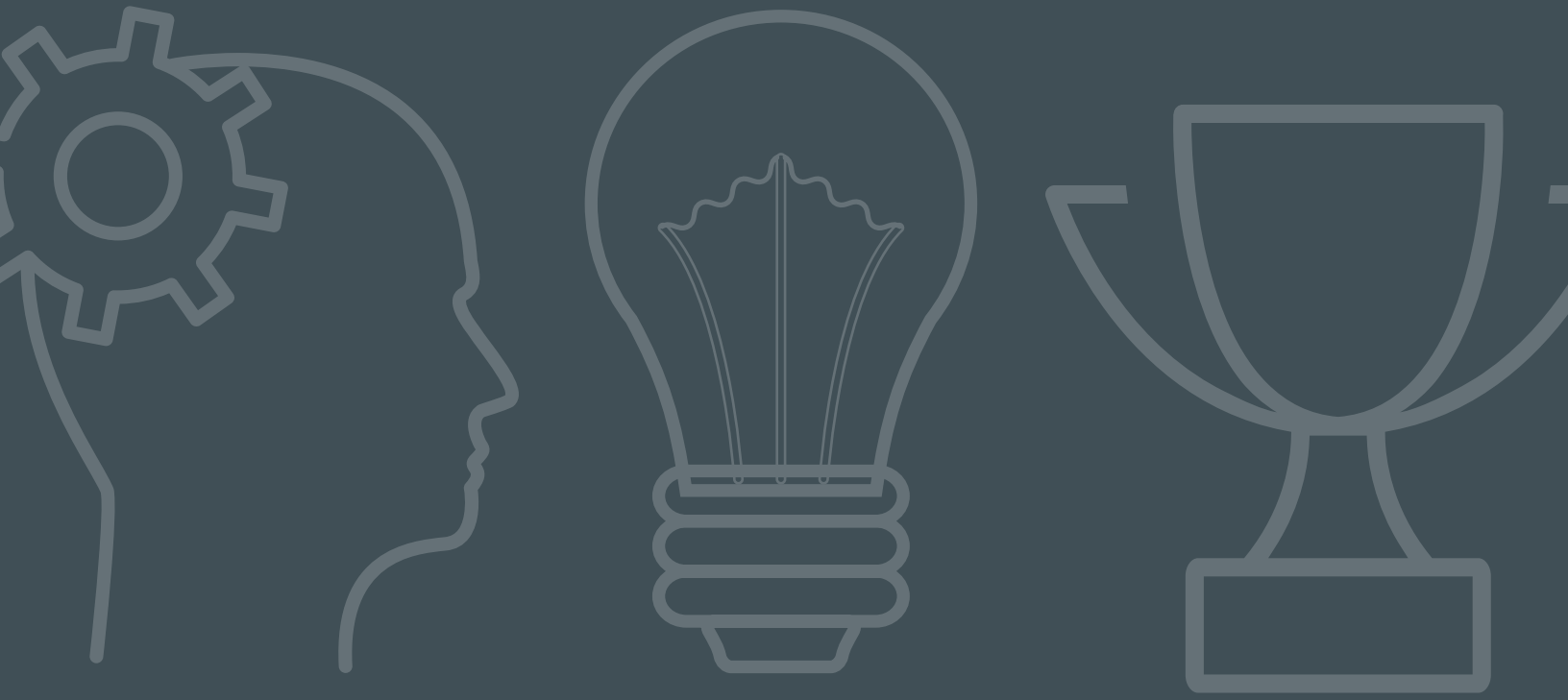
The Definitive Guide to **Employee Engagement**

9 Surefire Strategies to Create Happier, Engaged, and Productive Employees So Your Organization Can Thrive



SNACKNATION

www.SnackNation.com

Index

Introduction 4
HOW TO USE THIS GUIDE

Chapter 1 7
WHY EMPLOYEE ENGAGEMENT MATTERS

Chapter 2 13
THE 9 PILLARS OF EMPLOYEE ENGAGEMENT

Chapter 3 14
VALUES & PURPOSE (THE WHY)

Chapter 4 24
COMMUNICATION

Chapter 5 34
HEALTH AND WELLNESS

Chapter 6 44
WORKSPACE AND ENVIRONMENT

Chapter 7 52
WELL-DEFINED ROLES

Chapter 8 57
RELATIONSHIPS WITH COLLEAGUES

Chapter 9 65
RECOGNITION AND INCENTIVES

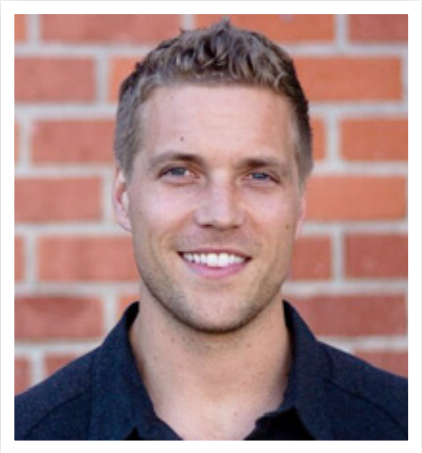
Chapter 10 69
AMAZING MANAGERS

Chapter 11 77
PERSONAL GROWTH AND DEVELOPMENT

Chapter 12 85
BRINGING IT ALL TOGETHER, EE STRATEGIES IN ACTION

Appendix 92
WHAT YOU CAN DO TODAY

ABOUT THE AUTHORS



Sean Kelly

CEO, SnackNation
Chairman, Association of Workplace Engagement (AWE)

Sean Kelly is the CEO of SnackNation, a healthy office snack delivery service that makes healthy snacking fun, life more productive, and workplaces awesome. Sean is also the Chairman of AwesomeOffice.org, an association dedicated to helping companies maximize employee engagement, productivity and wellbeing, and the host of the Awesome Office Show, a top 50 business podcast on iTunes. Sean holds a degree in Biomedical Engineering from Columbia University, and has been named to Forbes' 30 Under 30 and Most Promising CEOs Under 35 lists.

Follow Sean on Twitter: @Seanpk

Jeff Murphy

Director of Communications, SnackNation

Jeff Murphy is the Director of Communications for SnackNation, where he oversees marketing content strategy, and the producer of the Awesome Office Show. He is also an avid writer and surfer, and earned dual degrees in English and Political Science from the University of California at Berkeley.

Follow Jeff on Twitter: @J3ffmurphy

Introduction

First, congratulations are in order.

Congratulations for embracing the idea of employee engagement and for taking the first step on a journey towards creating a healthier, happier, more creative, and more productive workforce. Like exercise, where half the battle is just showing up to the gym, the key to creating a more engaged team is simply caring about it each and every day.

At SnackNation, engagement is something we think about constantly, both for our own employees and for the companies we serve. It's why we do what we do. It's also why we've put together this guide - to help you transform your organization and create an environment where your employees can strive to be their best selves every single day.

Engagement is a tricky topic. Most executives have heard of it, but few really understand it. That's why we've spent tons of time and energy

INTRODUCTION

creating *The Definitive Guide to Employee Engagement* – to help you filter out the noise and focus on what really matters. Think of this as your one-stop-shop for developing and deploying a powerful employee engagement strategy that will enable you to maximize the energy, creativity, and productivity of your company's work force, and allow your organization to thrive.

We've compiled ideas and data from the leading researchers in employee engagement, as well as case studies and recommended action steps that show what these ideas look like in the real world. At the end of this journey, you'll have the tools necessary to develop and apply an engagement strategy that fits the specific needs of your organization.

HOW TO USE THIS GUIDE

A quick note on how to use this *Definitive Guide*.

The benefits of an engaged workforce are many, and go way beyond the bottom line. Engaged workers are happier, healthier, have a sense of purpose, and lead more fulfilling lives. The point of this guide is provide you with the tools, knowledge, and know-how to develop and execute a world-class engagement strategy - and reap the benefits for your own organization.

We took a two-pronged approach, focusing equally on theory and practice, and incorporating real world examples wherever we could.

We start with the basics - in Chapter 1, we define the concept of employee engagement, tracing how it's evolved over time, and pinpointing why it's critical that your organization adopts it as a framework for success.

Once we've defined the concept, we introduce our **Nine Pillars of Employee Engagement** in Chapter 2. After poring over the academic literature, interviewing countless people-focused executives at some of the most engaged companies in the country, and drawing from our own experience as an engagement-focused company, we've pinpointed nine pillars of employee engagement. These are the nine essential elements that your engagement strategy needs to address, and that all engagement strategies must touch in order to be successful.

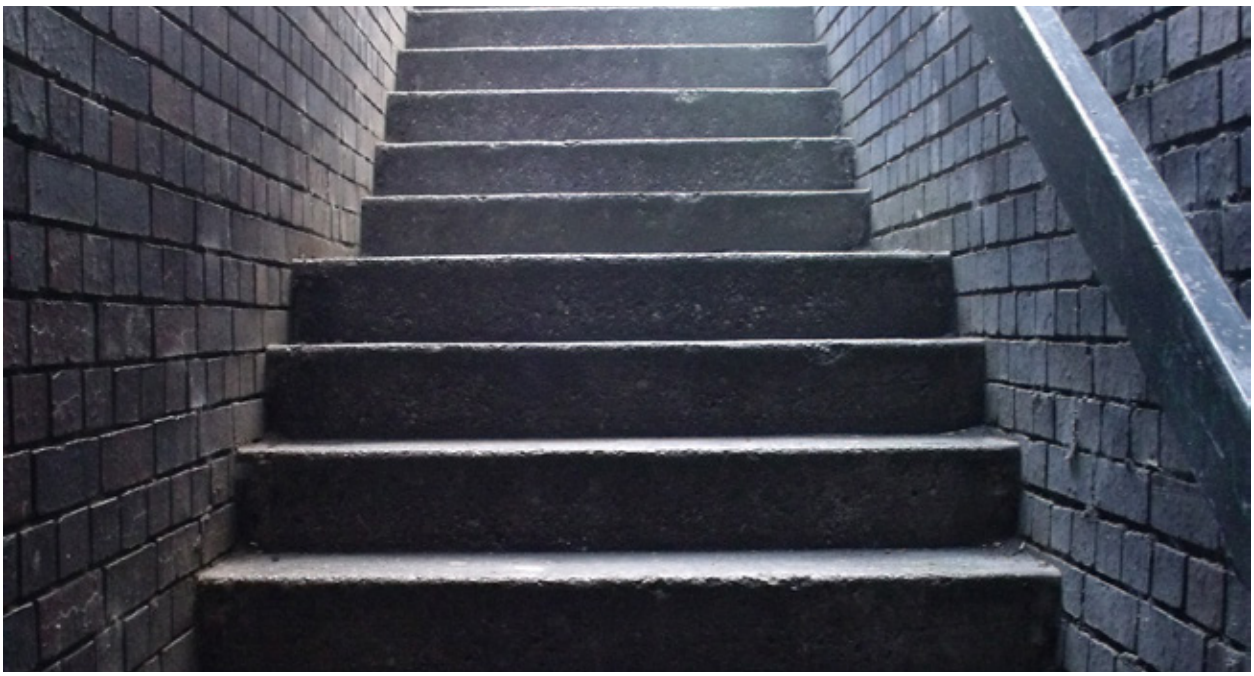
INTRODUCTION

From there, we dive into each concept in depth, dedicating a chapter to each, and further clarifying the basic ideas with the latest, most relevant theoretical research.

Theory is great, but we're firm believers that ideas aren't worth much until they're applied. We wanted this guide to be *actionable*. To this end, each pillar chapter features an example or full blown case study of the theories discussed, as well as specific steps you can take today to help put these ideas into action. To make it easy, you'll find these Action Steps at the close of every pillar chapter (3-11), indicated by the symbol .

Lastly, we bring everything together in the final chapter, with a sample employee engagement strategy that integrates everything you'll have learned in the previous chapters. This last section is meant to inspire you to develop an ideal engagement strategy for your organization. Remember that engagement is not a one-size-fits-all solution. Every organization is different, with different goals, values, and challenges. We recommend that you use our strategy as a guide, and then tailor it to fit the specific needs of your unique team.

So, again, congratulations on taking that first step. Now let's take the next one, shall we?



Chapter 1

WHAT IS EMPLOYEE ENGAGEMENT?

Employee Engagement. We've all heard of it. Some of us may even know that it's important. But why is it important? And before we even get into that, what exactly *is* it?

Unfortunately, defining the concept isn't as simple as it sounds, and there seems to be as many definitions as there are so-called employee engagement "experts." (In other words, a *lot*.)

First, it might help to clarify what employee engagement is *not*. Contrary to popular belief, employee engagement is not the same thing as job satisfaction, nor does it simply mean job happiness. Believe it or not, individuals can actually be satisfied with their jobs and still be disengaged.

Consider the employee (we'll call him Daryl) who breezes into the office late each day, leaves early, and still collects a hefty paycheck. In between time spent browsing TMZ.com, checking the lineup

for his fantasy football team, and answering personal emails and phone calls, he might do an hour of actual work for his company. Daryl may be satisfied by this arrangement. He might even be happy with it. (In point of fact, Daryl is downright giddy.) But by no means can we say that Daryl is engaged at work.

All engaged employees are, to a certain extent, content, but not all content employees are engaged. So what's the difference? The answer lies in *performance*.

It's not just happiness or satisfaction that matters, but how those emotions directly relate to the individual's and company's performance and productivity. As entrepreneur and engagement expert Andre Lavoie points out in a column for Entrepreneur magazine, performance and engagement are intrinsically related:

> "A good leader values employee happiness. A great leader values the employee engagement that results from that happiness. That is what employee engagement is, after all - the degree to which an employee's feelings about their job (and boss) influences their willingness to learn and perform at work."

Experts have also used the concept of "discretionary effort" to help define engagement, referring to the amount of extra time that employees are willing to put in at work, above and beyond what's expected. To us, this description falls short, since an employee may be donating her discretionary time, but because she feels intense pressure, not because she's inspired by a sense of purpose or fulfillment.

For our purposes, the definition offered by Emma Bridger (which in turn borrows heavily from ideas first proposed by John Smythe in his book "The Chief Engagement Officer"), works best:

> Employee engagement is "[t]he extent to which people are personally involved in the success of a business."

Why do we like this definition? Well, besides the fact that it's clear and concise,

this formulation works because it captures both the performance aspect inherent to engagement, as well as the oft-overlooked (but equally critical) *emotional* component. Engaged employees will go the extra mile because they feel a strong emotional connection to the organization. They want their businesses to succeed because they identify with their company's mission, purpose, or values on a *personal* level.

An engaged workforce is not unlike a D1 college sports team, in which teammates bond through shared goals, commons experiences, and the triumphs and struggles of a long and sometimes challenging season. Often, the bonds formed between teammates, their coaches, and their schools last a lifetime, and benefit the individuals in unexpected ways for years to come.

While this might sound like the definition of "the soft stuff," believe it or not, this personal connection can actually be measured by an employee's willingness to recommend their company as a good place to work or do business.

Engaged employees go that extra mile because success is personal for them. As we'll uncover, these two factors - emotional connection and performance - are the two most important concepts in understanding engagement and creating engagement strategies that work.

