C.A.R.E.™ for your people - why you need clarity in the workplace.
The Business Case for Psychological Safety

With the emergence of globalization and rapid technological advances in the workplace, companies are increasingly under pressure to adapt. From a talent management perspective, organizations are struggling now more than ever to retain their talent. A new generation of leaders is entering the workforce. In 2016, Millennials became the largest talent population in the workforce, comprising 56 percent of the overall labor force\(^\text{13}\). In 2018, Millennials ages 25 to 35, on average, had a job tenure of just 2.8 years\(^1\). One reason for their short tenure, which is the highest it’s been in 10 years, is that companies are failing to meet employee expectations of a positive organizational culture. The cost of turnover to the U.S. economy is estimated to be $160 billion a year from hiring and onboarding costs, lost productivity, and poor engagement\(^15\).

How can your company create a culture that supports its employees so that they actually want to stay with your organization longer? Amy Edmondson, Professor of Leadership at Harvard Business School, suggests that the presence of psychological safety is essential to a company’s bottom line. Psychological safety is defined as “a climate in which people are comfortable being (and expressing) themselves\(^6\)” and a “shared belief held by members of a team that the team is safe for interpersonal risk-taking\(^5\)” At DX Learning Solutions, we embody the principles of psychological safety through our C.A.R.E.\(^\text{TM}\) model.
What Is C.A.R.E.™?

Imagine a workplace where all employees come to work with the belief and knowledge that they will not be punished or humiliated for speaking up with ideas, questions, concerns, or mistakes. C.A.R.E.™ is a simple model of logical leadership and a set of daily leader habits that will create psychological safety that leads to improved results. To understand how we can develop good habits, it’s first helpful to take a look at how those habits are formed in our brain.

At the most basic level of brain functioning, our amygdala and hippocampus date back to early mammals and comprise our limbic system. These parts of our brain regulate emotional responses and trigger a flight-or-fight response when we feel that we are in danger. The prefrontal cortex is responsible for higher-order decision making and processing of complex information. When we feel threatened, the primitive part of our brain – the amygdala and hippocampus – inhibit us from thinking rationally and contribute to the release of cortisol, which is the stress hormone. Humans feel threatened when they don’t have a clear understanding of what’s expected of them, lack autonomy, receive negative feedback, or aren’t treated fairly. To help leaders minimize this threat response in their employees, our C.A.R.E.™ model charts a path for how to shape organizations worth working for.
Humans crave predictability. It I don’t entirely understand what is expected of me, why it is expected of me, and its link to a higher purpose, I am going to question my surroundings and not be 100 percent engaged.

Would your team say: “We understand what’s expected of us and how it connects to who we are as a company.”

The brain is designed to survive, and therefore designed to control its environment. We need to know we have options and the perception that we have a choice as to what we do and how we do it. If we don’t, we’ll find a place where we do.

Would your team say: “Our leadership actively encourages us to have a say in the work we do and how we do that work.”

We are tribal creatures, and therefore social. We feel safer when we have a sense of belonging with other likeminded people. We want to be part of a group of relationships that have meaning beyond the daily grind of work.

Would your team say: “Our leadership puts in the time to communicate, listen, give feedback and build relationships with us.”

When we feel the effects of being treated unfairly, it is the same as being punched. Evolution has dictated to our brains that in order to survive, resources at hand must be handed out equitably. When we see people being treated unfairly, it triggers an emotional threat response.

Would your team say: “Our leadership goes out of their way to treat the team with fairness, based on the resources of the team.”

Our proprietary C.A.R.E.™ model is the nucleus of our approach to inspiring logical leadership.
Why C.A.R.E.™?

Gallup

Failing to provide your team with a strong sense of clarity will result in decreased levels of engagement and performance, which will negatively affect your company’s bottom line. According to Gallup’s 2017 edition of the State of the American Workplace Report, 67 percent of employees were either not engaged or actively disengaged in their jobs. Gallup estimates that actively disengaged employees cost the U.S. between $483 billion and $605 billion each year in lost productivity. Think of how much your organization could save simply by increasing the level of clarity provided by its senior leaders and increasing employee engagement. Not only should we think about the relationship between engagement and the bottom line, but as shown below in Figure 1, there is also a strong link between engagement and Maslow’s Hierarchy of Needs.

