

Researched White paper

# How leaders influence Employee Engagement, Psychological Safety and Team Collaboration.

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novosensus  
human + organizational development

Organizations can improve their level of Employee Engagement, Psychological Safety and Collaboration by addressing two challenges:

- Engagement surveys must focus more on what employees really experience and feel in their daily work life, and in particular capture the quality of their experience of their leaders.

Today, Engagement is measured infrequently in a too aggregated manner, and it hardly captures the Leader-Employee relationship. As a result, companies are unaware of the true state of their organization.

- Leaders must better understand their role in Engagement, Psychological Safety and team Collaboration, and build vital competencies to support this. Our research uncovers that many leaders do not demonstrate the attitudes and behaviours that their people need.

With this white paper, we want to create tangible measurements that contribute to a constructive discourse between Employees, Leaders and HR. Our objective is to create actionable insights that enable all stakeholders to collaboratively increase the level of Engagement, Psychological Safety and Collaboration in the workplace.

In times of a disruptive global pandemic, we need this more than ever.



In this white paper we use Stephan Balkenhol's sculptures to elicit new perspectives on a leader's role and impact

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# Introduction

Employees report that their personal engagement is 32%-points higher than their experience of the leaders.

We interpret this gap as an indication of employees feeling that they “give more than they get”, and that leader’s mindsets and behaviours may in fact be limiting employee’s engagement.

We wanted to understand this better and analyzed the responses from 1.647 participants, and present our findings to you here.

In this white paper we show you that leaders are the most important driver of Engagement, Psychological Safety and Collaboration, and on page 6 we recommend four ways that companies and leaders can create a significant improvement.

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The leader’s influence on...	Direct influence	Indirect influence
Employee Engagement	31%	48%
Psychological Safety	58%	
Team Collaboration	35%	23%

## Overview of findings

Leaders are the the largest factor of influence of Employee Engagement, Psychological Safety and Collaboration.

Their relationship with employees, their mindset, behaviours and competencies drive organizations more than many are aware.

Employee's are influenced by...	Impact on Employee Engagement	Impact on Psychological Safety	Impact on Team Collaboration	Average Impact
My relationship with my leader, and her/his mindset, behaviours and competencies.	31%	58%	35%	41%
My connection with my team, and our Team environment.	21%	33%	42%	32%
My Sense of Purpose and connection with company	23%		15%	14%
My Belief in my Own Abilities	25%	9%	8%	14%

# Our Recommendations

- 1 Include Employee Engagement results and Employee Experience design into your talent and leadership development programs. Co-create what you want employees to feel at work.
- 2 Enable your talents and leaders to develop a Growth Mindset, attitudes of collaboration and enabling leadership. This enables your leaders to become authentic cultural catalysts.
- 3 Train your talents and leaders to become better at communicating with empathy, provide constructive feedback and appreciation, and how to enable employees to build confidence and optimism.
- 4 Start measuring the emotional impact that your leaders have on employees, and use this insight in your leader's performance assessment and development conversations.



# What we need to change

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## We need more of...

- Empathy, compassion, appreciation and recognition, because that creates the energy that drives the organization
- Empowerment, believing in each employee and their capabilities to make things happen
- Enable employees to feel confident and build optimism, by giving them space and support
- Default of Trust, not expecting people to earn the trust again and again
- Honest connection between personal meaning in the job and the company purpose

