camaraderie, and she was hanging on out of sheer loyalty to the ministry she had fallen in love with overseas.

She wasn't alone. Many young people took jobs at FMA because they were lit up by the organization's mission and wanted to do whatever they could to help it succeed. Then they got so frustrated with the ministry's inefficient systems and poor communication that they left. Rather than see the constant turnover as a problem, however, FMA's management viewed it as a benefit—as they saw it, the mission could save money on a low-paid, short-term workforce until the young employees left for "real" jobs. They didn't develop pathways for professional growth because they didn't want to pay more career employees.

On the other hand, those employees who did stay were rewarded with a promotion to management—even when they were not suited for it. "FMA promotes the most qualified employees" got the third-lowest survey score. Managers were appointed for their seniority, not their supervisory skills, and management training wasn't supplied to those who recognized their deficiencies and were hungry to learn. ("I'm provided with the training needed to do my job effectively" was the fourth lowest-rated statement.) "We need to hire and promote people who fit the position they're hired for instead of people who have been here the longest," complained one employee. "We laid off some of our best performers simply because they were here the shortest amount of time."

Still, the ministry's overall talent level was good; it was the ineffective way it was deployed and managed that seemed to be the problem. "We have lots of creative people because leadership wants to have creative people work here," one employee said. "But in reality, once they get here, managers keep them in a box and force them to toe the line."

A different employee supplied another striking example of wasted talent. I asked him to tell me what at FMA gave him life. He answered, "I work at FMA because it gives me a chance to interface with our missionaries." Each summer FMA brought missionaries home from the field to a conference at headquarters, and the office would pull out all the stops to treat them like royalty. It required all hands on deck. This employee enthusiastically described how much he loved hearing about the work missionaries were doing and how much he loved building relationships with them in fun activities. He went on and on about how engaging and meaningful it was to him and how much he looked forward to those two weeks every summer.

I asked him, "So, what do you do the other fifty weeks of the year?"

"I work in accounting," he said, "and I can't stand it." It was a jaw-dropping revelation of how an immense talent in hospitality and missionary communication was being wasted, and everyone—the employee, the organization, and the missionaries—suffered as a result.

Closely related to the issue of wasted talent was *job insecurity*. "FMA provides good job security for employees who perform well" received the second-lowest score. Every year a financial crisis sent the fear of layoffs racing through the organization. Employees wanted to feel safe in their jobs. As one tersely put it, "I'd like to have more than 270-day job security."

Compounding the annual financial crisis was a recent decision to eliminate the marketing department and outsource its functions. That move sent a shockwave of mistrust through the ministry. "The outsourcing decision showed us that we don't matter—that our jobs don't matter, and we could be gone tomorrow," one employee expressed bitterly. "It's not safe here."

Employees believed that their jobs would be safe if not for pervasive, ongoing *mismanagement*. The ministry would get a large, seasonal influx of donations and use it to ramp up activity and hire more people. Then in the dry fundraising season they would run out of money and lay off people. Their planning was poor and their model was broken, and employees knew it.

Employees also knew who was to blame. When one told me about what needed to improve in his department, I asked him whether he had talked to his supervisor about any of those matters. He sat back with a gasp and rolled his eyes so demonstratively I almost *heard* it. The message was loud and clear: “*Have I ever talked to my supervisor? Of course I have! All the time! But nothing changes!*” Employees didn’t expect things to get any better; the seventh-lowest survey score belonged to “Over the past year, FMA has changed for the better.”

Mismanagement caused turnover, and then turnover exacerbated mismanagement by gutting the ministry of the practical knowledge it needed to function. Operational continuity was ruined because it wasn’t built on systems but on what individuals knew how to do. Whenever individuals left, knowledge of how things got done left too.

Indeed, *inefficiency* and *disorganization* composed another broad problem identified by employees. Many of them recognized faults in how their departments functioned that could have been cured by better systems, but leadership hadn’t invested in them. For example, FMA didn’t have a comprehensive accounting system. They didn’t hire accountants or buy accounting software; instead, they moved untrained people into the accounting department and had them use spreadsheets. They sent out letters to donors, but there wasn’t a comprehensive fundraising system. Either of these improvements could have alleviated the recurring financial problem, but employees felt they didn’t have a say in how things could operate effectively.