Figure 1. Maslow’s Hierarchy of Needs Applied to Employee Engagement
Six in 10 U.S. employees strongly agree that they know what is expected of them at work.

By moving this ratio to eight in 10 employees, organizations could realize a 14 percent reduction in turnover, a 20 percent reduction in safety incidents, and a 7 percent increase in productivity.

Establishing clear goals and letting employees in your organization know what is expected of them is fundamental to successful business outcomes. Approximately 13 percent of employees strongly agree the leadership of their organization communicates effectively with the rest of the organization. If so few employees believe that their leaders are effectively communicating with them, how can they possibly be working to achieve their organization’s strategic priorities? Setting clear expectations is closely linked to employee engagement, which, as Figure 2 shows below, is connected to key business outcomes.

Figure 2. Employee Engagement Affects Key Business Outcomes

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**EMLOYEE ENGAGEMENT AFFECTS KEY BUSINESS OUTCOMES**

Work units in the top quartile in employee engagement outperform bottom-quartile units by 10% on customer ratings, 21% in productivity, and 22% in profitability. Work units in the top quartile also saw significantly lower absenteeism (37%), turnover (25% in high-turnover organizations, 65% in low-turnover organizations), and shrinkage (28%) and fewer safety incidents (48%), patient safety incidents (41%), and quality defects (41%).

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Source: Gallup
Google: Project Aristotle

Project Aristotle at Google began with a desire to understand how companies can build the perfect team. The researchers studied over half a century of academic studies on team dynamics. The commonly-held assumptions were, “It’s better to put introverts together,” and “Teams are more effective when everyone is friends away from work.” However, there was a gap in the research because no one had actually studied whether or not this conventional wisdom was true. After studying team norms and behaviors, Google researchers noticed that on the best functioning teams, members spoke in roughly the same proportion, something they referred to as “equality in distribution of conversational turn-taking.” Next, they identified teams where all members had high “average social sensitivity,” what they used to describe how others felt based on their tone of voice, their expressions, and other nonverbal cues. The combination of these behaviors are components of psychological safety, which Google found to be the MOST POWERFUL predictor of team performance.

The Importance of Clarity

Have you ever worked for a boss who set ambiguous or unclear expectations? Maybe he or she set no expectations for your team whatsoever. It’s likely that your boss was not providing the clarity needed for you to effectively perform your job. Has there been a time when you started something without a clear understanding of what you were doing, why you were doing it, and/or when it needed to be done by? How did that make you feel? I’m guessing you were frustrated. Confused. Anything but excited to start work, right? That same principle can be applied anywhere.
No one likes a lack of clarity. Yet every day we live in it, and it makes our brains hurt. Social psychologists estimate that there is usually a 40-60 percent loss of meaning in the transmission of messages from sender to receiver\textsuperscript{10}. **CLARITY** is crucial to building trusting relationships in the workplace and optimizing employee performance. Without it, employees become disengaged and unmotivated to do their best work. At DX Learning Solutions, we define clarity as **having a clear understanding of expectations and the ability to consistently predict outcomes with certainty.**

To understand this better, let’s examine some real-world examples.

**Clarity (or lack thereof) at a Health Care Provider**

Justin had worked for a health care provider for over a year at its downtown Chicago location. His company had step-by-step procedures to check in patients for appointments. As a top-performing employee, Justin was an expert at streamlining the check-in process and consistently received positive reviews from his patients. When his company rolled out a new service offering, he thought he understood how this would affect the existing process. One day, however, he was publicly berated in front of his co-workers by the doctor, who indicated that Justin did not properly follow the new process.

