Rowan University

Rowan Digital Works

6-17-1999

The importance of morale in the workplace

Allison Rohner
Rowan University

THE IMPORTANCE OF MORALE IN THE WORKPLACE

by
Allison Rohner

A thesis

Submitted in partial fulfillment of the requirements of the
Master of Arts Degree
of
The Public Relations Department
at
Rowan University
June

Approved by _____

Date Approved _June 17, 1999_

ABSTRACT

Allison Dawn Rohner
The Importance of Morale in the Workplace
1999
Dr. Bagin
Public Relations

This thesis studies the impact of morale on productivity and the bottom line. Research shows companies with high morale generate higher profits, greater productivity and happier employees.

Thousands of organizations and companies have problems with morale, but few have found ways to solve them. This thesis identifies conditions that lead to higher morale. The thesis examines morale programs at top companies and looks at a variety of different studies.

The research indicates that employees need to feel their efforts create positive social changes. Companies can contribute to charities or they can create programs to show the company's impact on the lives of the people it serves.

Managers should appreciate the value of employees' efforts. Unappreciated employees produce less and contribute fewer ideas to an organization.

Managers should encourage employee suggestions. Every person from the lowest level to upper management should feel comfortable communicating his or her ideas. Often the best ideas don't resonate from top management, but come from empowered lower level employees. Companies must encourage open communication at all levels.

A fun-filled atmosphere can also raise morale. Games, toys and corporate outings contribute to creativity, productivity and better communication between departments.

Outstanding leaders also inspire employees to excellence through their words and actions. Motivational leaders generate high energy and creativity.

This thesis reviews the components of high morale and also gives the reader suggestions to increase morale within his or her organization.

MINI-ABSTRACT

Allison Dawn Rohner
The Importance of Morale in the Workplace
1999
Dr. Bagin
Public Relations

This thesis studies the impact of morale on productivity and the bottom line.

Research shows companies with high morale generate higher profits, greater productivity

and happier employees.

The following conditions lead to higher morale: recognition, employee

involvement, open communication, fun-filled work environment, motivational leaders

and the company's positive contributions to society.

Acknowledgments

Thank you Dr. Bagin for all of your support and encouragement.

Thank you to the best comps study group; Jake, Laura and Tobi. Your humor, dedication and encouragement have meant a lot to me this year. Best wishes always.

Thank you to Stephen Rohner for always encouraging me to set my goals high and for being an excellent role model.

Thank you to my best friend, Holli Bussart, for always being there for me.

Thank you to the Office of Residence Life for providing me with this opportunity and for the experiences you've given me over the past three years.

"Those who say it can not be done, should not stand in the way of those who are doing it." - author unknown

Table of Contents

Chapter One

Introduction

Throughout history, employers have doubted the effects of employee morale. The industrial revolution in America introduced the idea of command and control. During the industrial revolution sociologists Max Weber and Fredrick Taylor formed scientific management. Scientific management sought to establish the most efficient and productive use of the human being on an assembly line. Workers were treated like machinery, and working conditions consisted of a small area with hundreds of cramped workers producing as many products as possible.

Elton Mayo and Fritz Roethlisberger produced the Hawthorne Study, the first research that tied employee efficiency to morale. In 1924, Western Electric, with 30,000 employees, cooperated in a study to determine the correlation between the physical environment and worker productivity. The study segmented six women to work in a

special test environment. After one year, the research made no conclusions about the physical environment, but productivity had increased. After depth interviews, the researchers realized emotional factors had influenced productivity. The women built relationships with each other, expressed feelings of importance for being chosen for the study, experienced advance notice of any changes in their environment, and they mentioned the unusual added interest of their supervisors. Researchers continued the study to formulate the first evidence of a link between morale and productivity.[1]

Harvey MacKay, author of Swim with the Sharks Without Being Eaten Alive, said, "The way we treat those who work for us has everything to do with how they work for us..."[2]

Need For The Study

Public relations specialists, employers, human relations staff and managers on every level face problems with employee morale. Hundreds of organizations and companies have problems with morale, but few have found ways to solve them. Often it's a lack of understanding between employees and supervisors.

Dr. Kenneth Kovach, George Mason University, produced a study printed in "People Performance" magazine, October 1996. The study asked 1,000 employees to rate what they valued most about their jobs on a scale of one to ten, and asked their superiors to rate what they thought their employees valued. Here are the results, with one ranking as the most important:

[1] Rieger, Bradley. (1995, October). Lessons in productivity and people. Training & Development, 49, 56-59.
[2] Rosenbluth, Hal. (1992). The Customer Comes Second and other Secrets of Exceptional Service. New York: William Morrow and Company, Inc.

Categories	Employee Rating	Supervisor Rating
Interesting Work	1	5
High Wages	5	1
Job Security	4	2
Full Appreciation for Work Done	2	8
Feeling "in on things"	3	10
Good Working Conditions	7	4
Promotion in the Company	6	3
Personal Loyalty of Supervisor	8	6
Help on Personal Problems	10	9
Tactful Disciplining	9	7

The survey results show figures from 1996, but a more recent survey might rank job security higher. Mergers and downsizing have increased, causing a heightened fear of unemployment and a noticeable drop in morale.[3]

Employees remaining after a downsizing remember dramatic or even well-planned layoffs. "Because of our constant downsizings, rumors were always flying around like crazy. When you saw people gathered in the hall, you knew they weren't talking about work...," said one survivor of a major downsizing in a cosmetic firm.[4]

The above study shows employers and employees have different expectations in the workplace. Employers should attempt to meet reasonable expectations to facilitate a productive work environment. This thesis attempts to determine what employees actually

---

[3] Hemsath, Dave, & Yerkes, Leslie. (1997). 301 Ways to have Fun at Work. San Francisco: Berrett-Koehler Publications, Inc.
[4] Horton, Thomas, & Reid, Peter. (1991). Beyond the Trust Gap. Illinois: The Book Press, Inc.

value, and suggest ways to meet employee expectations to establish a better working environment.

The Gallup Poll recently asked 55,000 workers to associate workers' attitudes and company productivity. The survey discovered four attitudes that produce higher productivity and profits. The attitudes are: workers feel they have the opportunity to do their best everyday, they feel their opinions count, they sense their co-workers are committed to quality, and they have made a direct connection between their work and the company's mission.[5]

Initiatives, Inc. is a company designed to deal with concerns in the work environment. *The Life Station,* designed by Initiatives Inc., is a workplace resource intended to provide employees with informational guidebooks on coping with their work and personal lives. A guidebook for managers describes the concept of a "people manager." The philosophy describes the importance of getting the job done, but also reminds managers an employee's personal affairs and general attitudes affect their workplace habits. The guidebook suggests getting to know your employees as people to understand their needs.[6]

Tim Walsh, marketing director at I.M.I. Software Company, told Fortune magazine that personality conflict with a supervisor is the number one reason people leave their jobs.[7]

Employers still wonder about the importance of keeping current employees. According to Fortune magazine, the last time unemployment was this low was in the

---

[5] Grant, Linda. (1998, January 12). Happy workers, high returns. Fortune, 137, 81.
[6] The Life Station. All About Work. The Work/Life Challenge: A Manager's Guidebook (Brochure) .
[7] Carvell, Tim. (1998, September 28). By the way...your staff hates you. Fortune, 138, 201.

1970s, when the U.S. still maintained an industrial economy. At that point, industry was measured by material assets, but today the "perceived value of a company's intellectual capital" sells the stock. Microsoft is an excellent example. The market capital of Microsoft is $270 billion, while the value of its assets is only 14.4 billion. The difference is derived from the value of Microsoft employees' potential. [8]

A company not only loses the earning value of a lost employee, but now must spend money and time to find a replacement. Jim Miller, author of Best Boss/Worst Boss, said when he was the CEO of Miller Business Systems he charged his managers $30,000 from their operating budget every time one of their employees left. Miller says he used this figure after he calculated the cost of finding, hiring and training a new employee.[9]

Managers also need to consider how disgruntled employees affect a company. Unhappy people are less productive, but they are also destructive. Dissatisfied people complain, bringing down everyone's morale, purposely slow down their work and often sabotage projects.

Another consideration for employee satisfaction and open communication is: who interacts with your customers? Satisfied employees not only produce higher profits, but they also act as an information source between managers and customers. Customers learn about management attitudes from employees, and managers can gage customer satisfaction by employees' comments.

---

[8] Ibid 201-202.
[9] Ibid 202.

Tony Rucci, former Sears' EVP for administration, said, "Our employees could have told you [Sears] was disappointing the customer long before anyone in Chicago knew, because they're out there every day."[10]

Statement of Problem

This study identifies employee morale issues, and provides simple solutions. This study encompassed written material on morale, employee suggestions and executive ideas which work in other corporate or organizational settings.

Limitations and Assumptions

The study gathers information from books and Internet sources available on morale building programs. This study was limited to companies with positive morale building programs. It did not look at companies with low morale.

The information was gathered over a nine-month time period, and was limited to the resources the author located from September 1998 to May 1999.

The suggestions given come from companies with high morale, and the suggestions were generalized for other companies and organizations.

The author also assumes people who are too busy to read a 200 or more page morale-building book will be receptive to a quick-tip handbook.

Purpose

Public relations professionals realize the need for internal communications and morale builders. This thesis identifies the most significant factors in improving morale and gives suggestions practitioners can implement in each area. This thesis is meant to act as a guide for simple, inexpensive ways to improve morale.

---

[10] Ibid 202-203.

According to an employee from Saatchi & Saatchi, "It's the small things in a large company that sometimes make an employee feel that they care about you and appreciate all the hard work that we do."[11]

This guidebook attempts to identify basic ways to improve employee morale and build a team unit among staff. This thesis identifies companies with successful morale programs and their unusual and often controversial management strategies.

Hal Rosenbluth, President and CEO of Rosenbluth International, wrote a book titled, "The Customer Comes Second and Other Secrets of Exceptional Service." He describes the growth of his company from $20 million to $1.5 billion, while maintaining profitability above industry standards. The increase took place over a fifteen-year time period, and Hal Rosenbluth is convinced it's largely due to the strategy of placing his employees as his number one priority.

The company maintains a 96 percent retention rate for their customers. Hal Rosenbluth says, "There is probably nothing we believe in more strongly than the[12] importance of happiness in the workplace. It is absolutely the key to providing superior service. Of course our clients are the reason for our existence as a company, but to serve our clients best we have to put our people first."[13]

Definition of Terms

The following statements define the author's interpretation of common terms used in this thesis.

---

[11] Corporate 'Cookie Breaks' pay off in big ideas. (1998, October 7). <u>Business Journal</u>.

[12] <u>The Customer Comes Second and Other Secrets of Exceptional Service</u>. p. 9-26.

[13] Ibid.

An employee appreciation program is a consistent means of rewarding employees for positive achievements. The program must be available to all individuals within a department.

Intellectual Capital places a monetary value on the potential earning power of employees to increase the value of company stock.

