



Employee engagement has been proven as a critical determinant of employee productivity, with astounding implications on overall organizational efficiency and profitability. Gallup Consulting asserts that engaged employees are “more profitable, more customer-focused, [meticulous], and more likely to withstand temptations to leave the organization.”¹ Indeed, there is an estimated **\$300 billion lost** in productivity alone in the U.S. Labor force each year. In order to curb losses due to disengagement and to enhance company performance, managers must adopt a leadership style that enables *key drivers* of employee engagement in high-performing organizations to flourish.² These drivers are:

- An organizational culture of trust and respect between managers and colleagues, in which the employee’s voice is welcomed and they feel genuinely appreciated³
- Opportunities for professional development and growth⁴
- A collective vision and commitment to the organization’s mission⁵
- Work that is challenging and inspiring, and motivates employees to do their best every day⁶

These drivers manifest a key commonality: the vitality of stewarding relationships and company culture. Gallup argues that the “best performing companies” deliberately steward both, as they acknowledge that “developing an employee engagement strategy and linking it to the achievement of corporate goals will help them win in the marketplace.”⁷

EILEEN FISHER, Inc. (EF) illustrates best practices of how to foster this principle through its leadership system and organizational processes, which have allowed it to weather even the most difficult of times, including the recent financial crisis. EILEEN FISHER, Inc. is a luxury-clothing retailer specializing in creating simple and elegant designs for women. Launched as a small clothing line by Eileen Fisher in 1984, the company now includes 900

employees with 58 stores operating in the United States, Canada, and the United Kingdom. The company’s Leadership System provides an alternative to traditional functional teams. Teams at EILEEN FISHER, Inc. operate with dynamic webs of inclusion and connected thinking that builds on strong relationships. This collaborative and organic leadership model is a notable EF strength that supports cross-company connections, leader growth, and rich idea-sharing.⁸

Two key frameworks that foster employee engagement are enveloped in the very heart of the EILEEN FISHER leadership system: Appreciative Inquiry and Relational Practice. By studying the organization’s approach in incorporating these principles, managers may come closer to cultivating inspired, productive, and engaged employees. The following discussion identifies three significant ways the co-mingling of these two frameworks is witnessed at EILEEN FISHER, Inc.⁹

Build on Passion and Strengths

I see Susan Schor [EF’s Chief Culture Officer] as an incredible visionary leader that has so much insight about people’s inner strength. She’s able to see the goodness and potential in people. She reads people so well, which in itself is such strength.

Liz Wisler, Director of Product Development

We like the questions and we like to build on strength. We like to come from a strength-based positive approach as opposed to a problem-based approach. We want to know, what are people’s passions? If you let people make the contribution they’re most passionate about, it’s going to be better for the organization.

Karen Gray, Director of Retail and Global Development

At EILEEN FISHER, Inc., leaders intentionally recognize and unleash the strengths of employees to foster passion for the work and organization. They empower employees by adopting the principles held by Appreciative Inquiry, which recognizes the distinctive assets of each individual much in the same way that Liz Wisler describes Susan Schor above. Appreciative Inquiry’s strength-based philosophy is enacted

through exploration of the best in individuals in order to uncover the positive core (or “heart”) of the organization. Essentially, this principle, which views the strengths of the organization as a whole, is determined by the collective strengths of the employees. EF leaders simultaneously adopt relational practice, which places value on mutuality, interdependence, and sensitivity to emotional context. The intermingling of Appreciative Inquiry and Relational Practice harnesses the collective strengths and passions of employees to enrich company culture.

