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RESEARCH DESK

Bridging the Employee Passion Deficit

Why people are passionate about thier work but not their employer — and what you can do about it.

Keith E. Ayers, Author, Conscious Leadership Alliance *(formerly known as Intégro Leadership Institute)*

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Sincerely,

Jenna Stoliker, PCC
Founder | Conscious Leadership Alliance
Owner | Trust Within Assessments

ABOUT THE AUTHOR

Keith Ayers is the author of ***Engagement is Not Enough: You Need Passionate Employees to Achieve Your Dream*** and a pioneering voice in the fields of leadership, trust, and employee engagement.

As a visionary and mentor to many, Keith developed the original suite of Trust Within Assessments to help leaders and organizations measure and strengthen trust at every level — well before the rest of the business world recognized its importance. His work has guided senior leaders across the globe to build high-performing, trust-centered cultures where people — and purpose — thrive.

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EXECUTIVE SUMMARY

In order to establish a customer-focused culture in which all employees act as veritable ambassadors for the organization, it is essential to ensure that employees are passionate about the organization as well as the job they do. For this paper, we tested the idea that most employees are passionate about what they do, but that many are not passionate about the organization they work for.

We found that a large majority of people are passionate about something – either about the organization and/or the job. But of these employees, only roughly half are passionate about the organization. This gap which we labeled ***The Passion Deficit,*** underlines the hidden emotional disconnect among otherwise engaged employees.

Key findings:

- Of the employees we surveyed, 78% are passionate about the work they do each day, but only 44% are passionate both about their job and the organization.
- The gap between the 44% and the remaining 34% is significant. In terms of their emotional connection to the organization, the 34% are closer to totally disconnected employees than they are to the 44% who are passionate about the job and the organization.
- There are three key reasons these employees are emotionally disconnected from their organization:
  - A perception that they do not get the recognition they believe they deserve
  - A perception that their work lacks meaningfulness - they don't see a connection between what they do and the organization's purpose or mission
  - A perception that their immediate manager or surpervisor does not trust them or treat them with respect

By contrast, the 44% of employees who are passionate about both their jobs and the organization believe they do get the recognition they deserve, they know their work is meaningful and they know they are trusted and respected.

These are the employees who generate customer loyalty by going the extra mile, always doing their best, and using discretionary effort to delight the customer. They are also much less likely to leave, even when made a better offer. The starting point for leaders is to focus on the three key drivers above that differentiate between employees that are passionate about their organization and those that are not.

1. INTRODUCTION

It is no longer radical to say that employee engagement leads to better performance. Numerous pieces of research have established a link between the two and organizations and management experts around the world dedicate significant resources to increasing engagement levels. From our perspective, this is a good thing. The Conscious Leadership Alliance invests time and energy helping our clients foster more engagement in the workplace.

Although engagement is important to us and a consensus has emerged on engagement's positive impact on bottom-line results, there appears to be a lack of consensus about what employee engagement is and how it should be measured.

What does it really mean to be "engaged"? This question led us over time to take a slightly different approach and to refer instead to employee **passion.** For our research, the distinction matters, we want to understand the drivers of employee passion. Are people passionate about the actual work they do on a daily basis? Are they passionate about the organization they work for – its values and the senior leadership? We believe that what we are ultimately looking into is an emotional connection, hence our use of the more emotive term, **passion.**

In our experience, there is a significant difference between passion for the job and passion for the organization. Unsurprisingly, we believe that people who are passionate both about their work and their organization are substantially more committed overall. After all, if they are passionate only about their day-to-day work – their profession – they could easily do it somewhere else.

Research findings

For the research underpinning this paper, we wanted to test the idea that most employees are passionate about what they do, but that many are not passionate about their organization. In establishing a true customer-focused culture, in which all employees act as veritable ambassadors for the organization – promoting the business and its values simply because they

believe in them too – it is essential to ensure that employees are passionate about the organization as well as the job they do. Rob Markey, a partner at management consultants Bain & Company and coauthor of ***The Ultimate Question 2.0: How Net Promoter Companies Thrive in a Customer-Driven World***, refers to this link between employee passion and customer service as "passion advocacy." [1]

> "the passion deficit underlines the hidden emotional disconnect among otherwise engaged employees"

We tested the idea that most employees are passionate about what they do, but that many are not passionate about their organization by surveying almost six thousand employees at a variety of organizations in Australia, North America and Europe. We found that a large majority are passionate either about the organization and/or the job and broadly fit into the "engaged" category. But of these employees, only approximately half were passionate about the organization. This gap, ***The Passion Deficit***, underlines the hidden emotional disconnect among otherwise engaged employees.

