

Unlocking the Morale Issue

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Unlocking the Morale issue

The largest issue for any organization large or small that stumps growth is worker productivity. With economic volatility currently impacting profits, productivity issues can wreak havoc already on the brink of zero margins. In addition, when worker productivity falters costs are higher.

The rationale for not attending to the issue is that senior officers and human resource personnel are too busy, lack the funds and lack time to focus on it. However, dismissing the issue only brings about added workforce stress. Boosting worker productivity with a focus on morale improvement leads to improvement in the bottom line- productivity and profits.

The reason that worker productivity and morale is so vital to every organization includes the following:

It leads to lower attrition – The concern is not a loss of individuals it is the loss of knowledge. The concept of “brain drain” in organization is imperative in a knowledge-based economy.

It leads to less infighting – Suffice to say there is much argument in organizations. However when the culture is more collaborative and there is internal customer service more things get completed on time and on budget. Exemplars include Zappos, Best Buy and FedEx.

It leads to proper hiring – Great production stems from having the right individuals on the team. The only method of employment assurance is measuring your best performers from the average. Albeit there are few recent studies but in 2007 The Gallup Organization estimated that 22 million actively disengaged employees cost the American economy as much as \$350 billion dollars per year in absenteeism, illness, and other problems.

Just to be clear, there are numerous issues that impact worker productivity and morale. Hiring, great management, communication all lead to a great organizational culture. There is little reason to spend huge sums of money or hire new employees. Yet it is important to make some subtle changes to help alleviate costs and eroding profits.

The trend now is that many employed individuals that survived layoffs are seeking new opportunities. They are burned out from lower wages, doing more with less and a mechanistic organizational culture. According to a March 2010 study from the Bureau of Labor and Statistics, employees are voluntarily leaving jobs at a larger pace than terminations. The impact can be devastating to organization.

“Replacing a manager costs an average of 2.5 times an executive's salary, and 2 times a manager's compensation, to replace them, according to the survey of 262 companies by OL Partners.” (OLPartners 2010)

Keeping costs in mind here are some recommendations to rectify the morale and worker productivity issues in your organization.

1. **Constant Communication** – Research on worker productivity for over 20 years states the importance of employer/employee relationships. . Individuals do not leave companies - they leave poor managers. Relationships begin with simple and direct communication. Morale will fail when managers fail to communicate with their employees. Take the time to know who is on your team.
2. **Crucial Confrontation** – The inability to confront individuals about performance has undermined organizational performance. Morale diminishes when underperforming employees continually diminish performance. It is important when managers confront employees that do not meet expectations.
3. **Focus on Feedback** – Confrontation begins with feedback. It must be timely, candid and accurate. This includes both good and bad feedback. Catch employees doing something good and tell them, need something corrected, tell them.
4. **Create Collaboration** - Employees respond better when they are part of the organizational process. They desire to be a part of the process and have a voice. Luis Arzua (the last Chilean miner) took control from underground, and asked each trapped miner to contribute to the health and wellness of the team. Every man had a part in the rescue. Each added to the relationships, best practices and most importantly survival! It is simply a matter of placing the best individuals in the proper positions; everything else simply falls into place.
5. **Remember to Reward and Recognize** – Employees invest over 50 to 60 hours of their waking life for organizations. Money is not the alternative for reward. Individuals desire commendations for good work. They are more apt to remember compliments and commendations than a one percent rise the previous year.

Organizations are in a battle for survival not only from recessionary issues but worker productivity. Aside from customers the greatest asset of any organization are employees. Organizational leaders must become vigilant and create a conscious effort of creating synergies that instill a better culture and working environment. Now is not the time to avoid the issue it is time to acutely focus on it.

How does your organization deal with worker productivity issues? Do you have succinct stories or best practices you can share? Provide a quick comment below.

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