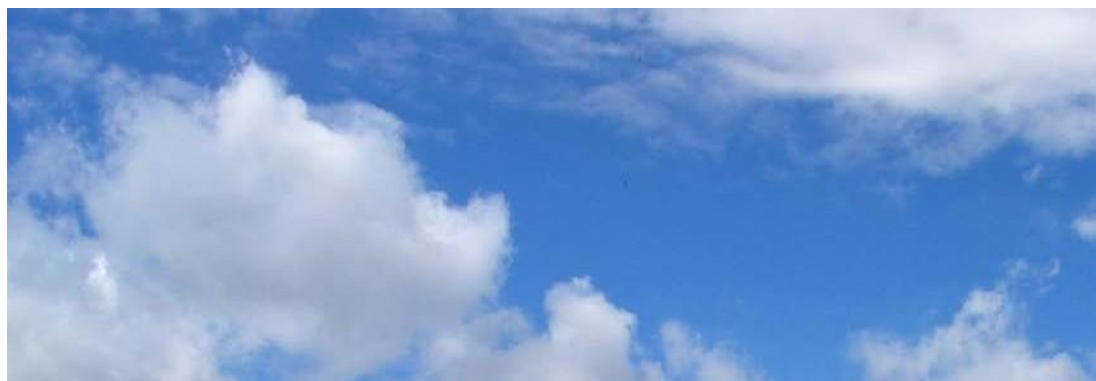# eepulse

VALOUR

Valour Pulse™ and Energy Pulse™

The Valour Pulse and Energy Pulse questions are based on over 20 years of research on what drives firm performance. These approaches to employee engagement go beyond the traditional work by introducing the "conditions under which" increasing employee engagement scores can enhance employee, team and firm performance, and the "conditions under which" they can lower performance. The Valour and Energy Pulse diagnostics tools give you better data for improved decision making. The science behind this work is described in this white paper.

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ABSTRACT

The Valour Pulse and Energy Pulse questions are based on over 20 years of research on what drives firm performance. These approaches to employee engagement go beyond the traditional work by introducing the "conditions under which" increasing employee engagement scores can enhance employee, team and firm performance, and the "conditions under which" they can lower performance. Lowering performance is possible for subsets of employees because not all employees are the same, and when you treat them as identical you are not optimizing the impact of your engagement efforts. The Valour Pulse provides a diagnostic process that gives you data on the percentage of your population who are highly engaged, at risk of turnover or disengaged, those for whom small changes will lead to high performance, and lastly, and what you do not get with traditional approaches to engagement, which percentage of your population is in an entitlement state (or who are most likely to resist change). It is the last group, the entitled demographic, for whom you can lower performance by increasing scores on traditional employee engagement items. The Valour and Energy Pulse diagnostics tools give you better data for improved decision making. The science behind this work is described in this white paper. For more information, you can contact the eePulse team at info@eepulse.com or 1-877-DR PULSE (1-877-377-8573).

Valour Pulse and Energy Pulse are names for the surveys used by eePulse to help organizations assess, monitor, and manage employee engagement. There are several unique aspects of the eePulse approach. Each will be explained in detail, but to summarize:

eePulse focuses on not just the question of how many employees are engaged, but engaged in what. This is critical because what employees are engaged in doing at work is more important than simply if they are or are not engaged.

1. The valour survey questions uncover the conditions under which some employees will benefit from improvements in traditional employee engagement survey scores. It also shows the conditions under which the performance of a subgroup of employees will decrease by improving these traditional employee engagement scores. This is because making engagement scores higher is not necessarily good for everyone. The valour work grew out of a large-scale research study with thousands of firms around the world, examining the predictors (using longitudinal data, control variables, and multiple measures of performance) of firm performance, including long-term survival. The discovery was that people are important, but making everyone "engaged / happy / satisfied" – or whatever term you use to describe the psychological state we are trying to achieve – was not enough. Engaging employees, while also

creating a culture with a high sense of urgency, drove positive performance. Engagement and urgency had to be in balance to achieve high performance. This discovery was built into the valour survey process.

2. Valour is an acronym that stands for the four key constructs that make up eePulse's Valour Pulse survey (the core employee engagement survey):

   VAL stands for value; we ask questions that assess the degree to which employees feel valued by their managers and peers.