Mission Statement is a small paragraph or statement, which sums up the philosophy and goals of the company or organization.

Morale the overall attitude of employees in a work environment.

Recognition attempts to increase morale by positive feedback or incentives from a supervisor.

"Unproductive time" refers to company time designated for morale-building activities. Employees stop their normal work routine to participate in an activity, which does not directly bring money into the company.

Downsizing is when management lays off employees to make the company smaller and more efficient.

Chapter Two

A web site on employee morale stated morale includes the following factors: how employees feel about themselves, their work, their bosses, their work environment and overall work attitude. It includes all of the cognitive and emotional attitudes employees possess about their jobs.

The site also contained the following signs for identifying positive morale:

- Employees look forward to coming to work

- Employees show up with new ideas

- Employees care about the organization

- Employees endorse organizational goals

- Employees volunteer

- Employees willingly undertake assignments

- Employees help each other

- Employees demonstrate pride in their work

- Employees concern themselves with their work area, tools and job equipment

- Employees work well with little direction

- Employees occasionally go above and beyond the job description

- Employees enjoy their work[14]

  The signs of low morale include:

- High absenteeism

- Lateness

- Low productivity

- Large amount of error in work

- Frequent necessity to redo work

- Lack of enthusiasm

- Jealousy or disputes among the staff

- Customer service complaints[15]

Many people define themselves by the type of work they perform, because work takes up a significant amount of our daily lives.[16] John Locke, the English philosopher, makes a distinction between work and labor. He said labor is seen as inferior to work. Work entails the use of energy to produce something. Work has a definite end product; labor does not.[17]

---

[14] Ramsey, Robert. Employee Morale: Does It Matter Anymore?
Http://www.lincoln.ac.nz/comm/subjects/bmkt309/newfiles/ramsey.htm
[15] Peterson, Tera. (1998). Morale in the workplace. Organizational Behavior.
[On-line serial], MG443. Available email: petersot@esum.emporia.edu
[16] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.
[17] Levering, Robert and Milton Moskowitz. (1993). The 100 Best Companies To Work For In America. New York: Doubleday.

Less then 10 percent of the United States work force is self employed, which means more then 90 percent of people work for companies, agencies or non-profit organizations. Ninety percent of American employees depend on the company they work for to provide a positive work environment.[18]

Since work takes up a large portion of their daily schedule, employees should find satisfaction and enjoyment in their work.[19] According to an article in Supervisory Management in March 1996, less then half of the 900 workers surveyed thought they or their co-workers were happy at work. According to the survey, two-thirds of their 600 managers thought their workers were happy.[20]

Satisfied workers produce many positive effects for management. Happy workers can lead to higher productivity, higher profits, better employee retention and employee loyalty.

According to another survey by Wilson Learning Corporation in 1996, 80 percent of workers now passively approach their jobs.[21]

A survey by the law firm Grotta, Glassman & Hoffman, showed 69 percent of corporate managers surveyed felt the lack of employee motivation was their biggest problem. This presents a large concern when managers consider the number of new and difficult challenges given to employees each day.[22]

Managers strive to understand what drives employee motivation and how to better motivate their employees. According to anatomy, the part of the brain that produces

---

[18] Ibid.
[19] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.
[20] Peterson, Tera. (1998). Morale in the workplace. [21 paragraphs]. Organizational Behavior. [On-line serial], MG443. Available E-mail: petersot@esum.emporia.edu.
[21] Business Owner's Toolkit. (1999). Motivating Your Workers. [On-line]. Http://www.toolkit.cch.com

emotions is the amygdala. Motivation and the impulse to act come directly from the amygdala.[23]

To stimulate the amygdala, many motivational theories exist. Douglas McGregor introduced Theory X-Theory Y. Theory X assumes the majority of people are motivated by money, benefits and the threat of punishment. Theory X also believes these people want to be instructed and choose to avoid responsibility. People who fall into category X need managers who closely control and supervise workers.

McGregor knew Theory X applies to a very small portion of the population. Since most people reflect responsible behavior and a desire to use this ability, McGregor created Theory Y. Theory Y states people can be self-directed and creative if motivated. Management needs to encourage them; if motivated, these people achieve their objectives best by focusing on accomplishing overall organizational goals.[24]

Fredrick Herzberg created the motivation-hygiene theory, also commonly called the motivation-maintenance theory. Herzberg looked for attitudes that he felt would draw conclusions about human behavior. He found people have two different categories of needs, which exist independently.

The first group of needs he called hygiene or maintenance, because it reflected the environment and the goal was to avoid discontentment. Hygiene factors include supervision, interpersonal relations, physical-working conditions, salaries, company policies, benefits, job security and administrative practices.

[22] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.
[23] Cirilli, Nick. (1998, July-August). Recognition: managers don't give it...because they just don't get it. Industrial Management, 40, 28-32.
[24] Hansen, Mark Victor and Joe Batten. (1995). The Master Motivator. Florida: Health Communications, Inc.

He called the second group motivators, because they motivated people to excellent work. Motivators include achievement, recognition, challenging work, increased responsibility and opportunities for growth and development. The theory states once the basic hygiene factors are meet; companies should focus on motivators to increase positive motivation.[25]

In actuality, hygiene or maintenance factors stop dissatisfaction, but do very little toward motivating employees to excellence. The second group, motivators, foster a sense of accomplishment and produce a higher level of worker output.[26]

The amount of employee motivation and morale affects the productivity of a company's workers. Productivity, in relation to the corporate structure, defines itself by the amount of product produced over time, quantity sold over time, efficiency of a service rendered or the number of customers served over a specific period of time.[27]

Individual businesses need to choose their own measurement of productivity and link it to a specific time frame. A few suggestions for consideration include: volume, quantity produced and the dollar value of the items produced.[28] However, companies must also evaluate the value of output, and not necessarily base their evaluation entirely on quantity. The quality of a product also affects the bottom line.[29]

In 15 years, Federal Express's bottom line grew to $4 billion and the company ranked as one of the top choices for the 100 Best Companies to Work for in America.

---

[25] Wren, Daniel A. and Ronal G. Greenwood. (1998). Management Innovators. New York: Oxford University Press.
[26] Hansen, Mark Victor and Joe Batten. (1995). The Master Motivator. Florida: Health Communications, Inc.
[27] Business Owner's Toolkit. (1999). Motivating Your Workers. [On-line].
[28] Ibid.
[29] Reicheld, Fredrick F. (1996). The Loyalty Effect. Massachusetts: Harvard Business School Press.

The senior vice-president of Federal Express, James A. Perkins, said, "When you take care of people, they will deliver service in a courteous and efficient manner. When that happens, profits will be forthcoming."[30]

The employee-voted 100 Best Companies to Work for in America proves a strong financial link exists in relation to employee morale. Over the past five years, 61 of the 100 Best Companies have been publicly traded. The 61 companies' annual returns averaged 27.5 percent; compared to the 17.3 percent offered by Russell 3000, an index of large and small companies similar to the 100 Best Companies. Over the past 10 years, the Russell 3000 showed annual returns of 14.8 percent, while the 100 Best Companies averaged 23.4 percent. An investor who placed $1,000 at the lower rate would yield $3,976 after 10 years, but if he invested at one of the publicly traded 100 Best Companies the returns would produce $8,188.[31]

Productive workers can increase profits, or unhappy workers can perform minimal services. The 80/20 rule of productivity states 80 percent of the work comes from only 20 percent of worker activities.[32]

The average cost of incorrectly performing tasks equates to approximately 10 percent of a company's business. This refers to missing deadlines, shipping mistakes, billing errors and other mistakes that require time and effort to fix.[33]

Due to the correlation between productivity and morale, national employee morale can be assessed, based on the America's average productivity. The second annual American Customer Satisfaction Index, which monitors 200 manufacturing, service-

[30] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.
[31] Grant, Linda. (1998, January). Happy workers, high returns. Fortune, 137, 81.
[32] Nelson, Bob and Peter Economy. (1996). Managing for Dummies. California: IDG Books Worldwide, Inc.

sector companies and public service agencies, found a consistent decline in customer satisfaction. The companies polled represented approximately 40 percent of the gross domestic product, which indicates a strong national decline in quality and morale.[34] When American workers were asked if they would benefit from being more productive at work, only 13 percent felt they would profit. Japanese workers were asked the same question, and 93 percent felt they would benefit from increased productivity. Not surprisingly, Japanese, the more satisfied workers, also produce a better-quality product.[35]

Mary Parker Follett, a management theorist, believed the productivity of an organization depended on a harmonious relationship between management and employees.[36]

The management at Ridgeway Development Corporation in Atlanta faced problems with morale caused by rapid expansion. Ridgeway started sending creative mailers to their employees. The first was a giant card with a mirror saying, "Face it... you make the difference." When the company sent continuous mailings over a six-month period, productivity increased by 25 percent.[37]

---

[33] Business Owner's Toolkit. (1999). Motivating Your Workers. [On-line].

[34] Austin, Nancy K. (1996, October). When companies get the blues. Working Woman, 21, 21-24.

[35] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.

[36] Rieger, Bradley, (1995, October). Lessons in productivity and people. Training and Development, 49, 56-59.

[37] Nelson, Bob. (1994). 1001 Ways to Reward Employees. New York: Workman Publishing Company, Inc.

J.W. Marriott, Jr., chairman and president of Marriott Corporation said, "If we treat our employees correctly, they'll treat the customers right. And if customers are treated right, they come back."[38]

A definite link also exists between customer satisfaction and employee retention. This means employees need to invest more effort into keeping employees satisfied with their jobs, which will result in better customer service.[39]

A study of brokerage firms revealed the most profitable was A.G. Edwards, which also maintained the highest broker and customer retention rates. The firm managed the highest share of the customer's total assets, due to the trust earned by dealing with the same employee over a long period of time.

Employee retention also helps cut costs; brokerage firms incur large expenses to replace an employee. The cost of hiring and training a new broker is approximately $50,000. Also, a broker generally works for three years before he or she starts to make money for the firm, and by this point the company outlays approximately $100,000 to train and employ the broker. With the high cost of hiring new employees, brokerage firms and other companies must make special efforts to retain their current staff.[40]

Due to the cost of hiring and training new employees, accountants at a trucking company found its client could increase profits by 50 percent by cutting driver turnover in half.[41]

[38] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.
[39] Reicheld, Fredrick F. (1996). The Loyalty Effect. Massachusetts: Harvard Business School Press.
[40] Ibid.
[41] Reicheld, Fredrick F. (1996). The Loyalty Effect. Massachusetts: Harvard Business School Press.

The American Management Association and the Saratoga Institute conducted a survey of large American companies. The survey revealed over half of the companies recently lost so many talented people, they felt their ability to compete had been jeopardized.[42]

Ernst & Young produced a report that shows institutional investors are more likely to buy stock based on a company's ability to attract talented employees.