To further drive home the point, engaged employees also share a number of common characteristics:

Engaged employees...

- are self-guided
- have well defined roles
- understand their contribution to the organization
- invest in personal and professional development
- feel connected to their team and the larger organization

WHAT IS EMPLOYEE ENGAGEMENT?

WHY EMPLOYEE ENGAGEMENT?

If you care about engagement, you're not alone. According to Deloitte, retention and engagement has risen to the second most thought about topic in the minds of business leaders, second only to the challenge of building global leadership.

So why all this focus on engagement?

Believe it or not, we're all in the business of employee engagement.

Consider this: engagement affects every person inside your organization, and every person in-side your organization affects your bottom line. Your employees are your first customers, and by far the most important.

This idea is best expressed in the Service-Profit Chain, a model first theorized by a group of Harvard Researchers in the nineteen nineties that establishes links between profitability, customer loyalty, and employee engagement. The formulation traces profitability to the value created by satisfied, loyal, and productive employees. Businesses, the theory goes, must create the conditions for satisfied and engaged employees, in order to create valuable, loyalty-inspiring experiences for customers, which will ultimately drive profits.

The best business leaders know that an engaged workforce can drive innovation, increase performance and raise productivity, grow the organization, improve customer care, and foster loyalty, both internally and externally.

The Costs of Disengagement
There's empirical data to back up the importance of engagement as well. According to the latest research, non-engaged employees cost this country billions.

WHAT IS EMPLOYEE ENGAGEMENT?

Research firm Gallup recently reported that an astonishing 68.5% of U.S. employees are not engaged in their current roles. Within that group, 17.5% of the workforce characterize themselves as actively disengaged, which means that they are *actively working to undermine the success of their own companies*. (Let that last idea sink in for a moment.) What's worse, actively disengaged workers are not only unhappy and unproductive themselves, but their negativity actually rubs off on the people around them, turning potentially engaged employees into non-engaged workers.

> 68.5% of U.S. employees are not engaged in their current role.

According to their 2013 State of the American Workplace report, Gallup estimates that active disengagement costs American companies $450 - 550 billion in lost productivity each year.

Perhaps not surprisingly, Millennials are the least engaged segment of the workforce, with only 28.9% identifying as engaged, compared to 32.2% for Generation X-ers, and 42.2% for so-called "Traditionalists." Raised on technology and with high expectations for a workplace that delivers seamless and fulfilling work-life integration, these younger employees are often disappointed by the work environments in which they find themselves.

Not your problem? Think again.

This data likely means that unless employers adopt a proactive strategy, engagement will decrease as Baby Boomers and Traditionalists retire and these younger workers make up an increasing percentage of the workforce. In early 2015, for the first time ever, Millennials became the largest demographic in the workplace, and by 2020 they're expected to make-up more than 50% of all workers. Times are certainly changing, and your company must too.

WHAT IS EMPLOYEE ENGAGEMENT?

Worldwide, the numbers are even more dismal. According to their 2013 global survey, Gallup found that only a paltry 13% of workers were engaged, and 24% were actively disengaged. Approximately speaking, this translates to 900 million not engaged and 340 million actively disengaged workers around the globe. Think of all the things this potentially productive workforce could accomplish with a different mindset!

If you still need convincing that engagement matters, try this on for size - research shows that engaged companies consistently outperform their competition in a number of categories, including profits, productivity, and retention.

There are several factors driving the trend towards a greater emphasis on employee engagement, chief among them being the shift towards an information and service economy. In other words, people are more important than ever, and as a result, the role of HR has morphed from a backend administrative function that mostly focused on hiring and compliance, to a front-and-center strategic role that many business leaders now see as critical to the overall success of an enterprise.

You simply can't afford to ignore employee engagement. This isn't about whether or not your company will thrive - it's first and foremost about whether you'll survive.

Trends in HR are driving towards the increased importance of Employee Engagement

- Employee-employer relationship transitioning from paternalistic model to partnership
- Increased demand for work/life balance
- HR's greater role in performance and company strategy
- Increasing focus on selective retention for keeping mission-critical talent
- Decline in traditional communication, increase in digital
- Needs of the talent pool driving hiring practices

Chapter 2

THE 9 PILLARS OF EMPLOYEE ENGAGEMENT

As we've already seen, employee engagement is complex.

Engagement is closely linked to an employee's emotional connection to his or her company, and how that connection translates to job performance. There are multiple factors that influence these emotions - trust in leadership, reputation, good managers, quality and frequency of communication, health and wellbeing, the list goes on. Add to that a laundry list of cognitive and skills-related factors. The deeper you go, the more confusing employee engagement can seem.

With this in mind, we've identified nine key areas that every successful employee engagement strategy needs to address. We call them...

The 9 Pillars of Employee Engagement

1. Values & Purpose (the Why)
2. Communication
3. Health and Wellness
4. Workspace / Environment
5. Well-defined Roles
6. Relationship with Colleagues
7. Recognition and Incentives
8. Buy-in from Managers
9. Personal Growth and Development

Now, let's take a closer look...

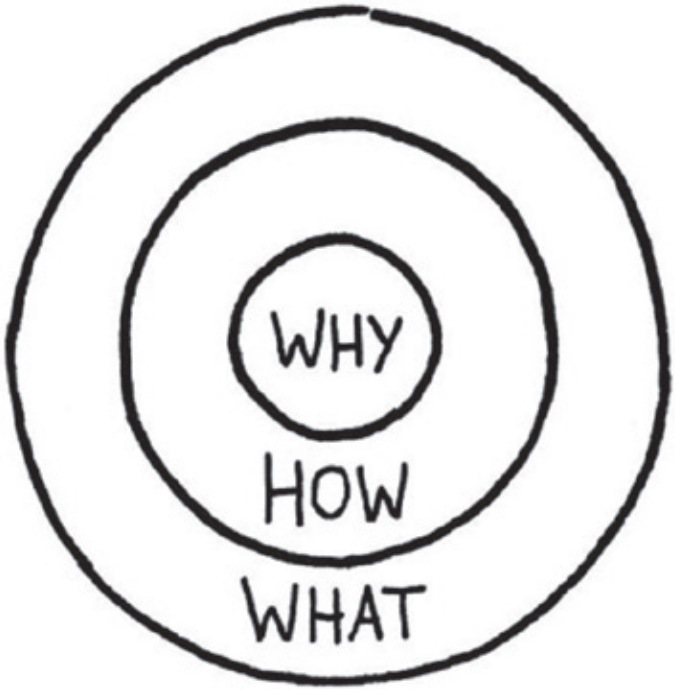
Chapter 3

VALUES AND PURPOSE (THE "WHY" OF YOUR BRAND)

Why a company exists can sometimes be difficult to pin down. What your business does and how it does it - most people in the organization can probably tell you that. But why it exists? That terrain is a little harder to navigate, and often hard to articulate.

But, as Simon Sinek demonstrated in his widely referenced TED talk (and subsequent book), the best brands and most innovative companies start with Why, and let that drive their What and How.

Let's be clear - the "Why" of your business doesn't refer to goals like solvency or profitability. It's something deeper. It's a purpose, a cause, or a belief that drives you forward - the thing that gets you out of bed in the morning. It's why you do what you do on a spiritual, socio-political, or philosophical level, and it can be wide or narrow in scope. Your Why might be to help people achieve something specific, to solve a particular problem for a particular community, to challenge the status quo, or even to make the world a better place.



As AdoptTogether.org founder Hank Fortener pointed out on the Awesome Office Show, human beings are tribal. We have an innate desire to be a part of something bigger than ourselves. A sense of purpose is one way of doing that, because it connects us to a common, higher mission, and inspires us to put the needs of others before our own.

VALUES AND PURPOSE

Arming your employees with a sense of purpose is critical to creating the emotional bond between your employees and their work, and thus boosting their engagement. As a recent study from Deloitte demonstrates, how well you communicate your company's purpose is directly correlated with how engaged your employees are.

The most basic expression of the Why of your brand should be your mission statement. A mission statement is a clear, concise statement that encapsulates the Why of your brand. Here are a few examples of mission statements that do a great job of this:

Google: organize the world's information and make it universally accessible and useful.

Zappos: deliver happiness.

TOMS Shoes: help provide shoes, sight, water, safe birth and bullying prevention services to people in need.

Whole Foods: help support the health, well-being, and healing of both people — customers, Team Members, and business organizations in general — and the planet.

Teach for America: enlist, develop, and mobilize as many as possible of our nation's most promising future leaders to grow and strengthen the movement for educational equity and excellence.

SnackNation: make healthy snacking fun, life more productive and your office awesome.

As you can see, mission statements can vary widely in scope and ambition. Some mission statements, like Google's, have a direct line of sight to the company's business. For others - like TOMS Shoes or Zappos - the connection is less obvious. Either way, a good mission statement needs to be a clear, concise articulation of your brand's particular "Why."

VALUES AND PURPOSE

Likewise, a company's core values are an extension of your "Why," a way to clarify and codify your organization's purpose, as well as the ideal standards, methods, and practices by which you aim to achieve that purpose.

Here are some examples of core values that capture and build upon their particular Why:

Google

- Focus on the user and all else will follow.
- It's best to do one thing really, really well.
- Fast is better than slow.
- Democracy on the web works.
- You don't need to be at your desk to need an answer.
- You can make money without doing evil.
- There's always more information out there.
- The need for information crosses all borders.
- You can be serious without a suit.
- Great just isn't good enough.

Zappos.com POWERED by SERVICE

- Deliver WOW Through Service
- Embrace and Drive Change
- Create Fun and A Little Weirdness
- Be Adventurous, Creative, and Open-Minded
- Pursue Growth and Learning
- Build Open and Honest Relationships With Communication
- Build a Positive Team and Family Spirit
- Do More With Less
- Be Passionate and Determined
- Be Humble

TOMS One for One

- Give Sustainably. Give Responsibly.
- Giving Partnerships
- Identify Communities That Need Shoes
- Give Shoes That Fit
- Help Our Shoes Have a Bigger Impact
- Give Children Shoes As They Grow
- Welcome Feedback and Help Us Improve

VALUES AND PURPOSE

- Selling the highest quality natural and organic products available
- Satisfying and delighting our customers
- Supporting team member excellence and happiness
- Creating wealth through profits and growth
- Caring about our communities and our environment
- Creating ongoing win-win partnerships with our suppliers
- Promoting the health of our stakeholders through healthy eating education

- Transformational Change
- Leadership
- Team
- Diversity
- Respect and Humility

- Do the right thing
- Serve and inspire
- Crush it with "Yes!"
- Be fun and unreasonable
- Seek perpetual growth
- Crave and devour challenges
- Innovate or die
- Communicate authentically

The best values provide a framework for achieving the mission using methods consistent with the Why of your band, so that employees have a framework that helps them in planning, decision making, and execution of both daily and big picture tasks.

Why Values Matter - The Inside-out Effect of Culture
So how do values affect the day in and day out operations of your organization? The answer lies in the inside-out effect of culture.

In a functional sense, your organization's culture is the sum total of the beliefs and behaviors that guide interactions between employees and other key stakeholders,

both internally and externally. Culture manifests in observable things like hours, dress code, benefits, workspace, turnover, hiring, and customer care and satisfaction.

But culture is also something less tangible - it's a feeling or a vibe, the mood and energy people bring in each day, the language they use, the mindset they adopt, and the methods they use to solve problems.

While culture is something that can develop organically over time as your business changes or as your company grows, the character of your culture and the pace and direction of its growth is not accidental. As a leader in the organization, it's your responsibility to be a cultural steward and to set the course of that development. The mission and values are the bedrock for your company's culture, and are your biggest tools for steering your culture in the right direction.

So what happens when you don't get this right?

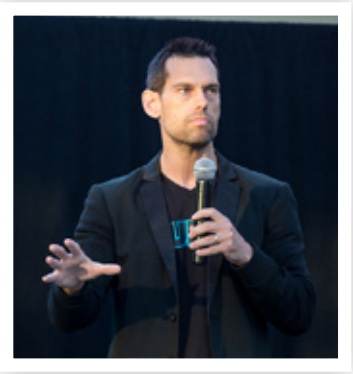
An inconsistent culture can create a disconnect within your organization, which can have negative consequences for current and potential customers, and cost your business significantly in the long run. Remember that everything you do as a brand, both internally and externally, carries subtle messages, and inconsistency in these

messages can undermine the trust you've worked so hard to cultivate with customers and employees alike. Starting with the Why and working outwards to the How and What of your brand ensures a consistent message that will permeate the internal culture, and positively influence the external brand, product, and customer experience.

Assessing an internal culture might seem like a daunting task, but often, it's as simple as a taking a look around and asking some tough questions:

Questions to assess the health of your company culture:

- *Do you and your employees socialize outside of work?*
- *Do most of your employees have a best friend at the office?*
- *Are your employees more likely to accept responsibility for their mistakes or pass the blame to others?*
- *Are your employees likely to recommend working at your company to a friend?*
- *Do you observe any common bad behaviors, like employees leaving early?*



According to the most engaged companies, culture begins long before an employee sets foot in the office, and is built into the hiring process. For passionate cultural vanguards, like Quest Nutrition President Tom Bilyeu, culture takes a front seat in the hiring process, ahead of even things like job skills or technical knowledge. He advises managers to approach the hiring process as one might approach selecting a spouse. He recently recommended socializing with candidates prior to making a hiring decision on the Awesome Office Show. It's important for you and others on your team to enjoy hanging out with a potential new team member. In fact, few things are more critical. Good cultures don't make a distinction between "work" and "life" – rather, they understand it's all just "life."

VALUES AND PURPOSE

By prioritizing cultural fit, companies ensure that they maintain their cultural authenticity, and ensure that they don't lose sight of the Why of their brand as they grow.

Case Study - Zappos

Quadrupling Growth By Cultivating a Culture of WOW

For retail innovator Zappos, the Why of their brand can be summed up in a single word - happiness.

The concept of delivering happiness is the foundation of the company's culture and values, and informs everything they do, from the way they hire, to their famously responsive customer service and free shipping.

Founder Tony Hsieh arrived at this concept in a circuitous fashion. Unhappy at LinkExchange, the company he founded and sold for a nine-figure sum back in 1998, he knew he needed a change. After trying his hand at investing in and incubating startups, Hsieh realized his happiness lie in building something from the ground up again. Luckily, he soon found himself at the helm of one his investments - a scrappy online footwear business, whose name was inspired by the spanish word for "shoes." That company was Zappos.

Fast forward to early 2000, and Zappos was struggling to stay afloat. Low on funding and without a proper marketing budget, the company strategically focused on over-delivering on customer experience as a way to foster word of mouth. This strategy (combined with a shift in consumer sentiment towards online retail) proved to be exactly what the business needed, and Zappos saw explosive growth. Sales hit $32 million in 2002, a 400% increase from the year before.

This turn was a watershed for Hsieh. He recalled his experience getting things in the mail as child, and the joy it brought, and suddenly it clicked for him. While the product was important, Zappos wasn't in the shoe business. They were in the

happiness business. The company focused on delivering "wow" to their customers, and made extremely attentive customer service and free shipping and returns hallmarks of the brand.

