

People management and the bottom line; developing Motivation at work (a.k.a. Morale)

A workshop delivered by Anthony Stanton

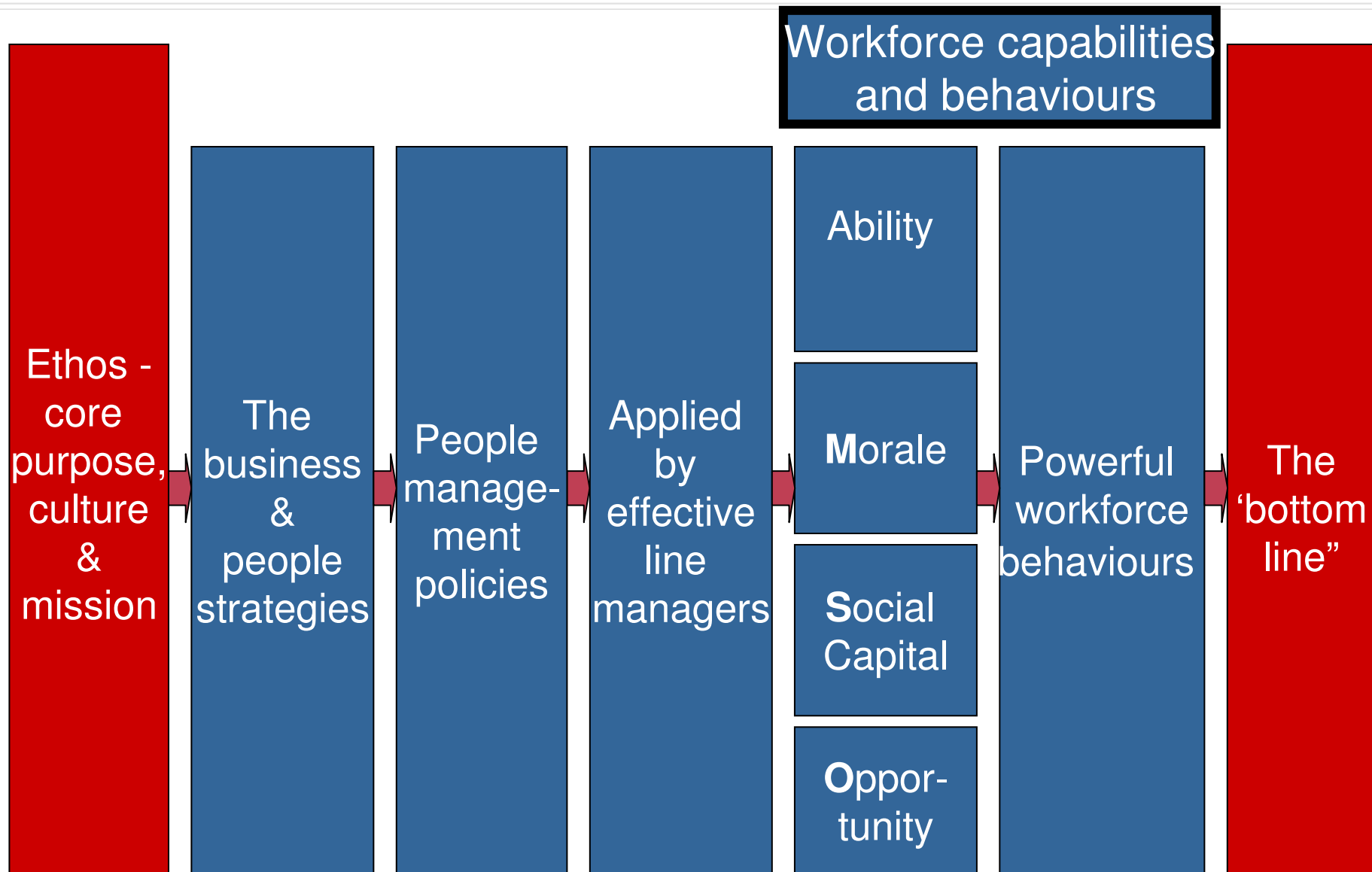
“... there is one key to profitability and stability during either a boom or bust economy: employee morale” – Herb Kelleher, Southwest Airlines founder.