KWE Associates Inc., a New York city marketing-communication firm, recognizes how its employee morale program increased employee retention. Since its new morale program came into effect in 1994; the average stay of its 18-member staff more then doubled. The company attracted more job candidates and the quality of customer service increased.[43]

Obtaining and keeping good employees also greatly impacts company morale. An article in the March 1997 issue of Workforce asked 1,441 human relations managers from companies that experienced downsizing between 1990 and June 1996, about their employee morale. Seventy-two percent of the managers reported an immediate drop in morale.[44]

Corporate loyalty is an issue in a time of downsizing, reorganization and mergers.[45] In this information age, employee loyalty is a business essential. The

[42] Fisher, Anne. (1998, January). The 100 Best Companies to Work for in America. Fortune, 137, 68-71.

[43] Escalera, Karen Weiner. (1998, June). Preemptive ways to boost morale. Nation's Business, 86, 12.

[44] Peterson, Tera. (1998). Morale in the workplace. [21 paragraphs]. Organizational Behavior. [On-line serial], MG443. Available E-mail: petersot@esum.emporia.edu.

[45] Bell, Chip. (1996, December). A new key to employee loyalty: portable wisdom. Management Review, 85, 20-25.

American Society for Industrial Security found the leading loss of valuable proprietary information leaked from a company's own employees.[46]

The best test of employee loyalty comes when the company falls on bad times. TDI Industries, a specialty construction and service-repair business in Dallas, faced major economic problems when building in the area declined during the 1980s. In 1989, the CEO addressed the problem with the employees, who suggested investing their pension plan back into the company. TDI employees pulled together and placed $1.25 million of their money into company stocks. The value of the shares more then doubled since then, and the company was voted number five in the 100 Best Companies to work for in America in 1998. Employees said they enjoyed working for the company so much they would rather invest their own money in the company then have to work for another employer.[47]

The list of the 100 Best Companies to Work for in America started in 1981 by Milton Moskowitz and Robert Levering. They based part of their research on Fortune magazine's survey over of 20,000 employees selected randomly from over 238 companies. Moskowitz and Levering started selecting the 100 best from these companies in 1981. The 100 Best Companies ranged from unions to non-unions, companies in big industrial cities to companies located in small towns and the companies span a variety of industries. Moskowitz and Levering found employees continuously reported three important components in the 100 Best Companies: the ability to trust co-workers and managers, workman pride and the enjoyment of working with co-workers.[48]

---

[46] Carvell, Tim. (1998, September). By the way...your staff hates you. Fortune, 138, 200-207.
[47] Lieber, Ronald. (1998, January). Why employees love these companies. Fortune, 137, 72-75.
[48] Fisher, Anne. (1998, January). The 100 Best Companies to Work for in America. Fortune, 137, 68-71.

The first component, trust, evolves over time and is built by managers extending basic professional courtesies. According to Dr. Stephen Covey, author of the 7 Habits of Highly Effective People, trust is one of the highest forms of motivation.[49]

When supervisors trust their employees, it allows the employees to freely express themselves, use higher degrees of creativity and increase productivity.[50]

Trust also affects the way employees perform their job by creating a more relaxed work environment. When Northwest Airlines stopped watching reservation agents, its productivity increased and absenteeism decreased. Close monitoring of employees can create stress and shows a lack trust.[51]

A survey by Lou Harris and Associates for Steelcase, one of the largest office furniture companies, showed only 39 percent of employees thought they could trust management.[52]

Syntex, ranked among the 100 Best Companies, places a lot of trust in employee honesty. Syntex offers its employees 182 sick days per year with full pay. Often people wonder how many employees abuse such a trusting and high-paying policy. Pat Bennett, compensation and benefits director at Syntex said, "Our sick-leave utilization is actually lower than we would have predicted for a company our size."[53]

---

[49] Cirilli, Nick. (1998, July-August). Recognition: managers don't give it…because they just don't get it. Industrial Management, 40, 28-32.
[50] Ibid.
[51] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.
[52] Ibid.
[53] Levering, Robert and Milton Moskowitz. (1993). The 100 Best Companies To Work For In America. New York: Doubleday.

Employees at the 100 Best Companies also expressed the pride and personal

fulfillment they receive from their jobs.[54]

Employees work harder at jobs that interest them. Social commentator and

pollster Daniel Yankelovich has surveyed personal fulfillment in the workplace since the

late 1960s. Yankelovich found over half of all working Americans agreed with the

statement, "I have an inner need to do the very best job possible regardless of the pay."[55]

Yet a survey in the 1980s revealed only 27 percent of the workforce felt their job

motivated them.[56]

One suggestion is to ask employees what type of assignment they would like to

work on, even if the assignment lasts for only a temporary period of time.[57]

A Gallup poll revealed 70 percent of workers would want to work even if they

had enough money to retire. However, less then 40 percent of these people would stay at

their current job.[58]

Levering and Moskowitz said, "Work is one of the principal means through which

life becomes meaningful." Often the 100 Best Companies address work as maintaining a

rewarding purpose which fulfills the employees need for self-actualization.[59]

In Srully Botnicks's research published in Getting Rich Your Own Way (Playboy

Paperbacks, 1982), 1500 people were split into two groups and observed for 20 years.

Group A, 83 percent of the sample, wanted to work in careers to make money. Group B,

---

[54] Levering, Robert and Milton Moskowitz. (1993). The 100 Best Companies To Work For In America. New York: Doubleday.
[55] Ibid.
[56] Ibid.
[57] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.
[58] Ibid.
[59] Levering, Robert and Milton Moskowitz. (1993). The 100 Best Companies To Work For In America. New York: Doubleday.

17 percent of the sample, choose to follow a career based on what they wanted to do and did not concern themselves with the money. After 20 years, 101 of the 1500 had become millionaires. All except one of the 101 was from the group that choose to pursue what they enjoyed.[60]

Emperor Napoleon Bonaparte said two things drive men's actions, fear and interest. Both factors motivate people, but people who have an interest in what they do, not only have higher morale, but also think more creatively and achieve better results.[61]

Interim Services, a Fort Lauderdale-based temporary-staffing company and Lou Harris and Associates found 1,006 "peak performers" in American companies and asked about the type of workplace that they wouldn't want to leave. Seventy-four percent answered, "one that promotes a fun and closer work relationship with colleagues."[62]

Richard Henderson, contract attorney at Motorola, said, "Of course pay and benefits matter. But lots of places offer those. This is the most exciting technology anywhere. And I really like working in a place where you have as many friends as colleagues or supervisors,"[63]

Bradford Swift, from HR Magazine, March 1994, said, "Dozens of top companies are finding that employees who laugh together stay together, produce more, invent more and work more cohesively as a team."[64]

---

[60] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.
[61] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.
[62] Fisher, Anne. (1998, January). The 100 Best Companies to Work for in America. Fortune, 137, 68-71.
[63] Fisher, Anne. (1998, January). The 100 Best Companies to Work for in America. Fortune, 137, 68-71.
[64] Hemsath, Dave and Leslie Yerkes. (1997). 301 Ways To Have Fun At Work. California: Berrett-Koehler Publishers.

Trowby Brockman, an insurance industry professional, motivates her staff by creating a team mascot. The small mascot shows up in unusual places when team members have a rough day. Trowby describes finding it in her raincoat pocket on a day when she was traveling to remind her of her team's support.[65]

Organizations that cultivate a fun work environment show less absenteeism, increased productivity, less downtime and higher job satisfaction.[66]

According to HR Focus in February 1993, employees from Colorado Health Sciences Center in Denver showed a 25 percent increase in productivity and 60 percent increase in job satisfaction after watching humorous training videos and attending fun workshops.[67]

The Blonder Company order department plays Blonder's Bingo at least once a week. The bingo card contains a series of customer account numbers, shipping names, book names and other company terminology.

Employees must take incoming customer calls to complete their card and win a variety of different prizes. On Blonder Bingo days, the customer hold time improves 20 percent and customer abandonment by 50 percent.[68]

Games and toys create an atmosphere of fun and relaxation. One health service company based in Oakland, California started a Friday afternoon bowling league right down its office hallway.[69]

---

[65] Ibid.
[66] Ibid.
[67] Ibid.
[68] Ibid.
[69] Ibid.

Avery Dennison in Hamilton, Ohio placed a basketball net in the parking lot and started a tournament for employees during their lunch break. It became a great way for employees to interact and work off stress.[70]

Yael Zofi of J.P. Morgan in New York finds a simple game of pictionary at lunch acts as a creative outlet.[71]

Fortune magazine called dozens of people from the 100 Best Companies to work for in America, all of whom were offered jobs at competing firms. Here are some of the answers as to why the employees stayed: cutting-edge technology, exciting work, chance to change careers within the company, overseas assignments, possibility of promotion, flexible work hours and great benefits. The responses varied, but no one mentioned money. The 100 Best don't necessarily pay better; it seems once people reach a certain level of material comfort, they care more about self-actualization.[72]

Whole Foods Market, number 34 of the 100 Best Companies, sells natural foods at its chain of grocery stores. This higher mission attracts motivated, educated employees. Lisa Shaw, an employee of Whole Foods Markets, said, "I just hold on to the fact that my job is good in some larger sense."[73]

Whole Foods yields returns 50 percent higher then the average grocery chain; employees feel their higher profits come from their higher standards and mission.[74]

Employees at Merck, number nine of the 100 Best Companies, feel fulfilled by the company's mission. The company's motto is, "Restoring patients to full life." Each

---

[70] Ibid.
[71] Ibid.
[72] Fisher, Anne. (1998, January). The 100 Best Companies to Work for in America. Fortune, 137, 68-71.
[73] Lieber, Ronald. (1998, January). Why employees love these companies. Fortune, 137, 72-75.
[74] Ibid.

employee understands the impact of his or her work on patients. The company annually

reminds employees of their contributions. Each December at the holiday party for

employees only, journalists are generally not invited, patients, their families, and their

doctors share with employees how Merck medicine improved or saved their lives.[75]

Employees who feel their work is meaningful often improve the company through

their suggestions and employee-centered work groups.

Ron L. Rowe from J.W. Pepper & Sons Inc., a sheet music distributor, said, "The

fact of the matter is that if you want true quality, you can't rule it, dictate it, or policy it.

It only happens when people are involved."[76]

Employees at Semco, a successful Brazilian manufacturing firm, complained to

the CEO about the cafeteria food. The CEO empowered employees to handle the

problem.[77]

Employees formed a committee responsible for monitoring food quality, pricing

and selecting the food supplier. After the food quality increased, people griped about the

price of food. The committee implemented a "Robin Hood meal plan," employees paid

based on their income. Managers and engineers paid 95 percent of the cost of their food;

while floor sweepers paid only five percent.[78]

Some complaints arose at first, but people gradually realized 95 percent was still

less then 100 percent and also what the savings meant to their lower wage co-workers.

The solution worked successfully because it was employee driven.

---

[75] Ibid.

[76] Maynard, Roberta. (1996, November). Tapping employees' insights to expand productivity. Nation's Business, 84, 13.

[77] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.

[78] Ibid.

