How SEAM Addresses the Key Drivers of Employee Engagement

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Abstract

Two approaches to organization development (OD) link the social health of organizations to the economic performance of organizations. Employee engagement research shows a correlation between the level of engagement among employees in organizations and the employee turnover, the organization's ability to grow and bottom line results. Meanwhile, the Socio-Economic Approach to Management (SEAM) links organizational dysfunction to hidden costs and the ability of the organization to develop human potential.

Key words: Employee engagement, socio-economic applied management (SEAM), human potential, organization development (OD), humble consulting, TFW virus.

The fields of employee engagement and Socio-Economic Applied Management (SEAM) both link the people, or socio, aspect of organizations to economic results of organizations. Employee engagement experts help organizations pinpoint areas for improvement based on diagnostics typically conducted through employee surveys. Meanwhile, SEAM experts help organizations identify hidden costs that are the result of dysfunctions in organizations as a way to identify areas for improvement.

Employee engagement has become a popular topic among organizational leaders. According to a study by Deloitte, 78% of business leaders said employee engagement was an urgent or important issue for them (Galagan, 2015). In addition, very large data collection organizations go to great lengths to survey the state of engagement in the workforce. Gallup, AON Hewitt and Deloitte survey hundreds of thousands of workers in over 140 countries regularly about their levels of engagement at work. Major publications such as Harvard Business Review, Forbes and Wall Street Journal routinely publish articles on employee engagement. At the same time, many organizations struggle finding ways to improve employee engagement. For example, Gallup has found that just 30% of employees in the U.S. are fully engaged (2013).

Meanwhile, SEAM has a strong and long track record of success, but largely remains under the radar in OD and management circles (Conbere & Heorhiadi, 2015). While approximately 1,800 interventions have taken place over a 40-year time horizon, only two have failed (Conbere & Heorhiadi, 2015). Of the more than 1,800 interventions that have taken place, fewer than ten interventions using the complete SEAM

methodology are known to have taken place in the U.S. at the time of this writing. Some partial SEAM interventions have also been completed as part of college courses in at least five states.

While both fields attempt to improve the socio and economic health of organizations, they diverge in success rates and popularity. This paper explores how the SEAM process of change could help improve employee engagement in organizations.

What is Employee Engagement?

Many data collection organizations and engagement scholars indicate that engagement is a measurement of how committed employees are to the organization and their job. Engagement is often measured in three categories (Gallup, 2013; AON Hewitt, 2015).

1. Fully engaged / committed: employees are emotionally attached and fully committed to their jobs and/or the organization. They are willing to use their discretionary time for the betterment of the organization. Fully engaged employees work passionately and drive the organization forward.

2. Not engaged: employees are compliant and do the minimum required. These employees are at risk of leaving the organization for more compelling opportunities. Compliant employees try to stay out of the spotlight and avoid punishment. These employees are sometimes referred to as "sleepwalkers" and "clock-watchers", simply trying to get through the day.

3. Actively disengaged / non-compliant: employees actively work against the organization. Actively disengaged employees are known to routinely complain to co-workers and they may be actively looking for another job. These employees undermine the work environment.

Engagement is also often referred to as the psychological contract employees have with their organization. An employee's engagement can play out in three ways (Lockwood, 2007).

A. Cognitive: employee's *belief* about the company, leaders and culture.
B. Emotional: employee *feelings* about company, leaders and colleagues.
C. Behavioral: amount of extra effort employees put in to their jobs, sometimes referred to as discretionary effort.

So how engaged are employees in general? Worldwide, 13% of employees are fully engaged and in the U.S. 30% of employees are engaged according to Gallup (2013).

In short, there is a lot of room for improvement. Below is a comparative chart showing employee engagement levels for the U.S. and various regions of the world.

Table 1

Employee Engagement by Region

	Fully Engaged	Not Engaged	Actively Disengaged
Worldwide	13%	63%	24%
United States	30%	52%	18%
Western Europe	14%	66%	20%
Middle East	10%	55%	35%
S.E. Asia	12%	73%	14%
Latin America	21%	60%	19%

Source: Gallup, 2013

Further exacerbating the challenge and opportunity of employee engagement is Gallup's finding that Millennials are the least engaged generation in the US workforce. Millennials represent the youngest generation of the workforce, born between 1982 and 2004. In the U.S., Millennials already represent over 50% of the workforce and are expected to make up 75% of the workforce by 2025 (Pew Research Center, 2015, Schwabel, 2013). In addition, an exhaustive worldwide study indicates that 66% of Millennials expect to leave their organization by 2020 (Deloitte, 2016). So the challenge of engagement is likely to grow as Millennials make up an increasing part of the workforce.

