Leading the human energy in your organisation – a driver for performance

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Performance is one of the enigmatic concepts for organisations but also for leadership thinking and practice. While businesses can leverage performance with financial engineering, still at the heart of organisations people are accomplishing the processes, products and services that build long-term success.

Not surprisingly, in Henley Business School’s 5th Annual Henley Corporate Learning Priorities Survey 2014 we found that 83 % of executives indicated that to “maintain and build employee engagement” will be the single most important people management objective.

One way of creating insights for practice is to look at the energy of organisations. Our research and practice on leading the energy of organisations, departments or teams for positive impact focuses on the collective human factor and what leadership can do about it. Human energy is by far not the only factor for performance, but one that managers at all levels of an organisation can address. That makes it so powerful.

How organisations capture their collective energy as a source for human performance

While engagement practices focus on the engagement of individuals, we pursue an integrative look at the energy of teams or entire organisation. Then you learn if people collectively share the passion, forward thinking and the effort needed for performance. The reason? Most of today’s work has to be done in teams, across business units, or in projects. Understanding the human energy that drives performance needs to follow those collaborations because working together for shared outcomes can show in positively human dynamics – or negatively!

When organisations such as Ella’s Kitchen or TORM focus on increasing and sustaining performance they look at the passion, cognitive agility and shared effort of all people in the organization. We, thus, focus on the idea of collective energy – the soft factor that lies at the core of a company’s processes, services, and products. Organisational energy is the extent to which an organisation has mobilised its emotional, cognitive, and behavioural potential to pursue its goals.

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It is crucial to understand the diversity of how human energy can show in organisations and how this may impact key outcomes. Your organisations can experience four different energy states. The “energy matrix” (Bruch & Vogel, 2011) (see Figure 1) is built along the intensity of energy – the degree to which a company has activated its emotional, cognitive, and behavioural potential for transforming the business – and the quality of organisational energy – the extent to which the human forces are constructively aligned with the shared overall company goals – or not!

- **Productive energy** *(high positive energy):* Characterised by high emotional involvement, mental alertness, high activity levels, stamina, and productivity for shared goals. When productive energy is balanced with comfortable energy and periods of regeneration for the organisation, this is the source of delivery, innovation and success.

- **Comfortable energy** *(low positive energy):* Characterised by high satisfaction and identification, coupled with lower activity levels and pace to do the business. Comfortable energy is crucial to recharge the batteries of a business when going hand in hand with productive energy. When comfortable becomes dominant it might hamper ideas, agility, and over time performance despite current success.

- **Resigned inertia** *(low negative energy):* Characterised by high levels of frustration, mental withdrawal, detachment, and low collective engagement for transforming the organisation.

- **Corrosive energy** *(high negative energy):* Characterised by collective aggression, destructive thinking and behaviour with high levels of anger, politics, intentions to weaken other unit in favour of own unit interests. This energy state undermines collaborating and trusting and thus undermines performance across boundaries. We also found that toxic organisations struggle to collectively pursue visions and opportunities that define the performance of the future!

**How about your organisations?**
Which energy states dominate the experience in your organisation, department, team, or cross-unit project? It can also be helpful to distinguish the human factor by hierarchical levels. Is your organisation highly excited, vision driven at the top while disenfranchised at the frontline services or amongst middle managers? Is the top team showing signs of corrosion that start to trickle down though your organisation?

You can systematically assess your organisation’s energy profile—for instance with the Organisational Energy Questionnaire (OEQ) *(see Bruch & Vogel, 2011)* as part of your employee opinion survey or in workshops. The OEQ produces Energy Profiles that show to what extent your people are collectively energized for your departments’ or organisations’ goals and thus assess a crucial precursor for performance in your business.

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1) Henley Corporate Learning Survey 2014 (http://henley.ac.uk/news/news-item/henley-corporate-learning-survey-2014/). Responses from 359 executives, from 38 countries, and more than two thirds of respondents at director or CEO level.

2) The author conducted research with Heike Bruch, professor at the University of St. Gallen, on organisational energy for over ten years at the Henley Business School and earlier at the University of St. Gallen.