Semco encourages employee freedom in many areas; no formal dress code exists, each employee sets his or her own individual hours and no hierarchy exists. Most significantly employees make important decisions, which go far beyond cafeteria food.

When Semco opened a new location, employees investigated three possible sites and voted on the best site. Management disagreed with the location chosen because it was located across from a plant with one of the worst labor records in Brazil.

However, the company purchased the plant and employees hired one of Brazil's top artists to paint the inside and outside of the building, including the machinery. Worker productivity increased, and profits rose by 264 percent four years after the move.[79]

The Goodyear Tire and Rubber Company's plant in Lawton, California produces 50,000 tires a day due to its strong employee involvement program. A company of comparable size only manufactures 25,000 tires a day.[80]

Pat Fallon's agency, Fallon McElligott Rice, received the Advertising Age Agency of the Year Award within three years of opening, an unheard of accomplishment. Fallon believes it's due to his informal style and his allowance for maximizing personal freedoms.[81] People must like and respect their boss to feel comfortable presenting new ideas.[82]

Employee suggestions raise morale and put money in companies' and employees pockets. The National Association of Suggestion Systems (NASS), with members from

[79] Ibid.
[80] Ibid.
[81] Mackay, Harvey. (1988). Swim With The Sharks Without Being Eaten Alive. New York: William Morrow and Company, Inc.
[82] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.

over 900 organizations, reported saving $2.3 billion from worker suggestions in 1990. The award payments for implemented suggestions added up to $161 million.[83]

Many employee suggestion boxes go unused, but at Kodak the company gets about nine suggestions for every 10 employees. Each employee with an implemented suggestion receives a payment. The company annually gives out millions in employee suggestion money, but it's nothing compared to the company savings.[84]

In three months, American Airlines American Achievers Program generated 1,600 new ideas, saving the company more then $20 million. Employees received more then $4.7 million in merchandise prizes.[85]

Often even companies where we expect to find high levels of morale, problems exist. The American Productivity and Quality Center found only 52 percent of employees who responded to their survey felt they could freely express their ideas.[86]

Employee feedback gives managers insight on how employees feel about the work environment. Sometimes little things bother employees the most. Rosenbluth International, a corporate travel management firm, sent all of its associates a piece of construction paper and a box of crayons with a ribbon wrapped around it. Associates from all over the world drew what the company meant to them. The responses looked very similar with happy smiling faces, but five drawings showed negativity and unhappiness. The president and CEO, Hal Rosenbluth, personally called each of the five respondents and anyone who did send in a drawing. He discovered some problems he felt might not have surfaced without the drawings.

---

[83] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.
[84] Ibid.
[85] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.

The company received such valuable feedback, the company sent crayon packages to one hundred of its clients. Hal Rosenbluth felt the most interesting finding was the clear similarity between the associates' drawings and the clients they served. The exercise proved an effective gauge of satisfaction, service, perception and communication.[87]

Tandem produces "no-fault" computers used by banks, airline reservations systems, stock exchanges and other large companies. Tandem provides three different types of electronic mail for its 8,697 employees. First class mail is strictly for business, second class mail is for ideas and third class mail is a bulletin board for jokes and classified ads. One special mailbox called the "Pipeline" is strictly for employee complaints.[88]

In 1980, Xerox Corporation hired Mailyn Ferguson to manage its failed Information Systems Department. The company previously tried many different solutions, but still administrative procedures were poor, morale remained low and a number of customers complained.[89]

Ferguson started by asking all 500 employees to report directly to her with all of their suggestions. She gave a training seminar on formulating recommendations and evaluating the business impact. She ordered managers to listen to all suggestions and had every employee with a suggestion make a professional presentation. At the high point of

[86] Ibid.

[87] Rosenbluth, Hal. (1992), The Customer Comes Second And Other Secrets To Exceptional Service. New York: William Morrow and Company, Inc.

[88] Levering, Robert and Milton Moskowitz. (1993). The 100 Best Companies To Work For In America. New York: Doubleday.

[89] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.

the program, four employees offered a suggestion that saved the company over a half-million dollars a year.[90]

Over a four-year period, output increased over 300 percent while operating costs dropped almost 50 percent.[91]

When Proctor and Gamble introduced Pringles, the chips became an immediate success. Within a year, Pringles' popularity declined. Outsiders estimate losses as high as $250 million. Executives from all areas of the company spent time, money and energy to rebuild Pringles's image, but nothing happened.[92]

A brand manager asked a 25-year veteran-line worker for his suggestions. The worker became excited and said, "Well, I've been working here for 25 years, and no one has ever asked me my opinion before."

Employees formed a consumer team and within about a year the Pringles product improved, costs went down drastically, the package changed, the price dropped, new flavors were added and Pringles Light became the first "light" chip.[93]

Employee teams also improve productivity at General Electric. Employees at all levels in General Electric work in off-site teams for three days. The teams facilitated by an outside consultant are geared to improve productivity.[94]

On the final day, the boss comes to the meeting and employees fire suggestions at him or her. The boss must respond in one of three ways: approving it, denying it or asking for more information. GE Work-Outs give employees at all levels the opportunity to offer suggestions and be heard.

---

[90] Ibid.
[91] Ibid.
[92] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.
[93] Ibid.

GE Work-Outs saved the company millions of dollars and productivity also increased. Workers even occasionally form their own impromptu work-out sessions.[95]

Avon president E.V. Rick Goings said, "something might not be permanently broken, but nothing is permanently fixed. Everything changes."[96]

Employees at every level should feel comfortable expressing their ideas, because the best ideas come from a variety of corporate levels. A secretary at an advertising agency, Mary Ayres, suggested a great expansion idea for one of the agency's biggest clients.

Noxzema, a skin care product company, wanted to expand its product line. Ayres suggested to her bosses that Noxzema should create a line of healthy skin makeup. The clients liked the idea, and Cover Girl makeup was created.[97]

If companies are not open to new ideas from all levels, companies lose the chance to profit from these new concepts and products.[98]

Years later, the Noxzema's advertising agency wrote the following in its recruitment brochure: "Great ideas don't necessarily come from the top. They percolate from the bottom up, from the middle out."[99]

Organizations and companies need to recognize the value of employee suggestions. A research manager with Dupont gave out Rodin's statue "The Thinker" to

---

[94] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.
[95] Ibid.
[96] Ibid.
[97] Ibid.
[98] Ibid.
[99] Ibid.

people in his department for their innovative ideas. He based the size of the statue on the size of their ideas.[100]

Paul Cook at Raychem started a new award called "Not Invented Here." The award encourages people from other departments to borrow ideas and find a use for it in their own department. The person who invented the idea gets an award and the person who stole it also receives credit. The award creates relationships between departments and the free-flowing exchange of ideas.[101]

Transco Energy in Houston holds "bragging sessions" to allow employees in all departments to boast about their cost-cutting plans. The president expects to save $18 million over the next two years, simply by sharing cost-saving ideas at these meetings.[102]

Employees will not always generate ideas that work, but it's important to encourage them to still share their ideas. One suggestion is to give employees a College Try Award to recognize their efforts.[103] Dr. Bagin, a Rowan University graduate school professor, believes all suggestions should receive some type of response within ten days. This assures that management communicates the importance of employee ideas and keeps employees interested in the company's goals.[104]

Employee suggestion teams work well in today's workplace, where "team player" is used as a buzz word.[105] A study performed by Challenger, Gray & Christmas, Inc., an international outplacement firm, showed employers' rank "team player" as the most

---

[100] Ibid.
[101] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.
[102] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.
[103] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.
[104] D. Bagin (personal communication, November 1998).
[105] DuBrin, Andrew I. (1995), The Breakthrough Team Player. New York: Amocom.

important work place behavior. The survey included 15 companies from 34 different industries.[106]

Satisfied employees can produce amazing ideas and results. Vans Inc., a domestic shoe manufacturer, asked for employee input to decrease their manufacturing time. Employee team suggestions decreased the manufacturing cycle from 19 days to 24 hours. Make and ship today (MAST) was developed by more than 150 employees, who worked in teams to create the program.[107]

From 1989 to 1992, Vans Inc. yearly revenues almost doubled from $51 million too more than $91 million. Van's efficient manufacturing and low inventory produced the highest profitability and gross margins of any publicly traded footwear manufacturer.

Work teams produce efficiency, camaraderie and often new ideas. Teams working with the highest levels of communication and very little supervision at a Frito-Lay plant near Bakersfield, California brought the plant to full production in only one week. Typically start up takes anywhere from six to 13 weeks.[108]

Ineffective work teams create friction and reduce profits. Competition drove the paper products division at Proctor and Gamble from a market share of 75 percent to 52 percent. Richard Nicolosi, the new head of paper products, recognized a division between the commercial people, who focused on volume, and the technical people, who received rewards based on cost cutting.

Nicolosi decided the division needed more creativity and should focus more on market driven techniques. He divided people into teams with multiple leaders. The new

---

[106] Ibid.
[107] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.
[108] Ibid.

31

division of teams created a more entrepreneurial atmosphere and motivation increased.

Within four years, revenues increased 40 percent and profits rose 66 percent.[109]

Steelcase, the world's largest manufacturer of office furniture, employs 14,000 workers. Approximately 700 work teams formed within the nine Steelcase plants to give employees more power in the company.

One manager allows his team to set their own hours. Kevin Koopman said, "People told me, 'If you let them determine their own hours, they're going to bail out on you.' What I find is that it's just the opposite. They stay a little bit longer to make sure they are where they should be. We haven't missed a schedule in a year."[110]

To facilitate open communication through all areas of the company, managers should make themselves visible and communicate the company vision to all levels.

MBWA (management by wandering around) suggests managers wander with customers, vendors and company employees, at least 25 percent of the time to understand organizational functions.[111]

Equality and lack of office politics rank as key factors in the 100 Best Companies to Work for in America. Often employees of these companies said informal talking was part of the daily routine and people trusted their co-workers.[112]

---

[109] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York, New York: Workman Publishing Company, Inc.
[110] Levering, Robert and Milton Moskowitz. (1993). The 100 Best Companies To Work For In America. New York: Doubleday.
[111] Peters, Tom and Nancy Austin. (1985). A Passion For Excellence. New York: Random House, Inc.
[112] Levering, Robert and Milton Moskowitz. (1993). The 100 Best Companies To Work For In America. New York: Doubleday.

First Federal's chairman and CEO, Bill Morton, gets to know every employee by his or her first name. Penny Resnich started at First Federal as a temporary employee and the first morning the CEO greeted her, "Good morning Penny. How are you?"

They also spoke of the lack social hierarchy, meaning top executives often did not posses special parking privileges or other executive perks.[113]

Associates at Rosenbluth International can shadow anyone in the company including the CEO for the day. Every new employee at Rosenbluth International spends two days at the Philadelphia corporate headquarters performing skits about exceptional service. At the end of training, the company's top executives serve afternoon tea as a way to teach new hires about quality service and friendliness.[114]

The CEO of Southwest Airlines, Herb Kellher, has been cited in books, articles and speeches for his unique leadership style and humility. He willingly loads baggage at peak times and readily admits to his mistakes.

