

# How Finland's VTT built EMOTIONAL AGENCY

Building emotional agency can counteract the Great Resignation and trigger innovation.

As the pandemic changed the landscape of our work, employees' sense of belonging, relatedness and connection to company culture has deteriorated. This has led to trends such as the Great Resignation, quiet quitting and the War for Talent, as people hunt for meaningful and fulfilling careers in workplaces that match their values. According to SHRM, 90% of employees at companies with poor cultures have considered quitting.

This turnover of talent has been expensive for companies, with Harvard Business Review estimating that the replacement cost for the average worker is one-half to two times their salary. Gartner reports that organisations that successfully connect employees to their culture can increase employee performance by up to 37% and retention by up to 36%.

According to Harvard Business School Professor Amy Edmonson, high-performing teams are

built through developing psychological safety in the workplace. But how is psychological safety built? VTT and Emergy have discovered a way to develop this highly important workplace dimension. The tool to enhance psychological safety is called "emotional agency". Developing these skills can lead to more innovation, supercharged productivity, enhanced morale and better talent attraction and retention - something valuable to counteract a culture crisis and the ongoing Great Resignation.

Emotional agency also has the potential to thrust your organisation into an innovation cycle - but what is it in practice, and how can it tangibly help your organisation?

## WHAT IS EMOTIONAL AGENCY?

Researchers from the best Universities in Finland and Nordic leadership training and coaching company Emergy got together to create a completely new and innovative concept: emotional agency.



FROM FINLAND

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Emotional agency is the awareness and understanding of emotions and influencing them in activities and interactions in the workplace. It is not a personality trait but a skill that can be developed.

We've probably all heard of emotional intelligence - the ability to act in an emotionally intelligent manner. But this is usually only assessed on an individual level. Very few measures of emotional intelligence consider how the group dynamic affects how people act in emotionally intelligent ways or examine contextually specific abilities used by employees in the workplace.

Emotional agency takes into account both the individual level and the interpersonal (group) level. It is a completely new way of thinking about workplace emotional intelligence. Emotional agency expands the competence related to emotions from individuals to the competence and functioning of the work community. It acknowledges the role of socio-cultural conditions at the workplace but allows individuals to make choices about their own actions and behaviour.

## HOW DOES THIS RELATE TO PSYCHOLOGICAL SAFETY?

Strong emotional agency leads to greater psychological safety in an organisation, which, as established earlier, is the most important factor in creating high-performance teams. Psychological safety is built because people feel free to speak up about their feelings without fearing humiliation or punishment. People feel secure in expressing opinions, offering new ideas, challenging the status quo, questioning decisions, taking risks and admitting mistakes.

Developing emotional agency means people can question the power of positive and negative emotions at work - both in themselves and in others. It's about looking beyond behaviour and giving feedback that drives change. It's important to highlight, however, that psychological safety is not a shield from accountability or superficially nice workplaces. It just means people have the security and safety to admit their feelings, mistakes and successes.

Organisations that understand and utilise emotions in the workplace can serve their employees well and offer them the safe and fulfilling environment they need to thrive. Employees, in return, are motivated, committed

and efficient in teamwork and decision-making.

## NEW SCIENTIFIC METHODS ASSIST EMOTIONAL AGENCY AND PSYCHOLOGICAL SAFETY BUILDING

Every day, VTT Technical Research Centre of Finland is solving the world's biggest challenges through technological innovations - such as revolutionising plastic recycling, using cellular agriculture to produce lab-grown coffee, and creating egg whites without chickens. They even operate Finland's first quantum computer.

With the strategic aim to be the world's most meaningful workplace, VTT Technical Research Centre of Finland realised it needed to build even better psychological safety and emotional agency to innovate and ensure high performance.

So, VTT, with the help of Emergy, trained 200 of the company's top leaders in emotional agency. Emergy provided a scientific tool that helped VTT measure its emotional agency baseline and provided leaders with a method to practise and track their newly-learned skills.

