Driving Collaboration *in a* Multi-Generational Environment

Cisco Systems

*This is one of four case studies, prepared for the MetLife Mature Market Institute by **David DeLong & Associates**, demonstrating how companies are successfully shaping their cultures to motivate their Multi-Generational employees. These case studies are part of the Multi-Generational Tool Kit developed by the MetLife Mature Market Institute.*

Overview

Headquartered in San Jose, California, Cisco Systems has more than 67,000 employees worldwide. About three quarters of the company's revenues come from the sale of routers, switches, and advanced network technologies used to create Internet and other commercial communication networks.

To support its aggressive growth strategy, Cisco focuses on building a culture that maximizes collaboration and, in the process, engages employees of all generations. It does this by keeping them focused on the "big picture," and using technology to push the limits of flexible work design.

In 2001, Cisco went from being the world's most highly valued company worth more than $530 billion to what appeared to be another example of dot-com hubris, as the technology bubble collapsed. After this "life-threatening experience," Cisco's CEO John Chambers[1] recognized that to prosper in the fast-changing world of networking technologies would require a highly skilled, engaged workforce capable of extraordinary levels of collaboration.

Engagement Is Central Objective

Increased employee engagement has become a central objective for Cisco in order to drive its strategic objective of maximizing collaboration both internally, as well as with customers and suppliers. This comes at a time of significant demographic change within Cisco's workforce. The average age of its employees has declined four years since 2006, because the company has hired so many recent college graduates. Gen Y's (born after 1980) are expected to supplant Baby Boomers as the largest generation in the company by 2011.

[1] *Fast Company*, "How Cisco's CEO John Chambers Is Turning the Tech Giant Socialist," December 2008.

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Of course, Cisco today does many things to create a culture that supports both collaboration and employee engagement across generations.[2] But five practices stand out as particularly important in shaping the company's work environment:

1 Continually Communicating the Big Picture

The firm's leaders are fanatical in their practice of continually communicating the organization's business strategy and reminding associates how their current project is connected to overall strategic objectives. Employees of every generation need to understand how their jobs fit into the organization's overall mission. To this end, Cisco's vision, mission statement, cultural values, and fiscal year initiatives are printed on small plastic cards known as "employee badges." Chambers asks all employees to wear these badges daily as a reminder of what really matters at Cisco. Carin Taylor, a Human Resources senior manager, explains:

"Chambers drills into us that to be successful we must be focused. So everyone is consistently thinking about the connections of the work they are doing to the overall vision and strategy. If my performance doesn't connect to what my manager's objectives are, then I need to change what I'm doing. This all comes out in performance reviews."

Making sure all employees and managers know how their efforts are directly connected to the firm's larger mission is essential for creating a sense of purpose, giving work greater meaning, and increasing engagement.

2 Creating Structures that Increase Collaboration and Engagement

To develop a culture that drives innovation, Cisco utilizes organizational structures that force collaboration and indirectly increase engagement.

Like many companies, Cisco had grown up as a relatively "siloed" organization with a "cowboy" culture full of smart, competitive engineers. This had worked well in the early years of the firm, but the roles and structures that shaped daily interactions were not encouraging the behaviors Cisco needed to support its new strategy. Since the business had matured, Cisco needed to make collaboration a dominant company value to sustain long-term growth.

To do this, the CEO reorganized Cisco around a complex network of cross-functional councils and boards that today are the primary source of leadership and decision making. Instead of one executive overseeing new product development, for example, a nine-member development council makes decisions as a group about the future direction of new engineering products.

"Working together to create strategy and direction means people are incredibly engaged in execution," says Marilyn Nagel, director of inclusion and diversity. "Working on a cross-functional council, your world becomes much broader and employees find it a richer experience. You get to co-create with people, instead of just being handed work from others."

[2] While employee engagement is likely to be present in more collaborative environments, the two characteristics are not automatically connected. Employees can be fully committed to performing at a high level within their functions, but not interested in collaborating with other units.