Employees at Southwest Airlines voted the company as one of the 100 Best Companies and employees say their CEO encourages them to work sincerely and without "false masks."[115]

Some companies encourage open communication at all levels. Richard Block, CEO of AGI, Inc., a company in Melrose Park, Illinois, challenges employees at monthly

[113] Ibid.
[114] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.
[115] Bell, Chip. (1996, December). A new key to employee loyalty: portable wisdom. Management Review, 85, 20-25.

meetings to play "stump-the-CEO contest." The person who asks the toughest question about the company gets a prize.[116]

Home Depot, Inc. created Sunday morning breakfast with the chairman and president of the company. All 23,000 employees are paid to watch a 45-minute program of the chairman's and president's breakfast conversation. Employees call in with questions, which makes the employees at Home Depot, Inc. feel a part of the company.[117]

Some companies don't realize the value of open communication until it is too late. The February 1989 edition of Business Month described a communication company that ruined its morale and productivity after a miscommunication. AT&T launched a giant layoff in 1984, and top management leaked the information to the press before telling its own employees. To make matters worse, management gave employees information in bits and pieces causing panic and disruption at work.

In 1989, employee insiders still reported very low morale and that productivity hadn't reached the expected levels after the downsizing.[118]

Sam Walton, founder of Walmart, said, "Outstanding leaders go out of their way to boost the self-esteem of their personnel. If people believe in themselves, it's amazing what they accomplish."[119]

Heart At Work devotes chapters to promoting self-esteem in the workplace. The book states self-esteem in the workplace affects the following:

- Teamwork

---

[116] Hemsath, Dave and Leslie Yerkes. (1997). 301 Ways To Have Fun At Work. California: Berrett-Koehler Publishers, Inc.

[117] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.

[118] Horton, Thomas R. and Peter C. Reid. (1991). Beyond The Trust Gap. Illinois: Business One Irwin.

- Conflict Resolution

- Problem solving

- Leadership

- Performance appraisal

- Absenteeism

- Quality

- Diversity

Organizations can not create self-esteem, they can only facilitate environments

that foster it. The organization must encourage participation, freedom, openness,

recognition, empowerment and humanity.[120]

Michael W. Gunn, senior vice president of marketing at American Airlines, said,

"More and more service companies are awakening to the fact that their internal employee

consistency is one of their most important target markets. The better employees feel

about themselves and their company- the better they feel about the customer."[121]

Good leaders influence employees to put extra effort into their work and become

mini-versions of their leader.

Mary Kay Ash, founder of Mary Kay Inc., inspires the 475,00 women working

for her by her own success story. Now a millionaire, Ash worked as a saleswoman in the

1950s. She felt discriminated against by a male-dominated workforce, which empowered

her to create her own sales organization to build women's self esteem.

---

[119] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.
[120] Ibid.
[121] Ibid.

Lisa Madison, an 11-year employee, said, "...She reaches so many people by talking about the potential that everyone has inside. And she's the living example. This is a company that understands that positive emotions can be good for the soul."[122]

Many of the 100 Best Companies are lead by an inspiring, visionary CEO. These extraordinary leaders often demand a lot from their employees, but rather then feel overworked the leaders inspire excellence in their followers.[123]

President Kennedy challenged Americans to land the first man on the moon, and Neil Armstrong took "the first small step for mankind." When Lee Iacocca challenged Chrysler employees to move the company out of financial ruin, profits increased 246 percent to $3.7 billion. Jack Welsch of General Electric challenged employees to maintain a first or second place rating in every business they owned, and employees consistently meet his objectives.[124]

Supervisors often act as mentors to their employees, which creates a certain loyalty to company goals. The CEO of the Ritz-Carlton Hotel, Co., Horst Schulze, combines loyalty, learning and service as part of his mentoring.

"He [Horst Schulze] is intensely loyal to all associates. He teaches a major part of every organization [Ritz-Carlton Hotel, Company's training seminar] because he wants to personally communicate our vision and values," said Michael Carsch, general manager of the Ritz-Carlton's Amelia Island property. "He is constantly visiting properties, taking the time to meet every employee and to communicate his loyalty to them, but most of all to remind them of our focus."

---

[122] Lieber, Ronald. (1998, January). Why employees love these companies. Fortune, 137, 72-75.
[123] Ibid.
[124] Nelson, Bob and Peter Economy. (1996). Managing For Dummies. California: IDG Books Worldwide, Inc.

Ritz-Carlton's mission statement says, "ladies and gentlemen serving ladies and gentlemen."[125]

Mary Follett studied the dynamics of groups and the impact of teamwork in the early 1900s. She suggested good leaders have many of the following traits in common:

- The ability to organize everyone toward a common goal

- The ability to change experience into power. A great leader creates, as well as directs power.

- Envision the future

- Follow a common purpose

- Help others to think for themselves

- Develop a connective power to enhance and advance the entire group

Follett advocated many of the concepts of equality used in today's work environment. She said terms like boss and subordinate are to emotionally charged. Today, many companies call their employees associates. J.C. Penny, Rosenbluth International and Walmart advocate this philosophy.[126]

Anjanette Schmelter, marketing manager for Medtronic, said, "Everyone, from the highest executive to the maintenance staff, lives the corporate philosophy."[127]

E.V. "Rick" Goings, president of Avon, said, "My job is to set the vision for the company- it's not a committee decision, and then share that vision with all the people in the corporation so that they are mobilized to fully invest themselves in fulfilling it."

---

[125] Bell, Chip. (1996, December). A new key to employee loyalty: portable wisdom. Management Review, 85, 20-25.
[126] Wren, Daniel A. and Ronald G. Greenwood. (1998). Management Innovators. New York: Oxford University Press.
[127] Lieber, Ronald. (1998, January). Why employees love these companies. Fortune, 137, 72-75.

Goings tells his employees the corporate mission, but he doesn't dictate how to achieve it. [128]

John D. Rockefeller said, "I will pay more for the ability to handle people than for any other talent under the sun."

Often managers must communicate not just a corporate vision, but specific goals to fulfill this vision. Goals should be measurable, achievable and fit into the value structure of the company.[129] The acronym SMART applies to corporate goal planning: Specific, Measurable, Attainable, Relevant and Time-bound.[130]

Bill Ryan of Master Consulting Group motivates his employees toward a goal with a visual representation of a jogger striving towards the company goal. When the company achieves the goal the jogger smiles, but when the goal is difficult the jogger struggles or falls over hurdles.

The chart produces a sense of unity and interest. Within the first month, sales moved from two months behind schedule to one and a half months ahead.[131] Studies show the brain interprets about 85 percent of the information gathered visually.[132]

Any type of internal communication must be on-going to create a corporate culture that understands expectations and helps the staff to reach their goals.[133]

[128] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.
[129] Ibid.
[130] Nelson, Bob and Peter Economy. (1996). Managing For Dummies. California: IDG Books Worldwide, Inc.
[131] Hemsath, Dave and Leslie Yerkes. (1997). 301 Ways To Have Fun At Work. California: Berrett-Koehler Publishers, Inc.
[132] Nelson, Bob and Peter Economy. (1996) Managing For Dummies. California: IDG Books, Inc.
[133] Shulman, Bonnie. (1998, September). Internal communications: a strategic tool but only if done right. Tactics.

Many mangers seek to understand employee jobs to create company goals and vision statements.

Hyatt Hotel Corporation created an "In Touch Day," where all 375 headquarters employees travel to Hyatt hotels across the country to provide guest services. This keeps top executives in tune with what guest service employees provide on a regular basis.[134]

The Walt Disney Company opens Disneyland to employees and their families one night during the Christmas season. Upper managers dress in costumes and operate the rides. This serves two purposes: it allows employees to see the park from the customer's perspective and gives managers a better understanding of other park jobs.[135]

The National Facilities Services division of Kaiser Permanete in Oakland California auctions off its managers to the highest bidder. Each manager is forced into four hours of slave labor and the money goes toward a local food drive fund. It gives managers a different perspective, and at the same time helps a local charity.

A manager at Pacific Gas and Electric Company's Peninsula Division thought California's plan to lay off 800 workers would reduce safety and emergency preparedness. She decided to find out just what her employees' jobs entailed by going with them on assignments. She put on a hard hat and scaled telephone polls to gain a better understanding of the necessity of their jobs. Employees also gained a new respect for their boss.[136]

---

[134] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.
[135] Ibid.
[136] Austin, Nancy K. (1996, October). When companies get the blues. Working Woman, 21, 21-24.

Harvey Mackay, author of books on management, suggests frequently visiting offices to increase morale. He also pointed out managers who visit offices quickly find the unproductive people.[137]

Mackay also notes that managers who expect positive results from employees must remember to recognize their achievements.[138] A survey by the Council of Communication Management found recognition for a job well done is the top motivator for employee performance.[139]

A recent survey by the Minnesota Department of Natural Resources found 68 percent of respondents said it was important to believe others appreciated their work. Sixty-three percent said most people would like more recognition for their work.[140]

Eighty-nine percent of Americans think their companies would perform better if meaningful incentives existed.[141]

According to a 1995 issue of Management Accounting, 81 percent of United States workers reported they would not receive rewards for increased productivity.[142]

According to the United States Department of Labor, 46 percent of workers who quit their jobs in 1995 quit because they felt unappreciated.[143]

---

[137] Mackay, Harvey. (1988). Swim With The Sharks Without Being Eaten Alive. New York: William Morrow and Company, Inc.
[138] Ibid.
[139] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.
[140] Ibid.
[141] Ibid.
[142] Nelson, Bob and Peter Economy. (1996) Managing For Dummies. California: IDG Books, Inc.

[143] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.

Two basic types of recognition exist. The most important recognition, self-worth recognition, acknowledges someone as a person and extends basic human courtesies. The second type, role or work related recognition, focuses on the job a person completed.[144]

Effective recognition must be timely, proportional to the accomplishment, sincere and personal.[145] Remember to give rewards sparingly, otherwise they lose their meaning.[146] Recognition must also fall close to the event, otherwise people will disassociate the reward with the action.[147]

Nick Cirilli, owner of an engineering and management company, suggests five simple ways to improve workplace relationships.

1. Make a habit of saying hi, thank you, have a nice day or enjoy your weekend. The comments do not reflect the person's job, but tap into the basic human need for respect that everyone responds to.

2. Get to know employees, to design a recognition program based on the type of appreciation employees need

3. Criticize a person's performance, but avoid attacking the dignity of the person

4. Remember recognition and trust are based on long-term relationships with employees

5. Acknowledge people's potential, and not their mistakes[148]

---

[144] Cirilli, Nick. (1998, July-August). Recognition: managers don't give it...because they just don't get it. Industrial Management, 40, 28-32.

[145] Jefferies, Rosalind, (1997, January). Reaping the rewards of recognition. HR Focus, 74, 9.

[146] Business Owner's Toolkit. (1999). Motivating Your Workers. [On-line].