What is SEAM?

SEAM is a process for organizational change pioneered at the *Institut de socio-economie des enterprises et des organizations* (ISEOR) in Lyon, France (Conbere & Heorhiadi, 2011). The SEAM process identifies dysfunctions that exist in organizations and quantifies their hidden costs – these are costs that typical accounting systems do not properly quantify, such as wasted time. SEAM practitioners are able to help organizations remove dysfunctions through an HORIVERT approach that works across the management level of the organization (horizontal change) while at the same time works up from the bottom of the organization (vertical change). Dysfunctions are rooted out

through a trihedron of change work, including management coaching, the introduction of new tools and targeted improvement projects that are called baskets. In short, the SEAM process works to improve the system and practitioners have found that as the system improves, so does the socio environment along with economic performance.

The Cost of Disengagement and Dysfunction

The level of employee engagement has a very strong correlation to an organization's performance. For example, one large study found that organizations in the top quartile of employee engagement compared to organizations in the bottom quartile showed a 21% difference in profitability, a 41% difference in absenteeism a 70% difference in safety incidents and a 40% difference in quality defects (Harter et. al., 2016). Another study showed that shareholder return at companies with highly engaged workforces were 83% higher than companies where employee engagement was average (AON Hewitt, 2015). A report by the Society for Human Resources Management (SHRM) indicated that organizations with highly engaged employees are 26% more productive than those with workforces that are not considered highly engaged (2013). Meanwhile, some experts believe the cost of employee disengagement in the U.S. ranges between $450B and $550B per year (Galagan, 2015).

In the SEAM process, hidden costs are calculated and tied back to dysfunctions that are occurring. SEAM research and consulting showed that an average of over $20,000 per employee per year in hidden costs exist in organizations (Conbere & Heorhiadi, 2015). So whether measuring the costs through the lens of an employee engagement expert or a SEAM practitioner, the socio costs and opportunities in organizations are eye opening.

Improving Employee Engagement Remains Elusive

Improving employee engagement has been a conundrum for leaders. Why is this so? One theory is that as the nature of work has changed, the practice of management has been slow to change. SEAM scholars have coined out of date management practices and the resulting dysfunctions they create the TFW virus (Heorhiadi, Conbere, & Hazelbaker, 2014). The virus's moniker, TFW, represents the scientific management approach espoused by Frederick Taylor, Henri Fayol and Max Weber in the Industrial Age (Taylor, Fayol and Weber are the "TFW" in the acronym). During the Industrial Age, the assembly line was put in place, creating highly specialized work designs and separating workers from the overall finished product that was produced. During this time, the nature of work was more robotic, in some cases physical (i.e. assembly line) and in some cases mental (i.e. computing). Managers were taught to control workers, using rewards and punishments to motivate them.

Today, organizations have machines and computers to do the robotic and repetitive functions of work. So today's workers are increasingly employed to help organizations innovate, which can come in the form of organizational improvement, new market development or product innovation for example. So as the nature of work has changed, managers now increasingly need their worker's expertise and creativity – things they need to draw out of workers, and which are not gained by highly controlling management.

Further exacerbating changes in the nature of work are technological advancements allowing workers to do their jobs remotely. In these cases, managers are relying on their employees to do their work from home or remote locations, rather than under the thumb of a supervisor. Again, the manager's attempt to control workers often has a negative effect on the engagement of employees and creates dysfunctions in organizations.

As technological advancement and globalization have changed the nature of work, the relationship workers have with their managers has changed as well. Schein (2016) wrote about this changing relationship and saw the need for management creating a helping relationship with their employees in the modern work environment. The helping relationship according to Schein is one where the manager is supportive and uses inquiry to help employees solve problems. This is different from the old authoritarian approach whereby the manager tells the employee what to do and then either rewards or punishes employees depending on how closely the managers believe their orders were followed.

More than ever, workers need to be engaged to help the organization improve and move forward, yet so many managers are either un-trained in how to effectively solicit the help of their employees or they try to manage them in an authoritarian way. Unfortunately, this approach still widely exists in organizations today. It is not uncommon to hear leaders refer to their workforces as 'resources' or 'human capital'. Workers continue to be managed as things, like they are robots on the assembly line today. Given this widespread approach of management, it is no wonder dysfunctions and low employee engagement cost organizations so much.