   O represents the word 'ownership,' and it covers questions that assess the degree to which employees feel a sense of ownership in their job and their company.

   U is for sense of urgency, or the culture or atmosphere for moving forward in a fast-paced environment.

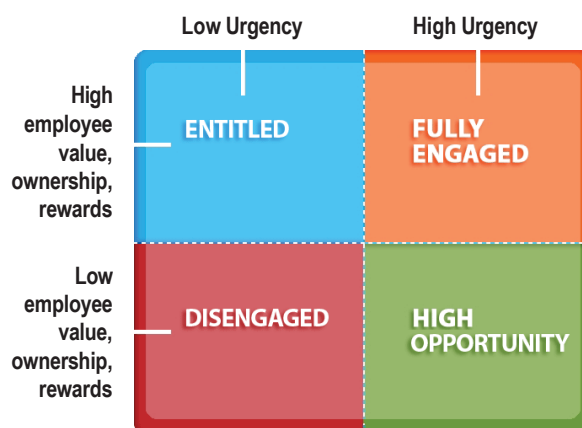   **R** reflects rewards, that employees feel paid for performance, that rewards are fair.

Figure 1: Valour 2x2

3. In the research, we found an interaction effect between the components that make up val-o-r (traditional engagement survey items) and urgency (new concept for engagement). Urgency is the variable that is unique in the employee engagement space, and measurement of urgency allows us to map out an organization in ways that cannot be done with traditional employee engagement surveys.

Interpreting the Valour Pulse

Figure 1 is the legend used for the valour reports. It is provided to clients who use the valour survey. Looking at this figure, the upper right quadrant represents a state where employees score high on val-o-r (engagement basics) and high on urgency. These individuals have the internal 'fuel' (or motivation, stimulus, energy) to keep moving forward as the company goes through change, and they are achieving optimal results because they feel valued, have a sense of ownership in their work and company, and perceive adequate rewards for their efforts. These people are in balance for optimal performance.

The people in the high opportunity quadrant have a high sense of urgency, and they usually only need a small intervention to improve value, ownership, or rewards to move them up to the engaged or high performance state. The people in the disengaged quadrant, who are low on both criteria, are found to be those who are more likely to leave the organization. This bucket assesses your risk of turnover or employee withdrawal. This group may be in balance but in a negative way.

The last group, in the upper left quadrant, is the group that most organizations using traditional employee engagement approaches have no ability to diagnose. This is the group of people who are feeling very valued, rewarded, and positive about their job but who are doing less than your organization needs – or who have a low sense of urgency to move forward. We often use a label for this group called "resist change" because these individuals are happy with the status quo; they keep getting rewarded and made to feel more valued, and they are getting these 'kudos' on the job for lower performance. These are the people who bring other employees' performance down; they are the employees who feel entitled and resist change because life is good for them 'as is'. These individuals are rewarded for not performing at the level you need for success.

The missing factor in many traditional approaches to employee engagement

Thus, our research shows that urgency is the missing factor in many traditional approaches to employee engagement; these survey or diagnostic tools assume one size fits all. Organizations often suggest that managers should improve engagement scores for all employees. However, what the eePulse research shows is that when you take performance into consideration, some employees need to be managed differently. In fact, the intervention needed for those in the upper left box is to decrease their traditional employee engagement scores (assuming the traditional approach to measurement of employee engagement is value, ownership and rewards).