## We need less of...

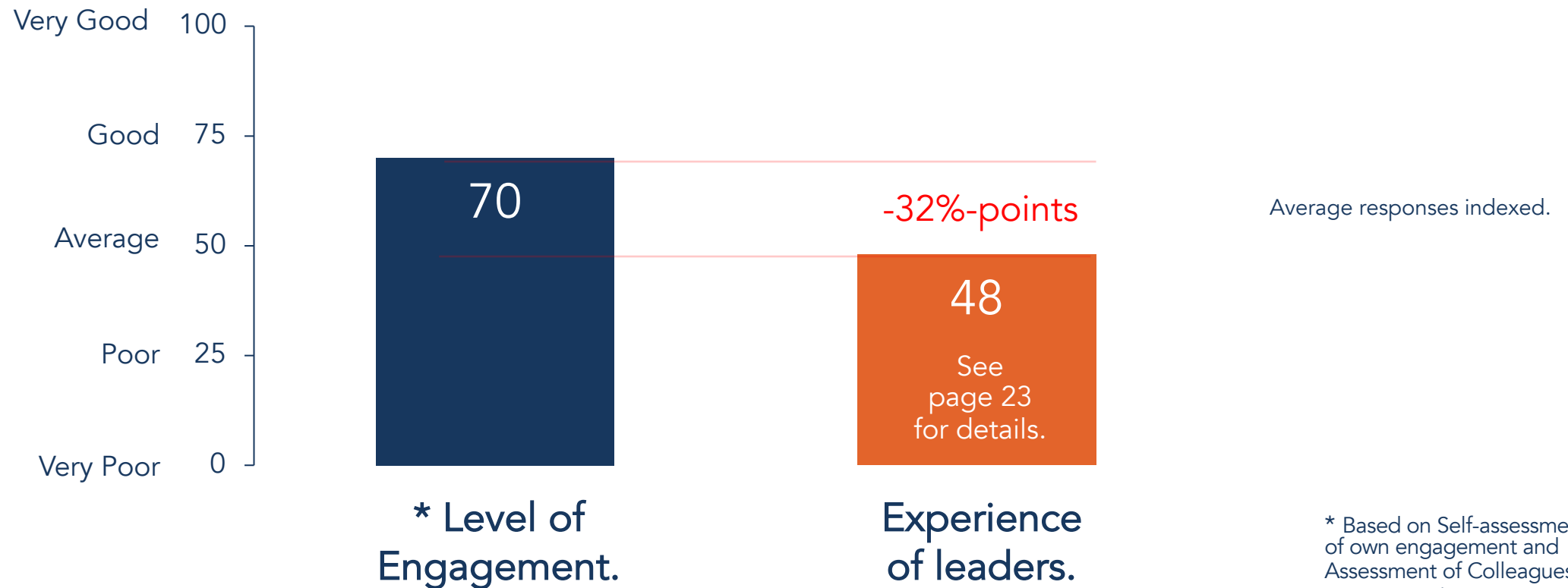
- Faking of empathy and compassion, and hollow displays of appreciation, which we have read in a book to be helpful
- Leaving people alone, calling it “giving autonomy” when it is actually disinterest
- Hierarchical thinking and top down behaviours, robbing people’s self-worth
- Assigning blame when things go wrong, and prevent people to feel safe
- Assume that your people buy into the vision and strategy, while they may not even understand it

# Employee Engagement vs. Experience of Leaders.



# Engagement is OK, but employee's experience of their leaders is not.

Employees give more than they get. This imbalance is unhealthy for their performance, and it is one reason why we must find new ways to enable leaders to build more positive employee relationships.



# If you only measure “Employee Engagement”, you miss out on what’s really happening.

When employees feel they are significantly more engaged than how they experience their leaders, organizations have a serious problem at hand.

Seen from an employee’s perspective it could sound like this: “I put a lot of effort and “heart-blood” into my work, I serve the company... but my boss is not having empathy with me, the feedback I get is not constructive and it really frustrates me”.

Because most companies do not regularly and effectively measure the “emotional temperature” of employees and how they experience their leaders, this problem is often unnoticed. In the Engagement surveys, things look OK. But below the surface there is frustration, cynicism and perhaps even loneliness.

On the next pages we propose alternative ways to deal with this situation.