The results were eye-opening. 12 out of 14 different psychological markers improved significantly in just over a year. During the project, VTT saw a 25% decrease in sick leave days, higher satisfaction in people leadership, and increases in performance as well as well-being, measured via its KPIs.

Overall, emotional agency has strengthened, and emotional skills have improved on both personal and organisational levels at VTT. Psychological safety, emotional skills in the workplace and positive organisational practices have improved compared to the starting point in spring 2021.

Each of the 200+ leaders at VTT attended six workshops and five case clinics over the course of eight months. The workshops covered everything from recognising the impact of human emotions in the workplace to incorporating emotional agency into work practices and leading the emotional climate. But the real learning happened in between the workshops - leaders were peer mentoring one another, sharing and giving feedback and talking about personal and workplace matters with new colleagues.



Emotional agency was practised and strengthened by recognising the emotions, i.e., identifying emotions and naming them, studying theory about psychological needs that we all share, and understanding how emotions are a window to their needs. This allowed for better decision-making, participative leadership and engaged employees and teams.

Three tangible tips for building emotional agency and psychological safety

### 1. CREATE YOUR VISION AND COMMIT TO IT EVERY DAY

You can't build emotional agency overnight - nothing will tangibly happen without a plan and commitment to making it happen. Having one-off meetings to discuss your feelings won't bring about psychological safety. VTTers practised emotional agency for eight months.

Put together your vision for your company culture. Think about:

1. What's the desired outcome of your experiment?
2. What are you looking to achieve?
3. Can you explain the value of the change clearly enough? and
4. How will you take this forward?

Deciding to put employee experience first and become a great place to work requires the buy-in from every single leader and employee - and the desire to improve daily - to make it happen.

Every leader at every level of the organisation needs to display and encourage emotional agency consistently. It would be best if you led the emotional climate by example. Some practical examples of this are regularly checking in with people to ask them how they're doing, asking for feedback, demonstrating your concern and interest in them as people, and openly communicating how new ideas have impacted the company. If you've made mistakes, own up to them - communicate how you feel, even if it's a negative emotion.

### 2. BE PRESENT

Hybrid and remote work can bring out different emotions in people. Some feel energised by their work-life balance; others can feel lonely and insecure. Make sure that people don't feel left alone - call people, have virtual meetings and make sure that people still feel a part of the work community.

Presence can be felt very strongly, even in

virtual meetings. Put everything else away - just focus on the other person. Tune in to hear how they feel. If they seem absent, ask them how they're feeling and give them space to answer.

### 3. ENCOURAGE PEOPLE TO EXPERIMENT, TOLERATE RISK AND CELEBRATE LEARNING

Experiments are a great way to make changes in your company. People know experiments are temporary, so they feel open to making and testing changes, safe in the knowledge that if it goes badly, it will be trashed. That said, you need to give the experiment long enough to play out to understand its true outcome. If it goes well, employees will feel empowered and engaged about their work - morale and productivity will increase.

To innovate at the highest level, you need people to take risks. But people won't take risks if they feel like they're not allowed to fail. Fear is one of the biggest enemies of creativity. By building emotional agency, you can improve the psychological safety of failure.

VTT, for example, wants to encourage people to experiment and try new things without fear of failure. That's why they created the annual Gala of Failures, where everybody comes together to share their best failures, celebrate them and laugh.

### FINALLY ...

What do emotions and innovation have in common? Without emotional agency, we can't build psychological safety, which means we can't innovate to create world-changing solutions - they go hand in hand.

There is no replacement for great company culture - a psychologically safe company helps people feel more engaged, attracts the best talent, and drives innovation (and, eventually, the company's bottom line). Having a culture of strong emotional agency may be the difference between retaining a brilliant team member vs watching them exit via the virtual door. And it is worth noting that all this expands beyond the organisation itself and can be felt and experienced in the interactions by the customers, partners and stakeholders. ■

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