Justin followed up by consulting with his manager about the issue. He reviewed the steps that he followed and confirmed that this was consistent with the training provided by the management team just one week before the incident. The manager agreed that Justin had complied with the new guidelines, so it appeared there was a serious miscommunication and lack of **clarity** between the doctor and the rest of the leadership team.
A lack of clarity, in this instance, can result in documentation errors that may have significant negative health consequences both for the patient and for the health care provider. Customer experience, productivity, and engagement suffer from a lack of clarity, which will take away from your bottom line. It seems so simple – providing employees with clarity is in everyone’s best interest. So, why do so many leaders fail miserably when it comes to setting clear expectations and aligning a shared understanding throughout their organizations?

Clarity in the workplace is not limited to your immediate boss. It is also crucial to have clarity among your peers and colleagues. Receiving an email that doesn’t make sense can create confusion that inhibits you from effectively performing your job. Poor communication can result in wasted time and duplication of work that could have otherwise been avoided. Have you ever felt that a boss is withholding information from you and your teammates? A lack of transparency within organizations significantly decreases trust, and performance and productivity suffer as a result. Figure 3 below shows the positive business outcomes that result from increased levels of trust.
“The link between employees’ trust in leadership and firm performance is quite clear; As trust increases, firm performance rises.”

*(SAM Advanced Management Journal, 2008)*

Now, let’s think about this in our personal lives. Trust and transparency is integral to every health relationship. When we feel that our spouse or partner is withholding information from us, we don’t trust them, which negatively affects the relationship. Even if you think what you’re withholding isn’t important information that your partner needs to know, sometimes it’s better to be fully open with him/her so that you build trust and a strong foundation that will sustain clarity over time.
The First Step Toward Clarity

Looking at Figure 3 above, let’s apply a growth mind-set to increasing clarity in your organization. Carol Dweck, a pioneering researcher on the growth mind-set, suggests that we all have the capacity to improve. This certainly applies to the level of clarity within organizations. Whether your employees have no clarity whatsoever or you think your leaders are experts in providing clarity to their teams, there is always room to grow.

With each incremental improvement to clarity, your firm’s overall performance will follow.

You don’t know what you don’t know. And if you don’t know whether or not your organization lacks clarity, how can you address the issue? Think about times when there has been a lack of clarity in your personal life.

Once I was meeting a friend for dinner, and he gave me the name of a restaurant in downtown Chicago. Because there were multiple locations, I asked to clarify the address so that I showed up at the correct one. He confirmed, but when I arrived, it turned out that he was at a different location. Understandably, I was pretty frustrated in this situation, especially because I had taken the time to confirm with him beforehand. He was from out of town and quickly looked and thought he was sending me to the right place. This goes to show that there is always potential for a breakdown in understanding, even when you think you’ve covered all the bases to ensure as much clarity as possible. It’s always worth repeating and making sure that there’s no ambiguity left or room for possible misinterpretation.

The first step to recognizing that there is a clarity gap at your company is asking your leaders to take an inward look at how they communicate with their teams. They may not have clarity about how exactly to provide clarity to their employees. When employees received mixed messages from
different leaders, how can they be sure of whose direction to follow? Senior leaders must be unambiguously aligned to the same strategy so that employees can effectively work toward the same end.

When I was a junior in college, I had my first major interview for a summer internship, and it was a phone interview. The interview was scheduled for 10 a.m. ... but I was living in a different time zone than the interviewer. While I wanted to blame it on the interviewer for not specifying, it was equally my responsibility to ask for clarity to ensure that we were both on the same page. Fortunately, I was on Eastern Time, so I ended up being an hour early for the call and it all worked out! Lesson learned though.

Engagement and organizational health surveys at companies consistently show a lack of clarity within teams and organizations. From the top-down, senior leaders should make it an organizational priority to equip all employees with the information and resources that are necessary to do their jobs effectively. Numerous studies establish a clear connection between engagement, clarity, and the bottom line.

Adobe

Adobe is leading the way for companies that are innovating and reinventing the way we have traditionally thought about performance management: the annual review. In 2012, Adobe decided to replace its annual performance review with something they branded the “Check-In.” The intention behind this change was to make performance conversations ongoing and in real time. Adobe recommended the check-in frequency to be on a quarterly basis. Adobe’s 30 percent head count growth since adoption of Check-In in 2012 means that the total savings is now more than 100,000
Manager hours per year\(^2\). The move to ongoing feedback ensured that employees understood what was expected from them in a very dynamic and fluid time when business needs were rapidly changing.