Employee Engagement and SEAM Processes

So how do employee engagement and SEAM processes work in organizations? Both employee engagement and SEAM start with an assessment, although each conducts the assessment in different ways. Employee engagement interventions most often start with an employee survey, followed by sharing some form of the results with employees. The sharing can occur in an email, employee meeting or through other communication

methods and the results shared may be truncated and edited. In a SEAM intervention, data collection is more prescribed; SEAM consultants interview employees about dysfunctions in the organization. SEAM consultants then prepare and present all of the dysfunctions back to the entire department or organization in an all-employee meeting during what is called the mirror effect, a process that can be painful, yet cathartic at the same time (Conbere & Heorhiadi, 2011; Savall & Zardet, 2008). Often, the dysfunctions that are presented back to the organization include things that were previously un-discussable and the litany of dysfunctions ultimately shocks the organization into an unfreezing moment of change.

Once an assessment is completed in the field of employee engagement, an organization development consultant often works with the organization to help managers understand which drivers of engagement need to be improved. In my review of current research on engagement, ten universal drivers of employee engagement have surfaced (see Table 2). Most organizations that measure engagement and look for ways to improve based on employee input, will find they lack one or more of the drivers listed in Table 2.

Table 2.

Drivers of Employee Engagement

#	Drivers of Employee Engagement
1.	*Regular, two-way communication with management* – employees want to hear regularly from the senior leadership group. They want to know how management thinks the organization is doing and where management believes the organization needs to focus to achieve its goals. Employees also want the opportunity to interact with management, so they feel an open door of communication with their leaders when situations call for it.
2.	*Relationship with supervisor and coworkers* – employees want a healthy team environment where they feel supported by their coworkers and supervisors.
3.	*Recognition of one's contributions* – employees want to be recognized for exceptional effort and key milestones they achieve. Recognition could come in the simple form of a thank you or in a more public way. Recognition can be based on individual achievements or team achievements.
4.	*Performance management system* – employees normally want more frequent and helpful feedback as well as a plan to guide their career development.

5.	*Development opportunities* – employees want opportunities to learn and experience new things to foster their own growth.
6.	*Culture of transparency, collaboration and empowerment* – employees want to work in an environment where they have strong social connections and where they feel like they can make a difference.
7.	*Meaningful work design* – employees want to do work that interests them, where they feel challenged, but not overwhelmed. Many employees would like to have a voice in designing their jobs in a way that mutually benefits the employer and the employee.
8.	*Organization's focus on employee well-being* – employees want to know their employers care about them as people. Health, wellness and a safe/comfortable work environment are important to employees.
9.	*Organization's brand and reputation* – employees want to be proud of where they work so when they tell family members and friends the name of their employer, a positive response is received. They also want their employer to be an impressive part of their work history.
10.	*Confidence in leadership and organization's strategy* – employees want to know their organization has a bright future, so they want to understand and believe in the organization's strategy and the people leading them forward.

Ultimately, many organizations struggle to fully address the drivers of employee engagement. Even though leaders acknowledge engagement is a top priority, one study showed that 75% of organizations had no strategy in place to address engagement (Galagan, 2015). In some cases, organizations conduct the assessment and hope that their regular human resource efforts, strategic development and performance help raise engagement. In other cases, engagement results might spur a targeted effort in what are called "hot spots", whereby organization or consulting resources are focused on problem areas. As noted, a few organizations make engagement a strategic priority and create a comprehensive plan for improvement as they implement systems and practices that foster employee engagement, such as leadership development, a reward and recognition system and/or widespread communication improvements. In short, the approach to improvement varies widely in approach and in effort, depending on the organization's commitment to improvement. In the end, many organizations fall short when trying to improve

engagement as illustrated by the woefully low engagement scores worldwide and in the U.S.

While OD practitioners and employee engagement consultants try to help organizations improve engagement through targeted efforts, the SEAM approach takes a methodical, whole-system approach toward change. As noted earlier, the SEAM process involves the HORIVERT approach (Conbere & Heorhiadi, 2011). This whole system approach invigorates change in the entire organization. SEAM consultants guide the process, while employees in the organization actually prioritize tasks and find solutions to organizational dysfunctions. Having employees work on organizational issues helps create a sense of empowerment and demonstrates leadership commitment to improving the socio aspect of the workplace, again connecting to drivers of employee engagement related to confidence in leadership and strategy as well as employee development opportunities.