Appreciative Inquiry ultimately leverages Relational Practice in order to facilitate two of its critical phases: *Dream* and *Design*. The *Dream* phase serves to bring out the “dream people have for their future within the organization or team that grow[s] out from what they have already discovered they can do”¹⁰ through mutuality and active listening. Once this mutual dream is formulated, employees may then make “decisions about the high level actions that need to be taken to support the delivery of the dream.”¹¹

Identifying the passion and strengths of employees is evident in numerous ways at EILEEN FISHER, Inc., including in its Leadership System of teams as noted earlier. The Leadership Forum is the largest standing team in which people from across the organization come together once a month in a daylong meeting to discuss topics of mutual interest. The check-in process, which can take a couple of hours, focuses on exchanging news and information, both personal and professional. Throughout the check-in, the facilitator encourages active listening and creates a climate that welcomes participants to express emotion. This process honors strengths and passion, granting permission to every employee to act on identified priorities and passions. An important step in enacting Appreciative Inquiry is this “OK” to self-organize.

Focus on Learning

I think it's really important to listen [at EILEEN FISHER, Inc.]. Here, you're better off if you take the time to get a sense of other people, how to read them and understand where they're coming from. That helps inform how you want to handle a situation. You can't underestimate being thoughtful.

Allison King, Director of Internal Communications

One thing that keeps me here is the whole question of learning. This is a place where successful people are interested in learning and growing. There is a desire to keep moving ahead and not be static, and really be fluid.

Jim Gundell, VP of Retail and E-Commerce

A culture of inquiry uncovers the strengths of individuals and teams at EILEEN FISHER, Inc. From an Appreciative Inquiry perspective, this is the discovery process that identifies and maps common themes or stories that capture the strengths of the organization. In a group setting, each individual shares their unique perspective and others ask probing questions in response. At EF, asking questions is the norm and it is commonly understood that active listening is a critical skill for everyone. Rarely does one hear a firm or authoritative response, but quite the opposite—preference is placed on an honest response that acknowledges uncertainty and ambiguity. As themes emerge during this exchange, employees are able to observe commonalities and differences of thought and build upon them together. This process highlights the organization's proactive focus on learning. Furthermore, mistakes are considered opportunities to learn. Mistakes, confusion, or failures can help identify gaps in the organization's capability or capacity. Drawing on elements of relational practice, EF values the process of interaction, rather than just the content of interaction, while emphasizing self-awareness and personal growth. By doing so, the company creates a culture of mutual learning that enhances trust among employees and managers.

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The culture at EILEEN FISHER, Inc. also places importance on stories. Because stories take a while to tell, this process is not rushed. Stories foster increased interpersonal connection and deepen relationships not only with the employees, but with the marketplace as well. The EILEEN FISHER clothing line, for instance, is revealed to employees and buyers through stories that portray the customer's identity and needs: Why would she want this piece? Where would she wear it? How would she feel?

Focus on learning is difficult to put into practice. It requires a comfort level with ambiguity enveloped in the process of exploration and storytelling. Continuous learning inherently involves continuous change, implying a never-ending disturbance to the status quo. The fluid structures at EF help support dynamic processes necessitated by change, yet the investment in the discovery process requires more than the

average level of patience. In order to intentionally manifest EF's fundamental belief in the importance of everyone's sense of self-worth, EF embraces an eastern philosophy of mind, body, and spiritual balance. Evident in their respect for open space in the stores and corporate headquarters, the Yoga Room where the Leadership Forum frequently meets, and the integration of quiet reflection at the beginning of every meeting, EF creates an environment that aligns with their philosophy and values. The result is a culture that places importance on reflection, in turn infusing the Leadership System and organization with space for authenticity of voice and storytelling.¹²

Connecting with others different from ourselves means that we must widen our circle of inclusion. This process in turn requires being authentic about our own voices while discovering new voices and pushing the boundaries of our identities and comfort zones.

Finally, the focus on learning ultimately challenges individuals to suspend their current assumptions and create space for imagination. With Appreciative Inquiry, the dreaming phase described previously is an important implementation step. Combined with Relational Practice, learning occurs through interdependence and reliance on others, creating a culture that forms a collective vision for the future. This environment counters the fear that dominates thoughts and actions due to the current economic environment and continuous exposure to negative media. At EF, adversity is seen as an opportunity for growth. Continual focus on education, professional development, health of mind and body, and communication provide the stable underpinnings for dealing with the realities of the world.