As bad as things were within departments, coordination *among* departments was predictably worse. (“There is good teamwork across departments” received the ninth-lowest score.) Different departments

scheduled multiple events simultaneously and faced an unpleasant surprise when they clashed. Each department had goals that the others didn't know about, so there was no coordination to meet them. Some employees felt that the organization's mission statement described some parts of the ministry but not what their unit was tasked to do.

Lack of consistency also manifested in a *lack of accountability* that deeply dissatisfied employees. "Some employees are not held accountable for their actions," said one. "There are double standards of employee conduct tolerated by senior management," said another. A third dug pointedly into what she saw as the root: "Because we are Christians, for the sake of being nice, we sacrifice honesty."

The survey bore this sentiment out with bottom-ten scores of both "People are responsible and held accountable" (sixth lowest) and "People have good conflict resolution skills" (tenth lowest). I also heard it in conversation where words like *accountability*, *integrity*, and *consistency* were spoken with passion.

All these issues came together in employees' *distrust of senior leadership*. Many found upper management to be both untrustworthy and incompetent, but the board didn't require them to answer for it; instead the rank and file suffered the consequences. "Morale is the lowest I've ever seen in the time I've worked here," said one employee. "Upper management doesn't know how to boost morale and in more than one situation made choices that undercut it." Employees believed that the overall accountability problem in the ministry started at the top. "Accountability is lacking in the leadership, and it trickles down," one said.

"I think the leadership team should be overhauled," said another employee. But he added a plea that shed light on another reason for the pervasive distrust: "There needs to be someone leading who can communicate and be present." Before the new president and Jim, the executive VP, were hired, things had gotten bad enough. But now the person running the organization onsite wasn't known, and the offsite president wasn't even seen. There was a good reason that "FMA has a high level of trust" was the fifth-lowest survey response—at a time of crisis, no one knew the people calling the shots—and much less believed in them.

It didn't help that senior leadership didn't collaborate on decisions with other levels of management. "All decisions are made at the VP level," said one employee. "There's communication but no creativity between levels of management." Another put the disconnection in painfully personal terms: "It hurts to see good employees not empowered. I feel divorced from the leadership."

A FLOURISHING CULTURE IS A CRITICAL ADVANTAGE

Each of the concerns voiced by FMA's staff could be viewed as a discrete problem on its own, but all of them together added up to a problem with the ministry's culture. Culture can be thought of as "how we do things around here."² It comprises the shared beliefs and values of a group, expressed in priorities, decisions, and above all behaviors. In formal and informal ways, culture is established by the people in the group with the greatest perceived authority and status—usually identified leaders. These culture-shapers communicate and reinforce norms that shape the expectations and actions of people in the group.

A group's culture powerfully affects how much people personally engage with what the group is doing. I experienced this in a very positive way as a young adult with Young Life—the culture of the local leadership team was so engaging that I couldn't tear myself away, and outsiders were attracted to it. In the same way every workplace has a culture too. It silently shapes employee engagement, their disposition to give of themselves of their own free will to the organization's success.

The more an organizational culture is flourishing, then, the more energy, diligence, and joy your employees bring to what they do. They're more honest, more trusting, and more unified with one another, which sparks extraordinary cooperation and creativity. They become single-mindedly committed to the organization's mission because they believe that their organization cares about them. They believe that they can be truly productive for things that matter through their organization, and that becomes a self-fulfilling prophecy. They go the extra mile and choose to put their discretionary effort into what

they do. They look forward to coming to work every day because of the vitality they find there. A team full of employees like this can't help but produce at a level of effectiveness that far exceeds the output of a mediocre culture.

Unsurprisingly, if a flourishing culture engages workers, a culture that isn't flourishing disengages them. There's a wide range of suboptimal cultures, from modestly healthy to downright toxic, and as an organization slides down the scale, the consequences become more and more apparent. People become dissatisfied with their jobs; they merely do what they need to do to get by. Innovation disappears. Interpersonal conflicts sprout and escalate. Some people begin actively undermining leaders. Employees take off all the time they can get, and for both legitimate and illegitimate reasons sick time soars. Turnover increases, and in particular, top performers find work elsewhere. Because the best people are gone, productivity drops sharply and goals aren't met. Poor outcomes proliferate and revenue declines.