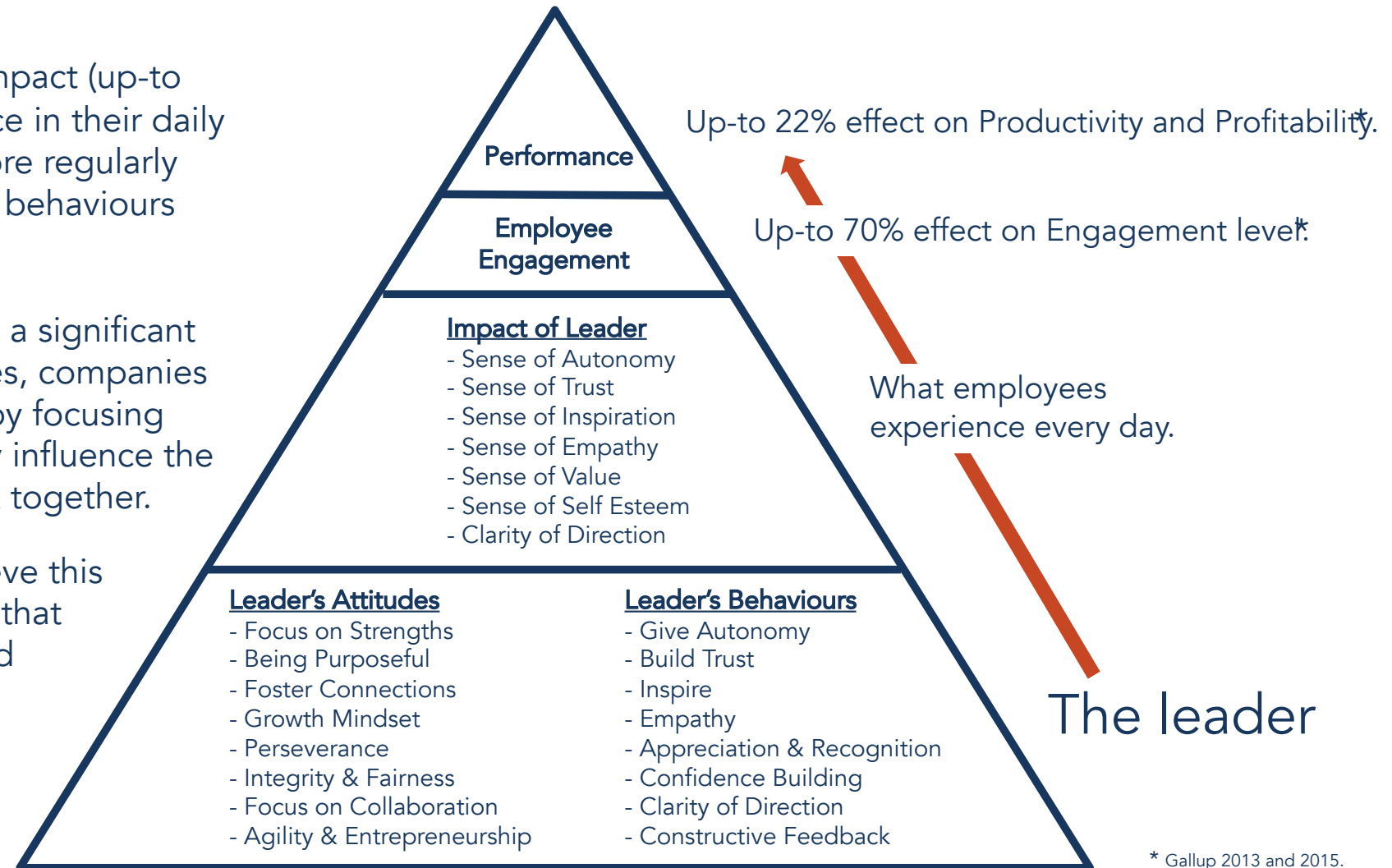


# We need to go deeper into how leaders influence employees and their emotions.

Because leaders have the largest impact (up-to 70%) on what employees experience in their daily working life, organizations must more regularly measure how leaders attitudes and behaviours impact their people.

With Employee Engagement being a significant driver of positive business outcomes, companies can improve their business results by focusing more on how leaders constructively influence the organization, and how people work together.

However, companies will only achieve this when their leaders adopt Attitudes that foster connection, collaboration and inspiration, and demonstrate Behaviours that build trust, safety and support personal growth.



\* Gallup 2013 and 2015.