Once leaders face the harsh reality of the damage that a lack of clarity can inflict, they can recognize the importance of providing it to their teams. When presented with the facts, it is hard to dispute the impact that clarity has on the bottom line. No one wants to acknowledge that they are not good communicators, but when doing so will improve their team’s performance, we’re more likely to swallow our pride if the result will be improved business outcomes. The reason it’s so difficult for leaders to accept that they are inept at providing clarity is because of our inherent biases. We’re naturally hardwired to believe that our point of view is the correct one and that everyone else should agree. This causes us to have the illusion of agreement.

**Thought Leaders**

Amy Edmondson suggests three activities that leaders must continue to do to create psychological safety in their organizations\(^9\):

1. Set the stage.
   a. Get people on the same page about the nature of the work you’re doing and the project you’re on. How much uncertainty/complexity/interdependence is there?
   b. The more the work is uncertain or complex, the more your voice is essential to business success.
c. Write it down. Always write it down. This means others now have the permission to speak up, and it is clear what is needed with no assumptions.

2. Invite engagement.
   a. Actively involve your team in business decisions and help them establish a strong connection to their work and your organization. This will enhance their sense of purpose and increase motivation.
   b. Shake on it. Without someone saying, “Yes, I get it,” you can’t move on.

3. Respond productively.
   a. Provide quality and constructive feedback on an ongoing basis with the purpose of developing your employees and helping them do their best work.
   b. Follow up. Never assume they will just do it. The more you follow up, the better.

Researchers at Harvard, Columbia, and NYU Stern Business Schools have studied the relationship between clarity, purpose, and corporate firm performance. They found that purpose does, in fact, matter. But it only matters if it is implemented in conjunction with clear, concise direction from top management and in such a way that the middle layer within the firm is fully bought in. That is why clarity of purpose is so important. It helps your employees find meaning in their work, which results in higher levels of motivation and commitment that contribute to your firm’s performance. Shannon Schuyler, the Chief Purpose Officer at PwC led a 2016 study that determined millennials are 5.3 times more likely to stay in their jobs when they have a strong connection to their employer’s purpose. This demonstrates that it takes more than just a paycheck to keep today’s generation workforce in their jobs. An organization’s mission and vision statement should not simply be used as a fancy PR stunt. To provide true clarity about your company’s
purpose, senior leaders must embody stated values in their actions and business decisions every day.

What Can Your Organization Do to Improve Clarity?

National best-selling author David Horsager’s book *The Trust Edge: How Top Leaders Gain Faster Results, Deeper Relationships, and a Stronger Bottom Line* suggests that there are three key areas of clarity:

1. **Vision and purpose**
   a. Does your organization have a mission and vision statement posted to its website? Are all employees aware of your core mission as a business? Does your company operate in a values-based culture? If the answer to these questions is "no," then your organization may need to rethink its clarity around vision and purpose.

2. **Expectations and communications**
   a. Without clear expectations, it’s impossible for your team to effectively work towards your established goals and metrics. It’s crucial that you provide clarity and communicate, especially as priorities shift to realign expectations with your team.
   b. Think about all of those late-night emails you’ve probably gotten from a boss at one point in your professional working career. If you’re new to the team, you might be left wondering whether or not you’re expected to respond right away.
3. Daily tasks

a. While it’s important to provide your team with the autonomy to do the work, as a leader, you need to ensure there is no confusion about how you expect your team to execute daily tasks. You should also set a clear standard for how you will hold them accountable. Clarity around daily tasks will remove any ambiguity and uncertainty for your team and give team members the confidence to know that their efforts are aligned with your organizational goals.

Author of *The Five Dysfunctions of a Team*, Patrick Lencioni outlines in his book *The Advantage* six critical questions leaders must agree on to provide the clarity their employees need. Eliminating even small discrepancies in their thinking will promote a healthier and more cohesive organization.

