

Boosting engagement at Stryker

How a New Jersey plant changed its culture in less than a year

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"Engaged people feel good about coming to work every day," says Fred Lorestani, vice president of North American Implant Operations for Stryker. "Given the products that we make and the kind of facilities that we have, as a leader you need to do everything in your power to make your teams engaged and your customers and shareholders happier."

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Stryker keeps that belief in its DNA, and for good reason. In locations all over the world, Stryker's 20,000 employees research, design, and manufacture equipment and medical devices that improve patients' lives. In 2010, Stryker generated \$7.32 billion in sales, an increase of 8.9% over 2009.

Stryker believes that employee engagement is part of its success -- the company has been deeply committed to employee engagement, strengths development, and leadership development for years. Many of its locations are among the best and most engaged Gallup has ever studied, helping Stryker win Gallup's Great Workplace Award four times.

That's why the company thought it was odd that its Orthopaedics plant in Mahwah, New Jersey -- which makes hip, knee, and upper extremity products -- had such low (to Stryker) engagement scores: 48% engaged, 37% not engaged, and 15% actively disengaged. And the Mahwah plant outperformed U.S. engagement scores in every category (28% engaged, 53% not engaged, and 19% actively disengaged).

Some companies would *love* to have a workforce with 48% engaged employees -- but not Stryker.

"That's just not good enough. Highly engaged teams are going to produce exceptional results for the organization, and we really felt being at 48% would not drive the kind of excellence that we look for in our organization," says Lorestani. "Our folks deserve better, [and] they can contribute more." Gallup's research shows that engaged employees are deeply committed to their employer, leading to key improvements in business outcomes, including reductions in absenteeism, turnover, shrinkage, safety incidents, and product defects.

The Three Types of Employees

1

ENGAGED employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.

2

NOT-ENGAGED employees are essentially "checked out." They're sleepwalking through their workday, putting time -- but not energy or passion -- into their work.

3

ACTIVELY DISENGAGED employees aren't just unhappy at work; they're busy acting out their unhappiness. Every day, these workers undermine what their engaged coworkers accomplish.

But with 48% engaged employees, Stryker's Mahwah plant wasn't in the top quartile for employee engagement -- it was just about in the middle. As Lorestani says, that's not good enough. So Stryker decided to send in an expert: Sabine Krummel-Mihajlovic, Stryker's senior human resources director for continental Europe, who, as you'll see, can get more done in an hour than most people can accomplish in a week.

Owning engagement

Krummel-Mihajlovic had been in charge of human resources at a Stryker plant in Germany, where she developed a reputation for keeping engagement high. Then in 2010, Stryker sent her to New Jersey, and it didn't take her long to figure out why. "Some of the employees hadn't been told why we are doing the Q¹² [Gallup's employee engagement survey]. I said, 'Guys, engagement is important, and you own it. It's not that Stryker owns it, *you* give feedback here,'" says Krummel-Mihajlovic. "But I assume there wasn't much attention paid to some teams' feedback; they did the survey, but nothing happened afterwards."

That's a problem. Gallup has found that one of the fastest ways to damage morale is to ask employees for their opinions, then ignore their replies. So Krummel-Mihajlovic started asking people about engagement and what it meant to them. "For each person, engagement is different. I asked, 'What is engagement for you? What is most important on your engagement?'" she says. "It's not always top down; you also own and you are responsible for your own engagement."

This process took a while -- the Mahwah plant has more than 800 employees working in three shifts -- but she had two advantages. The first was the support of the plant's leadership, particularly that of John Haller, vice president of global operations for implants at Stryker; the human resources staff; and Lorestani himself. "Any large initiative is going to require the leader's support," Lorestani says. "Everybody in the organization knew that [engagement] was a priority for the plant leadership team, including me."

Krummel-Mihajlovic's other advantage was that Stryker is a strengths-based organization. Its employees use Gallup's Clifton StrengthsFinder to learn their talents, and they receive strengths coaching. Its teams are designed to bring the best talents to the group's tasks. So even before she started, Krummel-Mihajlovic had a list of the strengths of the people at the Mahwah plant. Still, she needed to know the people and teams individually and personally before she could discern what drove their engagement or what stymied it. Eventually, she came up with a plan -- a time-consuming, exhausting plan, but an effective one: She would attend every single Q¹² feedback session at the plant.

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Ultimately, that meant Krummel-Mihajlovic would attend 55 Q¹² action-planning meetings, each lasting at least an hour and a half, and help each team craft action plans for improving engagement. And she would do this while also fulfilling her duties as a senior HR officer, completing her move from Europe, and adjusting to a new business and culture. Most importantly, she would get engagement on track -- in less than a year. "It was tough. I didn't have any voice after two months," she says. "But it was really the best thing I could do to get to know the plant."

Krummel-Mihajlovic discovered that some managers were handling the action-planning meetings very well, developing good action plans, and keeping engagement perking. Those

managers earned consistently high engagement scores. Others were struggling, and that's when Krummel-Mihajlovic jumped in.