The impact of people management on organisational success

- ❑ UK manufacturing companies. Well managed workforces were 29% more productive, with 17% better profitability. (Patterson et al 1997)
- ❑ U.S companies. Good people management generates a 24% increase in market value. (Becker and Huselid 2006)
- ❑ UK hospitals. Good people management correlated with 7.6% reduction in in-patient mortality. (West et al 2006)

How people management drives the bottom line (a quick tour)

The people management value chain



The Policy Arrow

Core purpose and values, culture and strategy.

Leadership style.

Design of work and jobs.

Recruitment, selection, induction and probation.

Performance management.

Learning and development.

Recognition and reward.

Career and succession planning.

Employee communication.

Employee involvement in decision making.

Employee well being.

The vital role of line managers

- o *“90% of people management is delivered by line managers.”* Greg Aitken, Royal Bank of Scotland.
- o *“80% of staff turnover can be traced to unsatisfactory relationships with the boss.”* Gallup.
- o *“My line manager is the prism through which I see my organisation”* Vicky Wright, immediate past CIPD President.

Powerful Workforce Behaviours

- Low absence
- Low unwanted turnover
- High effort and enthusiasm
- Good quality work
- An appropriate level of innovation

= Good Labour Productivity.



What is morale, and why does it matter?

What is morale?

Morale describes how employees feel about their work, their colleagues and the organisation.

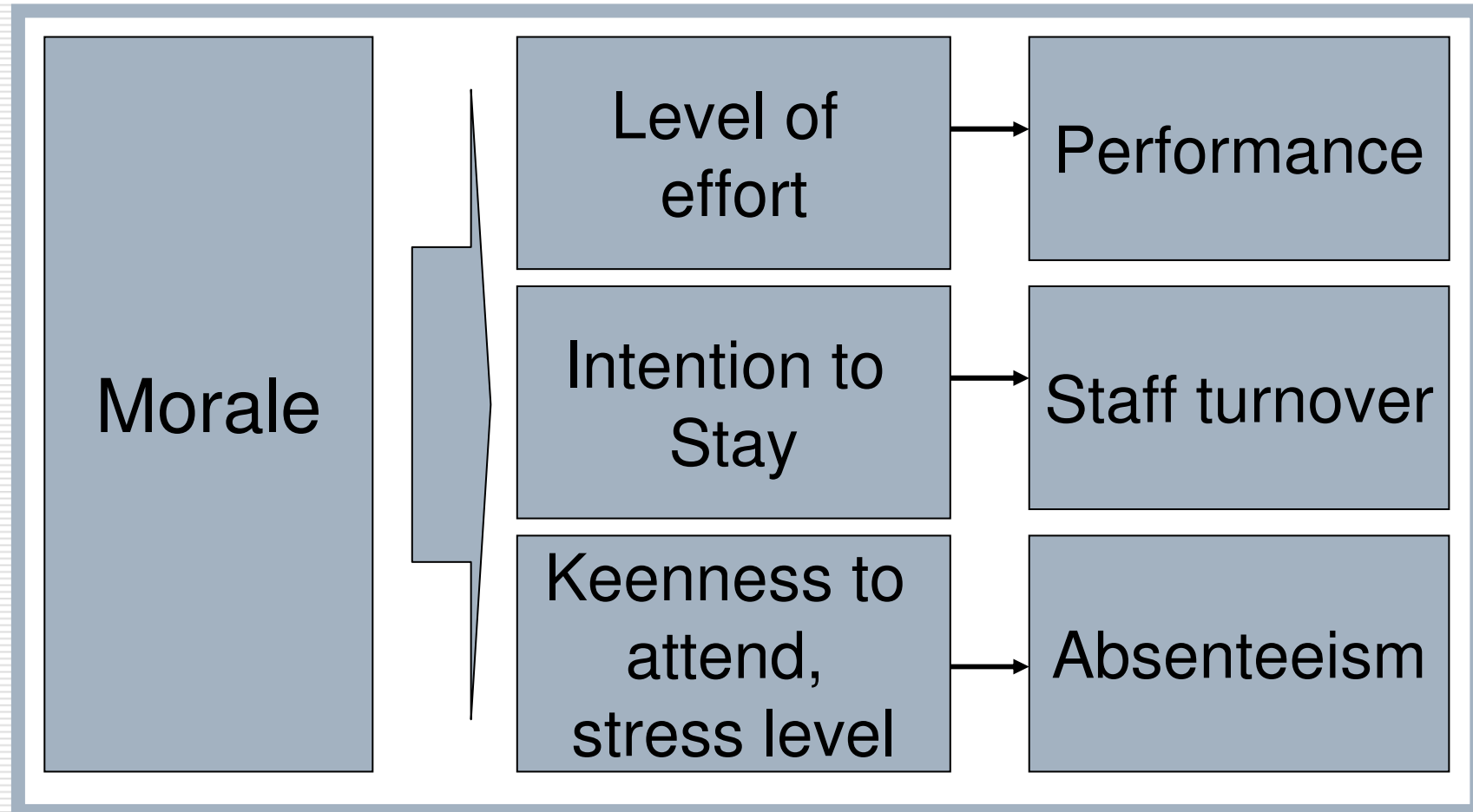
It is a motivating force which drives the level of effort people put into their work and their intention to stay with the organisation.