And happiness, he found, didn't have to be mutually exclusive. Customer happiness could coexist with employee happiness, investor happiness, and even his own happiness. It was clear that delivering happiness (on all fronts) was Zappos' overarching mission.

With this as his premise, Hsieh then set about breaking the mission into ten core values. Rather than develop them in isolation, he crowd sourced the task, inviting the entire company to provide suggestions, and eventually arriving at the ten values that underpin the company's culture (see above), which include "deliver WOW through service," "do more with less," and "be humble."

While the organization has grown and evolved over time, happiness remains the foundation of the culture, in part because of Zappos' unique hiring and onboarding process. As Zappos' Insight Manager Erica Javellana explains, it all comes down to fit. "Hiring the right people is probably the most important factor," she says.

All potential Zappos employees undergo two separate interviews one for job skills, and another for cultural fit, the latter of which is viewed as more important than the former. Zappos candidates are also encouraged to socialize with their prospective teams before they are hired to see if they get along outside the office, and often with the CEO himself. "We ask all potential hires how they feel about socializing with co-workers," Javellana says. If candidates express a desire to keep their business and personal lives separate, that's a red flag. Ideally, Zappos employees can be the same person in and out of the office. "There's no concept of work-life balance here," she elaborates. "It's all just life."

VALUES AND PURPOSE

"There's no concept of work-life balance here. It's all just life." - Erica Javellana, Zappos

To really drive home the concept of delivering happiness and how important it is to the business, all newly hired employees (no matter what the job title) go through the same four week training process as the call center reps, two weeks of which is actually spent fielding customer service calls. The point is to understand the business at its most important touchpoint - at the customer level. At the end of the training, Zappos new hires are then presented with the option to quit on the spot. Employees who opt to quit are paid for their time and offered a spot bonus (around $2,000). This cash incentive to leave helps weed out any potential mistakes in the hiring process.

One of the reasons cultural fit is so important is that at Zappos, culture drives decision making, not policy. Core values, Javellana says, are a framework that inform every interaction, both inside and outside the company. Zappos' focus on delivering wow has paid off, and helped revolutionize the way business leaders think about purpose and its relationship to engagement. Revenue has seen hockey-stick growth since Hsieh's eureka moment back in the early 2000s, and now sees revenues in excess of $2 billion annually.

The Zappos' story highlights how a purpose-driven company can galvanize employees around a common cause, create an emotional bond between employees and their company, and drive massive profits all at the same time.

Action Steps

- Start with Why: sit with your founders and write out a clear, concise statement about why your company exists in the first place. Ask, What gets us out of bed in the morning?
- Create a mission statement and company values based on the answer to

this question. The mission statement should be a one or two sentence formulation of the problem you are trying to solve. The values should be 5-10 methods, practices, and standards that your employees can use to achieve this mission. Be as authentic as possible here.

Use the values and mission statement to form the basis of your company's culture. They should serve as a guide for internal interactions and team behaviors. Ensure this happens by creating internal systems that help shape these behaviors. Display your values prominently in your office space, but much more importantly, reiterate them in internal communications, work them into your hiring process, and periodically test the organization's knowledge of them.

Create activities and recognition programs that embody your company's values. For instance, if your company values innovation, create a quarterly award for the employee who developed the most innovative approach to a problem he or she faced.

Be consistent, and again, make sure you're 100% authentic. Reflect your values/culture in all aspects of your brand, internally and externally, including your brand's visual aesthetic, messaging, workspace, and charitable activities.

Chapter 4

COMMUNICATION

The importance of good communication can't be overstated. So often what appear to be chronic or systemic morale problems can be solved with better communication. What's more, many of the other pillars - company values, clearly defined roles, recognition and incentives - require proper communication in order to be effective.

There's certainly a functional element of communication that's directly related to productivity. Employees need timely access to necessary, job-specific information in order to perform essential tasks. To this end, they need the appropriate communications tools and channels to disseminate this information.

What HR and communications professionals sometimes overlook is the emotional element inherent to internal communications, as well as the direct impact it can have on engagement. This emotional component of communication speaks to our basic human need to feel valued. When employees receive proper, positive, and constructive communication, they feel in the loop and included. Good communication also establishes trust and legitimacy between executives and their employees, and between managers and their direct reports.

Good communication doesn't happen automatically, or overnight. It takes thoughtful planning and execution - along with a degree of flexibility - to get it right.

So how does one design and execute a stellar communications strategy? There are a few things you need to focus on from the get-go.

COMMUNICATION

Communications Essentials

In order to be effective, your internal communications must be:

- *frequent and consistent.*
- *a two-way street.*
- *consistent with the brand and culture.*
- *multi-channel.*
- *fully inclusive.*

Frequency and Consistency

Quality communication can't be a one-time occurrence. It must be a long-term strategy, ingrained in your culture and the way you do business, both internally and externally. To this end, you need to set goals for the frequency of communication for each channel and for each internal audience (i.e., company-wide, department-wide, etc.) and stick to them. Your employees need to know what types of information they will receive and when, and they need to see you make good on your promises to deliver it. Frequent and consistent communication can go a long way towards establishing trust and legitimacy within the organization.

So how much communication is enough? It often depends on the size and character of the organization, but for company-wide communications, once a month is good, while once a week is better and recommended.

High quality, frequent communications take time and resources, but costs shouldn't be prohibitive. Keep in mind that not every piece of communication needs to be overly produced. A thoughtful, well-written email from a CEO to the entire company once a week is certainly doable, and can make a real, positive impact on team-morale and employee engagement.

More importantly, the cost of poor communication is nothing short of the effectiveness of your entire organization. Communication is simply too important to neglect.

COMMUNICATION

The Importance of Dialogue

Believe it or not, there are instances in which communication can actually hinder engagement - when the communication is unilateral.

Things start to go wrong when employees feel like they are being dictated to as opposed to being an equal, active participant in a conversation. Universally, people hate feeling like puppets on a string – they strongly desire autonomy and a sense of control.

That's why communication must be a dialogue. Employees need to truly feel like they are giving as well as receiving information. In practice, this can take a number of forms. Something as simple as a suggestion box (physical or electronic), surveys, or executive office hours can achieve the desired result.

Consistency with Brand, Culture, and Values

We're big believers in the inside-out effect of culture (see chapter 3). That is, that the internal culture of your organization invariably influences your external brand, product, and customer experience. Remember, your employees are your first customers. Accordingly, your internal communications need to support the culture you are trying to cultivate, which in turn will help create the brand and customer experience that your market desires.

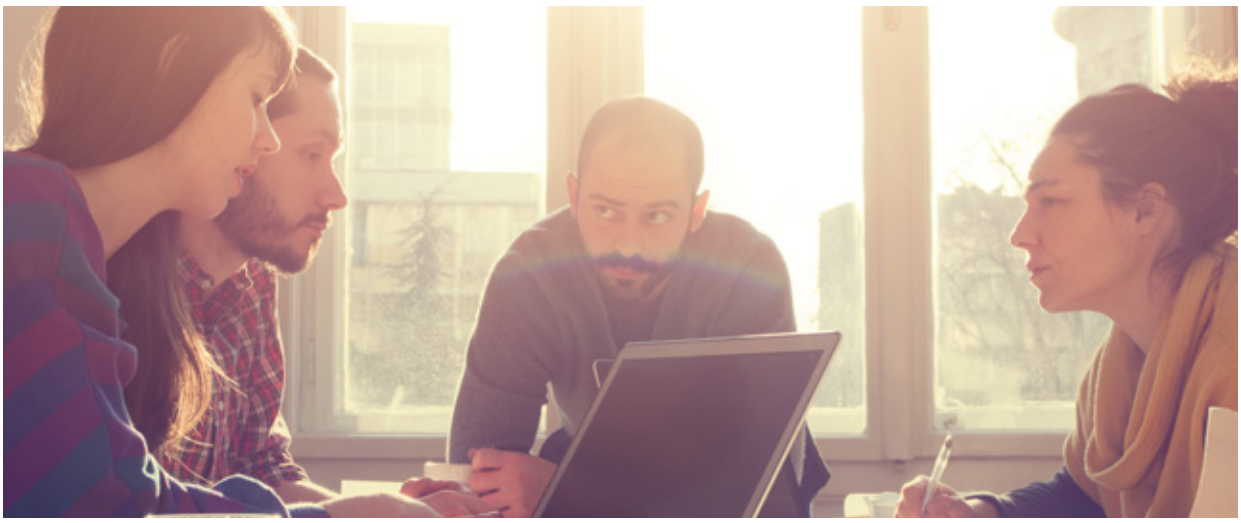
What does this mean in practice? If you are an app developer geared primarily at Millennials, and your brand is fun, irreverent, and non-traditional, then the tone, aesthetic, and form of your internal communications should also be fun, irreverent,

and informal. On the flipside, if you are a financial services firm whose brand has to project authority, expertise, and trust, your internal communications should reflect those qualities as well.

Communications Tools and Channels

Most companies make the mistake of relying too much on email. While email can be a fantastic tool and an office necessity, it's not the best channel for every type of communication, and the pitfalls of relying too much on email are well known. Too often, questions that can be quickly answered face-to-face or over the phone are put in writing and thrown on the pile, creating delays and information bottlenecks. Additionally, email can escalate confrontations, as people are more likely to use harsh language over email than in person, and the tone of written communications is much easier to misinterpret.

There are a number of other communications tools - some high-tech, some not so much - that are better suited to specific situations, or that can supplement email as a primary communications channel. Here's a rundown of some of the best.



The Morning Meeting/Team Huddles: For smaller offices, morning meetings can be a relaxed, efficient way to touch base and make sure everyone is on the same page for the day or week. This tactic works great for small- to mid-sized businesses, in which the entire org is small enough to comfortably fit in a central meeting space. For larger companies, you can try this tactic on a team or department level. (See chapter 8 for a more in-depth case study.)

COMMUNICATION

The "All-Hands" Meeting: For larger organizations (those with 100 or more employees), this is an essential part of your communications toolkit. Often, all-hands are the only times the entire organization is in the same physical location all at once, and one of the few times some employees have a chance to learn about the large, strategic vision for the business. We recommend a town-hall style forum, led by senior executives, in which your organization can receive updates on the strategy, vision, and current state of the business, as well as have a chance to ask executives questions in a public forum.

The benefits of all-hands meetings for large organizations are two-fold. These gatherings are a chance to give employees essential updates on the company strategy and vision, as well as a chance to reinforce company values. For individual employees, this information can be hugely beneficial in their day-to-day decision-making.

On top of that, it helps create a sense of belonging and purpose. Employees feel connected and part of the "tribe" of their company. Without these quarterly gatherings, large org's risk employees feeling isolated and disconnected from leadership and big picture goals.

CEO Office Hours: In that same vein, many of the top CEOs are borrowing a page from the playbook of their favorite college professor, and making themselves available for office hours.

The idea is to dedicate several hours each month during which any employee can drop in or schedule time with the CEO or other senior leaders to ask questions, suggest changes in the organization or business strategy, or even pitch new product ideas.

The benefits of this tactic actually extend both ways. Employees will appreciate the accessibility, and feel listened to and that their ideas matter. For CEOs, these sessions can be invaluable ways to gain outside perspectives and insights into the brand and product as they evaluate the company's strategy and vision.

Enterprise Social Networks: And no, we're not talking about Facebook or even LinkedIn. While you might associate social network as nothing more than office time wasters, there's no denying that social networks are one of the most efficient means of disseminating information across a large group of people. There's a reason things go viral in social networks: the platforms are literally built for it. So how do you harness the viral potential of social networks for the office?

That's where enterprise social networking comes in. Companies like Slack, HipChat, Lua, Switch, and others have created purpose-built enterprise communications solutions that harness the power of the social feed. Most of them feature a Facebook- or Twitter-style private newsfeed, access to which is limited to the people within an organization, and enable tagging and sharing. Other features include company-specific data and insights, and project management and collaboration tools.

Enterprise social networks work well in organizations of all sizes, and are great for company-wide announcements, and information sharing, such as the dissemination of relevant news articles or white papers (like this one!), project management, and collaboration.

The "Suggestion Box": Another mainstay of offices, the suggestion box has a reputation of being a passive, old-school HR tactic, a way of giving lip-service to the importance of dialogue without actually engaging in it. However, the suggestion box has one major advantage over all other communications channels, and because of this, still has its place in the enterprise. That advantage? Anonymity.

Anonymity is important for the simple fact that it allows employees to speak their minds without fear of reprisal. If you care about hearing the honest truth about your organization, anonymity is a must.

Suggestion boxes come in many forms these days, from the tried and true physical lock box, to anonymous online submission forms. Of course, the trick to making the suggestion box a viable, meaningful channel is to actually use and implement the suggestions you receive. While the quality of the suggestions will inevitably vary, at the very least, you should acknowledge the suggestions you receive, and explain why or why not they are actionable. A suggestion box has the power to prove to your organization that you care about what they have to say, and that you're serious about partnering with them to create an environment in which they can thrive. If your suggestion box is a black hole, the organization will lose legitimacy, and you risk turning employees off.

Case Study - Social Networking Company
Using Internal Communications to Plug the Leak and Right the Ship

In the mid 2000s, a major Los Angeles-based social entertainment company (who chose not to be named for this guide) grew from a small start up to a major cultural phenomenon in just a few short years. By 2007, the site had millions of active users, was flush with media attention, and was credited with ushering in the social media area.

On the strength of this meteoric growth, they had been snatched up by a global

media company in a high profile acquisition for a sum in the hundreds of millions.

But by 2010, the company was facing huge challenges in the market. An onslaught of younger, nimbler competitors had taken bites out of their market share, and the company's product lagged behind in comparison to these upstarts. Before they knew what had hit them, the company had fallen from celebrated social media pioneer to beleaguered industry punching bag.

Internally, things weren't much better. The company founders had been ousted by their new corporate overlords, and a new trio of c-level executives were trying to right the ship. The direction of the product was unclear, and morale was at an all time low. Worst of all, the company was suffering from a group of product engineers who were so frustrated, they were sabotaging the success of the business by leaking sensitive information to online media and blogs. One or more employees were clandestinely sending sensitive information to industry bloggers, including internal emails, product plans, and other proprietary information. In short, the company was plagued by active disengagement.

The leaks had a deleterious effect on morale, and perpetuated a downward spiral. The disgruntled employees' negative feelings and actions were rubbing off on their colleagues. The majority of employees were upset that they were getting information about their own company from blogs and other media outlets rather than from their own company, and their engagement suffered as a result.

Fortunately, the new CEO had a solution. Rather than trying to identify and punish the culprit (or culprits), he decided to focus on changing the culture. He knew that smoking out the perpetrator(s) was a temporary solution; once they found the leak, another would spring up just as quickly unless they solved the problem at the source. He needed a more holistic approach.

His idea was to create an atmosphere in which employees felt connected to their company and their work again, and wouldn't want to leak information in the first place. The first step, he knew, was in creating an internal communications program, so he tasked the corporate communications team with developing and executing a plan.

COMMUNICATION

This was no easy feat for the company, which had more than 1,500 employees in seven different countries, including Germany, London, and Australia. And since they began as a bootstrapped startup, they had never had a formal internal communications strategy.

