The Morale Stimulus Plan

Employees are a company’s biggest asset. While it’s been a challenging few years, employers are creating new ways to keep morale and motivation on the upswing.

“If any of you are looking for any last-minute gift ideas for me, I have one. I’d like Frank Shirley, my boss, right here tonight. I want him brought from his happy holiday slumber over there on Melody Lane with all the other rich people and I want him brought right here, with a big ribbon on his head, and I want to look him straight in the eye and I want to tell him what a cheap, lying, no-good, rotten, four-flushing, low-life, snake-licking, dirt-eating, overstuffed, ignorant....” Well, you get the idea.

In National Lampoon’s Christmas Vacation, this classic scene depicts Clark W. Griswold (Chevy Chase) throwing a hissy fit in front of his family, when his holiday “bonus” finally arrives in the mail, after weeks of waiting in anticipation. Instead of a fat check to cover a new pool, Clark finds out bonuses were cut and his boss has instead enrolled him in the Jelly of the Month Club. Released in 1989, the economy was in much better shape then than it has been in recent years. Bonuses were expected for hard work. Employees can still relate to Clark in some way or another, whether it was a project they worked on and didn’t get recognition for, or taking on extra work without ever knowing if it really even affected the company.
Morale and motivation have become increasingly important among human resources departments and employees. Budget cuts, organizational changes, layoffs and increased workloads in recent years have added to the extreme stress that comes with the downturned economy. Companies have had to get creative and find new strategies to keep employees motivated.

After the Dust Settles

“In tough times most people turn inward and go with what they know,” said Mitchell Marks, Ph.D., associate professor, management, at the College of Business at San Francisco State University and organizational psychologist; member of the Society for Industrial and Organizational Psychology and the author of Charging Back Up the Hill: Workforce Recovery after Mergers, Acquisitions and Downsizings.

“At a time when they need to be creative and get out of the rut, the vast majority of organizations go with what they know and do the same old things that got them in that situation in the first place,” Marks explained. “Most companies, for example, will downsize, and the problem with that is it yields one-time cost savings. Plus, it gives the employer the psychological feeling: ‘Oh, we’re doing something. We’re acting.’ The problem is the next quarter you’re in the same old situation. You’ve cut out the costs, but you aren’t doing work any differently. There are a handful of companies that step back and say: ‘we’ve got to do things differently.’”

Downsizing also affects employees differently than performance-based layoffs because there is often no way of rationalizing why certain people were laid off and others weren’t. “It just threatens the whole sense of fair play at the workplace,” Marks added. “During this recession, there’s a need to acknowledge and own up to what has happened. Express empathy for what people have been through. Unfortunately, people put on a poker face in the workplace. If they survived a downsizing, the last thing they want to do is express weakness. They fear that might get them on the next downsizing list. Obviously, when things do turn around, you want to inspire employees with a good vision of why the future is going to be new and better. But if you haven’t helped people let go of the old, they won’t accept the new.”

Empathize and Communicate

To overcome this uncertainty and build trust, it’s critical that employers express empathy to those affected by changes and amp up communication regarding the strategy for overcoming challenges.

FGI Finance’s Debbie Habib, vice president of business development, has seen the positive results in increased employee involvement, communication and teamwork. While in general, she said, FGI was fortunate enough to still have maintained a level of growth, working in business development especially threw some challenges her way.

“It was still a very difficult time because you can’t source any business when nobody is willing to do any business,” Habib said. “The most important thing that FGI did during this time, she said, is helped the team put into perspective what was going on in the market.

“We all saw the state of the market as an opportunity for us to make some inroads into certain directions that we might not have been able to achieve had there been so many competitors in the market,” Habib explained. “They helped us really use it as a motivator for striving for opportunities we otherwise wouldn’t have gone for. They also helped us strategize, become more disciplined in understanding what was going on, and also figure out different ways to market ourselves in the firm. When you work as a team, it feels great to share in the success, but in a certain way they included us in all their challenges. So it never felt like we were working alone; we always had someone to go to.”

Kim Angeli, PHR, AHS, vice president, AccuVal Associates, Inc. stressed the importance of getting employees more involved, communicating more and reinvigorating your purpose. “At AccuVal, we took this as an opportunity to redefine our company’s ‘main thing.’ By doing this, we were able to reconnect employees with role that they play in the overall company’s success. We recognize that employees are motivated by seeing how what they are doing is making a difference, so we also implemented a goal-based performance management system where employees can see their goals link to an organization goal.” Angeli explained.

Rethink and Offer Opportunities

During these challenging economic times, Marks has observed companies who are taking this as an opportunity to rethink the way they approach work and involving their employees in redesigning the work. A staff of ten cut to seven, for example, needs to figure out how to save time by cutting the unnecessary. Marks trains middle managers to work with employees and figure out exactly what work is really needed, and what isn’t.