It's often called motivation.

Employee behaviours

- Employees with high morale:
 - 'go the extra mile' for customers;
 - act as organisational advocates,
 - co-operate enthusiastically with colleagues.
- Employees with low morale:
 - Are withdrawn at work;
 - Do the minimum necessary to get by;
 - Have high stress, absence and turnover.

How Morale drives performance



The impact of morale on organisational performance (Wagner and Harter 2006)

Employees with high morale have:

- 27% less absenteeism;
- 31% less staff turnover;
- 18% higher productivity;
- 12% higher customer satisfaction;

... as compared with staff with low morale.

(Gallup findings from 10 million survey responses across 114 countries)

The Drivers of Morale.

A hierarchy of employee needs to generate morale

(based on Sirota et al 2005)

Achievement: taking pride in one's work and in one's organisation by doing things which matter and doing them well.

Camaraderie: the organisation acts as a community which meets the social and emotional needs of its members.

Employee well-being:

- Psychological - role clarity, fair treatment.
- Economic - fair pay, reasonable job security.
- Physiological - safe working environment, able to cope with the job.

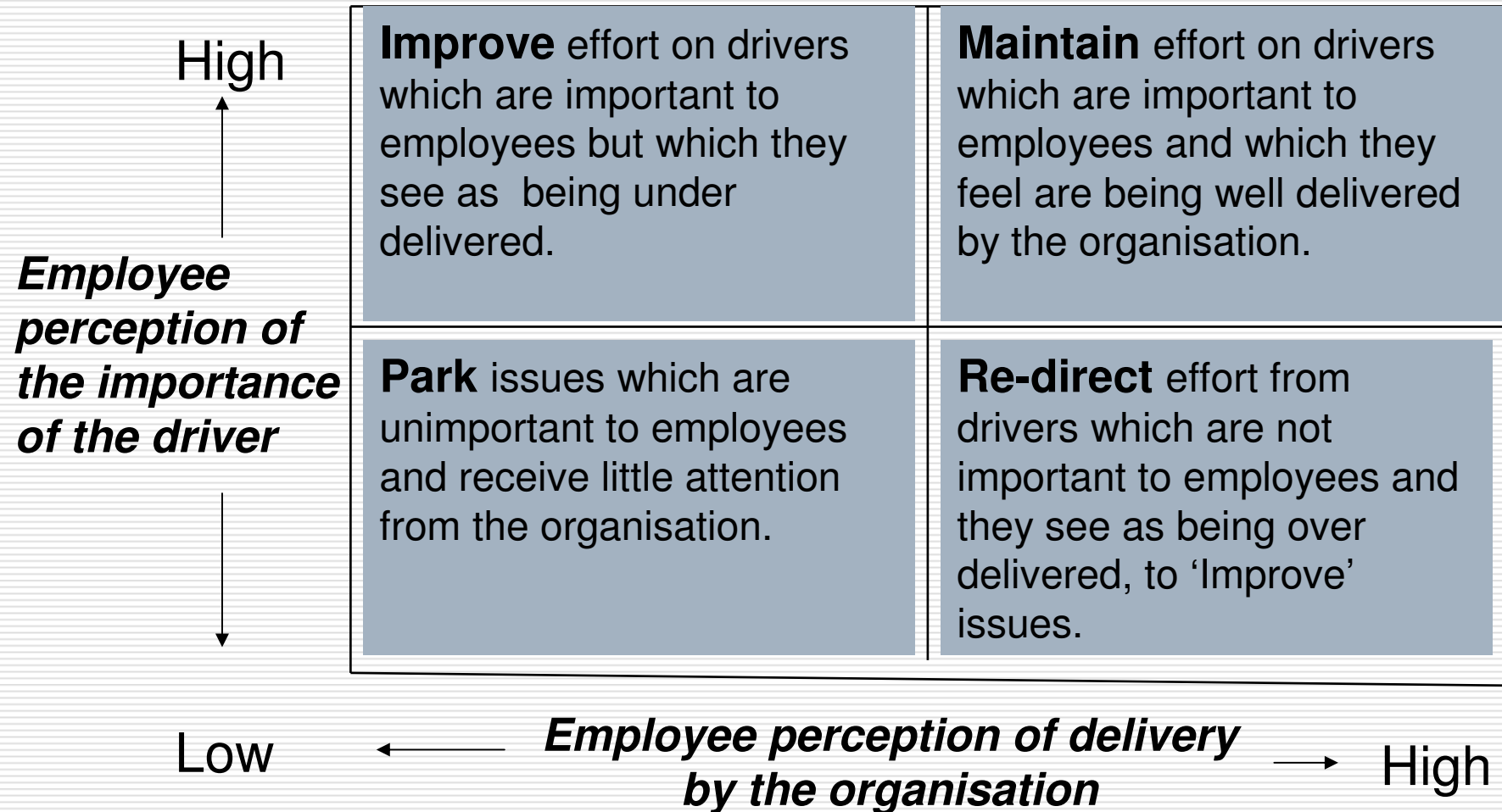
Demographic variations in emphasis

By:

- Age cohort,
 - Gender
 - Occupation
 - Sector and organisation;
- and so on.

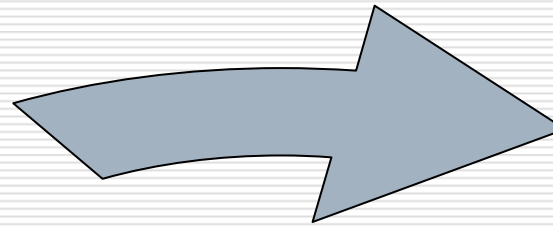
Measuring and managing morale

Reporting employee survey results by motivational driver

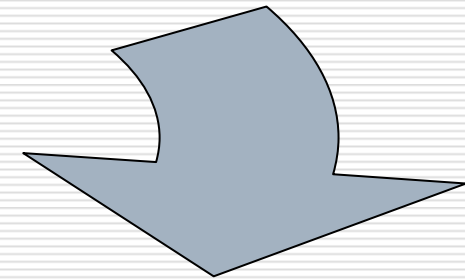


Action learning cycle for managing morale

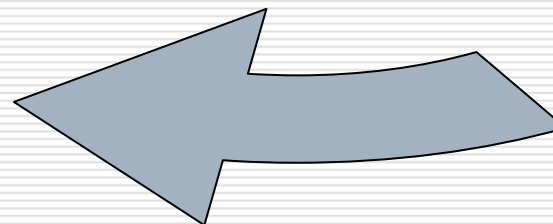
1. Build support for action on morale.



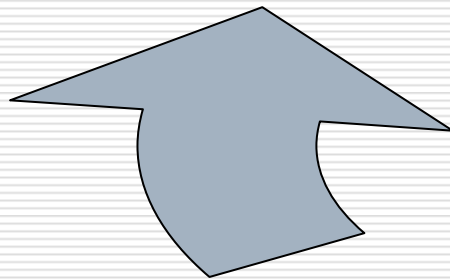
2. Measure morale, and link it to data on absence, turnover and productivity.



3. Plan and deliver actions.



4. Re-measure to evaluate impact.



Contact details

Email: mail@anthonystanton.co.uk

www.anthonystanton.co.uk

Tel. 07940 730822