With a clear mandate, the VP of communications began by listening. She and her team surveyed the organization and asked them to rate the quality and effectiveness of the company's internal communications.

The data they received was telling. The vast majority found internal communications ineffective, felt that they weren't being listened to, and that they didn't have the necessary information to do their jobs. Most employees were also frustrated that they were learning about company news from third parties before they heard it from company leaders.

The team then audited existing communications channels, and found them woefully inadequate. There were really only two internal channels - email and a largely unused corporate intranet.

Armed with this information, the team put together a plan that included:

- Weekly company-wide communications from the CEO and other senior leaders
- Monthly "lunch and learn" session for professional growth and development
- Quarterly company "All-Hands" meetings

Furthermore, they made a company-wide policy that all news - no matter what it was - was to be distributed to the company before it appeared in the media. Because of the potential for leaks, this often meant that it was distributed internally a mere minutes before it was made public, but the impact of this gesture was noticeable.

The team worked quickly to execute the strategy, learning as they went. They held the company's first all-hands meeting, a town-hall style gathering. For the first time, employees were presented with the company's strategy and vision, and could ask questions of company leaders. The team made sure to provide a live video feed for remote employees and satellite offices on a secure server. They began sending out company-wide communications, including email updates from the CEO. Most

importantly, they listened. They gathered feedback at every stage, and used it to modify their plan as they went.

Again, the team focused on creating an environment in which employees no longer wanted to sabotage their own company. This meant making sure employees understood the new leaders' strategic vision, and that they felt a sense of purpose connected to the company's mission.

In a few months, the leaks stopped. Morale improved dramatically and the company was able to move forward with their new brand and product strategy without the fear of internal sabotage.

Action Steps

- Start by listening - survey and gauge the organization's internal communications needs.
- Audit communications channels. Ask, what communications channels already exist? Which are being used effectively? What other channels or tools make sense for the business?
- Select and deploy the right mix of communication channels for your business and culture.
- Organize a morning or weekly meeting.
- Hold regular company all-hands or town hall style meetings.
- Collect (and use!) feedback, and engage in dialogue. Communications has to be a two-way street.
- Strive for authenticity transparency at all times. Your employees will smell inauthentic messages a mile away, so avoid platitudes or disingenuous communication. Transparency will help your employees feel included and a part of your company's foundational "inner circle."

Chapter 5

HEALTH AND WELLNESS

Employee health and wellness is a significant factor in productivity, wellbeing, and performance that cannot be overlooked. As such, health and wellness must be a part of any effective engagement strategy.

Research shows a direct correlation between health and engagement. A Gallup study found that 62% of engaged employees feel their work positively affects their physical health. Yet that number drops to 39% among non-engaged employees and down to a mere 22% among employees who are actively disengaged. Likewise, 54% of self-assessed disengaged respondents say their work has a negative effect on their health, while 51% see a negative effect on their well-being.

Caring about employee health isn't just a perk or a nice gesture; there's also a strong business case to be made for employee health and wellness initiatives. Organizations who invest in health and wellness actually save money in the long run by curtailing healthcare costs and reducing productivity-loss due to illness related absenteeism. The Harvard Business Review found that on average, employers who invested in comprehensive health and wellness initiatives saw a nearly 3-to-1 return in money saved. A more focused study at a single employer conducted by Doctors Richard Milani and Carl Lavie demonstrated that ROI was closer to 6-to-1.

HEALTH AND WELLNESS

On average, employers who invested in comprehensive health and wellness initiatives saw a nearly 3-to-1 return in money saved.

Health and wellness campaigns also play a role in creating that oh-so-important emotional connection between employers and their employees. An emphasis on wellness signals to employees that the company cares about their well-being, and that there's more to life than work. Furthermore, group fitness challenges promote teamwork, camaraderie, and bonding, and gives individuals in your organization the sense that you're all in it together. These can all be strong factors in improving engagement and the atmosphere of your workplace.

The key, however, isn't to focus on one-off perks, but rather to create a lasting, long-term health and wellness strategy that's built into the fabric of your company's culture.

So what does an effective wellness strategy look like?

Your Health and Wellness strategy should

- *be voluntary*
- *be long term*
- *be physical*
- *be fun and competitive*
- *include access to good nutrition*
- *include mental health support*

Here are some tips to create a lasting, effective wellness strategy:

Encourage Participation, But Always Make it Voluntary

Undoubtedly, participation in wellness activities is beneficial for individual employees and the organization alike. But you can seriously undermine the effectiveness of your wellness strategy by mandating participation.

HEALTH AND WELLNESS

Employees need to feel that they are free to choose their level of engagement in these programs - especially for physical activities like fitness challenges. Mandatory health programs can make employees feel that they are being dictated to, and can turn them off from a program that would have otherwise brought a wide range of benefits.

Get Moving

In all likelihood, your job is slowly killing you.

That may seem like an exaggeration, but it's actually grounded in solid research.

In a study published in the Annals of Internal Medicine this year, researchers found that the sedentary nature of American work-life is having an extremely harmful effect on the health of American workers. Sitting for too long at work brings with it a host of negative long- term health effects, including increased risk of cardiovascular disease, cancer, Type 2 diabetes, and early death.

This is a frightening prospect for the health and welfare of our workforce, and for the long-term health of our economy. Luckily, employers are increasingly taking notice, and proactively fighting the trend by creating incentives to get their employees moving. One tack, adopted by Massachusetts-based EMC, is to provide financial incentives for health conscious decisions, like getting a flu shot or joining a gym.

Another strategy, favored by Mountainview-based personal genomics company 23andMe, involves providing onsite gym and workout space, and encouraging employees to engage in physical activity throughout the day. The company offers daily onsite fitness sessions that include Pilates, yoga, and strength training - often during work hours.

HEALTH AND WELLNESS

If you don't have the space or money to invest in a full-blown onsite gym, don't fret; all it takes is a little creativity to get similar results. One idea is to hire a trainer or yoga instructor once or twice a week for group fitness classes at a nearby park. Even something as simple as encouraging daily stretching or walking meetings can have a tremendous impact on the overall physical health of the organization.

As beneficial as these programs are, however, studies suggest that physical exercise might not entirely offset the harmful effects of prolonged sitting. That's why some companies (including 23andMe) are making so-called "active desks" - which include standing or even treadmill desks - available for employee use. These desks have been proven to reduce sedentariness and improve mood without prohibitively impeding workflows.

Gamify Company Fitness

One great way to inspire participation in wellness activities is to unlock the power of friendly competition. Group fitness challenges are a great way to get more people involved, while simultaneously making fitness activities more fun and challenging.

Pit departments against each other to see who attended the most gym sessions, or see who can be the first team to run a collective marathon. You can even use digital fitness tracking tools to track who took the most steps or burned the most calories each month.

One thing to take into account - don't always make it about weight. Group weight loss challenges can sometimes be effective, but weight loss does not necessarily

equal health. Additionally, since weight is dependent on a variety of factors including age, gender, and genetics, losing weight is harder for some than others. Instead, create challenges that encourage fun and track progress in other ways, like total miles walked or number of consecutive gym sessions.

Provide Access to Healthy Meals and Snacks

The Harvard Business Review recently found that employees "typically consume one or several meals plus snacks during work hours." The takeaway? The food options available in the work-place matter a great deal lot to the quality of the average worker's diet, and therefore their over-all health. Providing access to healthy meals, snacks, and beverages throughout the workday is a great way to improve the overall health of your workforce.

The benefits of this strategy are twofold. Not only will their overall health improve, but employees will appreciate the sentiment. Google, for example, is famous for offering healthy, gourmet-quality food options for its employees, and in a recent Quora inquiry, most Googlers cited the food options as their favorite perk. Providing healthy meals and snacks for your company will help strengthen the emotional bond between employer and employee, and boost engagement and productivity at the same time.

HEALTH AND WELLNESS

The good news is, you don't have to have a gourmet chef (or a Google-sized budget) to make healthy food options available in your workplace. Affordable and convenient options like SnackNation are an easy way to make healthy eating a part of your office wellness culture.

The average person consumes three or more snacks per day, and this trend is only going up, especially with the Millennial generation. Furthermore, snacks influence dietary habits more than any other food category – that is, how you snack is a leading indicator to the quality of your overall diet. For these reasons and many more, having healthful snacks that people actually enjoy at the workplace is an important component of an engaged and aligned workspace.

Don't Forget Your Brain

Mental health is often left out of wellness strategies, due either to a lack of awareness, lack of resources, or because of the stigma and sensitivity associated with these topics. But ignoring mental health issues is a costly oversight.

For many workers, work life is more stressful than it has ever been. According to the HR industry organization SHRM, workers are under increased pressure and stress, partly due to the proliferation of Mobile devices, which make employees reachable at all hours.

For many, this stress is manifesting as depression. According to a recent study published in the journal Social Psychiatry and Psychiatric Epistemology, depression is widespread amongst American workers. Transit workers have the highest incidence of depression (16%), followed by a slew of workers in conventional office

settings, including social workers (14%), personal services employees (14%), and those in the publishing industry (13%).

All this depression is costing us billions. The Employers Health Coalition Inc. recently found that employers lose an estimated $100 billion annually in direct and indirect costs associated with depression, including as much as $44 billion lost to absenteeism and reduced productivity.

The long and short of it is that mood, cognition, and other factors related to mental health should be just as high a priority as physical wellbeing. While most employer healthcare plans do cover mental illness, they are vastly underutilized by the people who need them for a fear of being judged at work. Employers should be sure to speak openly about mental health issues to raise awareness and alleviate the stigma that mental health issues carry, as well as provide confidential tools and communications channels for employees to use to talk about these issues when they are in need.

Case Study - Hassett Express

Walking From Chicago to LA in the Name of Employee Wellness

Shipping and logistics company Hassett Express is on a mission.

Or two missions, actually.

(from left to right) Frank Borta - VP, Sales & Business Development, Michelle Halkerston - President & CEO, and Mike Stone - Executive Vice President

Employee engagement and wellness is so important to the Elmhurst, Illinois-based company, that they actually have two mission statements, one geared towards customers, and another inward-facing statement that pledges a commitment to employee wellbeing.

HEALTH AND WELLNESS

According to HR Manager Nichole Selock, the two missions are closely related. “The relationship we want to have with our customers and with our employees is very similar,” she explains. “We want to treat our employees with the same respect and engagement that they treat our customers with.”

Rather than just give lip service to these ideals, company President and CEO Michelle Halkerston took action, issuing an audacious challenge to employees in their headquarters: walk to LA... from Chicago.

Well, sort of.

To kick off their 2014 wellness week, the company launched a group fitness challenge. The goal was to collectively walk the equivalent of the distance between the company’s HQ and their farthest satellite office, about 2,000 miles away in Los Angeles.

To facilitate employees in their quest, the company handed out pedometers and created a custom web portal, where employees could log the steps they had tracked. Additionally, employees could also log activity minutes (i.e., time spent spinning, swimming, or doing yoga), which were then converted into steps and added to the total.

The portal provided multiple ways for individual employees to participate at their own pace. “The great thing about the challenge was that it inspired workers who were too busy to be active in their personal lives to get moving during the workday, while at the same time providing extra motivation for employees who already fit exercise into their schedules,” Selock says.

And because they’re located in an industrial neighborhood, the company provided information on safe walking routes near the office, and even broke down how many laps around a semi it takes to walk a mile. Workers heeded the call, and were out

getting steps in during their lunch hours or before and after work.

The key to success, Selock maintains, was a sense of fun and friendly competition. Each week the office awarded a prize to whomever logged the most steps. Additionally, when Hassett Express' LA office learned that they were the destination for the virtual walk-a-thon, they sent a photo of a makeshift finish line to their Illinois counterparts for extra motivation.

The walking challenge was a ramp-up to promote the company's wellness week, launching six weeks prior to the company-wide event. It came down to the wire, but the Hassett Express employees made it across the finish line (virtually speaking), hitting their 2,000+ mile mark a few days before the start of Hassett wellness week.

Why all this focus on wellbeing? The benefits of the program were plentiful, and included a fitter, healthier team, and a strong sense of camaraderie. Ultimately, Selock contends, it comes down to creating a consistent culture that extends both inside and outside the business, as well as a conviction on the part of upper management of doing well by doing right by their employees.

"We want employees to be healthy enough to be with us for a long time," Selock elaborates. "At the same time, we want the company to be healthy enough to be there for them for a long time too."

Tips on Launching Your Own Wellness Challenge

- Make it fun. The Hassett Express example involved an outlandish, outside-the-box challenge that involved weekly awards and recognition. The out of the ordinary appeal of the program was a big factor in its success.
- Make your challenge part of a wellness culture. What also made the the virtual walk-a-thon particularly successful was that it was an enthusiastic lead-in to a larger wellness program that included additional health information and initiatives. Hassett's goal wasn't to create a one-off event, but rather to create a dynamic piece of an overarching wellness culture that helps supports the company's internal and external goals.
- Create a spirit of unity. One of the program's strengths was the fact that while individual recognition was built in, it was ultimately a group

achievement. Team members motivated, supported, and pushed each other to reach their destination, and the team grew stronger as a result.

- Set team members up for success with tools and information. While the goal certainly was ambitious, Hassett Express' provided employees with the support they needed to rise to the challenge, including pedometers, walking routes, and a custom web application to track progress.

Action Steps

- [ ] Bring in personal trainers or yoga instructors to conduct onsite fitness classes.
- [ ] Incentivize health conscious choices, like biking or walking to work, or getting a flu shot.
- [ ] Organize company-wide fitness challenges to inspire physical activity while promoting teamwork and bonding.
- [ ] Get employees off their seats; reduce the sedentariness of office life by providing "active desk" options, such as standing or treadmill desks.
- [ ] Provide easy access to nutritious meals, snacks, and beverages via food delivery services like SnackNation.
- [ ] Make sure that wellness activities are voluntary, never mandatory. Employees need to feel that they are free to choose their level of participation.
- [ ] Harness the power of technology by providing your employees with digital fitness trackers.
- [ ] Open a dialogue about mental health and make confidential services available.

Chapter 6

WORKSPACE AND ENVIRONMENT

So you've determined the mission and cultural values that will support your business, you've got internal communications wired, and your employees are well on their way to being in the best shape of their lives.

Now comes the fun part - creating the perfect office space.

The idea is simple: the best offices authentically reflect their company's brand and cultural values, and are conducive to the types of behaviors and activities that support the business. They are both functional and inspirational, create a sense of pride, and are places where employees actually want to spend their time.

For instance - if you value a flat organization where ideas can come from anywhere,

from the mailroom assistant to the CEO, try taking down the walls. An open plan, in which there are no cubicles or offices, will help create an environment that's non-hierarchical, where open communication and radical ideation are the norm.

Is collaboration important to you? Create spaces where people can meet up and work together, or areas that encourage serendipitous encounters between individuals from different sides of the org chart.

Is creativity critical to your business? Cultivate a sense of whimsy in the architecture and interior design of your office. Innovation? Paint floor to ceiling blackboards on your walls to allow employees to work out ideas when- and wherever inspiration strikes.