	Low Urgency	High Urgency
High Valour	3%	56%
Low Valour	16%	25%

	Low Urgency	High Urgency
High Valour	19%	25%
Low Valour	38%	19%

	Low Urgency	High Urgency
High Valour	17%	17%
Low Valour	58%	8%

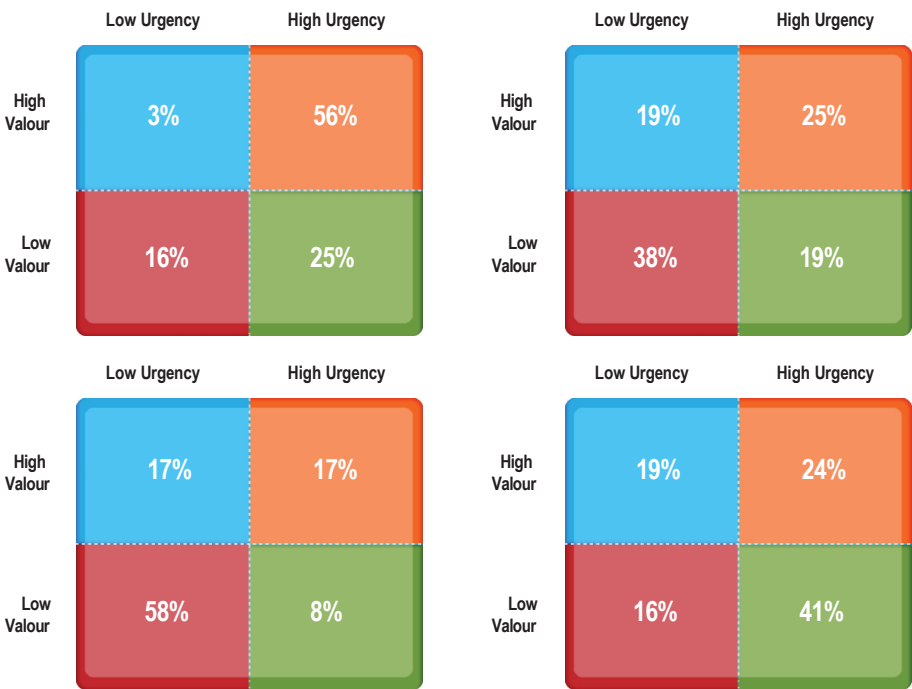|	Low Urgency	High Urgency
High Valour	19%	24%
Low Valour	16%	41%

Figure 2: Example of valour reports for four departments

When clients use the valour questions, they receive the 2 x 2 valour reports for all views of their data (by department, location, manager, and any other demographic included in the work). As you can see from the sample 2 x 2 valour reports above, the percentage of people in each quadrant differs from manager to manager. Thus, the coaching and the intervention work needed for each manager is different.

In Figure 3 you find an example of the way the intervention process works with the valour diagnostic tool.
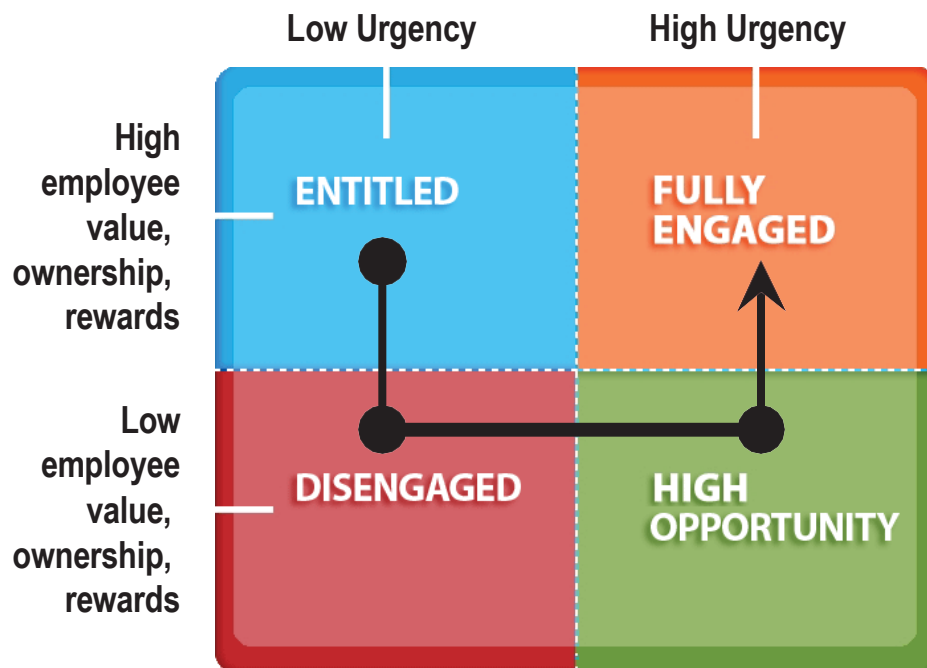

Figure 3: Intervention strategy

Figure 3 shows the direction of the intervention with the black arrow. For those in the entitled group, you first have to lower their value, ownership and rewards. By doing this, you instill a sense of urgency for change. Our experience to date with clients shows that urgency is more difficult to manage and change than val-o-r. We have not, to date, met an organization or manager who can move the entitled person from entitled to fully engaged without the intervention suggested in Figure 3 (first lowering val-o-r). That's because the entitled individuals are accustomed to getting rewarded for not doing much at work. Why would they change? They need a burning platform, or some incentive to move, and that does not come from giving them more rewards.