This is a challenge for employers. First, clearly those who are not passionate about the organization will be more difficult to retain. This is a shame because high potential and otherwise engaged employees are the ones you most want to keep. Second, those who are not passionate about the organization are less likely to deliver excellent customer service than those who are passionate. After all, why would they promote an organization they are not passionate about?

This also presents an opportunity. In the second part of our research, we identified the three key drivers of what we call Level 5 employees (see page 20) – those that are passionate about the job and the organization. By focusing on these four elements, leaders can bridge the passion deficit, develop more "passion advocates" and ultimately contribute to better bottom-line results.

[1] Markey, Rob, "Transforming your Employees into Passion Advocates," ***Harvard Business Review*** (January-February 2012).

2. ENGAGEMENT AND PERFORMANCE

Most business leaders now accept that engaged employees will be more productive than the average and that the most successful firms tend to have more engaged work forces. The Harvard Business Review even dedicated an entire issue to the concept of happiness in the workplace and its impact on performance.[2] Large organizations around the world invest significant resources on everything from in-house masseuses to ping-pong tables and celebrity-chef lunches just to keep employees happy. Of course, we would argue that such gimmicks do nothing for engagement levels, but that's another story. Suffice to say, employee engagement has moved from being dismissed as a "touchy-feely" concept to one that is recognized as one of the critical variables contributing to bottom-line results.

Empirical evidence

Research in recent years has begun to demonstrate evidence of the impact of employee engagement on organizational performance, countering a common criticism over a lack of an established link between employee engagement and company performance. The Gallup Organization, which surveys engagement levels around the world on an ongoing basis, has demonstrated that "engaged organizations have 3.9 times the earnings per share growth rate compared to organizations with lower engagement in their same industry."[3] A much-cited study by Alex Edmans of Wharton Business School found that high employee engagement has a significant positive impact on the equity price of listed companies relative to companies with lesser engagement levels.[4] Increasingly, studies are focusing on exactly how rather than whether engagement impacts performance.

Our observations

The Conscious Leadership Alliance has witnessed for some time the positive impact of employee engagement on bottom line results results through our work with companies in Australia and beyond. The CEO of a major Australian construction

[2] ***Harvard Business Review*** (January-February 2012).

firm attributed his company's ability to double sales while only increasing staff numbers by 29% to the firm's major drive to improve employee passion levels. This effort was a major contributor to the surge in productivity the company achieved through the customer service and relationship building improvements brought about by the newly engaged employees themselves.

We worked with a major pharmaceutical company's Southeast Asian sales team to help develop greater team cohesion and personal responsibility. The firm's regional manager for Asia noted how her sales teams displayed significant improvements in decision-making and accountability. A more passionate group of employees took more responsibility for its collective performance.

In an effort to build an engagement culture at his firm, the General Manager of a large Australian manufacturer worked with us to focus on leadership skills to embed the culture at all levels. We have measured over time the positive impact that a sustained effort on leadership has had on employees' trust for senior management in his firm. The General Manager attributes his extraordinary success in large part to the culture they have developed together.

"there is little doubt that passion is a significant factor differentiating between good and great companies"

In each of these instances, and in many others, we have noted how passionate employees create winning teams. Yes, an organization can function with average levels of engagement. But there is little doubt that passion is a significant factor differentiating between good and great companies.

[3] Harter et al, "The relationship between engagement at work and organizational outcomes," Gallup Inc. (August 2009).
[4] Edmans, Alex, "Does the Stock Market Fully Value Intangibles? Employee Satisfaction and Equity Prices," ***Journal of Financial Economics*** (Forthcoming).