[147] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.

[148] Cirilli, Nick. (1998, July-August). Recognition: mangers don't give it...because they just don't get it. Industrial Management, 40, 28-32.

Catherine Meek, president of Meek & Associates a Los Angeles compensation consultants, offers these suggestions for recognition:

- Programs should incorporate the company's values and business strategies.

- Employees should participate in the development and execution of the program.

- The program should encompass variety.

- The program life span should remain short and allow for frequent change.[149]

If companies use formal awards, the rewards must:

- Tie to an employee's needs

- Ensure fairness

- Use appropriate timing

- Have great perceived value

- Include public presentation

- Be given the appropriate amount of publicity

- Don't oversell the award, but don't camouflage the value of it either

In a recent survey to subscribers of Personnel Journal, two-thirds of respondents said they include plaques and certificates in their incentive programs. Almost five percent give cash rewards, and two percent present savings bonds. More then 50 percent use jewelry, and 41 percent use watches. Merchandise is used 41 percent of the time. Eleven percent give travel incentives, and 17 percent give general sales. Managers award trophies 12 percent of the time, and another two percent use ribbons.[150]

---

[149] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.
[150] Ibid.

Performance Enhancement Group surveyed over 10,000 employees nationwide in a number of industries. The data showed employees prefer specific day-to-day recognition for their contributions to a bonus or raise. Survey participants stated if employers recognized them for their work, they would put forth their best effort.[151]

Dr. Gerald H. Graham, a professor of management at Wichita State University, performed a study of 1,500 employees in a variety of work atmospheres. He found instant personal recognition from a supervisor ranked highest for employee motivation. The study also showed managers should ask for employee involvement because this also motivates employees.

Graham's study showed employees perceived the companies awarded attendance more than manager-initiated awards for performance.

Graham suggested these top techniques for recognition:

● Managers extend personal congratulations for a job well done.

● Managers write a personal thank-you note.

● The organization uses good performance as a basis for promotion.

● Managers publicly recognize achievements.

● Managers hold morale-building meetings for excellence.

Some simple suggestions for recognition include:

● Personal thank-you note

● Letter of praise, with a copy placed in their personal file

● Verbal thank you

● A traveling trophy

---

[151] Jefferies, Rosalind, (1997, January). Reaping the rewards of recognition. HR Focus, 74, 9.

- A day off for their birthday

- Plaque or certificate

- Public acknowledgment

- Free Meal

- Random acts of kindness[152]

An interesting finding showed only 42 percent of respondents felt their managers regularly used top motivating techniques. [153] Fifty-eight percent of employees said they seldom received thank you notes from their managers.[154]

Since work and home life often overlap, thank-you notes or letters of recognition sent home often provides a greater impact and the family can support a worker's accomplishments.[155]

Episcopal Retirement Homes, headquartered in Cincinnati, uses a program called Applause Pause. Any employee can place an index card in a drop box describing an employee's great internal or external customer service. The boxes are opened weekly and the supervisors receive the cards to pass along to the employee mentioned on the card.[156]

Management guru Ken Blanchard suggests finding people doing something right. He says many people consider praise common sense, but few people use praise

[152] Ibid.
[153] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.
[154] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.
[155] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.
[156] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.

effectively. He suggests ASAP-cubed: Praise should be done as soon, as sincere, as specific, as personal, as positive and as proactive as possible.[157]

Tom Watson, Senior, president of IBM said, "Supervision is 90 percent encouragement."[158]

Mary Kay Inc. gives a "director's suit" to anyone who achieves the company standards for director. The suits provide a symbol of success to other Mary Kay women and the suits look professional for client meetings.[159]

IBM, Coca-Cola, Ford, Monsanto and Nikon purchase actual stars from the sky as recognition for star employees.[160]

Using employees' names to recognize them often leaves a great impact. Bell Atlantic's cellular telephone division names its cell sites after top employees.[161]

A New York city marketing-communications firm introduced what they call the "Kudos Collection." The company created a list of large and small rewards; managers reward their employees based on their personal preferences.[162]

Pegasus Personal Fitness Centers in Dallas also asks trainers to make lists of personal incentives. The customized incentives more then doubled sales over a six-year period.[163]

---

[157] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.
[158] Thomas, David. (1995, October). Encouragement: the key to effective management. Trusts & Estates, 134, 12-14.
[159] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.
[160] Ibid.
[161] Ibid.
[162] Escalera, Karen Weiner. (1998, June). Preemptive ways to boost morale. Nation's Business, 86, 12.
[163] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.

Companies don't need to give expensive rewards, bonuses or monetary handouts. Simple recognition plaques or certificates often mean more to people. The Olympics award highly coveted medals for high achievement, but no monetary award is given for the greatest physical achievement in the world.[164]

People quickly spend money awards and forget about them, but merchandise lasts as a constant reminder or trophy of their success.[165]

Once people reach a comfortable level of income, they become less motivated by monetary rewards. Annual monetary rewards for a job well done eventually become a right, and not an added bonus. Employees start to equate it with their normal salary, and often it acts almost as a punishment if they don't receive it. The importance of money can actually destroy the feeling of appreciation the incentive was supposed to create.[166]

A "People, Performance and Pay" study conducted by the American Productivity Center in Houston and the American Compensation Association in 1987, found it takes approximately five to eight percent of an employee's salary when managers use cash rewards, but only approximately four percent for non-cash incentives.[167]

The following list provides some ways to recognize employees without spending money:

- Public recognition

- Time off

- Information

[164] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.
[165] Ibid.
[166] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.
[167] Ibid.

• Simple feedback on their performance[168]

A recent survey of American workers found 76 percent felt recognition at a company meeting worked as meaningful incentive.[169]

Employees also value recognition that comes from their co-workers. Employee driven "Caught In The Act" cards work well to stimulate positive behavior and produce community recognition.[170]

One Los Angles hospital started a Golden Broom Award. Janitors gave cards to anyone on the hospital staff who made their job easier. Staff accumulated the cards to win a small prize. Now, the whole hospital staff uses caught in the act of caring cards, which can be turned in for various electronic equipment.[171]

Tektronix, Inc., a manufacturer of oscilloscopes and other electronic instruments located in Beavrton, Oregon, considered rewarding its employees with expensive types of formal recognition. One employee offered a different tactic, the "You Done Good Award." The awards recognize individual employees, and the recipient can pass the award to another deserving co-worker. Employees value these awards because they not only come from management, but also their co-workers. The awards circulate frequently around the office and are well displayed throughout the company.[172]

The Office of Personnel Management in Washington, DC uses a "pass around" award, which was first given to an outstanding performer. Later, the person passed it to another deserving individual. The award took on great meaning because it came from the

---

[168] Nelson, Bob and Peter Economy. (1996) Managing For Dummies. California: IDG Books, Inc.
[169] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.
[170] Ibid.
[171] Ibid.

worker's peers. The recipient can keep the award indefinitely, but whenever the award gets passed a special luncheon honors the occasion.[173]

Sherpa Corporation, a software company in San Jose, California, bought an ugly bowling trophy from a pawnshop. Employees pass the trophy around for excellent results, and all of the recipients proudly display it.[174]

The Electro-Optics Division of Honeywell Inc. experienced serious financial problems and low morale. The program director decided she needed to raise morale; she researched great historical performers from different backgrounds and cultures.

With the permission of management, the program director created a public relations campaign around a variety of top performers. The program director started by printing posters of history's great performers.

She then asked employees to nominate peak performers within the company for review. New poster ads highlighted the employee-selected great company performers. The posters became a popular incentive, morale rose and the company emerged from financial difficulties.[175]

Management For Dummies said the greatest management principle in the world is recognition. "You get what you reward."[176]

Often it pays to reward good performance by preparing for even better performance. Reward employees by sending them to a conference or a trip to another company operation.[177]

---

[172] Ibid.
[173] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.
[174] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.
[175] Ibid.

Harvey Mackay, author of <u>Swim With The Sharks Without Being Eaten Alive</u>, suggests sending a few key people to a special seminar or conference to boost morale. He suggests telling them they exemplify the type of person the company wants to represent them. They should attend the event and report back to the company on what they learned.

Mackay suggests this should happen in addition to a company's normal recognition program. It allows a company to send the message that the company appreciates good work, but at the same time does not commit the company to a costly incentive program.[178]

Ralph Stayer, CEO of Johnsonville Foods in Sheboygan, Wisconsin, described the company's educational reimbursement, "Helping human beings fulfill their potential is a moral responsibility, but it's also good business. Life is aspiration. Learning, striving people are happy people and good workers. They have initiative and imagination, and the companies they work for are rarely caught napping."[179]

Often, seemingly unproductive time can act as a reward or team-building activity. GTE Data Services recognizes its group efforts by sending employees to an afternoon at the movies. The company pays for admission and concessions. The afternoon out acts as an inexpensive way to recognize people and gives the team a chance to socialize.[180]

---

[176] Nelson, Bob and Peter Economy. (1996). <u>Managing For Dummies</u>. California: IDG Books Worldwide, Inc.
[177] Blohowiak, Donald W. (1992). <u>Mavericks.</u> Illinois: Business One Irwin.
[178] Mackay, Harvey. (1988). <u>Swim With The Sharks Without Being Eaten Alive</u>. New York: William Morrow and Company, Inc.
[179] Nelson, Bob. (1994). <u>1001 Ways To Reward Employees</u>. New York: Workman Publishing Company, Inc.
[180] Hemsath, Dave and Leslie Yerkes. (1997). <u>301 Ways To Have Fun At Work</u>. California: Berrett-Koehler Publishers, Inc.

Pepperidge Farm sponsored a study of 580 employees at a selection of diverse companies. The idea was to host a mid-afternoon 'cookie break' for about 15-20 minutes, twice a week, for three weeks. At the end of the study, employees at the various companies rated the impact of the cookies on their work environment and individual productivity.

The study included employees from Eddie Bauer, Staples, General Electric, Gillette, Saatchi & Saatchi, Campbell Soup and Netscape. The study showed 84% of employees felt the cookie break made them feel more comfortable at work, and 57% thought the cookie break gave them a chance to interact with people they don't normally speak with.

According to a study participant from Saatchi & Saatchi, "It's the small things in a large company that sometimes make an employee feel that they care about you and appreciate all the hard work that we do." [181]

Employees at The Edison Group, the graphic-design division of Martin/Williams Inc., suggested a parent's day to show their families what they do at work. Employees designed humorous invitations and created light-hearted activities to explain their jobs.

Tom Dupont, the group's managing director, said, "The day was a great morale builder and team builder. What we have learned is that work and life blend. People don't go to work and leave all their troubles behind…You've got to be able to step up and say 'Let's be nonproductive today.'

---

[181] Corporate 'Cookie Breaks' pay off in big ideas. (1998, October 7). Business Journal.

Chapter 3

Procedures

The information on morale used in this thesis was obtained through several

different literature searches.