Infuse Diverse Voices

I'm here because it's more of a personal journey, understanding how to listen to my own voice and work with others in a way that values theirs.

Rebecca Perrin, Concept Designer

I trust my gut and I understand the need to make a decision, stick with it, and if it doesn't work, fix it and move forward. But I've also learned that you get to a better place when you can pull in others' thinking. That's particularly what we do with each other in our own worlds at EILEEN FISHER.

Jonci Cukier, Facilitating Leader of the Core Concept, Design and Merchandising Teams

Intentionally welcoming a diverse range of employees, suppliers, buyers, and customers requires a significant degree of external orientation and relational prowess. Connecting with others different from ourselves means that we must widen our circle of inclusion. As evidenced with each of the reflections, this process in turn requires being authentic about our own voices while discovering new voices and pushing the boundaries of our identities and comfort zones. At EILEEN FISHER, Inc., fluid teams and open forums combine with the passion of inquiry and the focus on learning to infuse diverse voices. It is a relational context and as such incorporates a diversity of actors and their perspectives.¹³

Unique to EILEEN FISHER, Inc. is an inclusive perspective and practice with social consciousness. As a formal function in the organization, Social Consciousness encompasses three areas: "commitment to human rights and the supply chain, environmental sustainability and supporting women, girls and our communities." But as Amy Hall, Director of Social Consciousness, recognizes, there are many more voices of social consciousness within EILEEN FISHER, Inc. and they too should be included. Similar values are embedded in EILEEN FISHER Inc.'s "internal customers" – its employees – as manifested in its non-discriminating, inclusive, and generous benefits package. This package includes profit sharing, and their commitment to work-life balance includes a wellness program that offers yoga lessons, massage, and personal training at the company headquarters as well as a \$1,000 reimbursement for educational expenses and wellness experiences outside of the firm. Regular store events support community and social interests. Listening to employees, customers, and community needs helps create a diverse and inclusive lens at EILEEN FISHER, Inc.

The Great Place to Work Team – A Story of Appreciative Inquiry and Relational Practice at EILEEN FISHER, Inc.

How do we better understand what Relational Practice and Appreciative Inquiry look like at EF? How is this process applicable to issues that organizations experience regularly? The following story of EILEEN FISHER, Inc.'s recent formation of its Great Place to Work (GPTW) Team answers these questions and illustrates the intersection of *Building on Passion and Strengths*, *Focusing on Learning*, and *Infusing Diverse Voices*.

The Great Place to Work survey is implemented across 45 countries and represents over 10 million employees. The program benchmarks survey findings against companies

identified with superior company culture and practices. These practices enable “employees [to] trust the people they work for, have pride in the work they do, and enjoy the people they work with.”¹⁴ As discussed previously, these factors collectively promote employee engagement, loyalty, and productivity. The assessment further focuses on how relationships between employees and managers support these principles by evaluating them in five dimensions: Credibility, Respect, Fairness, Pride, and Camaraderie.¹⁵

EILEEN FISHER, Inc. has been ranked as a GPTW medium-sized company for nine years in a row. Its place has fluctuated from 23rd in 2004 to its highest ranking of 5th in 2012. While pleased with the incredible gains made in enhancing culture and employee satisfaction at the company over the years, the leaders of People and Culture could not help but direct their attention to the two dimensions that the company consistently scored lowest on: Fairness and Credibility.

At a Leadership Forum held on February 9, 2012, leaders convened to wrap their heads around the survey results, with the goal of addressing how the company could strengthen company culture. This discussion occurred in the format of a World Café – a series of rotating conversations in small groups that allow participants to think deeply about the questions and topics presented. Discussion topics included:

- Based on the Great Place to Work data, what are the top two areas that we need to address as a company?
- What would our workplace in EILEEN FISHER look like if we received high scores in these key areas?
- What would foster a more holistic, integrated experience of being a GPTW company?