3. LOOKING MORE CLOSELY AT ENGAGEMENT

It is clear from the various pieces of research out there, and from our experience in the field, that engagement has an impact on results. But in the effort to establish the causal link, few have taken a closer look at engagement itself and what it really means. Does an engaged employee feel good about the work she does each day? Does she feel emotionally connected to the organization? Does she feel both? As our findings from recent research on this demonstrate, the difference matters.

Passion versus Engagement

As mentioned earlier, we made a conscious decision to focus on the concept of employee passion. So what exactly is a passionate employee? A passionate employee is focused, engaged, and committed to consistently perform at his best. He feels strongly about the work he does, knowing that he is creating value, and he has a strong emotional connection with the organization he works for – he feels a sense of pride and commitment towards the organization. As a result, he delivers exceptional value to his customers, both external and internal.

According to management guru Gary Hamel, in his book ***The Future of Management***[5], passion contributes more towards value creation than any other human capability. Given the primary purpose of your organization is to deliver value to your customers, the more passionate your employees are the more value you will deliver.

> "much of what we achieve in business comes from relationships"

The distinction between passion and engagement is also a difference maker in our research. While we believe engagement is a useful term to describe the overall business concept, we have found that in our interactions with employees in our research and consulting capacity, people find it difficult to assess their own engagement level. It is too abstract. But when we ask people if they are passionate about

something or not, it becomes much more natural for them to provide an answer. We have found this especially helpful when distinguishing between passion for the work and passion for the organization. The question tends to bring out an instant reaction one way or another – an emotive response. This apparently semantic difference has become critical for our research.

The Importance of Trust

Ping-pong tables and gourmet lunches do not create teams of passionate people – trust does. In a general sense, as interpersonal trust develops in an organization, or among firms that need to interact with one another, relationships form more easily. In reality, much of what we ultimately achieve in business comes from relationships – both internally and externally.

It is not a bold idea to note that the most successful executives tend to be those who can build and sustain such relationships. As interpersonal trust diminishes, of course, relationships become more distant and conflict may even ensue. For leaders, a high level of trust is necessary to ensure that employees are passionate and committed to the organization's purpose, values and vision. Employees need to know they can trust the organization's leadership team and their immediate manager or supervisor.

Most leaders accept that trust is important, but many fail to understand that simply being a trustworthy person does not necessarily build trust or automatically mean that people will trust you. People make judgments about how trustworthy their leaders are based on their perception of what their leaders do, not on what they say or what they intended to do. Given that behavior ultimately builds (or diminishes) trust, leaders can be trustworthy, honest and ethical yet employees do not trust them at all. To increase effectiveness in building trust, leaders at all levels of the organization need to take personal responsibility for their behavior and understand how it can affect the levels of trust employees have for them.

This personal responsibility at the leadership level is critical to bridging the passion deficit.

[5] Hamel, Gary, ***The Future of Management*** (Harvard Business School Press, September 2007).

4. UNDERSTANDING THE PASSION DEFICIT

In order to test the idea that most employees are passionate about what they do, but that many are not passionate about their organization, we used the Employee Passion Survey™ (EPS) which we developed in 2010 in an effort to go deeper than a typical engagement survey and to measure employees' overall levels of passion for their job and also for their organization.

The survey measures employee passion on two levels:

- Passion for the job: the degree to which employees are emotionally connected to their work and are committed to doing their best.

- Passion for the organization: the degree to which employees are emotionally connected to the purpose, values and vision of the organization and its senior leadership.

The EPS questionnaire is divided into three sections. The first section, the Employee Passion index (EPI), measures five employee needs:

- The need to be respected
- The need to learn and grow
- The need to be an insider
- The need to do meaningful work
- The need to be on a winning team

We ask employees to respond to ten distinct items, two for each employee need. First, respondents rate the importance of the item to them personally and then how well they believe their manager, team or organization satisfies this need. Each item is assessed on a 10-point scale where 1 is the

lowest and 10 is the highest. The critical measurement here is the gap between "importance to the employee" and "organizational performance."