Keep in mind that in a traditional employee engagement survey, a manager would be coached to simply raise the scores of these individuals because most engagement surveys do not assess urgency; they measure aspects that could be bundled into the val-o-r buckets.

This would explain why, recently, a company that won the 'most engaged company of the year' award later in that same week declared bankruptcy (see www.energizeengage.com for a discussion of this and for the article). Engaged 'in what' becomes the important question to answer. The people in the upper left quadrant of the valour legend are engaged in doing less work, doing less focused activities, and perhaps in resisting the type of changes needed to drive the company forward. They might be converted by using the intervention described above or they may need to be managed out of the organization.

Add custom questions to the valour pulse

Going back to the engaged 'in what' question, eePulse uses open-ended comment questions to find out what employees are engaged in doing, to what extent they understand their own priorities, and more. We then use auto categorization technology to make those comments useable quickly by managers. We also help clients to add custom questions that focus on their own goals.

Employees, managers and leaders today say they are confused

In our ongoing studies within clients and in the Leadership Pulse™ work (a research study gathering and distributing data among 15,000 global leaders that Dr. Theresa M. Welbourne has conducted through eePulse since 2003), we have found that every year employees, managers and even the most senior leaders are getting more and more confused at work. That is why the engaged 'in what' question is so critical. We also find that asking employees questions and doing survey work once a year simply is not enough if you want to manage your people, well. Thus, we have taken the work on valour and have supplemented it with an ongoing, simple survey process using the energy pulse™ question. We include energy pulse in our baseline engagement survey work.

Energy at work = sense of urgency in culture

The valour survey work grew out of a large scale study of what drives long-term firm performance. Then out of the valour work (which started with 200 question surveys, then scaled down to the 15 we use today) grew the work on energy. The theory for all this work came from multiple areas, including marketing (protection motivation theory), physics (work on inertia and momentum), total quality management (optimization of performance using control charts), and sports physiology (how athletes achieve peak performance).

We found that in the balanced cultures (high sense of urgency and val-o-r), employees were in ideal energy states. Think of a sports analogy first. When you exercise, you take your pulse to make sure you are 'in the zone.' You want to exert yourself enough so that you are optimally burning calories but not causing your body damage (working too hard so that you have a heart attack). Every person has his/her own target heart rate, which is a function of age, physical condition, and more. The goal of your exercise program is to get to the target heart rate and minimize variation, or stay in the zone to do your best.

The same rule applies to employee energy at work. In fact, in much of the motivation literature, you will see that motivation (which is related to energy) is an optimization construct. There can be too much energy exerted at a given effort. Too much energy exerted in exercise can cause heart damage. Too much energy going into a light bulb makes it burn out. And too much energy being exerted day after day at work can lead to low performance, burnout, health problems, and more.

The energy work was started based on two requests. One was that the CEOs who received the valour results wanted an intervention for improvement. Second, we learned the val-o-r components of the equation really did not change that much, but urgency did. Thus, in order to help clients stay 'in balance,' the key was to track urgency so that they could be proactive rather than reactive.

Energy measurement as an intervention to improve val-o-u-r

Since urgency fluctuates considerably, and energy is a proxy for urgency, our first experiments involved measuring energy on a weekly basis. What we learned in doing that work was the following:

1. Energy predicts performance. Starting with studies with students, energy predicted their test scores at the end of the semester. In the corporate world, energy predicted customer satisfaction scores, employee turnover, employee absenteeism, 360 performance scores, patient satisfaction scores in hospitals, quality and productivity output, and more.

   The process of measuring energy and asking employees open ended comments about what was getting in their way and what was affecting their energy led to (a) positive changes led by managers receiving actionable data in real-time reports, and (b) an intervention that made employees feel more valued, rewarded and gave them a better sense of ownership. This is because by listening to employees and giving them a new and additional form of voice, the clients working with the regular pulsing process created an intervention that employees valued.

2. Managers were held accountable for employee data in the same way they were being held accountable for sales, financial, and production data. In regular meetings, employee pulse data were added to the list of data to discuss. The clients were not creating big employee survey programs; the employee data was one more ongoing input into the way the business was managed.