"When I first came, one or two managers came to me and said, 'My engagement score is so low. I am so disappointed,'" says Krummel-Mihajlovic. "So I worked individually with the struggling managers on a regular basis, saying, 'Let's look underneath the data. Maybe you should get to know your team better.' We changed certain things, got managers some help, and we listened to people on the shop floor."

Stryker had been investing in manager development through Gallup's Great Manager Program for some time, and Krummel-Mihajlovic found it so helpful that she insisted that each of the managers on the operations side attend. She also insisted that the executives above them receive Gallup leadership training.

Meanwhile, Krummel-Mihajlovic asked managers to focus on engagement, having found that the teams with low engagement tended to hop from one issue to another: engagement one year, service level another year, and so on. She also helped managers isolate their areas of greatest disengagement and create action plans for dealing with them. Then, when she had that process on track -- and perhaps noticed that she had a few leftover minutes in her day -- she launched another initiative: in-house diplomacy.

Presentation

Krummel-Mihajlovic believes absolutely that engagement is individual, and the best advocates for it -- and perpetrators of it -- are employees. So she needed someone to be the voice of engagement, someone to champion the work of the action plans and keep engagement alive. And that voice had to be a loud one. "I asked for a volunteer, an informal leader of all the teams," she says. "I asked them, 'Who is outspoken? Who do you think would raise his or her opinion? Who is the person people are going to?'"

When the plant's teams had identified 20 people, Krummel-Mihajlovic invited them to a monthly meeting to discuss the engagement issue of their choice. "The first issue they chose was communication," she says. "So we talked about how sometimes leadership has great ideas, but maybe they don't reach all employees."

Those monthly meetings brought engagement issues from the workgroup level into the open, but the action-planning sessions themselves -- those 55 meetings Krummel-Mihajlovic attended -- also resulted in some very good ideas. So she asked each team to select an "ambassador" to bring her their best ideas. She spread those ideas from one manager to another and encouraged everyone else to circulate the ideas too. Then she posted the ideas on a bulletin board so the whole plant could see them.

It worked well, and it was a nice form of recognition, but Krummel-Mihajlovic didn't think it was enough. It's easy for a team to develop an action plan, but the implementation phase is where things can fall apart. So she asked the ambassadors to present their ideas, but this time to the plant's leadership team.

When there's success, it's because people embrace opportunity and cause change.

"They were phenomenal. Of the 52 presentations that were made, nearly 40 of them were made by the folks from the shop floor," says Lorestani. "Presentations aren't something they're trained on, but every one of them was so excited about being involved in a

transformational opportunity for our organization, they felt very comfortable standing up, and we found some real gems of ideas."

The three best ideas from the ambassadors -- creating various media platforms and meetings to improve communication, an online evaluation tool to promote manager feedback during downtime in the evaluation cycle, and a computer screen that displayed recognition for outstanding team members -- were recognized at a companywide dinner party. "It was like an Oscar award night," says Krummel-Mihajlovic. "And the winners got team prizes -- money to spend for a team event."

To maintain momentum among the team members, Krummel-Mihajlovic decided to organize monthly breakfasts as well. So once a month, 15 people were chosen at random -- some old hands, some new hires, a member of the leadership team, Krummel-Mihajlovic, and Lorestani. They received invitations (modeled on the movie poster for *Breakfast at Tiffany's*) to an informal meal.

"We said, 'This is your time. Just share what you always wanted to share, ask what you always wanted to ask, and get to know other people,'" says Krummel-Mihajlovic. "And it [reinforces] a few Q¹² items at once: recognition, someone cares about me, someone encourages my development."

The end

Then it was 2011 and time for the next administration of the Q¹² survey. Krummel-Mihajlovic had a good feeling about it. So did the employees at the plant. "People on the shop floor were coming to me, saying, 'Sabine, you will see -- the score will change. I can feel the engagement has changed,'" she says. "This is really the best feedback I could get."

And the employees were right. Engagement levels had improved to 57% engaged employees, 32% not engaged employees, and 11% actively disengaged employees. And Krummel-Mihajlovic hadn't even been there a full year.

And as it turned out, she wouldn't be. Shortly after the Mahwah plant's Q¹² scores came back, Krummel-Mihajlovic returned to Germany to lead human resources for Stryker's global quality and operations division in continental Europe, an organization with almost 5,000 people.

If the folks in Mahwah were worried about losing Krummel-Mihajlovic, no one could blame them. She had trained the New Jersey human resources team to carry on without her, but she was the face of their new focus on engagement. It's easy to assume that without her, all their hard work could fizzle.

But that's not the way a culture of engagement perpetuates itself. "The idea was to create an environment in which leadership listens to the ideas that are out there on the shop floor," says Lorestani. "What Sabine did was help [the plant employees] with their ideas that they then implemented. It really caused the people to own their engagement, and if you own it, you're going to make it work."

If engagement continues to rise in Mahwah, and Krummel-Mihajlovic believes it will, it will be because the people at the plant understand the value of engagement. They will stay engaged because being engaged creates a better way to work. "For me, the engagement score is just a number. The work behind it, the team morale, how the managers are leading

the teams, that's what's important," says Krummel-Mihajlovic. "When there's success, it's because people embrace opportunity and cause change."