❸ Strong Emphasis on Career and Leadership Development

Like most organizations that are successful in creating an engaged workforce, Cisco has recognized the need to invest heavily in career development. Employees who see interesting opportunities and realistic career paths for themselves in an organization are much more likely to be emotionally invested in staying long term. Cisco now puts all employees through a training program to identify their strengths and then tries to find roles that play to those strengths.

Keeping employees engaged in growth opportunities can mean international assignments, rotational assignments, or working on high-visibility projects.

"We have really intensified our discussions about career development," says Jerry Dark, vice president of human resources for Cisco's engineering organization. "We are also becoming more transparent in looking at an individual's career options. What does your true promotability look like? What does your future look like in Cisco?"

Helping employees see long-term career opportunities in the organization is key to sustaining commitment.

❹ Maximize Work-Life Integration with Wellness and Flexible Work Options

Cisco's investment in many work-life balance initiatives is another way they promote employee engagement. The company recognizes that one of the primary sources of disengagement for employees is health problems. So they have invested heavily in wellness programs designed to meet a wide range of employee needs.

The firm's new health and wellness center at its San Jose headquarters serves its 18,000 employees and their dependents in the area. The Cisco LifeConnections Health Center includes an on-site medical center, staffed by an independent medical group of physicians, along with state-of-the-art fitness facilities, acupuncture and massage services, a pharmacy, and additional child care center.

Creating opportunities for flexible work has become a mantra in many organizations, but Cisco is pushing the limits of flexibility by making creative use of its own networking technologies. One challenge is creating programs, which may include telecommuting, part-time work, and sabbaticals, that are appealing to all generations. Ironically, making flexible work options standard practice raises new questions about the firm's culture, according to Dark. He observes:

"Cisco is trying to understand how much flexibility is needed to engage different generations and how do we still maintain a distinctive culture. Doing things uniformly creates the culture of a company. People join an organization because they see something they believe in. But if everything is optional, what does the company stand for? Who are we? When you say everything is optional that can undermine the culture."

❺ Leveraging the Benefits of Social Networking Tools

Cisco's leaders also actively promote the use of new social networking technologies to build relationships, increase collaboration, and enhance employee engagement. Research shows that employees who feel personally connected to their co-workers are more likely to stay with the organization. Cisco tries to make getting and staying connected with colleagues as easy as possible.

[2] Highly collaborative employees, on the other hand, may not be particularly engaged or committed to staying with the organization long term. Cisco wants a culture that encourages both qualities.

The company uses Web 2.0 technologies to promote productive connections wherever possible. This approach is especially popular with younger employees who thrive on using a variety of electronic communication channels. Examples include:

> Video conferencing used to conduct "all hands" meetings virtually

> Tutorials on how to write blogs to share information across the company

> Using a Facebook-like internal directory to find lunch partners or the expertise you need to respond to a customer

> C-vision, an internal YouTube-like video sharing site that lets employees share product reports, engineering updates, and sales ideas

> Internal wikis and podcasts

Of course, it makes sense for Cisco to invest in better understanding and using collaboration technologies that drive their business selling routers, switches, and advanced electronic networking technologies. But Cisco's leaders believe wholeheartedly that these Web 2.0-style tools hold the key to the future of corporate productivity.

So, the company benefits from learning how to apply these technologies in ways that increase interactions and connections among its virtual and global workforce. But Cisco is also engaging a new generation of employees excited to be working in a company where leaders their parents age are encouraging them to IM, blog, and upload videos. How cool is that?

Conclusion

Cisco has been praised as a "great place to work" for years, but it has only recently created a specific focus on "employee engagement." Because of their experience with the dot-com crash, Cisco's leaders know the tremendous costs of losing highly skilled talent, and they do not want to repeat those mistakes. Marilyn Nagel, director of inclusion and diversity, summed up the problem:

"Our goal is to have people come to Cisco and stay here for their careers. That is why we have done so much to understand the needs of different generations, to recognize that people have different values and different concerns.

Engagement looks different to me than the person sitting next to me. What works for me may not work for others. It all depends on where I am in my career. So coming up with programs that meet the needs of all employees is an ongoing challenge."