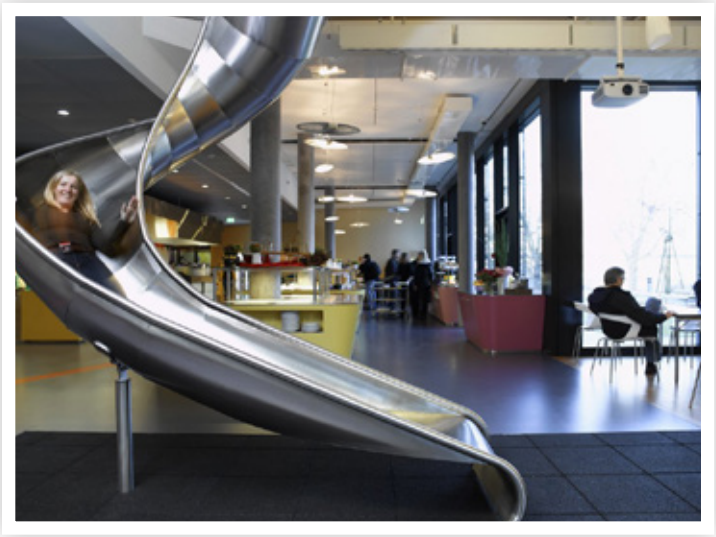
A great example of this principle in action comes from San Francisco-based software company New Relic. Creativity and collaboration was so highly valued internally, that the company included a music rehearsal and recording studio in the design of their SOMA HQ, where engineers and other employees can relax, create, and bond making the music they love.

Another example comes from Beats - makers of high-end headphones and speakers - who (according to Inc. magazine) purposefully reflected elements of their brand in their new 105,000 square foot Culver City headquarters. In creating the space, the company operated under the theory that the look and feel of the office would influence the products and campaigns being created there. Like the headphones themselves, the interior is sleek, modern, and elegant, featuring airy spaces, natural wood finishes, and brass finishing. Meeting spaces, on the other hand, feature bold splashes of red and blue, which harken back to the saturated colors in their logo and marketing.

While Beats has tech cred (the company launched a streaming music service that was later acquired by Apple), the company made a conscious choice to stay away from the types of whimsical spaces that have gained favor with the Silicon Valley set over the last ten years or so. Instead, interior designers Bestor Architecture created a modern, unconventional, yet sophisticated interior that reflected their target consumer, who is young, tech savvy, yet hip and cool.

WORKSPACE AND ENVIRONMENT

Google, on the other hand, wholeheartedly embraces whimsy in their offices, especially in the company's international and local offices. Their Tel Aviv location, for example, features floor to ceiling slides, an indoor orange grove, and a heritage floor with curated pieces from the city's markets and bazaars. Since innovation and collaboration are so highly valued, a full fifty percent of the interior is dedicated to communal space, like cafes and lounges.



Likewise, their Zurich office is also purpose-built for creation. As the company's European Engineering hub, Google's Zurich office is meant to be a space that inspires interaction, collaboration, and creativity. From the multi-story tube slides and fire poles to the plentiful egg-shaped conference pods, the vibe in Google Zurich is fun, playful, and interactive. The company tried to make nearly every square foot of the massive space playable, with indoor soccer goals and basketball hoops, pool and foosball tables, and a music rehearsal space.

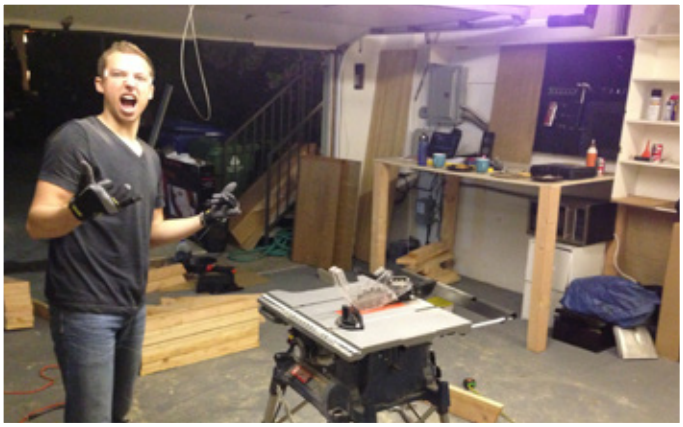
Keep in mind that your office doesn't have to be over the top to be engaging, and you can do a lot with a little money. Planning your spaces to include open layouts, spaces for collaboration, as well as places for focus and solitude is important. Additionally, affordable niceties like ping pong tables, scooters, or iced coffee kegerators can do wonders for morale and engagement.

One simple (and economical) trick advocated by Enplug CEO Nanxi on the Awesome Office Show Liu is to have your employees build their own custom furniture. When the LA-based digital display company leased their first office space, employees at the startup took a DIY approach to furnishings.

"We looked into buying furniture," she told the Awesome Office podcast, "[but] we thought, no, we're going to build furniture, because it's way cheaper to do that.

WORKSPACE AND ENVIRONMENT

So, for our desks, we bought barebones doors - ones with the doorknob hole still intact - and we put them on metal stilts." Employees did the same for their work stations, making trips to home depot and fashioning them out of planks of wood. Not only did the company save money, but the approach created an utterly unique, one-of-a-kind office vibe.



The calling card of an awesome office, she contends, is "[w]hen I walk into an office and I see that the office itself - how it looks and behaves - is a direct reflection of the team." As an added bonus, team members bonded over the fun and challenging project.

> The calling card of an awesome office is "when I walk into an office and I see that the office itself - how it looks and behaves - is a direct reflection of the team." - Nanxi Liu, CEO of Enplug

Other tricks from the Enplug playbook: instead of buying white board walls (very expensive), simply paint whiteboard surfaces on the walls (very cheap!), or rip out the ceiling to allow for more light and space. Consider adding natural light with skylights or large windows, or installing old phone booths for fun and funky spaces for focused concentration.

The trend today is to make your space as residential and "homey" as possible, which reinforces the idea that the work/life distinction is less meaningful than it used to be. Liu again recommends a scrappy tactic for making this possible: she advocates buying used, worn in couches on Craigslist rather than expensive new ones. They're much more affordable, and give your office a comfy, livable quality.

WORKSPACE AND ENVIRONMENT

Collaboration and community are equally important to businesses today, so your space should be designed to support this. How your break room looks and feels is a very important part of this too. Ideally, you should think of the break room as a work café, almost like the inside of a Starbucks, where both serious and light conversations, serendipitous encounters, and unexpected ideation happen naturally. A HUMAN micro market is a great way to transform your break room from a lifeless space with a coffee pot and a microwave to a place where real collaboration occurs.

Overall, the goal should be to create an authentic space within your means that reflects your unique culture and values, is conducive to the types of behaviors your company needs to be successful, and where your employees actually want to spend time. If you can do that, you'll be well on your way to creating an engaged workforce.

The 7 Traits of an Awesome Office

Creating the ultimate workspace goes a lot further than your company's actual physical environment. As we hope you've gathered so far, it's about creating a fun and positive vibe, where creativity, collaboration, and productivity are maximized. The ideal workspace should engender positive emotions, be a place that employees want to show off to family and friends, and where they actually want to spend their time.

We call these workspaces **Awesome Offices**.

I founded the Association of Workplace Engagement (or AWE for short) to help companies create these unique, vibrant and inspiring workspaces that promote high levels of employee engagement, wellness, and productivity.

So what makes an office truly awesome?

At AWE, we define an Awesome Office as one that fulfills each the following criteria:

Authentic leadership
Work with a purpose
Environment of recognition
Space that wows
Opportunity to grow
Management that cares
Exclusive inclusiveness

Let's dive in a bit further to make sure we really understand what these criteria mean:

Authentic leadership: Authentic leaders are those who consistently present a clear vision for the company, are comfortable being vulnerable with their team, and are genuine and believable in their communication and actions.

Work with a purpose: When you clearly articulate the purpose behind your company and product, it will serve as a guiding principle for every decision your employees make, and inspire them to think of creative solutions to your company's particular problem.

Environment of recognition: As human beings, there are few things we want more than to feel significant. Genuine recognition – both one-on-one and in front of a group – is a great way to let people know that they are significant, that they matter, and that they are appreciated. Awesome companies engrain recognition into their culture and set up systems to ensure that recognition is consistently flowing.

Space that wows: Work-life balance is a thing of the past; to thrive today, companies need a workspace that allows for work-life

integration by creating a seamless experience for employees both inside and outside the office.

Opportunity to grow: If your employees don't feel like they're growing – both professionally and personally, and in ways that are meaningful to them – they'll be short-lived contributors. But if they're immersed in a culture of growth and feel like the company and their managers want them to get better for their own sake (not just the organization's), real magic will occur.

Management that cares: We've all heard the saying: "People don't leave companies, they leave managers." Managers should set-up their team members for success by establishing clear-cut goals for each person, and tying these goals directly into the goals of the team/department and the company as a whole.

Exclusive inclusiveness: Do you think it's a coincidence that the root word of "culture" is "cult"? It's not. Today people identify themselves by the communities and social groups of which they're a part.

For more tips, tricks, and best practices about how to create your own Awesome Office, check out the **Awesome Office Show on iTunes**. Each week we talk to the leading people-focused executives across the country and learn their most actionable tips, tricks, and best practices - things that you can apply at your company today to make it just a bit more Awesome.

Action Steps

- [ ] Clarify your company's mission and codify it in core values (see chapter 3). Make these values visible and apparent in your office.

- [ ] Create a space that reflects the culture your business needs and is authentically you, whatever that means.

WORKSPACE AND ENVIRONMENT

- Create spaces for serendipitous interaction, like game rooms, lounges, cafes, and reading rooms.
- Turn your break room into a hub for collaboration, connectivity and community.
- Create a mix of spaces that reflects the entire spectrum of values and behaviors your business needs, including open spaces, collaboration areas, and spaces for solitude and focus.
- Make it fun! Simple perks like a foosball or ping pong table, can go a long way to upping the fun factor and giving your office the balanced atmosphere it needs to keep employees engaged.
- A big part of having the right space for your team is showing them you care about them and want to make a place that they'll enjoy and will promote their growth. Onsite food and beverage is a fantastic way to do this, and should be an important part of any workspace optimization strategy.

Chapter 7

WELL DEFINED ROLES

We've already established that you can't have an engaged workforce without clarity at the organizational level. Your company needs a mission statement, core values that support that mission, and a culture that embodies your values and enables your mission.

But many companies fall into a trap when they neglect to connect this big picture vision with the individual and their specific role within the company. In order to be engaged, employees need to know that their work matters, that it is both valued and valuable. To achieve this, employees need well-defined roles.

Defining job roles is all about connecting the organizational mission with each individual employee's day-to-day activities. Ultimately, the role should be a clear framework for how the employee's efforts contribute to the company's overall mission. Without this framework, employers risk confusion, disengagement, and burnout.

The statistics around well-defined roles are alarming. A recent study by HR professional organization SHRM found that "only 56% of employees feel their

WELL DEFINED ROLES

manager has good knowledge of what they do and promotes the use of their unique talents." Here are our best practices to ensure that your employees have well-defined roles, and remain engaged contributors in your organization:

Start at the Organizational Level and Drill Down

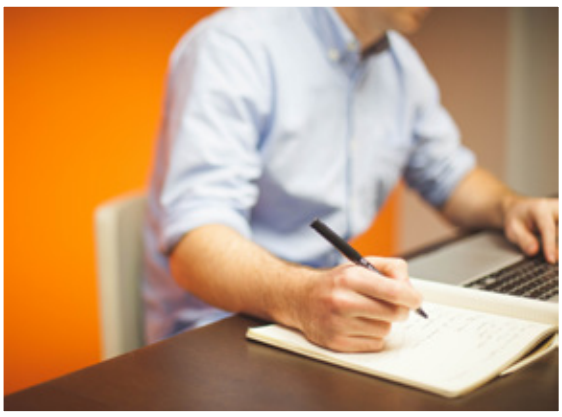
Nothing is more frustrating for an employee than feeling like his or her work doesn't matter. Employees need to know that their work is critical to achieving the company's mission. But how can they know this if they don't know what the company's mission is in the first place?

As an engagement-focused leader, it's your responsibility to educate the purpose driving your business forward, and make sure that every employee is well versed in it.

But that's far from the end of it. From there, you need to get more granular. You should know how each department supports the overall company mission, how each team supports their department, and finally how every individual contributes to the success of their team. There needs to be a clear, unbroken chain from the individual contribution all the way to the company mission. Every employee should understand the mechanics of this chain, and how he or she fits into the overall scheme of your organization.

Write an Accurate Job Description

This seemingly mundane exercise can actually have disastrous consequences if not given proper attention. The job description has the potential to affect every stage of an employee's journey within your company, from the hiring process, to onboarding, training, and development, all the way to post-hire accountability and compensation.



WELL DEFINED ROLES

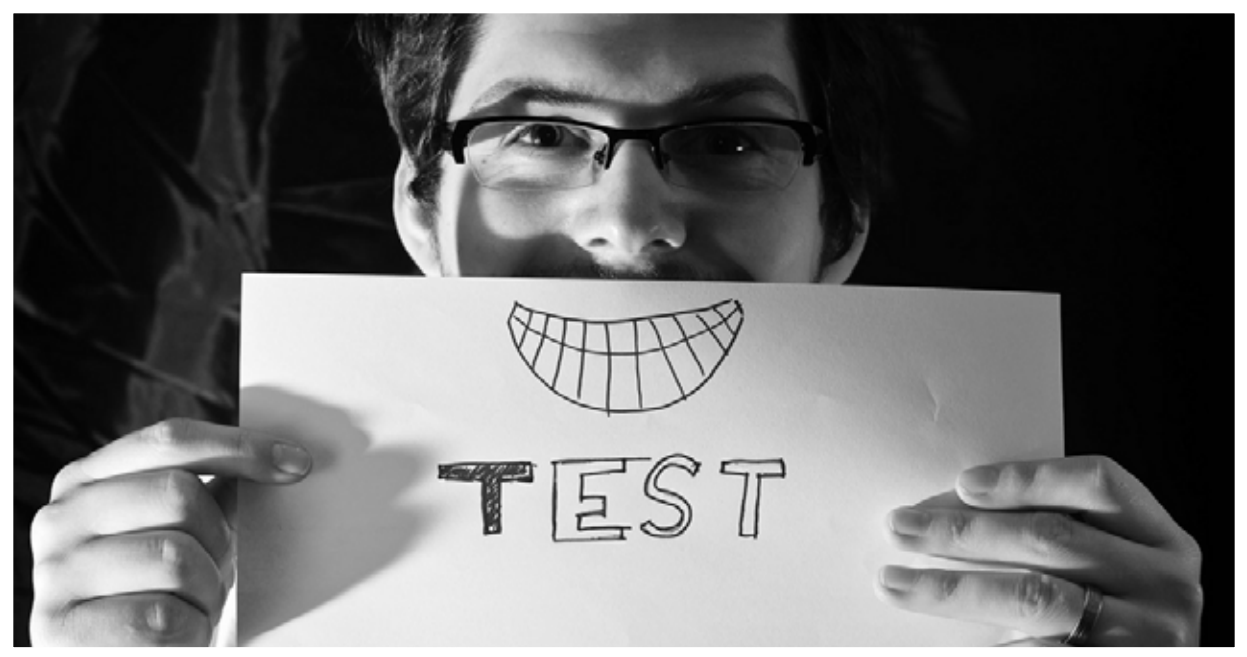
The job description is the main tool to guide employees in strategy, planning, and execution of their daily functions. As such, roles and responsibilities in the description should be explicitly defined, and encompass the entire breadth and scope of the job, not just the main tasks.