Although common themes were identified by the leadership groups, the exercise caused People and Culture leaders to reflect on how this conversation could be extended throughout the company in order to be intentional about fostering a culture of learning from a diverse range of employee voices. Thus, the idea to form a small, cross-functional Great Place to Work Team was born.

An email was sent out on August 7, 2012 to all EILEEN FISHER, Inc. employees with the subject line “Forming a Great Place to Work (GPTW) Team,” and it shared the goal to create a diverse, cross-company team to expand the GPTW experience. The email outlined the following objectives of the team:

- Deepening the sense of pride we all feel about our GPTW accomplishment, including our celebration(s)
- Finding out more about what underlies the scores and where we could make improvements
- Helping to develop and guide efforts for improvement

The call for volunteers attempted to give some idea of the nature of responsibility, but also deliberately left the door open for the team to determine their own schedule: “While we’re not sure what decisions the team will make about its frequency of meetings and way of working, we are estimating it will meet monthly for about 1.5 hours.” To apply, employees were required to write a short essay that described their motivation to contribute to the team and “enhance the EILEEN FISHER, Inc. experience of being a GPTW company.”

To their surprise, 21 employees across a broad range of departments applied, representing Customer Service, Product Development, Retail and Sales, Wellness, and Facilities, among others. The applicant pool included a wide range of men and women, with individuals applying from all over the United States and the United Kingdom. Their passion for the company and culture were not only reflected in the projected time that the role would require and the time commitment it took to write the essay, but also in the content of the essays themselves.

In regard to the existing company culture, one employee wrote:

EILEEN FISHER is already a great place to work. Whether we continue to pursue a ranking with the GPTW organization or explore ways to make us even greater ... I feel that the dream of making the EF experience even more rewarding is attainable. I am grateful to be working for a company that values people and culture the way we do and I would love to contribute to this work in a bigger way.

Applicants also expressed a desire to participate out of a strong sense of loyalty to the company as evidenced by not only the essence of this statement, but also the individual’s command of EF’s mission and values:

EILEEN FISHER has stayed true to its Mission, by being Socially Conscious, encouraging Individual Growth and Well-Being and provid[ing] a Joyful Atmosphere to work collaboratively in. All this has incubated an amazing culture here at EILEEN FISHER, a culture I now feel somehow is my duty to help protect and continue. I believe I can do this by joining the GPTW team.

Finally, essays presented a sense of vision to render EILEEN FISHER, Inc. as a model company:

We strive for work life balance, collaboration and diversity. As a GPTW company, we can be a model for future companies. As a member of this team, I would hope to enhance our culture with the possibility of making an impression for other companies to follow.

Although the new team was originally designed to be composed of a selective, small group, People and Culture team leaders could not imagine turning away any of the applicants—the loyalty and passion applicants expressed, along with their intense desire to play a direct role in strengthening the company, were too great. All applicants were accepted, and transportation was provided to the New York offices for the first Great Place to Work Team meeting.

Creating opportunities for mutual discovery will be more effective than providing management's answers or solutions. A facilitative leadership style that guides team members rather than directs them is recommended for moving in a direction to truly engage employees.

The process in which this team formed, from start to finish, embodies the three points of convergence of Appreciative Inquiry and Relational Practice at EILEEN FISHER, Inc. A *Focus on Learning* was infused in the initial World Café-styled Leadership Forum in order to open an honest discussion of how the company could enhance its culture to better serve its “internal customers.” This principle was further extended by inviting the employees themselves to participate, while simultaneously drawing on a *Diversity of Voices*, in which a range of roles and departments were heard in the GPTW Team application process. Finally, the application process served as a platform to *Build on the Passion* of the employees involved, whose existing dedication to the company is evidenced by their essays. The ultimate goal enabled EILEEN FISHER, Inc. to *Build on the Strengths* of the existing company culture, along with the diversity and passion of its employees, to truly strengthen the company and render it an even greater place to work.