“These people are already working long, hard hours, and so some companies are saying, ‘Let’s work together to rethink how to get the job done.’ So the reward is involving people in redesigning their work,” he explained.

Angeli has also seen evidence that innovation and creativity has been
fueled. “Employees seek for ways to do more with less and, in the process, have reinvented how we produce appraisal reports. We’ve also seen renewed interest from employees in getting involved in identifying and selling new business, which has been exciting!” Angeli explained. “We want people to be involved in the process, and we’ve searched for new ways to engage people in designing the change. At our Annual Meeting this year, we found an innovative way to get our team even more involved by switching to an Open-Space Meeting concept in which employees determined the agenda and which initiatives they wanted to be a part of discussing and owning. The result was really energizing,” she said.

Some companies are offering lateral job moves, especially in areas that have been downsized where there’s a need for more personnel. Employees aren’t going to get extra pay for doing more work, but they will get exposure to something they can put on their résumé. Marks noted that when things get better, employees might be more marketable, but employers understand the risk.

Angeli says that, at AccuVal, that has meant more cross-training and continuing education opportunities for employees. “Flexibility is hugely valuable in our industry. So, we have been really encouraging employees to get out in the field with other departments to learn how their work is done. Employees are also being encouraged to take advantage of continuing education opportunities to round out professional skill sets. These types of opportunities are stimulating for employees because they broaden their skill sets and challenge employees to apply their knowledge to new areas.”

Rewards of a Different Kind
Start finding ways to engage employees by identifying what is important to them and inspiring them. Managers can find out what individually motivates their employees and then harness that motivation by aligning it to what is needed by the company.

AccuVal has implemented a variety of rewards and morale-boosting strategies to keep energy levels high. Last year, the company launched The Tigger Award. “This program rewards employees who have been recognized by a peer as having an exceptional attitude when it comes to mentoring, teamwork, creativity, building morale, marketing our services or exceeding client expectations,” Angeli explains. The award, which is given quarterly, has so far recognized people who have innovated a solution for a client, stepped up repeatedly to assist in marketing initiatives and took a leadership role in training the company in identifying new business opportunities.

AccuVal has also sought to find more personal ways to reward employees for going above and beyond. Rather than just giving gift cards, they’ve encouraged managers to get to know what’s important to each employee and personalize the reward with something that is meaningful to them. This has included dinner for their family at a favorite restaurant, a mini-makeover, upgrading hotel rooms while on vacation and flying family members to visit appraisers who are on the road, at the company’s expense.

“These types of rewards are much more memorable and boost morale for much longer than typical cash incentives. We’ve also found that providing employees with genuine praise for their outstanding performance definitely goes a long way and is easy on the budget. A cash bonus is nice, up until the employee spends it.” says Angeli.

Getting people outside the office for a fun activity has proven successful for Presidential Financial. Last fall, the office went to a local park, grilled and had a kickball game. This summer, it was a bowling tournament.

“In between, we watch videos we made during those events and bring in lunch for the entire team,” explained Tom Matthesen, CEO. “Being together in an environment other than the workplace, or when we aren’t working, reminds us that we are friends, not just co-workers. But the major things are what keep us focused. The major things aren’t always about money and bonuses and raises. For us, it’s about staying focused on our vision, celebrating wins, and reminding ourselves why we do what we do. This year, we set a very large sales goal, but the goal is not only for the sales team. The entire company is involved and motivated because it’s all about the vision. And each time we celebrate a win along the way, the pride, the sense of accomplishment, and, frankly, the feeling we get just because it’s fun to win, creates a bond that overcomes any challenges the economy can throw our way.”

Morale: Always in style
Even after the recession ends, human capital and morale will still be important, only with new challenges, such as retaining good employees and handling the demands of Generation Y workers. “People are people, and morale is as important today as it was ten years ago and it will be ten years from now,” Marks said. “With technological advances, even as the economy rebounds, there’s going to be a threat to jobs. The key for employers is going to be: ‘How do you identify and retain the best people?’ Good people are always going to be able to write their own ticket. And they’re going to need to improve their selection systems. They’re going to continually need to develop people. People are demanding more.”

“Keeping morale high will always be a top priority at AccuVal,” Angeli noted. “As a service company, its employees’ attitude and motivation affects everything, from marketing its services to delivering the final report. All companies should strive for improved employee morale and employee retention, because, at some point, the economy is going to turn around,” Angeli added.

“When it does, your employees will have the world of opportunity at their fingertips, and you have to make it clear why they should work for you versus the competition.”

Eileen Wubbe is senior editor of The Secured Lender.