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Nudging Leaders to Improve Employee Engagement

Employee engagement is critical to reducing turnover in today's hyper-competitive behavioral healthcare marketplace. If you've completed an employee engagement survey and created an achievable action plan, but your employee engagement and retention hasn't improved and client satisfaction is low, your managers may need a "nudge".

The nudge theory, coined by authors Richard Thaler and Cass Sunstein in *Nudge: Improving Decisions About Health, Wealth and Happiness* is about creating an environment that makes it easier for people to make good choices – choices that are the best for themselves and for the company, while still preserving their right to choose. Nudge theory may sound a little hokey, but it's a scientific approach that evaluates interventions based on data and it has proven to be a powerful tool for cultural change and corporate transformation.

According to Gallup, 70% of the variance in employee engagement is due to the manager. Bestselling author Cyndi Laurin says, "When employees spend the bulk of their day dealing with an ineffective manager, they're

clearly not engaged in their work, which makes an optimal customer outcome nearly impossible.”

Talented, hard-working people often earn leadership positions after proving they are capable of consistently making good decisions on critical technical matters; however, these technically-inclined folks may struggle when it comes to the most challenging part of leadership – developing their teams. Recognizing this, organizations pour valuable time and resources into management training; but, according to Founder and CEO at LEADx Kevin Kruse, more training for managers isn't the answer. In fact, studies show [management training is a multi-billion-dollar industry with little impact on organization success](#). The real problem, according to Kruse, is the “knowing-doing gap” among managers – and more training doesn't fix that, but nudges might.

Truthfully, even the most competent leaders can struggle when heavy workloads, hectic schedules and constant interruptions keep them more task focused than leadership focused. If you want to change leadership behavior to shift company culture, encourage collaboration, improve communication, promote strengths-based coaching, or a myriad of other worthy goals often addressed in management training and action planning – your leaders are going to need ongoing reinforcement, or nudges.

There are countless opportunities to employ all sorts of different nudges, from default settings and perfectly-timed micro-learning communications to social comparisons and framing, but it should be done with great care and attention to the organization culture. Some ways nudges have been used effectively in the workplace include:

- **Increasing productivity** by setting the default time for meetings lower (30 instead of 60 minutes)
- **Improving efficiency** by designating office quiet times to eliminate distractions and allow time for focused work
- **Promoting knowledge sharing** by strategically locating water coolers, coffee stations and break rooms
- **Improving on-boarding** by reminding managers of employees' 6-month anniversaries, prompting them to check in on them
- **Increasing employee engagement** by encouraging colleagues to give co-workers credit at their next meeting – which can be incorporated into calendar reminders

Designing effective nudges can seem daunting. Some important things to consider are:

- **Nudge leaders toward their strengths.** According to Vibhas Ratanjee, Senior Practice Expert, Organizational and Leadership Development at Gallup, leaders are more likely to succeed if they're nudged to use their own innate abilities; so, identify opportunities truly relevant to their growth and focus on areas where a leader has potential for excellence.

- **Make sure you're nudging – not nagging.** Nudges are suggestions that help people change behavior in small, meaningful ways, and reinforcing a positive behavior is more effective than changing negative behavior.
- **Timing is critical.** The closer a nudge is to the event or behavior you are trying to change or reinforce the more likely the lesson is to be appreciated and acted upon.
- **Nudging is an iterative process.** Getting nudges right requires ongoing experimentation with a good feedback loop and a way to track results.

Newer technologies in data mining and AI are leading to smarter nudges and also enabling organizations to implement nudges at scale for hundreds or thousands of employees. For a price, you can have a virtual army of engagement coaches reminding your managers of their focus area and offering a timely tip in that area. Depending on available data, you could also tailor nudges to the unique personality type and strengths of each of your managers.

We already use technology to help us remember appointments, grocery lists, and other daily minutia – we use it to as a co-pilot while driving in unfamiliar areas and as an assistant to place calls or send texts, and as many as 30% of us use apps to nudge us to exercise, eat better, or practice meditation. It's not surprising that the former Google execs at [Humu](#) have figured out how to use AI to nudge leaders for better organizational outcomes.

I imagine we will see broader utilization of AI-assisted nudges in the workplace and both behavioral science and technology evolve – just remember the importance of data privacy and always, always, always nudge only for good.

Further reading:

<https://www.businessballs.com/improving-workplace-performance/nudge-theory/>

<https://mhca.com/about-us/newsletters/1595-mhca-report-2019-quarter-3/file>

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