From time to time I hear the dismissive criticism that culture is "soft stuff" that doesn't affect the bottom line. Or I hear the assumption that employee well-being has to do with soothing whiny workers by putting gourmet coffee in the breakroom or rewarding them with a spa day. Tell that to the hard workers at FMA. Look back at what they told me was causing the most problems for their work experience: wasted talent, job insecurity, mismanagement, inefficiency and disorganization, lack of accountability, and distrust of senior leadership. Is there anything *soft* about this list? These are the sorts of things that keep the most hard-headed executives in the most demanding industries up at night.

You might not believe it, and they might not say it directly, but more than anything, your employees care about the effectiveness of your ministry, school, or business. The workplace culture they want is one that makes the organization succeed. They can work without perks, but they can't work without purpose and promise. In my experience if someone in an organization isn't taking practical impact seriously enough, it generally isn't the employees but the leaders.

WHY WORKPLACE CULTURE MATTERS NOW MORE THAN EVER

The health of an organization's culture is important at all times. Nevertheless, it is especially important for the times we're living in.

We're currently living through a major generational transition in organizations. Much was made of the entry of the millennial generation into the workplace twenty years ago. Among those millennials are today's frontline managers, and baby boomers are rapidly retiring while Generation Z is emerging into the workforce. When leadership roles are filled by adept technology users who want to know every day that they are liked, the rules are changing. The shift to a workplace where personal fulfillment, access to influence, and meaningful mission are workers' baseline expectations is almost complete. For these employees culture isn't an afterthought; it's the whole enchilada. Like it or not, they're not willing to work for a toxic organization merely out of an abstract duty to do God's work or provide for their family.

The passing of generations isn't the only change. At the time of this writing, prognosticators are speculating about the shape of the world after the Covid-19 pandemic. We expect that many who were propelled into working from home—the acceleration of a preexisting trend—aren't coming back. That's only one feature of the changes foisted on Christian organizations; it is emblematic of the fast pace of change that characterizes our VUCA (volatile, uncertain, complex, ambiguous) world. Even aside from the aftermath of the pandemic, the crisis itself freshly exposed how important it is that leaders be resilient in the face of volatile change, which the workplace is not insulated from.

For leaders to respond resiliently, they have to adapt with agility. At the same time, however, there are certain fundamentals about flourishing workplaces that persist through changing times. Grasping the keys to workplace performance and sustainability allows organizations to thrive as conditions evolve. It isn't about plugging in the same strategy that always worked before. It's about understanding the deep truths that shape every new workplace strategy that succeeds in emerging circumstances.

No matter how circumstances change, if these key elements are nurtured, protected, and improved, workers engage in their work and their workplace with verve and creativity. A workforce like this can find a way to overcome any challenge.

Unfortunately, it's hard to improve your culture if you don't know what it is. Everyone in a culture feels the culture, but that's not the same as naming it or measuring it. Worse, the higher you rise as a leader in any organization, the more distant you become from what is happening in the day-to-day realities and reactions of employees. If you don't measure your culture, it's easy to stop seeing to it; if you see the same lopsided picture on the wall every day, you stop recognizing that it's lopsided.

So for leaders to improve their culture they have to be able to identify what drives their organization to flourish and measure for it. I'm so convinced of this that I've spent almost two decades learning the features that drive flourishing cultures in Christian-led organizations, how to measure them, and how to guide organizations on their road to flourishing.

EIGHT KEYS TO A FLOURISHING WORKPLACE CULTURE

The measure of organizational culture is the engagement of its employees. *Employee engagement* is a way of saying that team members are motivated to bring their fullest contribution, their unique giftedness and creativity, to their role in the organization for the sake of its success. And they do—they feel empowered by their leaders and inspired by their workplace to make a voluntary, personal investment.

When Best Christian Workplaces conducts a fifty-plus question employee engagement survey in an organization, we investigate engagement by asking employees about their agreement with four statements in particular:

1. "I would recommend my organization to others as a good place to work"—the energy question.
2. "I would rate my organization as an exceptional place to serve"—the enthusiasm question.