Determine Essential Performance Skills

Just as there needs to be clarity around the scope of a given role, there needs to be consensus on the skills and values necessary to performing the job outlined in the job description. Lack of consensus will also result in similar pitfalls, including poor hiring decisions, and ultimately, higher turnover.

Perform Assessment Testing

Assessment testing is a great way to pinpoint an employee's skills, strengths, and emotional intelligence, and determine how these skills can be best utilized within the organization. Ideally, assessment testing is best deployed during the hiring process, but can also be used to reassess or redefine existing job roles.



WELL DEFINED ROLES

One of the main advantages of assessment testing is its ability to help hiring managers overcome some of the inevitable biases that occur when subjectively evaluating a candidate's resume, experience, references, or performance reviews. As the Harvard Business Review recently pointed out, organizations are increasingly turning to assessment testing; 76% of organizations with more than 100 employees now use aptitude or personality tests for both hiring and promotions. This figure actually goes up when considering only senior level or managerial job roles.

There are abundant resources for performance assessment testing, including DISC testing (an exam based on the psychological theory of personality developed by William Moulton Marston), and services offered by firms like Culture Index and others.

Set Goals

Once employees have a strong sense of how their role fits into the overall organizational mission, reinforce that idea by setting tangible, achievable quarterly goals that are directly related to your company's mission. From there, determine daily or weekly crucial results for each employee that can be traced directly back to one of his or her quarterly goals. Goal setting sets clear expectations, while at the same time demonstrates the direct link between employee results and the achievement of company goals.

Weekly Crucial		
Related to what Quarterly Goal?		
Daily (#1)		
Daily (#2)		
Daily (#3)		
Daily Scoring (0-3)		
Weekly Scoring (0-1)		
Comments:		

WELL DEFINED ROLES

Check in!

Remember that goals and responsibilities change over time. Frequent communication helps ensure both clarity over goals, and that the right goals are being pursued. The process should be dynamic.

Action Steps

- Clarify organizational objectives and drill down from there. Every employee should know how his role fits into the company's overall mission.
- Write an accurate job description, and update as needed when additional responsibilities are assumed.
- Use assessment testing to find the right fit for the right role.
- Set goals, and check in frequently. Roles and objectives change over time, so reassess several times a year.

Chapter 8

RELATIONSHIPS WITH COLLEAGUES

Not everyone should be expected to be friends at work, but multiple studies have shown that companies where friendships are common have more engaged employees and better businesses. Fostering a sense of community, loyalty, and friendships in the workplace can and should be a strategic component of your company culture that gives your business a competitive advantage.

More and more research demonstrates this fact. Recently, Gallup found that close work friendships boost employee satisfaction by 50%, while people with a self-described best friend at work are seven times more likely to be fully engaged. All in all, workers experience higher levels of happiness and satisfaction in their work when they have friendships in the workplace.

Our Professional Selves - A Shifting Paradigm

So why is this the case? Haven't we always been taught to compartmentalize our personal and professional lives, to create a professional persona separate and distinct from the one we present to close friends? After all, personal relationships can get messy, and friendships can lead to negative or exclusive cliques that disrupt the unity of your employees, right?

RELATIONSHIPS WITH COLLEAGUES

It turns out, this conventional thinking isn't as relevant as it used to be. As we've seen, the culture of work in general has evolved in the last few decades from a top-down, paternal model to more of a partnership. As such, executives are more relaxed and more willing to let their personalities and personal interests shine through at work. This has a trickle down effect to the rest of the organization, who tend to follow the tone set by leadership. Likewise, individual employees are more relaxed in this environment, and feel less obliged to present a polished, "professional" persona that rigidly adheres to perceived social codes and professional mores. It's no longer so much about work-life balance, but rather, work-life integration.

Generational differences are also driving this trend. Millennial employees expect more work-life integration, and are looking for offices with like-minded individuals with whom they enjoy working, and with whom they can socialize during or after work hours. They don't want to have to assume a "work self" in the morning, and a "real self" in the evening. They expect to be able to be themselves at all times, and they seek out places where they can do that.

Recall too how so much of engagement is emotional. Personal relationships help build the emotional bonds that inspire positive feelings towards the company and mission. We've already seen how a common purpose can galvanize and engage an organization. By also focusing on personal relationships, companies can create an engaged workforce that is not only working towards a common goal, but also for their fellow colleagues.

RELATIONSHIPS WITH COLLEAGUES

This idea is summed up in the concept of group accountability, perhaps best espoused by World Adoption Day and AdoptTogether.org founder Hank Fortener on the Awesome Office Show. According to Fortener, accountability shouldn't be about holding individuals responsible for their mistakes, it's about being accountable for each other's success. Organizations should emulate tribes, he says, because there's an implicit promise between members of a tribe that says, "I won't let you fail." Personal relationships, especially those that extend outside of work, can create a set of shared experiences that foster a spirit of camaraderie and esprit de corps, and make this sense of group accountability a natural progression.

If you're lucky enough to have had a friendly professional relationship with your boss or colleagues, you know how much easier it is to work with them, how much more you're willing to sacrifice your own time - even your own short term success - for the good of the team or individual. In other words, you know how much more engaged you are.

The reality is, while the risk of negative outcomes like exclusive cliques are real, they are easily managed, and the rewards far outweigh the risks. Individuals with close personal relationships at work are happier, more loyal, and more engaged, and their companies benefit from the higher productivity and retention that results.

Making Friendships Happen

Once we make the conceptual leap about friendships in the workplace, the hard part for many is in execution. We can't force people who work together to become friends, so how exactly does one actually foster personal connections at work?

The answer lies in injecting a sense of fun into your culture and values, and creating opportunities for fun, relaxed interactions during or even after work hours.

RELATIONSHIPS WITH COLLEAGUES

"You don't facilitate the relationship, you facilitate the context for people to make relationships," explains entrepreneur, angel investor, writer, and former DocStoc CEO Jason Nazar. At DocStoc, he told the Awesome Office Podcast, the company created several opportunities for internal relationship building. Every week, the company brought in lunch and held an all-hands meeting. They then went around the room and each team member named three things - a success they had that week, one thing they learned, and any areas with which they needed help. Once a month, the office had a "Fun Friday," a recreational group activity like bowling, a trip to the beach, or rock climbing. And twice a year the company held an all-team offsite, typically towards the beginning and the middle of the year. In addition to copious amounts of fun, the trip was a chance to have open and frank conversations about the state of the business, things that might need to change, or new strategies and tactics.

Another way to create the opportunity for personal connections is to start all-hands meetings off with an ice breaker question or game that requires participants to share personal anecdotes (such as the DocStoc favorite "three lies and a truth"). By starting meetings off on a personal note, you'll help uncover potential common ground between employees, and thus facilitate friendship development.

The companies who have mastered the art of making friends at work actually start the process before an employee is even an employee - during the hiring process.

As we've seen, smart organizations incorporate cultural fit into the hiring process. Companies who also prioritize personal relationships incorporate social interaction as well. For instance, when hiring managers are on the fence about a particular candidate at Las Vegas-based Zappos, CEO Tony Hsieh will personally take that person out for an evening of drinks and socializing at one of the nearby Vegas bars or nightclubs. The idea is to create a relaxed, social atmosphere where the two can

connect on an emotional level...over shots of vodka (or Fernet) if necessary! And according to Zappos' HR managers, it's more rule than exception.

When pressed if he was unnecessarily exposing the company to liability, Hsieh acknowledged that he likely was. "It's a risk," he told Inc. Magazine's Max Chafkin in 2009. "But if we're building a culture where everyone is friends with everyone else, it's worth the risk."

For current employees, company-wide outings or on site happy hours are an obvious way to get people to interact socially. One not-so-obvious tactic is to take ordinary business meetings and start them out on a personal note. This is a favored practice at SnackNation, where individuals are encouraged to share a personal anecdote at the start of the company's weekly all-company meetings. This personal detail can be anything from a new restaurant recommendation to one's first childhood memory. Very often, the anecdotes spur additional conversations between employees, and help reinforce the bonds between them. The practice also signals an acknowledgment that employees all have lives outside of work.

Wellness challenges are another great way to foster friendships at work, as bike to work challenges, fitness competitions, or group fitness activities can all bring people together. Companies can actually kill two birds with one stone with this tactic, helping improve employee health and wellness while simultaneously creating a fun-filled avenue for bonding and personal connection.

Prioritizing play is another great way to foster friendships. Many companies choose to build company game rooms in their offices, where employees can blow off steam and bond playing video games, ping pong, or foosball. Online gaming giant Zynga, for example, has a world class arcade style game room that is a favorite congregation spot for employees.

As a value add, research shows that gaming for as little as 20 minutes per day with co-workers has been proven to elevate mood, strengthen social bonds, and build trust. Game designer and researcher at the Institute for the Future Jane McGonigal even suggests that gaming might be the best way for people to build the skills necessary to collaboratively solve some of the world's toughest problems.

RELATIONSHIPS WITH COLLEAGUES

Company retreats or offsites are another fantastic way to nurture personal connections between individuals and teams. Treat your employees to a weekend away from the office, where they can engage in outdoor activities, workshops, group meals, and other bonding activities. While bonding should be a major component, it doesn't have to be all fun and games. Start the retreat with working sessions, strategy meetings, or group brainstorms to add value to the trip.

Finally - don't force it! Remember, not everyone will be friends at work, but not everyone has to be. The point is to create an environment that encourages friendship and personal relationships so that you can reap the benefits of a more emotionally connected - and therefore engaged - workforce.

Case Study - Making it Personal: The Morning Meeting

Los Angeles-based dentist Christina Hutchinson is a strong proponent of the morning meeting. Several years ago, Dr. Hutchinson began holding an early morning meeting with her staff as a way to plan for and pre-empt any potential patient issues each day.

RELATIONSHIPS WITH COLLEAGUES

The utility of the meeting was apparent immediately, as the staff was able to prepare for patients with special needs or requests. But Dr. Hutchinson saw an opportunity to add more value. In addition to their patient review, she began spending a few minutes sharing relevant news articles that she'd curated that morning from various news aggregators.

"The goal at the time was to find something interesting that could be applied directly to either the practice, or to our daily lives," explains Dr. Hutchinson. On a slow news day, she would invite members of her staff to join in.

"I truly realized the potential of these meetings when I made them personal," she explains. "After the business items were taken care of, I started asking people to come prepared with something interesting, either something they had read or something from their personal life they wanted to share. My staff really embraced this aspect, and the meeting became as much about bonding a was about going over the day's patient roster."

Dr. Hutchinson saw a variety of benefits across the board, including improved morale, a decrease in intra-office conflict, higher productivity, and, most importantly, a higher level of patient care.

The benefits of these types of meetings or team huddles - that combine personal

interactions with business information - aren't just for doctor or dentist offices. They're perfect for small business and startups of all types, and will benefit your customers in the long run.

"The morning meeting sets the tone for the rest of the day," Dr. Hutchinson elaborates. "It gives everyone a chance to bond on a personal level, which elevates our moods, and that definitely carries over to our patients."

Tips for running a successful morning meeting:

- Keep them short: ideal time is 5-15 minutes, don't let it slow down the essential functions of your business.
- Make it personal: this meeting works best when it doubles as an opportunity to bond on a personal level.
- Get everyone involved: while not practical every time, the best meetings are those in which everyone participates. Employees will feel included and that their opinion is valued and appreciated.

Action Steps

- Create an environment in which friendships will form naturally by injecting a sense of fun into your company culture and values.
- Incorporate "personality fit" or even socializing into the hiring process. This will set the tone for your working relationship and help erode the barriers between personal and professional personas.
- Make meetings personal. Take a few minutes at the start of ordinary business meetings or all-hands meetings to encourage personal sharing.
- Reward company performance with company retreats, offsites, or bonding activities.
- Don't force it. Your goal is to create the right environment so you can reap the rewards of higher engagement, not to mandate friendships.

Chapter 9

RECOGNITION AND INCENTIVES

We all know that money is important - a steady income can alleviate the stress of financial uncertainty, and free us up to pursue our passions or focus on the needs of others. But there's new evidence that the importance of money has its limits, especially as it relates to our mood and motivation.

A recent study conducted by Princeton economist Angus Deaton and psychologist Daniel Kahneman made headlines when it demonstrated that money doesn't contribute to our overall happiness above $75,000. Surprisingly, income beyond this benchmark does not have a significant impact on our day-to-day contentment. Therefore, money should be seen as a threshold more than a scorecard. Millennials are much different than Baby Boomers in this area!

This finding has serious implications for employee engagement, and helps reinforce the notion that it's the less quantifiable personal and emotional factors - not the financial ones - that matter most.

That's where recognition programs come in to play.

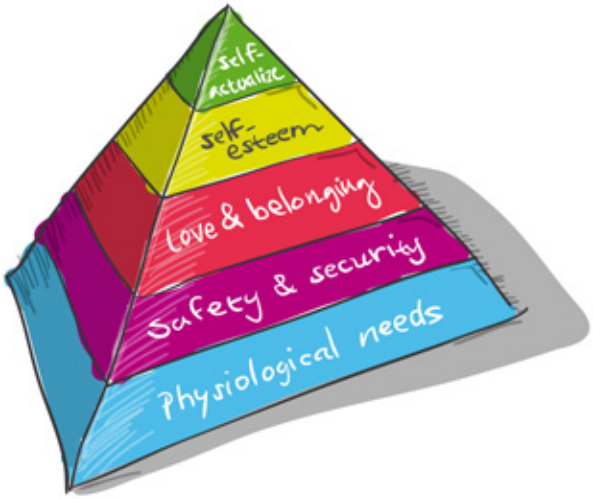
Recognition

Recognition programs can be a phenomenal tool to create the emotional connection between employees and employer. It might seem intuitive, but how does it work?

The answer can be found in psychology. Maslow's famous 'hierarchy of needs' is a framework for understanding human needs.

RECOGNITION AND INCENTIVES

While financial rewards help fulfill our basic needs for survival, that's about it. Money does a poor job of satisfying higher level needs like esteem and our need to belong. Peer-to-peer recognition, on the other hand, does a great job of satisfying both needs. The act of being recognized helps individuals feel like a valued member of a team, and help create the emotional component required to engage a workforce.

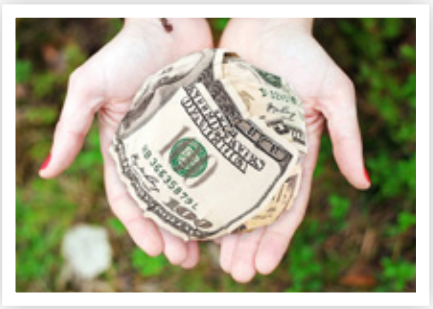


"There's just something in all of us," Quest Nutrition president and co-founder Tom Bilyeu told the Awesome Office Podcast earlier this year. "We want to feel like our contributions matter and are recognized."