The second section focuses on the Values that Build Trust (VBT):

Respect
Being valued for who you are

Recognition
Getting the recognition you deserve

Receptivity
Giving new ideas and methods a fair hearing

Disclosure
Communicating openly one's own ideas and opinions

Straightforwardness
Being clear about what is expected of you

Honesty
Having high standards of honesty in everything we do

Seeks Excellence
Doing our best in everything we do

Keeps Commitments:
Following through on our responsibilities

We ask employees to respond to one item for each of these eight values, and similarly to the Employee Passion Index, to rate on a 10-point scale the importance of each item to them personally and then how well they believe their organization operates by these values. Again, the critical measurement here is the gap between "importance to the employee" and "organizational performance."

The final section is the Employee Passion Report, which identifies each respondent's level of passion, both for the job and for the organization. The survey asks respondents to choose which one of five descriptions best describes them. The descriptions outline the behavior, thinking and feeling of employees who fit the following five categories:

Level 5: Passionate about both the job and the organization

Level 4: Passionate only about the job

Level 3: Passionate only about the organization

Level 2: Not passionate but still conscientious

Level 1: Disconnected from the job and the organization

People are less passionate about their organization

> "of the passionate employees, just under half identified themselves as passionate about their job, but not about the organization"

Using the EPS, we surveyed a sample of 5,826 employees at various stages in their career development and across various industries. Our findings uncovered some good news and some relatively challenging news. First, the good news: 78% of respondents were either Level 4 or Level 5, indicating that the vast majority of employees are at the very least passionate about their job and the work they do.

Now for the challenging news: Of the passionate employees, just under half identified themselves as passionate about their job, but not about the organization. More precisely, in our research sample as a whole, 34% of respondents identified themselves as "passionate only about the job" compared to 44% who identified themselves as "passionate about the job and the organization".

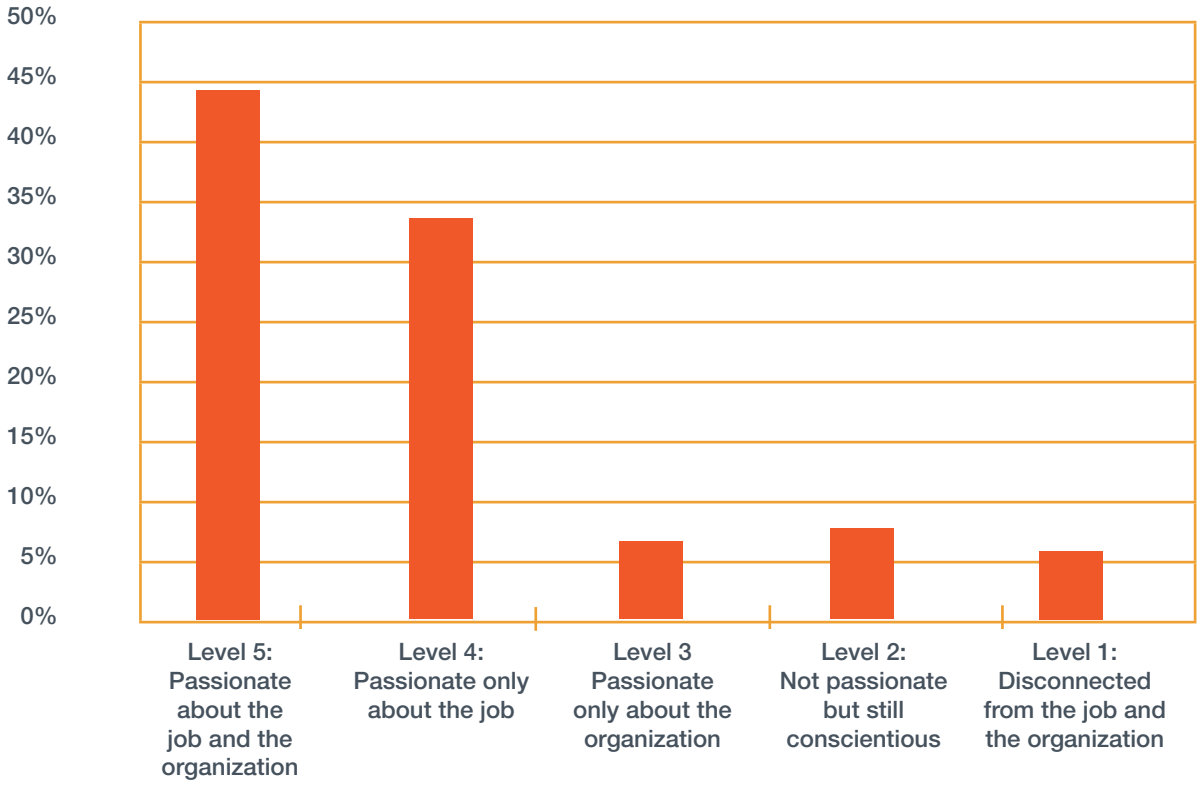
Members of this 34% group are dedicated to the work they do, but could most likely be persuaded to do it elsewhere. Given that they are passionate about their work, they are most likely high-potential people. But their lack of passion for their