3. “I would prefer to remain with my organization even if a comparable role at a higher pay level were available in another organization”—the commitment question.
4. “I am motivated to put in extra effort beyond what is expected to help my organization succeed”—the passion question.

Employees’ answers to these questions give us a sense of how many are engaged with, disengaged from, and neutral to the organization. But more importantly, we can compare their answers to these questions to questions about other aspects of organizations. The tighter the relationship between an engagement question and some other question—that is, the more that ratings on two questions rise and fall together—the more powerful an effect that aspect has on employee engagement.

The great tipping point in our understanding of employee engagement came when we collected enough data from workplaces to identify objectively the key elements of a flourishing workplace culture. Independent researchers subjected our whole database to a statistical process called factor analysis, which groups together questions that people tend to answer the same way. It yielded eight distinct clusters of questions pointing to eight keys to flourishing. Although the clusters were independent of each other, all of them were linked to overall employee engagement. Any employer with high scores in most or all of the clusters had a flourishing workplace culture.

The results of this analysis were hugely significant. For the first time we were able to go beyond instinct and hunches borne of experiential wisdom. We had rock-solid evidence of the factors that drive a Christian organization’s culture to flourish. They aren’t based on anyone’s personal opinion but on empirical data from hundreds of real-life, Christian-led workplaces.

We call these the eight keys to a flourishing workplace culture, represented by the acronym FLOURISH.

Fantastic teams. Flourishing cultures nourish cohesive teams that effectively engage in passionate, open dialogue. Because they function so well together, these teams accomplish more than what any one individual can do on their own.

Life-giving work. Flourishing cultures engage people in work that is full of meaning, significance, and purpose. Staff members are devoted to their role and can utilize their skills and spiritual gifts in what they do.

Outstanding talent. Flourishing cultures engage highly qualified people with the necessary calling, character, competence, chemistry, and contribution to achieve the organization's mission. They recruit outstanding talent and then reward, retain, and promote it.

Uplifting growth. Flourishing cultures raise the performance of individuals, teams, and the organization as a whole to meet the challenges of a changing world. Growth emerges from a combination of job-related experience, insightful interaction with supervisors and coaches, and continuing education.

Rewarding compensation. Flourishing cultures provide significant, tangible remuneration and benefits for employees' service. Equitable total compensation plans provide employees with peace of mind that their personal and family financial needs are being met and that their employer values their contribution.

Inspirational leadership. Flourishing cultures have leaders who both exhibit good character and are competent to lead. The organization proactively selects, promotes, and trains such leaders who have a genuine, deep, vibrant relationship with Christ.

Sustainable strategy. Flourishing cultures follow a deliberate, effective approach to serve their constituents. They have an excellent business plan to meet the need the organization has set out to remedy and to achieve the organization's vision.

Healthy communication. Flourishing cultures feature an environment of open dialogue between employees and leaders who seek for and act on employees' suggestions and explain the reasons behind decisions. The organization values diversity and maintains a climate of mutual accountability, innovation, and unity.

Statistical analysis verifies that these eight keys account for over 80 percent of what engages employees at work. These aren't the only factors; for example, we don't ask questions about the physical environment that

employees work in, and there may be other influences on their engagement as well. But for a survey of this scope, 80 percent of total influence is quite high.

The eight keys were not all our data had to teach us, however. We were also able to determine with precision which factors had the biggest positive effect on a workplace culture using a method called relative weights analysis. With this tool we could rank the keys to flourishing culture according to their influence on employee engagement. Although they differ slightly across workplace sectors (churches, missions organizations, goods and services companies, and so forth), they consistently cluster in three groups:

1. The strongest overall influence on workplace culture is *inspirational leadership*, closely followed by *life-giving work*.
2. After these comes a *sustainable strategy*. The other medium-influence keys are *healthy communication* and *outstanding talent* in a virtual tie.
3. Weaker (though still important) influences are *uplifting growth*, *rewarding compensation*, and *fantastic teams*.

By examining itself through the lens of the eight keys to a flourishing culture, an organization can get a clear view of the strengths to soar on and weaknesses to shore up in its workplace culture. In addition, because we know the relative importance of the keys, we can pinpoint the areas where improvement will do the most good.