# 5 ways to improve your Employee Engagement Work

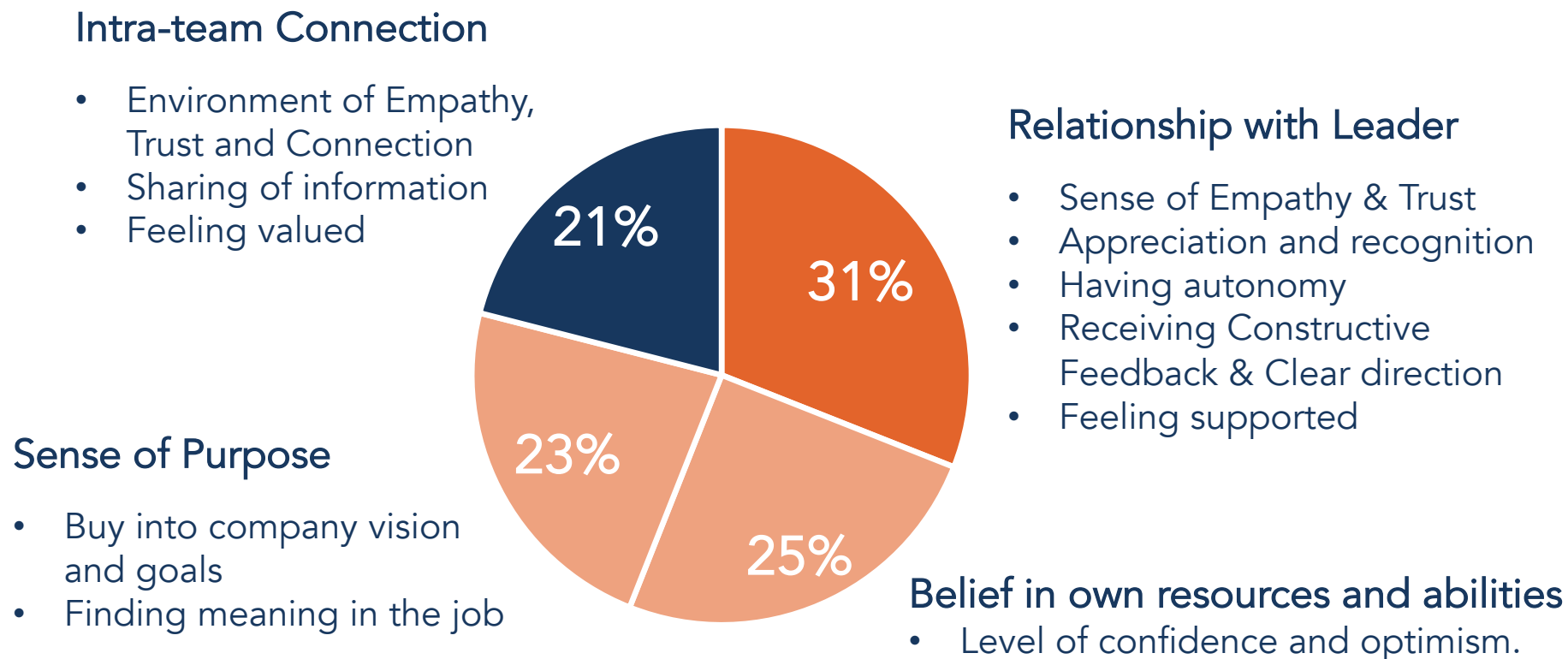
1. Measure what your employee experience on a quarterly basis, instead of only once or twice per year. Business life is too dynamic to miss out on negative trends for several months. You need to enable your leaders to do the right thing faster.
2. Measure what your employees REALLY experience, instead of asking them to evaluate your initiatives, strategies and maybe even leaders. This requires you to concretely ask for the employee's subjective experience and their emotions.
3. Use the feedback on Employee Experiences to enable your leaders to understand, adopt and develop better approaches. Include it into your leadership assessment and development initiatives.
4. Make the entire Engagement process about how you can be the best possible employer for your employees. Communicate on the findings from the C-level, and communicate on it at-least weekly. Don't only talk about it when the your next survey is being launched.
5. Beware of leaders who try to influence the survey feedback through excessive friendliness or more or less unveiled threats. Unfortunately, this still happens today, and it is a fraudulent behaviour that undermines your company culture.