TORM is one of the world’s leading Product Tanker Shipping Companies with headquarters in Copenhagen and currently operating worldwide some 65 vessels. In the second half 2013, TORM with support of the Henley Centre for Engaging Leadership undertook a study that looked at how TORM’s current level of performance could be further improved by targeting specific empowerment and organisational energy initiatives. The aim was to acquire insights that could shape best practices for developing both a highly engaged workforce and enhanced vessel performance including safety, quality and commercialisation.

Thinking about empowerment: The results showed that TORM leaders experience high levels of empowerment despite not all supporting factors seen as in place. Further linking each individual vessel’s objective KPI’s against empowerment scores showed that those vessels with the highest levels of empowerment were also the best performing vessels according to objective KPI’s.

Focus on collective energy on board: The study further assessed with the OEQ the current levels of shared energy for the on-board leadership teams across the 65 TORM vessels. The results provided energy profiles and, thus, management information for each vessel according to their level of productive energy, comfortable energy, resigned inertia and corrosive energy. That data also showed that the organisational energy states were closely related to the performance of the vessels. Particularly, it seems on those vessels where the management team on board, the Captain, First officer,
First engineer, etc., experienced high productive energy the study also found higher vessel performance with regard to KPI’s. This suggested that if TORM invest in this specific area on board it may open an opportunity to achieve high performance returns.

In addition to high scores on productive energy levels, an almost even score existed for the levels of comfortable energy with the on-board leadership teams. This may balance some of the strain from the experience of an ongoing high energy environment. At the same for TORM this indicated that mobilising and maintaining energy remain a key challenge to the company for ongoing outstanding performance.

Strategic conclusions for practice at TORM:
1. Leveraging HR measures for structural empowerment at TORM. Many are already undergoing implementation and initial evidence reveals a positive impact on an increased performance level across TORM.
2. Implementing overall people strategies with a focus on mobilising people energy around existing threats and negative challenges to the business or exceptional opportunities for TORM (depicted below as Slaying the Dragon or Winning the Princess strategies by Bruch & Vogel (2011)).

Specific operational initiatives at TORM for both strategies:
1. Weekly vessel wide communication addressing the threats and issues facing TORM, including operational and commercial challenges. Thus fully transparent communication creates on the vessel organisation an awareness of the threats but equally an understanding of the response strategies and instruments in place to deal with them.
2. Identifying, interpreting and defining a vision/opportunity. This has been achieved through reinforced communication of the new and cohesive OneTORM strategy that outlines the opportunity that exists by changing the way the TORM organisation works.
3. Initiating a Performance Leadership program with a focus on performance reporting, identifying best practices and organisational wide learning from these.

**Leadership Sources that Mobilize and Sustain Energy for Performing Organizations**

From the TORM example we can pick up the challenge how managers at all levels in an organisation can help to mobilise and sustain energy for performance:

1. **Leadership from within and from the top.** In large organisations to involve all people inspiration needs to stem from your line managers, such as the vessel management on board miles away from headquarters. Thus leadership that energizes needs to stem from people across the organization and from the top. Both perspectives together are important. Do you have outstanding leadership capability across the organisation?

2. **The overall leadership focus of the organisation.** What is the overall mobilising focus for your business that employees deeply identify with short and longer term? We are working with two leadership foci for organisations. To find out what drives the human energy in your organisation reflect on two questions:
   - Are your organisations or your departments up against major threat (‘Slaying the Dragon’ strategy)
   - Do your organisations or your departments pursue an inspiring opportunities and future outlook (‘Winning the Princess’ strategy) (Bruch & Vogel, 2011)?

Consider Ella’s Kitchen, an organic baby food producer from Henley-on-Thames, United Kingdom. “Our mission is to develop healthy eating habits that last a lifetime by offering a range of tasty, natural and healthy 100% organic foods for babies and kids ...” What is your organisation’s overall mobilising focus that drives performance? And what is the narrative around this we could learn from everyone in your organisation?