3. Clients experienced positive and measurable results. Turnover was reduced; revenue increased, and when calculated, the results were anywhere between 100% to 2,000% return on investment in 3-month to one-year time periods.

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Employee energy measurement

Energy is measured with only one question, using a 0 to 10 scale, where 0 =no energy at all; 5= energized; 8 = high energy; and 10 = overly energized or burned out.

Figure 4: Energy pulse

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Figure 4 shows the energy question as it appears on web-based surveys. eePulse has a different version that is used by organizations that do short, one-page paper surveys (using both energy and valour). It is simple, and the metric has been used in over 50 countries.

What we learned about measuring energy:

1. Variance in energy was more important than the average energy score alone.

2. Energy is an optimization scale. There are individual differences in where people are most productive.

3. eePulse use the gap between where people say their energy is today and where they are most productive for additional diagnostics.

4. There are occupational differences in optimal energy level. What's important is not the mean on energy but the gap between today and where ideal energy is and variance over time.

5. Energy helped identify trends, and the reports could be used like a weather map, allowing management to focus its efforts on the groups in most need. However, the energy metric alone does not tell a manager what to do.

6. We learned the open-ended comment data were incredibly powerful input for the design of tactical interventions.

Data and Dialogue Driven Leadership™

We also learned a critical lesson in our over 20 years of research on valour and energy. The data and dialogue process that grew from the measurement work gave employees voice in a way that was welcome and that led to immediate changes in the organization. The use of data and dialogue affected the sense of urgency and value and led to improved performance.

The key to performance was not the magic questions we developed, even though we have science and validation studies to support their use. The real magic is the dialogue. When managers used the data to have conversations with employees, the interventions that grew out of the dialogue were ones that led to short-term tactical performance wins and to long-term strategic growth. We created a methodology for managers to do their job better, for leaders to be better informed about their business, and for HR, communications, and OD professionals to create better tools and processes to retain and motivate their best people.

The next new thing: Benchmarking to trendmarking

Our current efforts in transforming surveys into better leadership tools involve the topic of benchmarking. We often are asked for benchmark data, and we resist providing this information because we think it is a backwards strategy in action. In most cases, firms do a survey today and then compare their data to other survey data collected by a vendor. The benchmark data can be anywhere from 1 to 5 years old. To compare your data today to the average of this collected information is like taking your stock price today and comparing it to the average stock price of your competition for the last 5 years. Think about what this means. You would never do that with stock price, so why do we do it with employee data? Do we really want to emulate the competition as they performed in the past? Do we really want to hold managers accountable for scores based on old performance goals? When you consider how much change is happening today, and when we at eePulse review the trends in the data we have collected (e.g. weekly, bi-weekly, monthly, bi-monthly, quarterly), we see that traditional benchmarking is not strategic and cause clients to set goals based on old historic data. It is possible that organizations are benchmarking themselves to be behind their competition.

In order to solve this problem, eePulse is introducing a real-time benchmarking process for employee engagement. The model is based on a proven methodology that we use in the leadership pulse study. Our goal is to run these trendmarking™ (vs. benchmarking) surveys quarterly.

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The power of dialogue

Because our intervention focuses on dialogue, we have multiple opportunities for participants to engage in real-time learning and dialogue as well as collect real-time data. You benchmark with your industry, but we can team you up with learning partners from firms that are not in your industry and with which you do not compete. Benchmark with like firms; learn with un-like firms.

Also, eePulse can provide clients with learning and tools to help engage in dialogue. Anyone in the real-time study will receive not only on-line survey results but a Power Point document (done for every manager in the organization who gets data) that provides a short summary of the data, a learning model so that managers can explain the data to employees, questions that help managers guide the conversation, and speaker notes.

We also can turn on what we call our action taking module, and you can start sharing best practices, actions that work, and more. Clients can turn on action taking for all employees vs. managers only.

Continue to innovate and learn

The next phase of trendmarking, using valour and energy, is just one more step in a journey of transforming surveys into leadership tools. As we engage the leaders and users of these data, we expect new innovations that will arise from our dialogue together.

Learn more by writing to us at info@eepulse.com or
call +1-877-DR PULSE (377-8573) or
go to www.eepulse.com

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