Level 4 Employees → **Level 5 Employees**

Passionate only about the job Level 4 employees are passionate about their work and get great satisfaction from knowing they make a difference. However they feel somewhat disengaged from the organization – they don't feel their contribution is valued.

Passionate about the job and the organization Employees at Level 5 are passionate about their work and the organization they work for. They feel valued and respected and know that what they do makes a real difference.

Figure 1: Summary of survey findings[6]



organization means they are not likely to be giving 100% and certainly not acting as passion advocates.

Employers are missing out on an enormous opportunity to have an additional third of their staff actively promoting the organization. Imagine the impact of increasing such a significant number of passion advocates could provide an organization.

The Passion Deficit Represents a Significant Gap

Figure 2 on the following page shows the significance of the passion deficit. The two bars represent the gap between the importance of the needs and values in the survey to employees personally and how well they believe their manager, team, or organization satisfies them.

Notice the significant difference in the gap scores between the Level 5 and Level 4 employees. Level 5 employees perceive their organization as almost fully meeting their needs and meeting their expectations of creating a high trust work environment - one where employees feel trusted and have a high level of trust for their managers -- essentially a perfect score.

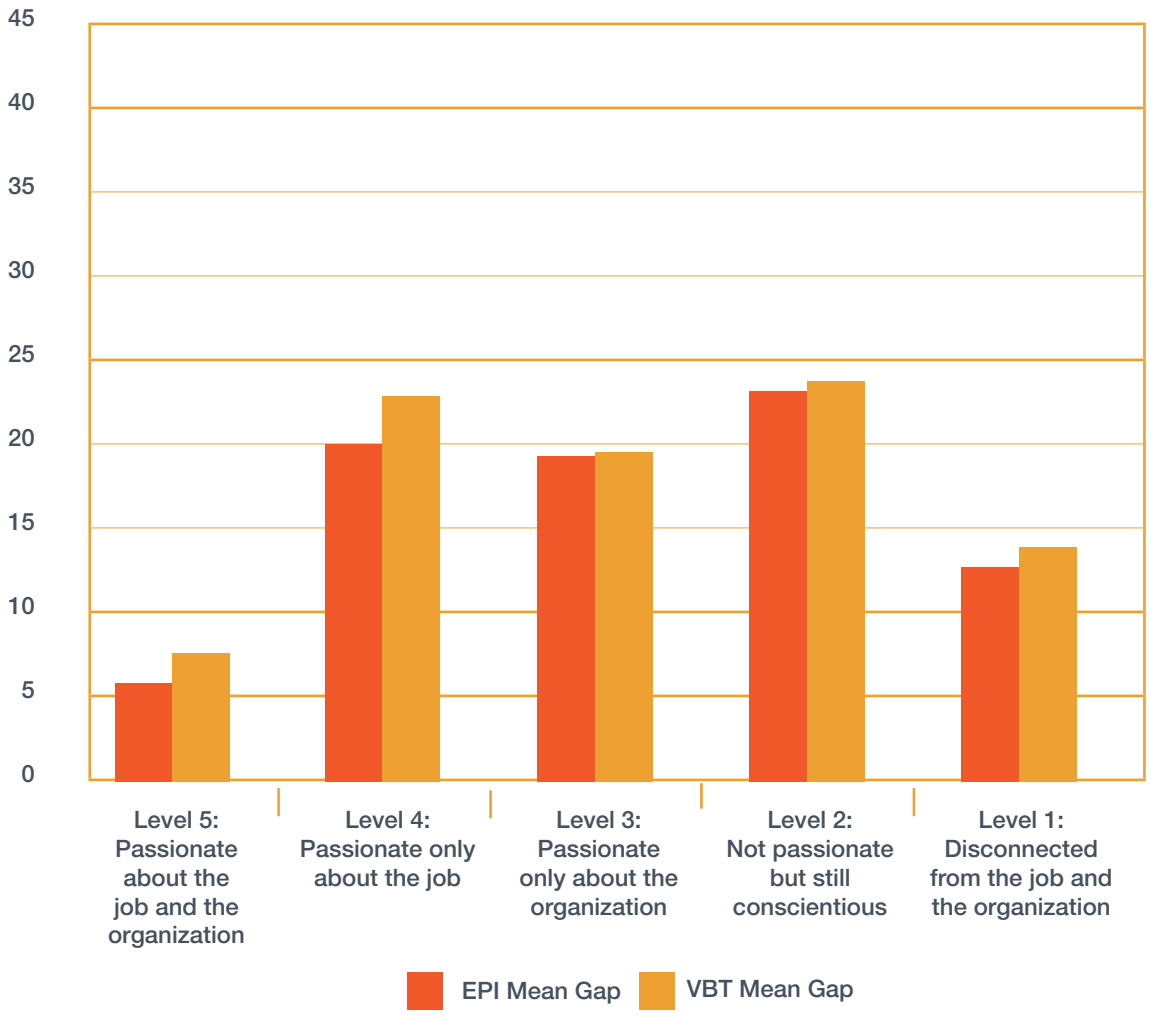
But look now at the significant gaps on Level 4 employees - 20 for the needs that ignite passion and 22 for the Values that Build Trust. Despite the fact that these employees are passionate about their work - they get great satisfaction from knowing their work makes a difference, their trust for the organization is very low. This underscores both the significance of the passion deficit and the scale of the task to convert Level 4s to Level 5s.