In addition, six SEAM tools are implemented that inherently address many of the top drivers of employee engagement (Conbere & Heorhiadi, 2011; Savall & Zardet, 2008).

1. A 3-5 year Strategic Plan provides clear direction where the organization is going. This tool addresses an employee's desire to be connected to the organization's mission and strategy. Before employees hitch their future to the organization, they want to know leadership has created a compelling vision and is taking steps to move the organization forward.

2. The Priority Action Plan (PAP) takes strategic goals and makes them actionable for the organization. The plan is updated every six months and prioritizes the actions that will be taken to carry improvements forward.

3. The Competency Grid is a training assessment tool that allows employees and supervisors to identify critical skills needed to do specific jobs inside the organization. The two-way assessment provides a platform for employees and supervisors to determine training gaps so each employee may develop their skills to master their jobs.

4. The Time Management tool allows employees to better prioritize their activities and to focus on value-added activities, rather than the trap of continually fighting fires.

5. The Strategic Piloting Logbook is a tool to help the organization measure results from baskets, or projects that are created.

6. The Periodically Negotiated Activity Contract (PNAC) is a document that outlines goals and potential rewards for each employee. The goals and rewards are negotiated between the supervisor and the employee.

Table 3

How SEAM tools address the drivers of employee engagement

Drivers of Engagement	SEAM
Regular, two-way communication with management	Mirror Effect, Communication Systems
Relationship with supervisor	Coaching, PNAC, Competency Grid
Recognition of one's contributions	
Performance management system	PNAC, Competency Grid
Development opportunities	PNAC, Competency Grid
Culture of transparency, collaboration and empowerment	Mirror Effect, Baskets, PNAC, PAP
Meaningful work design	PNAC, Competency Grid, PAP
Organization's focus on employee well-being	Work Structures
Organization's brand and reputation	
Confidence in leadership and organization's strategy	Strategic implementation

Additionally, SEAM also includes coaching, whereby SEAM consultants work closely with managers to help them implement SEAM tools, manage improvement projects/baskets and become better leaders. As noted above, management often has been trained to manage in a more authoritarian way. So coaching helps re-orientate and retrain managers to lead in more collaborative and effective ways. Through coaching, managers often learn to effectively manage employees, negotiate goals and priorities with employees, and recognize employees for positive results.

Conclusions and Implications

While employee engagement has gained a lot of attention over the past decade, its process for assessment has become well defined but the process for improvement remains elusive. Organizations often struggle with creating effective change strategies once they receive their employee engagement results. Meanwhile, SEAM is a proven process for improving the socio environment and economic performance in organizations. In addition, the SEAM process addresses many employee engagement drivers. This begs the question, could SEAM be the missing piece in solving low employee engagement levels in organizations?

SEAM practitioners know that a SEAM intervention improves employee engagement. In fact, SEAM consultants and scholars often talk about developing human potential as dysfunctions are eliminated and the change process is carried out. From the beginning of a SEAM intervention, employee voices are heard during the mirror effect, unfreezing employees to change and opening them up to becoming engaged with the organization. SEAM furthers the engagement of employees by giving them tools to do their jobs more effectively, by improving management practices and eliminating dysfunctions that can cause dissatisfaction and disengagement in the first place. While the SEAM process appears to address many drivers of employee engagement, it would be interesting if additional study would take place to further validate these connections. For example, measuring employee engagement before and after a SEAM intervention in organizations would shed more light on the ability of SEAM to improve employee engagement.

From a macro point of view, engagement scores remain persistently low, creating both a challenge and opportunity for the field of OD. Since SEAM addresses most of the key drivers of engagement, OD practitioners should begin considering SEAM as an intervention to help organizations improve employee engagement.

For those trained in the SEAM process, talking to clients about SEAM can be challenging since it is not widely known in the U.S. and it is a whole system change that has several moving parts. Talking about SEAM as a way to improve employee engagement would likely intensify the interest in SEAM. As noted, employee engagement is top of mind for many leaders, yet organizations continue to struggle improving the engagement of their employees. So naturally, promoting SEAM as an intervention that can improve employee engagement would be a compelling proposition for leaders.

In the end, there appear to be enough connections between SEAM and employee engagement to warrant further discussion. Perhaps the evolution of SEAM and employee

engagement will some day intersect more overtly and facilitate faster acceptance of SEAM as a change process that leaders are willing to introduce into their organizations.

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