To do this, create avenues for team- or company-wide recognition, such as monthly or quarterly awards for team members who demonstrated outstanding work ethic or leadership.

Recognition programs all serve another important function - reinforcing core values. Ideally, you want to celebrate individuals who embody the core values that support your mission. Doing so enables you to align and measure performance against the company's overall mission.

More than just a program, however, recognition should be a daily occurrence, part of a larger culture of appreciation. It should be a routine (but not forced) part of daily interactions between peers, as well as between superiors and their subordinates.



One idea gaining traction in larger organizations is to create company points or dollars that can be awarded by peers at any time and redeemed for exclusives company merchandise. This tactic allows employees to give and receive recognition

throughout the workday, and fosters a spirit of appreciation.

Frequent recognition can come in less formal ways as well. At SnackNation, our culture of recognition manifests in a weekly "Crush-It Call." Every Friday, the entire org gathers in a communal space, and each team member names one person who performed exceptionally well (or "crushed it"), as well as one thing he or she is grateful for, either at work or in his or her personal life. This weekly affirmation helps contribute to an overall culture of gratitude and recognition, as well as the feeling that team members are there to support one another. It also helps employees go into the weekend feeling great about themselves, their colleagues, and their place of work.

In addition to the Crush-It Call, SnackNation recognizes outstanding employees through the Value Victor program, a monthly, all-company award that celebrates the employee who most embodies the company's values. The winner is voted on by the entire staff, and the idea is to recognize extraordinary contribution on an individual level and to reinforce values for the organization.

Emotionalizing Financial Incentives

Ok, so we know what you're probably be thinking, "Wait, didn't we just make the case that money doesn't matter?" Well, yes and no.

Financial incentives can still play a role in engaging employees. The key is to choose monetary incentives that also activate an emotional response. For instance, profit sharing and equity are a great way to signal to employees that they are a valuable part of the business, and reinforces the concept that their work contributes to a greater whole. Employees will feel a vested interest in the overall success of the company, and more inclined to allocate extra time and effort to their particular roles. According to HR and compensation expert Sue Holloway, the point isn't to motivate with cash, but "to foster employee identification with the organization's success."

RECOGNITION AND INCENTIVES

Before you dive in head first, consider the following: for big organizations, make sure your company is profitable, and that you're expected to continue making a profit for the next 3-5 years. The last thing you want your profit sharing program to do is undermine employee confidence in the solvency of your business. In the startup world, however, this is less important, since many employees understand that many not-yet profitable companies have tremendous upside.

Bonus structures are another way to motivate your workforce, and unite performance and emotion. Create financial incentives around the achievement of quarterly goals. Again, it's less about the actual money, and more about the satisfaction that comes from achieving a goal. The tangible reward of a bonus simply helps reinforce this emotion.

Action Steps

- Integrate weekly individual recognition activities into your overall engagement strategy.
- Create monthly or quarterly awards that embody your core values.
- Consider profit sharing, bonus structures, or equity. Remember that it's more about enabling employees to identify with big picture company goals and creating a sense of vested interests than remuneration.
- Work towards a culture of recognition, not just a recognition program. Appreciation should be ingrained in your daily interactions.

Chapter 10

AMAZING MANAGERS

We've all heard the old adage:

"People don't quit jobs, they quit managers."

Both anecdotal and scientific evidence suggest that it's true - the quality of your management corp is a huge factor in engagement and retention. Data from HR industry group SHRM demonstrates the impact that managers have on your organization. According to SHRM, "[E]mployees who trust their managers appear to have more pride in the organization and are more likely to feel they are applying their individual talents for their own success and that of the organization." These feelings have a direct impact on your company's ability to engage and retain talent.

Fortunately, there's plenty of evidence that the opposite also holds true - if your employees trust and believe in their manager, they are more likely to stay with you through thick and thin. By focusing on hiring and developing stellar managers, you can harness the power of this phenomenon, and significantly increase the engagement and retention capabilities of your organization.

AMAZING MANAGERS

Why Middle Management Matters

There's no denying that senior leadership is important in an engagement strategy. CEOs and other senior leadership set the vision and strategy for the company. Through their daily habits, demeanor, participation levels, and communications, they also set the tone for the organization, and directly impact the likelihood of company-wide participation in engagement and wellness initiatives.

But the reality is, in most companies middle managers have an even bigger influence on the company than even senior executives. Managers are the direct link between the C-suite and the rest of your organization. They're the ones in the trenches, making daily contact with your employees, executing the strategy and vision laid out by senior leadership, and therefore a critical factor in the effectiveness of your engagement strategy. Data from Gallup reiterates the point: according to their research, managers account for at least 70% of variance in employee engagement scores across business units.

Since they have so much daily contact with employees, managers also have an undeniable impact on the all-too-important emotional factor. According to a recent Dale Carnegie study, "The immediate supervisor is the chief emotional driver in the workplace; reactions to him or her explain 84% of how employees feel about their organization."

So what makes a good manager? How can you harness the power of effective management to help keep and engage top talent? Here are some key factors:

AMAZING MANAGERS

Good managers need

- Vision
- Decisiveness and Assertiveness
- Team building skills
- Clear Accountability
- Self Awareness
- Empathy, Emotional Intelligence, and Ability to Motivate
- To have their direct reports' best interest at heart

Let's break this down:

Vision

Managers have to make dozens of strategic decisions on a weekly, even daily, basis, including the allocation of human and monetary resources. In order to do this effectively, good managers must possess the necessary knowledge and vision to deploy these resources towards company objectives. Likewise, they need to be able to communicate this vision to their direct reports in a clear, concise way, so that everyone under them knows exactly how their individual efforts fit into the larger scheme of things.

A manager's vision shouldn't be limited to business strategy. Good managers also need to understand engagement, what it means, and why it's so important. Similarly, they need to be able to articulate these concepts in a way that galvanizes their team, and drives adoption of engagement programs.

AMAZING MANAGERS

Decisiveness and Assertiveness

So often, managers are asked to make decisions based on incomplete information. Good leaders need to be decisive under these circumstances, and make decisions with enough authority to focus and reassure their team.

Part of this involves opening a dialogue, to brainstorm solutions and build consensus. Ultimately, however, the manager has to have the final say, and be confident in the decisions he or she makes, even amidst uncertainty.

Team Building Skills

At their core, managers are primarily team leaders. As such, team building is an essential skill-set.

The best managers are not only able to assess the skills and functions that various team members need to possess, but are also able to create a sense of camaraderie and esprit de corps that bonds their team together. Managers who have team building mastered help create the personal and emotional connections necessary to build an engaged workforce.

Clear Accountability

Managers need to set accountability expectations with individual team members, so that everyone knows their role and has clear path to achieving individual goals. Goal setting and frequent communication are key in this process.

At the end of the day, however, the buck has to stop with managers, especially when things aren't going well. When mistakes are made, employees need to know that the manager has their back. A manager who throws his team under the bus will have a huge disengagement problem on his or her hands. That being said, employees also must know they'll be held accountable to achieving their goals and crucial results, and if they don't, there will be consequences. Few things are worse than pushing an employee towards goals they know won't really matter if they hit or miss.

Self Awareness

As a leader, a manager's actions and behaviors have to be consistent with the expectations he or she sets for the team as a whole. In order to achieve this, managers need an accurate, internal gauge of their own actions. A lack of self-awareness can create an inconsistent message and send mixed signals to employees - and spell disaster for engagement.

Empathy, Emotional Intelligence, and Ability to Motivate

Good managers need to motivate their teams, and inspire them to reach beyond their perceived limitations and to deliver stellar results.

The challenge lies in the fact that the things that motivate us are often unique to the individual. So much of motivation relies on understanding the diverse factors

that drive various team members. A strong sense of empathy and emotional intelligence is required to get it right.

Observation skills are important, but listening is perhaps more so. Managers should talk to their reports, and delve into the things that motivate them. As with many of the strategies we've discussed, much of this can be assessed during the hiring process, but constant communication is also important.

Understanding employees on an emotional level will do wonders towards creating an emotionally bonded team, who will be more inclined to sacrifice discretionary time in pursuit of common goals or for the success of fellow teammates.

Finding a manager with ALL of these characteristics may seem challenging. Luckily, many of these characteristics are simply skills that can be developed with training. The right strategy is to identify those with the potential for leadership, and work with them to fill in any skill gaps.

Additionally, Gallup research indicates that approximately 10% of the population have the right mix of skills to develop into effective leaders. Meanwhile, the majority of managers lead teams of 10 or more people. This means that there's a strong chance that on any given team, there's at least one potential leader waiting to be developed.

Appoint a Dedicated Engagement Manager

A final point on managers: not only is it critically important to get buy-in from managers across the board, your engagement strategy also needs a captain to steer the ship. Selecting the right manager dedicated to this task is a huge priority. This person needs to be part coach, part quarterback, and part cheerleader, possessing a mix of communication, planning, execution, and problem solving skills. He or she has to understand and enthusiastically articulate the benefits of an engaged workforce, galvanize managers and employees alike, and possess a vision of the strategy and a dedication to moving it forward.

In larger companies, the dedicated engagement manager is usually an HR manager, an engagement specialist, or an internal communications professional. In smaller

companies, it's not uncommon for this person to be the CEO, COO, or founding president. (In all likelihood, this person is you!)

Jen Freitas happens to be that person at Clif Bar & Company, the Emeryville-based maker of healthy and delicious organic food and drinks. Maintaining a culture that supports their business is a top priority for Clif, and Jen is the driving force of that effort.

"We like to say, 'our company is our people,'" she explains. "And it's true - no matter what company you are, your people are your company." The challenge, however, lies in maintaining Clif's culture in the face of massive growth.

To ensure that Clif's culture remains consistent, new hires meet with the CEO during the onboarding process, who communicates the company's Five Aspirations. Further down the line, employees can take advantage of the company's foundational learning program, in which employees learn more about Clif's history, vision, and purpose, as well as work on a plan for their own personal development.

Without a dedicated manager focused on execution, your well-intentioned engagement strategy will remain a theoretical construct, and have no impact on your business.

Action Steps

- Select managers with the right mix of skills for leadership. Work with them to develop any fundamental skills they lack.
- Do not simply promote top performers into management. You must make sure that individuals placed into management have the skills they need to succeed (including a strong desire to see and push others to succeed).
- Educate your managers in both the company vision and on the importance of engagement. They need to be able to remind their direct reports about the overall vision of the company, as well as how that employee fits into the overall picture. There must be a continual pipeline from executive leadership to mangers so managers can convey information effectively, all the time.

AMAZING MANAGERS

- Hold your managers accountable. Check in quarterly to determine how they're executing engagement strategies, as well as the results they've seen. Development of a manager's direct reports – that is the improved performance of those people the manager supervises – should be a key metric of evaluation.

- Appoint a dedicated engagement manager to guide and execute your engagement strategy. Without someone leading execution, your strategy is at great risk of remaining a paper tiger.

Chapter 11

PERSONAL GROWTH AND DEVELOPMENT

If you're not investing in people, you're not investing in the future of your business.

While many business leaders shy away from "people stuff," it's actually one of the most important aspects of your business. In our service and information-driven economy, talented people are your most precious commodity. That's why the personal growth and development of your employees is a foundational concept in employee engagement, and something you can't ignore.

Like most of the pillars, there is an emotional component to personal growth that directly supports engagement. Employees need to feel that they are continuously growing and developing, both personally and professionally. If your workforce feels like it's stagnating or treading water in a dead-end job, they will check-out and look for outside opportunities. And with Millennials, they'll do this fast. An atmosphere

of continual growth is no longer just a desire, it's a necessity for companies that don't want to experience high turnover.

From Human Resources to Human Capital

Part of understanding and deploying engagement best practices lies in understanding the shift in HR models in recent years.

With the rise of service and information economies over the last several decades, modern industries have increasingly shifted away from a human resources model in favor of the concept of human capital. While often used interchangeably, the two concepts are vastly different, and imply contrasting HR strategies.

The key to understanding this difference is the concept of investment. As the name implies, the human resources model treats talent as a finite, exhaustible asset. The job of the HR professional in this paradigm is to stockpile this resource through strategic hiring, and then allocate it like they would any other resource. Human capital, on the other hand, implies that talent is something that can be grown, like financial capital. In this model, HR professionals develop and invest in talent, not just acquire it.

PERSONAL GROWTH AND DEVELOPMENT

With that out of the way, the next question naturally is - how does one invest in human capital in a way that supports engagement? I'm glad you asked...

Subsidize Education

It's no secret that education is one of the best ways individuals can develop new skills and knowledge that they can directly apply to their roles, and is therefore one of the most worthwhile investments your company can make. But education is expensive, and how and where to invest in employee education can be a daunting task.

If you don't have the budget to subsidize a $90k MBA program, there are plenty of more affordable options. Companies like General Assembly offer one such alternative. At GA, courses are taught by actual practitioners in the field, and focus on the latest industry practices in technology, design, and business. Their programs include everything from single day seminars to weeks-long immersive certification programs.

Time for Passion Projects

One way to inspire growth in your employees is to encourage them to spend work time on passion projects. This can be a service project or business-related, but it must be something they are personally invested in. Not only will employees grow from the experience, but these projects will often benefit your business in unexpected ways.

Perhaps most famously, Google employees are encouraged to spend 20% of their time - or one day a week - working on passion projects that fall outside the scope of their ordinary jobs. While this might seem like a huge chunk of time spent away from critical business functions, this policy has paid off in spades. 20% time has

been credited in the development of some of Google's most popular products, including Gmail, Google Maps, and Adsense.

Many tech companies use a more focused method to engage employees in passion projects - the hackathon. First coined in 1999 by Sun MicroSystems, the practice involves setting a finite amount of time - usually between a day or a week - in which developers work intensely in teams to develop an idea into a minimum viable product (MVP). Typically, at the end of the session, the products are presented to the group, and a panel of judges declares a winner. Neither the idea nor the product has to be related to the company's business - it's all about creating a forum for employees to work strategically together on their own ideas and passion projects. What many companies have found, however, is that new products - and even brand new companies - are often the results of these hack sessions. GroupMe, the group messaging platform acquired by Skype for $85 million, was born from one such hackathon.

You don't have to be a tech company to benefit from a hackathon mentality. Companies in all industries can set aside time for their employees to work on new ideas and present them in front of a group. Employees will bond in the context of intense teamwork and creativity, and the exercise can be a fresh source of innovation.

Vacations and Sabbaticals

Culver City based Media Temple is a staunch advocate of the sabbatical. Each employee at the cloud-based hosting and domain service gets a paid, one-month sabbatical every three years, during which time they are highly

encouraged to travel abroad or engage in service projects closer to home.

CEO Demian Sellfors came up with the policy after he personally experienced the benefits of travel on his own perspective, wellbeing, and intellectual curiosity. He found that the new experiences he gained from travel brought a fresh perspective, new ideas, and renewed focus that he was able to apply to the business when he returned to work.