Of note is the second lowest group for their gap score (after Level 5) being Level 1 employees (or disconnected from their organization and their job). On first glance this could be seen as problematic without deeper analysis of the characteristics of a Level 1 employee. Firstly, those in this group are disconnected from the organization and as such are unlikely to have high expectations for the organization. Therefore, low satisfaction and low expectations will result in their natural

[8] For a copy of the full Employee Passion Survey Psychometric Report, please send an email to support@ConsciousLeadershipAlliance.com with the subject line “Employee Passion Statistics.”

gap being lower than that of those who are engagemed and therefore expect more. Secondly, those disengaged employees are less likely to deeply consider their answers before responding and are typically more likely to respond how they feel they are expected to respond, which may conflate their results.

Figure 2. Gap between employee expectations and organizational performance[7]



[7] Gaps reflect the average gap scores for each level of employee, representing the difference between the importance of the needs and values, and employees perceptions of the degree to which the needs are satisfied, or the values that build trust are operated by. For more information please send an email to support@ConsciousLeadershipAlliance.com with the subject line "Employee Passion Statistics."

5. BRIDGING THE PASSION DEFICIT

It is clear from the findings that there is a significant gap among generally engaged employees between those who are passionate about the organization and those who are not. The people lacking passion for the organization will be those who are not making the leap into the superstar league where organizations want them to be. They may even choose to move to another organization, one that they have a better chance of being passionate about.

This is a clear threat to productivity, talent retention, and the bottom line. So how can you address it?

Key Drivers Behind Passion Advocates

Given the large numbers of Level 4 employees, we took the research a step further to drill down into the data to identify the key drivers of Level 5 versus Level 4. To do this, we isolated the areas where the organization must place an added emphasis in order to create more passion advocates.

For the employees who identified themselves as passionate about the job but not the organization, we wanted to know what their managers and the organization or senior team could do to make them more passionate about the organization. We addressed this by identifying the items in the EPS that best predicted whether a respondent reached Level 5[8].