# What drives Employee Engagement?

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The leader relationship influences 31% of an employee's Engagement. And the leader can influence an additional 48% by supporting employees to build a sense of purpose and self-efficacy. We need more of this from the leadership.



# Leaders are the Enablers of Engagement.

Leaders can obviously not “make” people more engaged, but they can Enable and Empower them to be more engaged.

An important attribute of great Leadership is to enable employees to feel strong, confident and have an optimistic (and of course realistic) view of the future. When leaders empower their people, it has the highest impact of all leadership attributes on Engagement scores\*.

Leaders can also foster engagement by enabling people’s sense of personal meaning (= purpose) in their work, and by leading with empathy, giving autonomy and hold them accountable in a constructive way.

Unfortunately these “enabling” competencies are the weakest leadership competency we measured, and organizations can hugely benefit from being more creative and bold in how they build these “enabling” mindsets and competencies into their leadership development programs.

This is how leader’s can effectively improve the level of engagement.

\* Van Dierendonck et al, 2011.

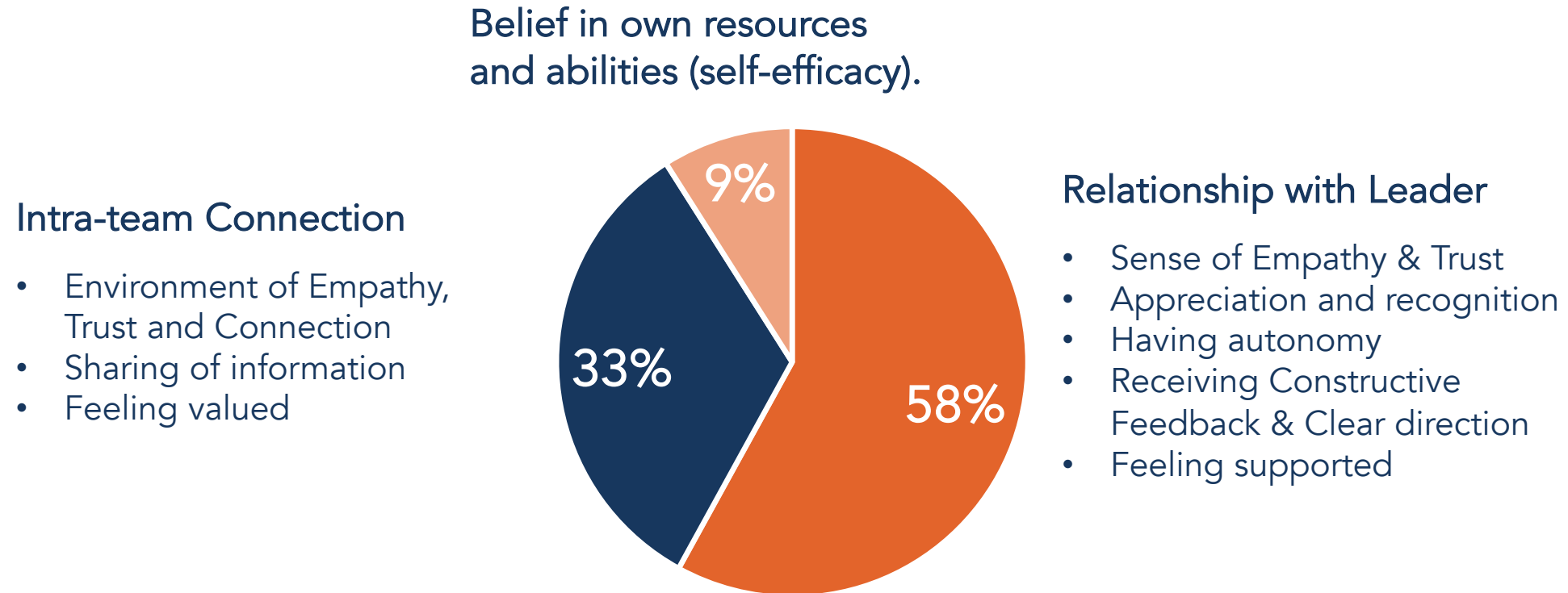


# What drives Psychological Safety in Teams?



# What drives Psychological Safety?

The leader directly influences 58% of a team's sense of psychological safety. That's important to realize, because Psychological Safety is the #1 factor that determines the team's level of performance.