An Internet search was conducted to find current methods of boasting morale in

major corporations in America. The search found articles on the current practices of the

"100 Best Companies to Work for in America." The employees of these companies

nominated the organizations based on their company policies and corporate ideals. For

this reason, the "100 Best Companies to Work for in America" provided an excellent

place to start morale research. The next step was to find the books and articles written

about the best companies, profiling their specific policies and benefits.

Research was also conducted on the Rowan University databases including Infotrac Searchbank and Lexis-Nexis. Many magazine and newspaper articles produced information on company policies and suggested further reading.

A book search was conduced at the Rowan University Library, Glassboro and Washington Township's Margaret E. Heggan Public Library. A book search was also conducted in the Office of Residence Life at Rowan University. The office book shelves produced morale building ideas and suggestions for further reading.

Recently, many articles have been written on ways to improve workplace morale. To find copies of the most recent articles, the author searched continued searching Internet sources, and on-line morale web sites and amazon.com to find references businesses and organizations can easily obtain. Amazon.com produced over 150 suggestions, when the keyword morale was used.

I collected most of my data from the Rowan University library, Margaret E. Heggan Public Library, Rowan University databases, the Internet and from the Rowan University Office of Residence Life. Then, I categorized the information into the guidebook that appears in chapter four.

Chapter Four

This chapter outlines the top morale building ideas. The author compiled her

research into a bullet-pointed list for easy reference.

Fun-Filled Atmosphere

HR Magazine, March 1994 found employees who laugh together, work more

productively together.[1] The ideas listed below will add fun and laughter to any company.

- Managers can motivate their staff by creating a team mascot. The small

  mascot shows up in unusual places when team members have a rough day.

  The mascot creates team support.[2]

- Create a company game, and play it at least once a week. Bingo cards can

  contain a series of customer account numbers, shipping names, book names

  and other company terminology. Employees can take incoming customer

calls or work on their accounts to complete the card, and win a variety of prizes.[3]

- Games and toys create an atmosphere of fun and relaxation. A company with a long hallway could start a Friday afternoon bowling league right down the office hall.[4]

- A company can place a basketball net in the parking lot and start a tournament for employees during their lunch break. This becomes a great way for employees to interact and work off stress.[5] (You should first check on insurance liabilities.)

Employees should feel the organization benefits society

Research shows that morale increases when employees feel their work makes positive contributions to other people's lives. The following suggestions list methods to create a positive impact on society and raise employee morale

- Companies can annually remind employees of their contributions. A holiday party presents an excellent opportunity to spotlight the company's and employees' contributions to society.[6]

- Many fundraising organizations use a "jail and bait" tactic to raise funds for local charities. People pay money to release the employee in jail, and the money contributed goes toward a company-sponsored charity.[7]

- Employees can raise money for the company charity by donating their wages one Saturday a year and generous companies can match employee contributions.[8]

Get People Involved

Employees who feel their opinions count contribute more ideas and show increased productivity. There are many ways to encourage employees to get involved in a company. Some recommendations include:

- Empower employees to form their own committees to solve problems.[9]

- Ask employees for their opinions on anything from redecorating to relocating.[10]

- Use employee suggestion boxes. Employees can drop ideas into a box, and management should respond to each suggestion in a timely manner. This makes employees feel their opinions count.

- Organizations and companies need to recognize the value of employee suggestions. One company gives out Rodin's statue *The Thinker* to people with innovative ideas. Companies can base the size of the statue or reward on the size of the idea.[11]

- Sometimes little things bother employees the most. One suggestion to detect problems or success within an organization is to send all the employees a piece of construction paper and crayons. Ask employees to draw what the company meant to them. Focus on both the positive and negative drawings to determine what works well and what areas need improvement. The exercise can be an effective gauge of satisfaction, service, perception and communication.[12]

- Create three different types of electronic mail for employees. First class mail can be used strictly for business, second class mail can be used for ideas and third class mail can be a bulletin board for jokes and classified ads. One

special mailbox, the "Pipeline," should be reserved strictly for employee complaints.[13]

- A company could conduct a training seminar on how to formulate suggestions and how to evaluate the business impact of these suggestions. Ask managers to listen to all suggestions, and empower any employees with good suggestions to make a professional presentation. The company will gain valuable money-saving ideas, and employees will learn more about the business and how to present professionally.[14]

- Employee teams also improve productivity. Take employees at all levels off-site for a couple of days to brainstorm company ideas. Divide people into teams and ask an outside consultant to facilitate. On the final day, their boss should come to the meeting and employees can fire suggestions at him or her. The boss must respond in one of three ways: approve it, deny it or ask for more information. "Work-Outs" give employees at all levels the opportunity to offer suggestions.[15]

- One company suggests sending fun memos. Throw your good ideas throughout the office attached to Frisbees. This creates a fun atmosphere and encourages communication.[16]

- Try giving out the "Not Invented Here Award." The award encourages people from other departments to borrow an idea and find a use for it in their own department. The person who invented the idea gets an award and the person who stole it also receives credit. The award creates relationships between departments and the free-flowing exchange of ideas.[17]

- Hold "bragging sessions" to allow employees to boast about their cost-cutting plans and other creative ideas. Employees learn useful ideas from other departments, which they can modify for their own needs.[18]

Open Communication

Every company needs open communication to increase profits, and now research shows that open communication also increases morale because it gives managers a greater understanding of employees' jobs. The following includes advice to generate open communication at all levels.

- MBWA (management by wandering around) suggests managers wander with customers, vendors and company employees, at least 25 percent of the time to understand organizational functions.[19]

- Many of employees at the top 100 Companies to Work for in America said informal talking was part of the daily routine.[20]

- Allow employees to shadow top executives to get a better understanding of the company.[21]

- Special training sessions can communicate the corporate philosophy and create a hospitable atmosphere. At the end of Rosenbluth International's training, the company's top executives serve afternoon tea as a way to teach new hires about quality service and friendliness.[22]

- Challenge employees at monthly meetings to play "stump-the-CEO contest." The person who asks the toughest question about the company gets a prize. This fosters open communication and allows the CEO to understand employee concerns.[23]

Outstanding Leaders Inspire Their Followers to Excellence

Outstanding leaders throughout history have inspired their followers to extraordinary accomplishments. Mary Follett studied the dynamics of groups and the impact of teamwork in the early 1900s. She suggested some of the following traits for good leaders:

- The ability to organize everyone toward a common goal

- The ability to change experience into power. A great leader creates, as well as directs, power.

- Envision the future

- Follow a common purpose

- Help others to think for themselves

- Develop a connective power to enhance and advance the entire group[24]

- Supervisors often act as mentors to their employees, which creates a loyalty to company goals. Leaders should visit work sites, meet all of the employees, communicate their loyalty to the employees and remind them of the company's focus.[25]

- Many of the 100 Best Companies are lead by an inspiring, visionary CEO. These extraordinary leaders often demand a lot from their employees, but rather then employees feeling overworked, the leaders inspire excellence in their followers.[26]

- Leaders set the vision for the company and share that vision with all employees, so employees are motivated to fully invest themselves in fulfilling it. Managers should tell employees the corporate mission, but never dictate how to achieve it.[27]

- Often managers must communicate not just a corporate vision, but specific goals to fulfill this vision. Goals should be measurable, achievable and fit into the value structure of the company.[28] The acronym SMART applies to corporate goal planning: Specific, Measurable, Attainable, Relevant and Time-bound.[29]

- Companies can motivate employees toward a goal with a visual representation of a jogger striving toward the company goal. When the company achieves the goal, the jogger smiles, but when the goal is difficult, the jogger struggles or falls over hurdles. The chart produces a sense of unity and interest.[30] Studies also show the brain interprets about 85 percent of information gathered visually.[31]

- Large companies can create an "In Touch Day," where the top executives work in lower areas of the company. This keeps top executives in tune with employees' responsibilities at all levels.[32]

- Some companies auction off their managers to the highest bidder. Each manager is forced into four hours of slave labor and the money goes toward a local charity. It gives managers a different perspective of the company, and at the same time helps a local charity.[33]

- Managers should visit offices to increase morale and communication. Also, a manager who visits offices quickly finds the unproductive people.[34]

Recognition

Human beings thrive on recognition. Employees must feel their efforts did not go unnoticed, and this must include more then just a paycheck. There are many creative

ways to recognize employees, and some of the most effective recognition methods are free or very inexpensive. Listed below are some guidelines for effective recognition and some top suggestions.

- Effective recognition must be timely, proportional to the accomplishment, sincere and personal.[35]

- Remember to give rewards sparingly; otherwise, they lose their meaning.[36]

- Recognition must also fall close to the event; otherwise people will disassociate the reward with the action.[37]

- Make a habit of saying hi, thank you, have a nice day or enjoy your weekend. These comments do not reflect the person's job, but tap into the basic human need for respect that everyone responds to.

- Get to know employees, and design a recognition program based on the type of appreciation employees' want.

- Criticize a person's performance, but avoid attacking the dignity of the person

- Remember recognition and trust are based on long-term relationships with employees.

- Acknowledge people's potential, and not their mistakes.[38]

- Programs should incorporate the company's values and business strategies.

- Employees should participate in the development and execution of the program.

- The program life span should remain short and allow for frequent change.[39]

- Instant personal recognition from a supervisor ranks the highest for employee motivation. The study showed managers should ask for employee involvement because this also motivates employees.

The study suggested these top techniques for recognition:

- Managers extend personal congratulations for a job well done.

- Managers write a personal thank-you note.

- The organization should use good performance as a basis for promotion.

- Managers publicly recognize achievements.

- Managers hold morale-building meetings for excellence.

Some simple suggestions for recognition include:

- Personal thank-you note

- Letter of praise, with a copy placed in the employees' personal file

- Verbal thank you

- A traveling trophy

- A day off for a birthday

- Plaque or certificate

- Public acknowledgment

- Free Meal

- Random acts of kindness[40]

- Since work and home life often overlap, thank-you notes or letters of recognition sent home often provide a greater impact, and the family can support a worker's accomplishments.[41]

- Applause Pause allows any employee to place an index card in a drop box describing another employee's great internal or external customer service. The boxes are opened weekly and the supervisors receive the cards to pass along to the outstanding employee.[42]

- Management guru Ken Blanchard suggests finding people doing something right. He says many people consider praise common sense, but few people use praise effectively. He suggests ASAP-cubed: Praise should be done as soon, as sincere, as specific, as personal, as positive and as proactive as possible.[43]

- Some top companies purchase the title to stars from the sky as recognition for star employees.[44]

- A New York city marketing-communications firm introduced what they call the "Kudos Collection." The company created a list of large and small rewards; managers reward their employees based on their personal preferences.[45]

- Employees value recognition that comes from their co-workers. Employee driven "Caught In The Act" cards work well to stimulate positive behavior and produce community recognition. Companies can create cards for employees to exchange as thank-you notes.[46]

- The "You Done Good Award" recognizes individual employees, and the recipient can pass the award to another deserving co-worker. Employees value these awards because they not only come from management, but also

their co-workers. The awards circulate frequently around the office and are usually well displayed throughout these companies.[47]

- One company researched great historical figures. With the permission of management, the program director created a public relations campaign around a variety of top performers. The program director started with printed posters of history's great performers. She then asked employees to nominate peak performers within the company for review. New poster ads highlighted the employee-selected great performers.[48]

- Often it pays to reward good performance by preparing for even better performance. Reward employees by sending them to a conference or a trip to another company operation.[49] It allows a company to send the message that the company appreciates good work, but at the same time does not commit the company to a costly incentive program.[50]

- Educational reimbursement programs help employees fulfill their potential, but also learning, striving people are happy, productive workers. "They have initiative and imagination, and the companies they work for are rarely caught napping," said Ralph Stayer, CEO of Johnsonville Foods in Sheboygan, Wisconsin.[51]

The following list provides some ways to recognize employees without spending money:

- Public recognition
- Time off
- Information

- Simple feedback on their performance[52]

Unproductive Time

Often, unproductive time works as a great reward or a team-building activity.