1. Why do we exist?
2. How do we behave?
3. What do we do?
4. How will we succeed?
5. What is most important, right now?
6. Who must do what?

The first three questions are the foundation for building an organizational culture conducive to business success. These align with David Horsager’s proposition that value and purpose play a crucial role in providing clarity that leads to better performance. If your employees first don’t understand the reason for your existence as a company, how can they be motivated to
achieve your goals? Without clear answers to the first three questions, your workforce will be rendered incapable of executing the final three questions. All six components of Lencioni’s framework are inextricably linked; without strong answers to each one, organizations will fail to optimize their employees and meet their fullest potential.

Take a large multinational, Fortune 500 company. With over 200,000 employees, its business operations consist of a massive and complicated network of global cross-functional teams. Constantly shifting priorities, volatile economic conditions, and high turnover of lower-level employees muddies the water when it comes to organizational clarity. While the company may have strong answers to Lencioni’s first three questions, the nature of their business makes it challenging to clearly answer the last three — the ones directly linked to the bottom line. Ambiguous functional ownership and responsibilities can lead to the duplication of or non-value-added work such as unnecessary reports that are not utilized. Better cross-functional integration and interdepartmental clarity will eliminate this frustration.

**Sustaining Clarity**

It’s not enough to recognize that your leaders need to provide more clarity to their employees. Because no team operates or communicates in the same manner, better understanding of individual communication styles and preferences will enhance your ability to optimize clarity and performance. The DiSC assessment is a useful tool to apply the practice of clarity at a team level. DiSC profiles help you and your team:

- Increase your self-knowledge: how you respond to conflict, what motivates you, what causes you stress, and how you solve problems.
- Improve working relationships by recognizing the communication needs of team members.
- Facilitate better teamwork and teach productive conflict.
• Develop stronger sales skills by identifying and responding to customer styles.

• Manage more effectively by understanding the dispositions and priorities of employees and team members.

Whether it’s weekly or monthly, your leaders should be providing **clarity** to their employees on a frequent basis – whatever cadence makes sense for the individual. New hires will need more guidance than more seasoned employees, so they should be checked in with regularly. To be successful, organizations must **sustain** clarity and integrate the process of regularly communicating expectations into their business practices. Managers can be held accountable, by including goals for employee engagement in their performance appraisals. As we’ve shown, employee engagement is linked to **clarity** and it is the strongest predictor of performance.

At DX, we were planning a launch party for our new brand. Alex told Alyssa, “Let’s do a launch party for our new brand.” In his head, he had this clear picture of a few clients we trust, some wine, some cheese, and a curtain with our new brand colors and logo behind it. No work. Chill event. Alyssa heard that we have to have everything done in a month, from total brand overhaul, woven into our products and months of work into four weeks. She got stressed and lost sleep about it. Others did too. If Alex had written down and clarified what he meant, that would never have happened. He thought she was clear on what he meant and vice versa.
How Can DX Learning Solutions Help You Improve Clarity?

DX Learning Solutions’ The Alignment Shifter™ is the perfect opportunity for your leaders to develop the skills necessary for providing clarity to their teams in the workplace. Instead of forcing your employees to complete another e-Learning course, let DX Learning Solutions engage your team through our highly interactive and hands-on program designed to promote clarity and accountability in your organization.

This four-hour session will challenge the widely accepted definition of accountability from getting individuals to raise their hand to say, “Yes, that was my fault”, to avoid having to blame anyone in the first place. No one truly wants to be the person who has to raise his/her hand and take one for the team. We believe it is better to think of an accountability culture as a proactive process every leader can plan for at the beginning of a project/assignment/task. The leader can think of the best ways to set clear expectations, obtain commitment, and follow up to motivate team members to do their best. This experience will show the power of clarity.

We shift leaders’ thinking from having to blame to having a plan so no one needs to be blamed.

This is the habit of slowing down to speeding up.
References

9. HBR IdeaCast with Amy Edmondson: Creating Psychological Safety in the Workplace.