# Leaders are Catalysts of Psychological Safety

Many organizations talk a lot about psychological safety, but it is often a “fuzzy” concept that is misunderstood to be about “being nice to each other”.

It is vital for leaders to realize that they have a big personal impact on the team’s sense of Safety, and that their attitudes and behaviours are of great influence. There is a big contagion effect here, where the leader’s individual relationships with team members influence the entire team’s mood, culture and behaviours.

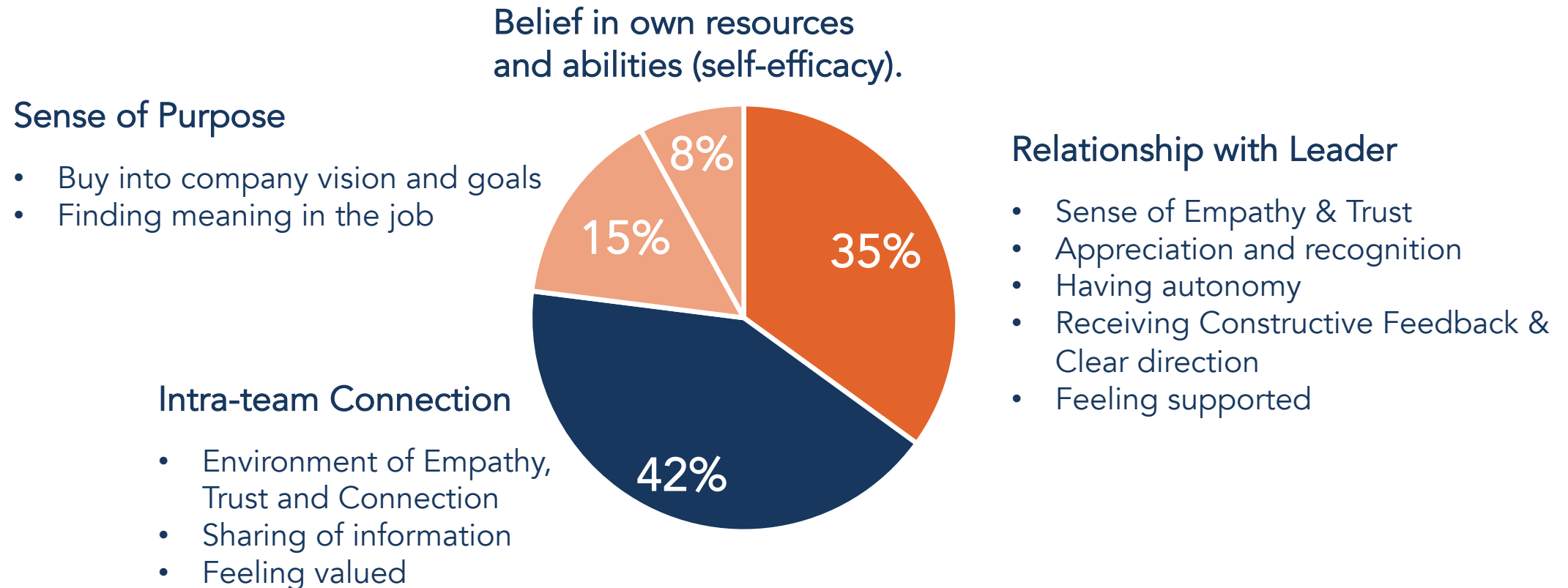
The leader enables the team to adopt behaviours that foster safety, and they are the facilitators of this process. As an example, some organizations have introduced mandatory “Check ins” at the start of every meeting, because this gives participants the opportunity to address things that might have a negative emotional impact in the meeting



# What drives Collaboration?

# What drives Collaboration?

The leader directly influences 35% of a teams ability to collaborate, and can influence additional 23% by inspiring the team to connect with the company's Vision and Goals and by co-developing a sense of purpose.