Listed below are some inexpensive ideas for company sponsored activities.

- Some companies recognize team efforts by sending employees to an afternoon at the movies. The company pays for admission and concessions. An afternoon out provides an inexpensive way to recognize people and gives the team a chance to socialize.[53]

- One idea is to host a mid-afternoon 'cookie break' for about 15-20 minutes. The cookie break gives employees a chance to interact with people outside their department.[54]

- A parent's day can be a great opportunity for employees to showcase their work for family members. Employees can design humorous invitations and create light-hearted activities to explain their jobs.[55]

- A company can create a quiet room for employees to relax, verbally vent, read or meditate.[56]

- Companies that use quiet hours reveal this is the most productive time during the day. Everyday between 10:00 and 11:00 a.m., all calls must go to voice mail and the fax and copy machines are turned off.[57]

Areas for additional research

The author suggests researching what works best for each different organizational environment.

The author also feels someone should conduct additional research on leadership to determine what factors contribute to outstanding leaders and leaders' effects on morale. The author also suggests studying unproductive time and the effects on future productivity and morale. Another further study could encompass additional ways to encourage open communication.

With the constant increase in morale building programs, the author feels additional research could also encompass more organizations and companies.

Endnotes

[1] Hemsath, Dave and Leslie Yerkes. (1997). 301 Ways To Have Fun At Work. California: Berrett-Koehler Publishers.

[2] Hemsath, Dave and Leslie Yerkes. (1997). 301 Ways To Have Fun At Work. California: Berrett-Koehler Publishers.

[3] Ibid.

[4] Ibid.

[5] Ibid.

[6] Lieber, Ronald. (1998, January). Why employees love these companies. Fortune, 137, 72-75.

[7] Hemsath. Dave and Leslie Yerkes. (1997). 301 Ways To Have Fun At Work. California: Berrett-Koehler Publishers, Inc.

[8] Nelson, Bob and Peter Economy. (1996). Managing for Dummies. California: IDG Books Worldwide, Inc.

[9] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.

[10] Ibid.

[11] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.

[12] Rosenbluth, Hal. (1992), The Customer Comes Second And Other Secrets To Exceptional Service. New York: William Morrow and Company, Inc.

[13] Levering, Robert and Milton Moskowitz. (1993). The 100 Best Companies To Work For In America. New York: Doubleday.

[14] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.

[15] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.

[16] Hemsath. Dave and Leslie Yerkes. (1997). 301 Ways To Have Fun At Work. California: Berrett-Koehler Publishers, Inc.

[17] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.

[18] Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.

[19] Peters, Tom and Nancy Austin. (1985). A Passion For Excellence. New York: Random House, Inc.

[20] Levering, Robert and Milton Moskowitz. (1993). The 100 Best Companies To Work For In America. New York: Doubleday.

[21] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.

[22] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.

[23] Hemsath, Dave and Leslie Yerkes. (1997). 301 Ways To Have Fun At Work. California: Berrett-Koehler Publishers, Inc.

[24] Wren, Daniel A. and Ronald G. Greenwood. (1998). Management Innovators. New York: Oxford University Press.

[25] Bell, Chip. (1996, December). A new key to employee loyalty: portable wisdom. Management Review, 85, 20-25.

[26] Lieber, Ronald. (1998, January). Why employees love these companies. Fortune, 137, 72-75.

[27] Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.

[28] Ibid.

[29] Nelson, Bob and Peter Economy. (1996). Managing For Dummies. California: IDG Books Worldwide, Inc.

[30] Hemsath, Dave and Leslie Yerkes. (1997). <u>301 Ways To Have Fun At Work.</u> California: Berrett-Koehler Publishers, Inc.

[31] Nelson, Bob and Peter Economy. (1996) Managing For Dummies. California: IDG Books, Inc.

[32] Nelson, Bob. (1994). <u>1001 Ways To Reward Employees</u>. New York: Workman Publishing Company, Inc.

[33] Austin, Nancy K. (1996, October). When companies get the blues. <u>Working Woman, 21</u>, 21-24.

[34] Mackay, Harvey. (1988). <u>Swim With The Sharks Without Being Eaten Alive</u>. New York: William Morrow and Company, Inc.

[35] Jefferies, Rosalind, (1997, January). Reaping the rewards of recognition. <u>HR Focus, 74</u>, 9.

[36] <u>Business Owner's Toolkit.</u> (1999). Motivating Your Workers. [On-line].

[37] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.

[38] Cirilli, Nick. (1998, July-August). Recognition: mangers don't give it...because they just don't get it. <u>Industrial Management, 40</u>, 28-32.

[39] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.

[40] Jefferies, Rosalind, (1997, January). Reaping the rewards of recognition. <u>HR Focus, 74</u>, 9.

[41] Blohowiak, Donald W. (1992). <u>Mavericks.</u> Illinois: Business One Irwin.

[42] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.

[43] Canfield, Jack and Jacqueline Miller. (1996). <u>Heart At Work</u>. New York: McGraw-Hill.

[44] Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.

[45] Escalera, Karen Weiner. (1998, June). Preemptive ways to boost morale. <u>Nation's Business, 86,</u> 12.

[46] Ibid.

[47] Ibid.

[48] Ibid.

[49] Blohowiak, Donald W. (1992). <u>Mavericks.</u> Illinois: Business One Irwin.

[50] Mackay, Harvey. (1988). <u>Swim With The Sharks Without Being Eaten Alive</u>. New York: William Morrow and Company, Inc.

[51] Nelson, Bob. (1994). <u>1001 Ways To Reward Employees</u>. New York: Workman Publishing Company, Inc.

[52] Nelson, Bob and Peter Economy. (1996) Managing For Dummies. California: IDG Books, Inc.

[53] Hemsath, Dave and Leslie Yerkes. (1997). <u>301 Ways To Have Fun At Work</u>. California: Berrett-Koehler Publishers, Inc.

[54] Corporate 'Cookie Breaks' pay off in big ideas. (1998, October 7). <u>Business Journal</u>.

[55] Maynard, Roberta. (1996, November). Tapping employees' insights to expand productivity. <u>Nation's Business, 84,</u> 13.

[56] Nelson, Bob and Peter Economy. (1996) Managing For Dummies. California: IDG Books, Inc.

[57] Hemsath, Dave and Leslie Yerkes. (1997). <u>301 Ways To Have Fun At Work</u>. California: Berrett-Koehler Publishers, Inc.

Bibliography

Austin, Nancy K. (1996, October). When companies get the blues. Working Woman, 21, 21-24.

Bell, Chip. (1996, December). A new key to employee loyalty: portable wisdom. Management Review, 85, 20-25.

Blohowiak, Donald W. (1992). Mavericks. Illinois: Business One Irwin.

Business Owner's Toolkit. (1999). Motivating Your Workers. [On-line]. Http://www.toolkit.cch.com

Canfield, Jack and Jacqueline Miller. (1996). Heart At Work. New York: McGraw-Hill.

Carvell, Tim. (1998, September 28). By the way...your staff hates you. Fortune, 138, 201.

Cirilli, Nick. (1998, July-August). Recognition: mangers don't give it...because they just don't get it. Industrial Management, 40, 28-32.

Corporate 'Cookie Breaks' pay off in big ideas. (1998, October 7). Business Journal.

D. Bagin (personal communication, November 1998).

DuBrin, Andrew I. (1995), The Breakthrough Team Player. New York: Amocom.

Fisher, Anne. (1998, January). The 100 Best Companies to Work for in America. Fortune, 137, 68-71.

Escalera, Karen Weiner. (1998, June). Preemptive ways to boost morale. Nation's Business, 86, 12.

Grant, Linda. (1998, January 12). Happy workers, high returns. Fortune, 137, 81.

Hansen, Mark Victor and Joe Batten. (1995). The Master Motivator. Florida: Health Communications, Inc.

Hemsath, Dave, & Yerkes, Leslie. (1997). 301 Ways to have Fun at Work. San Francisco: Berrett-Koehler Publications, Inc.

Horton, Thomas, & Reid, Peter. (1991). Beyond the Trust Gap. Illinois: The Book Press, Inc.

Jefferies, Rosalind, (1997, January). Reaping the rewards of recognition. HR Focus, 74, 9.

Levering, Robert and Milton Moskowitz. (1993). The 100 Best Companies To Work For In America. New York: Doubleday.

The Life Station. All About Work. The Work/Life Challenge: A Manager's Guidebook (Brochure).

Mackay, Harvey. (1988). Swim With The Sharks Without Being Eaten Alive. New York: William Morrow and Company, Inc.

Maynard, Roberta. (1996, November). Tapping employees' insights to expand productivity. Nation's Business, 84, 13.

Nelson, Bob. (1994). 1001 Ways To Reward Employees. New York: Workman Publishing Company, Inc.

Nelson, Bob and Peter Economy. (1996). Managing for Dummies. California: IDG Books Worldwide, Inc.

Peters, Tom and Nancy Austin. (1985). A Passion For Excellence. New York: Random House, Inc.

Peterson, Tera. (1998). Morale in the workplace. Organizational Behavior. [On-line serial], MG443. Available email: petersot@esum.emporia.edu

Ramsey, Robert. Employee Morale: Does It Matter Anymore? Http://www.lincoln.ac.nz/comm/subjects/bmkt309/newfiles/ramsey.htm

Reicheld, Fredrick F. (1996). The Loyalty Effect. Massachusetts: Harvard Business School Press.

Rieger, Bradley. (1995, October). Lessons in productivity and people. Training & Development, 49, 56-59.

Rosenbluth, Hal. (1992). The Customer Comes Second and other Secrets of Exceptional Service. New York: William Morrow and Company, Inc.

Shulman, Bonnie. (1998, September). Internal communications: a strategic tool but only if done right. Tactics.

Thomas, David. (1995, October). Encouragement: the key to effective management. Trusts & Estates, 134, 12-14.

Wren, Daniel A. and Ronal G. Greenwood. (1998). Management Innovators. New York: Oxford University Press.