HOW ONE ORGANIZATION WENT FROM TOXIC TO FLOURISHING

When we presented FMA's leadership with what we learned from employees, Jim, Greg, and the rest of the team took it with grace and earnestness, eager to do the hard work of cultural transformation. The first important step was to take small but swift actions that communicated to employees that they were heard and that things were changing, because the only thing worse for morale than not listening to employees is to ask for their feedback and do nothing.

First, then, FMA's leadership communicated their commitment to employees by promising no layoffs for a significant time. If necessary, offices would receive pay cuts before layoffs. Second, they honestly reported the results of outsourcing the marketing department and the layoffs that ensued. Outsourcing was rising in popularity at the time, and as often happens, management expected things to work out better than they did—advantages to the operating statement were partly offset by the mistrust and tension that increased in the ministry. Leadership apologized for the inadequate way the decision was made and communicated and described concrete steps to ensure that it wouldn't happen again. Third, top leaders identified and personally re-recruited the best employees they still had, because a number of them had already begun leaving.

After this, we facilitated conversations that involved management and employees together to dream about what FMA's tomorrow might look like. The value of these sessions wasn't just in naming a desirable future. It also closed the gap between employees and leaders, especially Jim, the new executive VP. They got to know their leaders as people and gain trust that their hearts were in the right place. They saw that Jim in particular was there to make it a better place both for them and for the missionaries in the field.

Soon after, FMA started monthly all-staff meetings to improve communication, which became a loved ritual in the ministry. The meeting featured a time of worship followed by an agenda of reporting on progress on specific goals. A year or two later they posted organizational goals on the wall and charted progress there for everyone to see. This helped address the accountability issue because employees could see that senior leaders were being scored on something. The goals themselves emerged from a rational planning process, which strengthened employees' confidence in consistent, competent management.

Posting the goals also released collaboration across departments. Teamwork and horizontal communication improved. A goal for summer program enrollment pertained to one department and a goal for long-term missionary placements pertained to another. But the placements

department recognized that a strong summer set them up with more recruits, so they approached the summer program department to help. Likewise, the summer program department sought ways to hand program participants into the recruitment funnel for long-term placement. Cooperation like this helped drive all employees toward improvement for the benefit of the whole, and that took their focus off what used to drag them down.

FMA also addressed the quality of its leadership by investing in a leader development program. They stopped viewing their low-paid, entry-level workers as expendable but instead installed training to build the core of the organization. Instead of promoting any longtime employee to manager and giving every manager the title of director, they began putting the best candidates in management and equipping them to achieve their potential. A better manager corps also helped communication by making for a better channel between senior management and employees.

Goals, accountability, and management got practical for employees when FMA built a performance management system to bring organizational goals down to the level of individual employees. Managers were trained to have regular conversations with employees about progress toward those goals. FMA also installed a tiered compensation protocol to reward higher-performing employees.

With these interventions rolling out over time, FMA's culture steadily improved. The year after the original employee engagement survey, the culture rose from the toxic range to the critical range. Two years later it registered as healthy. And three years after that FMA had a flourishing workplace culture. The transformation took six years, but it was dramatic, as if it became a whole new ministry, facilitating strong growth.

The biggest test on their road to flourishing came when senior leadership considered whether to move their headquarters to another state. Employees heard rumors and suspected that as a result of the relocation, they wouldn't have a job, and that perhaps that was the point—that management was moving the ministry because they didn't want the

current employees to work for them. Everyone was surprised when senior leaders announced at an all-staff meeting that the relocation was going to happen, but that they wanted every employee to come along, and they would provide assistance to make that happen. People gasped. They took the promise as a strong statement that leaders did want them and care about them. Even though only about half relocated with the ministry in the end, rather than disrupt progress toward a flourishing culture, the way FMA made the move reinforced it.

The life-giving work of sending missionaries into unreached areas became secure because of a sustainable strategy. Healthy communication between senior leaders and employees made possible fantastic teams that collaborated across departmental lines. Outstanding talent was retained and deployed wisely through uplifting growth and rewarding compensation. And all of it came about from inspiring leadership that took the trouble to listen to employees and take tangible steps to improve their well-being and engagement.

The story of FMA's culture is special but not unique. Every ministry, school, and business is invited daily to turn these keys on their road to flourishing.