# Leaders are Facilitators of Collaboration.

Leaders can obviously not force their teams to collaborate better, but they can surely be better at facilitating the team's culture and communication flows.

It is a common misunderstanding that a leader just need to tell the team the vision and goal, and then get out of their way. We can see that a leader's are quite good t giving Autonomy, but the real influence on the team's culture comes from the leader's Empathy and the Trust they build (ref page 22).

Unfortunately the "enabling" competencies are the weakest leadership competency we measured, and their absence hampers the way the team collaborate and perform.

By being better trustworthy and connected facilitators, leaders can make a real difference in how the team collaborates.



# How employees rate their Leader's competencies!

# How employees experience their leaders.

Employees experience their leaders to be mediocre in terms of inspiring, connecting and enabling them.



# Benchmarking Great vs. Bad leaders

Leaders with the right attitude and abilities have an enormous impact on their staff's and team's performance. Why? Because they enable them to feel Safe, Engage more and Collaborate better.

Difference between Top Quartile Leaders vs. Bottom Quartile	Impact on Psychological Safety	Impact on Team Collaboration	Impact on Employee Engagement
Giving Autonomy	+66%	+89%	+98%
Building Trust	+105%	+109%	+102%
Having Empathy	+117%	+103%	+109%
Giving Clear Direction	+55%	+69%	+84%
Giving Constructive Feedback	+51%	+64%	+98%
Enable to Build Confidence	+62%	+75%	+105%



# Leaders need to upgrade their Attitudes and Abilities.

Can you hear the cry for more connected and engaging leadership?

When employees rate their leaders to be below average on some of the most vital leadership competencies, it is a cry that we should better no longer ignore.

With a mindset founded in Empathy and Trust, leaders can significantly improve their team's culture, and by being better at providing clear direction and constructive feedback, the team's engagement and collaboration will improve.

Probably the biggest potential is in the underutilized leadership competency of **"Enabling other people to feel strong and have self-confidence"**. It is the lowest rated competency, but one that can open an enormous reservoir of energy, ideas and proactive behaviours in the workforce. It is a leadership super-power that we recommend all organizations to integrate into their leadership development programs.



# Research Methodology

- Sample size: 1.647
- Industries: Logistics, Shipping and Forwarding companies.
- Company size: 36% up-to 20.000 employees / 32% 20.000 – 60.000 employees and 32% above 60.000 employees.
- Gender: 35% women / 65% men.
- Hierarchy: Almost even distribution between 3 groups of VP/Director, Managers and Specialists.
- Main functions: 31% Business development, 26% General management and 25% Operations / Customer Service.
- Main geographies: GER 15%, US 14%, CH/HK 9%, SG 9%, IN 7%, EUR others 6%, UK 6%, AU/NZ 5%, FR 4%, Nordics 4%, NL 3%.

A survey of 35 questions were distributed via online channels and direct mailing, with more than 2.800 returned responses. Double-and incomplete responses were removed.

## About novosensus

We are a human and organizational development company, working globally from Singapore.

Our mission is to enable stronger people, and stronger organizations.

At novosensus, we work with companies as consultants and sparring partners. We are trained coaches, therapists and facilitators, with extensive business experience from our own leadership practices.

Our work is about:

- Organizational development and culture evolution
- Employee experience, engagement and energy
- Leadership development and coaching
- Team thriving and performance

For more information about us, visit [www.novosensus.org](http://www.novosensus.org).

Inquiries: [Henrik Kofod-Hansen](#)

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Social Media, financial services, logistics, hospitality, airlines, news media, beauty, retail and manufacturing.

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## About the Author

Henrik enables organizations to create better Employee Experiences, evolve cultures and supports leaders in their growth. With 20+ years of senior leadership experience in global companies, he has deep empathy for people and understanding of organizations. He experienced both highly successful companies, as-well as the dysfunctionality he is now working to change.

Henrik is a co-founder of novosensus, is an accredited Coactive coach and Systemic Team coach. He holds a MSc of Applied Positive Psychology, as-well as advanced degrees in Logistics, Organizational Psychology and in Psychotherapy.

# Strong People and Strong Organizations

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