Moving Forward: Implications at Your Company

While EILEEN FISHER, Inc. embeds the frameworks of Appreciative Inquiry and Relational Practice into its formal structure and processes, leaders of other organizations can

transfer the essence of *Building on Passion and Strengths*, *Focusing on Learning*, and *Infusing Diverse Voices* by creating space in existing structures to address questions of values, process, and outcomes. For example, organizations can use existing departmental, committee, or team meetings to begin conversations about how to best approach a significant agenda item. They can raise questions about satisfaction with current ways of operating and the results achieved with standard approaches. Generally, creating opportunities for mutual discovery will be more effective than providing management's answers or solutions. A facilitative leadership style that guides team members rather than directs them is recommended for moving in a direction to truly engage employees.

However, this integrated lens of Appreciative Inquiry and Relational Practice may be suggesting a radical cultural transformation for your organization and as such, will require considerable time and effort. The following small steps might open the door for innovative thinking and a potential change in organizational commitment and performance:

1. Check-In as a Norm

Devote the first 10 minutes of a meeting to “check in” with employees, allowing them to share how their day or week is going on a personal and/or professional level. Although employees may share frustrations, the facilitator should also encourage participants to focus on relevant or impactful events that are going on in their lives and what aspects of their work that they are excited or passionate about. Model a culture of active listening by asking questions about the information that is shared, and encourage employees to ask questions of their colleagues as well. This will set a constructive meeting culture that increases the likelihood of recognizing and using strengths in their work.

2. Techniques and Practices

Facilitate increased connection and collaboration through the use of various small group discussion techniques, such as World Café, Dotting, Open Space, and the Art of Hosting.¹⁶ One such technique that EF employs is called *The Circle Way: A Leader in Every Chair*, developed by consultants Christina Baldwin and Anne Linnea. Their book by the same name endorses meetings in the round and shared leadership techniques. Based on a philosophy that all voices are important and that conversation is a vital component of change, Baldwin and Linnea identify a meeting structure for “thoughtful speaking and deep listening.” Integral to Appreciative Inquiry, Relational Practice, and circle meeting

techniques are practices that encourage sharing of individual experiences, such as examples and stories. Such facilitation deepens understanding and welcomes inquiry from all participants.

3. *Engagement in New Arenas Where Passion Can Flourish*

Provide opportunities for people to grow and develop outside of their normal areas of expertise. Leverage cross-functional and diverse teams to complete projects in order to challenge each individual to continuously engage in relational practices and the *Dream* and *Design* elements of appreciative inquiry. Regularly placing employees out of their comfort zones will ultimately embed a passion for learning in the very heart of the organization. Additionally, encourage employees to be actively involved in formulating departmental or team goals. This will empower employees to voice their perspectives about the organization as whole, enabling them to shape its work, advance its mission, and ultimately serve to inspire their loyalty, rendering them fully engaged.

As discussed, a high-performing organization is distinguished by effectively stewarding relationships between employees and managers. At EILEEN FISHER, Inc., this is achieved through formal structures such as the Leadership Forum, or new initiatives such as the formulation of the GPTW Team. EILEEN FISHER, Inc. envelops Appreciate Inquiry and Relationship Practice by *Building on Passion and Strengths*, encompassing a *Focus on Learning*, and encouraging a *Diversity of Voices*. Each of these principles can be incorporated in a company that strives to be a great place to work. Indeed, the cost of not doing so will not only be reflected in employee engagement and satisfaction, but on the last line of the income statement.

Endnotes

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- ¹⁵Great Place to Work, 2013.
- ¹⁶World Café (discussed on page 4), Dotting, Open Space, and the Art of Hosting are group facilitation techniques that foster creativity and innovation by creating safe spaces for more inclusive conversations. By allowing for increased inclusion and input, organizations can experience deeper and more expansive thinking, collaboration, individual growth, and shared leadership.

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