We found that the primary predictors were:

1. People get the recognition they deserve
2. The work I do is meaningful because it helps my organization fulfill its mission
3. My immediate manager or supervisor trusts me and treats me with respect

Overall these findings suggest that in order for employees

[8] For a copy of the full Employee Passion Survey Psychometric Report, please send an email to support@ConsciousLeadershipAlliance.com with the subject line “Employee Passion Statistics.”

who are passionate only about their job to become more passionate about their organization they require greater satisfaction levels in the three areas identified above.

From our perspective, the broader significance of these specific findings is that it tells us that passion advocates operate in a trust-based environment, while the remaining employees feel that they do not.

The employees we surveyed are sending a clear message that trust is the number one driver behind passion for the organization. Trust is a feeling — employees either trust their leaders or they don't. Trusting their leaders creates an emotional connection with the organization — what we would call passion.

It is also significant to note that the top three drivers revolve around communication between managers and their direct reports. It is only through good communication that leaders can ensure that employees receive the recognition they deserve.

The second driver is based on the need employees have to know that their work is meaningful. Even the most mundane tasks are significant in their importance, and contribute to the organization's purpose. It is the effort that managers put into communicating this importance and how much they value the contribution that each employee makes that creates passion for the organization.

The Executive Housekeeper at a five star hotel in Brisbane, Australia set out in 2015 to increase passion in her team of 45 room attendants - the people who clean your rooms and make your beds. Most hotels experience high employee turnover in the housekeeping department, and this hotel was no different.

"passion advocates operate in a trust-based environment, while the remaining employees feel that they do not."

Four years later, 90 percent of the room attendants are passionate about their jobs, and 62 percent are also passionate about the organization.

More importantly, employee retention in this department is up to 96 percent - a level unheard of in the past. The Executive Housekeeper ensures that every team member knows that what they do is vital to the organization's success and that their contribution is truely valued.

The final primary driver is built on the fundamental need that all employees have - to be respected for who they are. People know they are respected when their immediate manager demonstrates that they trust them.

In "The Trust Factor: The Science of Creating High Performance Companies" neuroscientist Dr Paul Zak states: "... the brain synthesizes the neurochemical oxytocin when we are trusted and that oxytocin causes us to reciprocate trust by being trustworthy". Give trust and you will get trust in return.

The bottom line is, however, there is no getting away from the importance of deserved recognition. Employees at all levels are demotivated and less passionate when they feel their effort goes unrecognized. Recognition need not be financial in the form of bonuses or incentives. Forty years of research on motivation demontrates clearly that intrinsic rewards such as verbal recognition, autonomy and mastery are strong predictors of performance.[9]

In summary, the findings from our research suggest that organizations that want their employees to love coming to work and perform at their best while they are there, need to focus on these three drivers:

- Give employees the **recognition** they deserve.
- Ensuring employees understand how **meaningful** their work is, and how it helps the organization fulfil its mission, and
- Ensure all managers and supervisors trust and respect their staff.

The common denominator in each of these efforts is interpersonal trust. None are possible if leaders fail to establish a culture of trust in the organization.

[9] Cerasoli, C, Nicklin, J., & Ford, M. (2014) Intrinsic motivation and extrinsic incentives jointly predict performance: a 40 year meta-analysis. Psychological bulletin, 140(4), 980-1108.

Remember, people make judgments about how trustworthy their leaders are based on their perception of what their leaders do, not on what they say or what they intended to do. This means that all leaders in an organization need to take responsiblity for their behavior - to know what behaviors build trust and ensure they are using those behaviors.

This will create a trust-based culture in which employees cannot wait to come to work each day to deliver value to customers and clients, and to grow the organization for which they are passionate.

Bridging this gap can be the difference between having a team of highly capable people, but average customer service and high employee turnover and having a team of passion advocates who excel in what they do and drive new business by offering an unbeatable customer experience. The difference is stark and the task is clear.

6. CONCLUSION

The implications of our research findings are twofold:

First, they raise questions over the utility of engagement as a broad definition to encompass employees' emotional connection with their job. Our findings provide some support to the notion that it is vital to differentiate between passion for the job and passion for the organization as two separate and distinct concepts.

Second, the distinction matters for leaders at all levels, in particular for those who want to establish the highest standards of customer service. It is impossible to foster a customer-focused culture without ensuring that employees are passionate about the organization for which they work, in addition to being passionate about the job they do.

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