While a month away from work can seem like a long time, it's only a small percentage of company time over the course of 3-5 years, and the benefits far outweigh any missed productivity due to absence.

Case Study - SnackNation: Bow to Your Sensei

At SnackNation, we know that personal growth and development is an important part of creating an engaged workforce, and it's something that the company has taken seriously since day one.

Rather than leaving personal development to chance, SnackNation executive leadership created a way to ensure that employees had ample tools for growth.

Enter the "Sensei Session."

In the company's early days, the founders created a personal development program that included weekly seminars led by company leaders and subject matter experts. They branded them "Sensei Sessions" to evoke the spirit of teaching and mastery to which they aspired.

Initially, the program revolved around a series of executive summaries of popular business books. The company would distribute these 6-8 page summaries to employees at the end of the week, and ask them to come prepared with questions on Monday. On that day, a senior executive (usually myself) would present on the

main ideas, before opening up the floor for questions and a discussion period. Employees took to the concept right away, and the sessions became a valuable forum for learning and dialogue between leaders and the rest of the organization.

The program has evolved quite a bit since then, says SnackNation Head of Sales Kevin Dorsey. “We’ve tweaked Senseis a few times to fit the changing character of our employees and the changing needs of the business,” he explains.

The program’s second iteration, for example, was an open format. “For a few years, we opened Senseis up to our employees, encouraging them to present on any topic that they were passionate about,” Director of Talent Acquisition Ray Marks explains. “Doing this expanded the range of topics, and served as a great way for employees to improve their communication and presentation skills, which at the time was crucial for our business.”

While this tactic was beneficial for the presenter, over time it was clear that it had less of an impact on the audience. Under Dorsey’s direction, the program evolved again to include not only topics that were of interest to employees, but also things that were directly applicable to the business.

But Senseis are still a dialogue that involve both teaching and listening. “Crowdsourcing topics and learning what our employees want to learn about is certainly important,” Dorsey explains, “but the key is to walk the line between what employees want to hear and the information we know they need in order to grow in their roles.”

The format has likewise evolved. The Senseis are now working lunches that include a few minutes of lighthearted personal Q&A, followed by multimedia presentations, short videos, company announcements, quizzes, and writing exercises. Marks recently even taught a session on the psychological, physiological, and social benefits of smiling.

“One of the biggest surprises was how many times it really takes for new ideas to

take hold for people," says Dorsey. It may seem like overkill, but frequent repetition is often what it takes to make a point stick.

Today, Sensei Sessions are still a hallmark of our company's culture. According to Marks, the primary benefit - and the reason why it's lasted so long - lies in raising the overall level of competency of the org. "When you make the effort to strengthen the individual with a program like Sensei," he says, "you're really strengthening the entire organization."

Tips for developing your own internal development program:

- Start with source material that everyone shares. Executive summaries, white papers, podcasts, YouTube videos, or even full length books are a good place to start. Employees are more likely to ask questions or engage in discussion when given a starting point.
- Repetition is your friend. Learning the material usually isn't the problem - it's retention. In order for ideas to stick, present them more than once in novel ways. Create presentations that connect (and repeat) multiple ideas. Doing so ups the chance employees will be able to retain - and apply - the knowledge they're receiving.
- Start the discussion with an ice breaker or personal (and relevant) anecdote to set a light-hearted tone and to encourage interaction.

PERSONAL GROWTH AND DEVELOPMENT

- Encourage employees to lead sessions. One of the best ways to learn is by teaching. Employees who present will not only improve public speaking skills, but will benefit from becoming experts (or from brushing up) on the topic they present.
- Listen to your audience. Crowdsourcing is a great way to develop topics that your employees will care about - and more likely to actively participate in.
- Integrate mechanisms for follow up and accountability. Create quizzes, games, or writing exercises that require employees to use the information they just absorbed in order to improve retention.
- Brand it. Come up with a name that communicates the purpose and feel of the program you want to implement.

Action Steps

Educate leaders on the concept of human capital (as opposed to human resources) and how it relates to engagement.

Subsidize education. In addition to traditional graduate programs, consider certificate programs or industry-focused education like General Assembly.

Encourage passion projects. Allocate a percentage of work time for this purpose, or conduct a hackathon. Leverage the expertise in your company. Have leaders teach seminars for their co-workers on topics both related and tangential to your business.

Allow employees to take “sabbaticals” during which they can travel and experience new cultures, or get involved in a service project closer to home.

Leverage the expertise in your company by holding seminars taught by senior leaders, and/or rank and file employees.

Chapter 12

BRINGING IT ALL TOGETHER

We started this guide with a congratulations. It's only fitting that we end it with another.

So...

Congratulations! You've made it to the end. That was a *lot* of information, we know. You should feel proud that you not only care enough about your employees to be curious about engagement strategies, but that you had the wherewithal to actually read this entire guide.

But the work's not over just yet. It's time to bring everything we've learned together in a coherent, actionable engagement strategy.

Luckily for you, we've already done a lot of the heavy lifting. Below is our recommended eight-week plan to kickstart your employee engagement strategy. Like everything in this guide, this is a suggested framework based on our extensive research and experience as a company who thinks about engagement constantly. Most of these suggestions will apply to your organization, but some might not. Others, you might already be doing. Feel free to alter it to suit the specific needs of your company.

BRINGING IT ALL TOGETHER

Without further ado, here's our...

8 Week Plan for Employee Engagement Nirvana

Week 1

The first week is all about pinpointing and articulating your company's sense of purpose, but we also recommend some low-hanging fruit to kickstart your plan with immediate results.

Find the Why of your business. As we've demonstrated, determining your company's mission and sense of purpose is critical to creating an engaged workforce. Sit with your founders and develop a clear, concise mission statement that captures why you're in business in the first place. Ask, What gets us out of bed in the morning? This will be your guiding principle, and will inform much of your decisions down the line.

Audit existing communications channels. Communication is the other critical component to making sure your engagement strategy is successful, as so many of the other pillars rely on proper communication in order to be effective. Determine what you already have at your disposal, and figure out what likely needs improvement.

BRINGING IT ALL TOGETHER

Provide access to healthy snacking options via services like SnackNation. This is such an easy and convenient solution, we recommend doing it in week 1. Employees will appreciate the perk, and it will signal that you're serious about engagement.

Week 2

The majority of week two should be dedicated to listening.

Survey the organization. Design and distribute an engagement survey to your employees that seeks to determine the types of activities they'd be interested in participating in, as well as their thoughts and opinions on the state of things like internal communication, current nutrition options, workspaces, the effectiveness of managers, and the clarity of individual roles. Also consider taking a page out of the Zappos' playbook, and use this opportunity to gather input that can be used to develop core values.

Week 3

Week 3 is all about using the data you've collected to develop your values, finalize your strategy, and make sure you have the proper communications channels in place to make your strategy is successful.

Develop core values. Using the data you've collected, create a list of 5-10 core values that embody the spirit of your organization and codify the behaviors, best practices, and activities that support your business. Be sure to incorporate a sense of fun in your values to help create an environment that fosters personal connections and bonding amongst employees.

Fortify communication channels. Use survey data to determine the weak spots

in your internal communications infrastructure, and spend time shoring them up. Consider deploying next generation channels like enterprise social networks.

Finalize wellness programs and campaigns. Armed with survey information, develop the right strategies and tactics for your organization. Plan wellness challenges, onsite fitness activities, and health initiatives. Appoint a wellness manager (it might even be you!) to lead the implementation of these strategies.

Determine facilities needs. Connect with the head of facilities and space planning and work on a plan to create a space conducive to the types of activities that will engage your employees. Develop a timeline and budget for transforming your space.

Week 4

You're half way there. You've done the internal research and have the tools to get the job done. Now it's time to present your strategy to the organization.

Hold a company all-hands meeting. For some companies, this is old hat, but for many, this might be the first time your entire organization has been in one place at one time. Use this opportunity to clarify the mission and purpose of your

organization, and present your newly developed core values and engagement strategy. Once you've presented, open things up for questions. And of course, be

excited! Make a strong case for employee engagement. Your employees take their cues from the top, so enthusiasm will go a long way towards adoption of your plan. Begin any construction projects immediately. If your plan requires an overhaul of your office space, start on construction the day after your all-hands rollout. Better yet, send in a crew to paint overnight. We know that reimagining an office space can take a while, and is a constantly-evolving process, but simple things like painting will wow employees, and let them know that you're serious about engagement.

Week 5

Now that all the planning is done, it's time for execution!

Get physical. Now's the time to launch your wellness campaigns. Bring in trainers or yoga instructors and conduct group fitness classes, either on site or at a nearby park. Harness the power of inter-departmental competition with wellness challenges.

Prominently display your values and mission. Help ingrain your values into the organization by displaying them in the office for all to see.

Did we mention healthy snacks help??

Week 6

You've already made a big impression with your rollout. Focus on nuance in week 6.

Make it personal. Start business meetings with personal anecdotes to help foster personal relationships and emotional bonds between employees.

Assess employee roles. Managers should prioritize making sure that subordinates have well defined roles within the organization. Every employee should know his or her role on his or her respective team, and understand how this

role directly relates to the success of the business. Consider assessment tests to help determine if the employee's strengths are being fully utilized.

Set business and personal goals. Employees should also work with managers to define personal and professional goals, and set a schedule for follow up and accountability.

Begin weekly company-wide communications. A thoughtful email from your CEO or other C-level executive is often all you need to satisfy employee demand for information from the top. This can be facilitated by your communications team. Make sure there is a feedback mechanism, so that employees can provide feedback on executive messages.

Week 7

One week to go. Focus on fun and games in week 7, with a dash of education to balance things out.

Unveil your game room. Making fun a priority is a surefire way to nurture bonding between teams and individuals. A game room could be just what the doctor ordered in the fun department. While a full-blown arcade isn't necessary, there are tons of low-cost ways to inject a little fun into your environment, including ping pong, foosball, or group video games like Guitar Hero or Rock Band.

Start weekly happy hours. Make socializing a part of the work week by reserving the last hour on Fridays for a group happy hour, either at the office or at a nearby restaurant or bar.

Hold your first education session. Leverage the expertise that

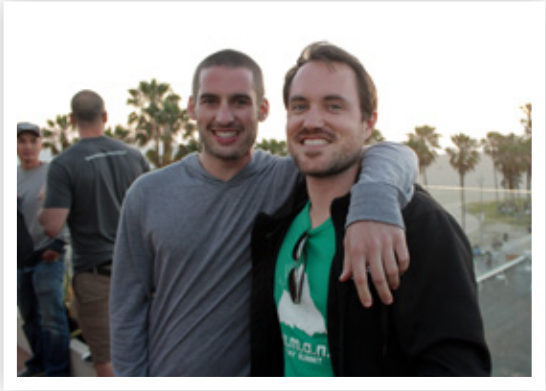
already exists in your company by holding a voluntary seminar led by a senior leader. Topics can be business oriented, or related to a personal hobby or pastime.

Week 8

Finally! Your employee engagement strategy is in full swing. Recognition, rewards, and longevity should be your focus in the last week of your plan.

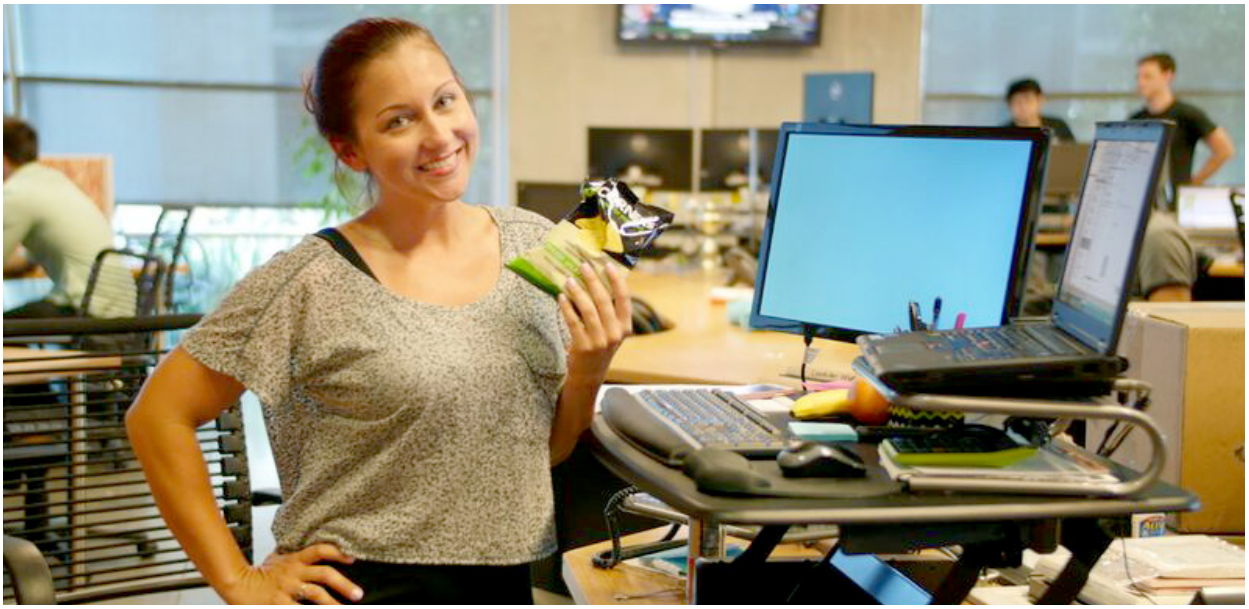
Recognize wellness achievers. Reward wellness challenge winners with company wide recognition, or with gift cards or creative trophies.

Start planning a future offsite or retreat. Nothing will bring your employees together like a shared experience away from the office. Plan bonding activities like group meals and games. Make it productive by setting aside some of the time for strategy and planning. To really emphasize performance, make the retreat contingent on your company meeting quarterly goals.



Keep it up! Your commitment to engagement shouldn't end after eight weeks. Plan to measure the effectiveness of your strategy, and adjust as necessary. Continue to collect feedback from employees, and open a dialogue between executives and the rest of the organization to dial in your strategy.

WHAT YOU CAN DO TODAY



So that's it! You now have all the tools you need to transform your organization and start down a path towards a happier, healthier, more productive, and more engaged workforce.

Keep in mind that transformations of this magnitude don't happen overnight. Engagement strategies like the one above take time and a degree of patience.

Fortunately, there is something you can **do TODAY** to kickstart your employee engagement strategy.

SnackNation is a convenient, hassle free way to provide your employees with the nutrition they need in the form of delicious, healthy snacks. It's a perk that your employees will love, and easy way to kickstart your employee engagement strategy.

You can even use SnackNation as a symbol for your organization's path towards engagement enhancement. Let them know SnackNation is just the first step in your overall strategy, and explain to them the why behind all of it. Remember, people are much more likely to care about something when they know the reason behind it, regardless of what the reason is.

Click **here** for a free (plus shipping) sample box of our specially curated snacks, and see for yourself.

WHAT YOU CAN DO TODAY

Get Your Free* Snack Sample Box

Test drive SnackNation with a hand-picked selection of delicious, healthy snacks your team will love.

*Just pay $9.95 S&H. 100% money back guarantee.