

***WHY YOUR EMPLOYEES HATE YOU AND  
WHAT YOU CAN DO ABOUT IT***

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## **DEDICATION**

I would like to first thank my clients for partnering with me to help make their organizations more productive and satisfying places for their employees to work.

Thank you to my family who is always tremendously supportive of my career as an independent consultant. Thanks Trinkka, Ben and Melanie.

Thank you to my colleagues at the Society of Professional Consultants who have given me strength, friendship, and intellectual support.

Finally, thank you to my brother-in-law and good friend, Adam Snyder, for helping me to put my ideas into a coherent and readable form.

# INTRODUCTION

Employees today hate management. Hate is a very strong word. But, it's true. Employees hate management because they feel they're treated like children, and they don't trust what management tells them. They feel underpaid, and that they are being forced to shoulder more and more of the cost of their health benefits. And they believe their jobs are negatively impacting the quality of their life. Most feel powerless to do anything about these concerns. They're fearful of losing their jobs and believe that even if they were to find new employment, they would only encounter the same problems.

How do I know this? I know it because as a management consultant since 1983, I've accumulated an extensive database of how employees view their work and what organizations can do to improve the workplace. At the time of this writing, the Discovery Surveys, Inc. Normative Database© contains the results from surveys we've conducted for 65 organizations representing the views of more than 50,000 employees.

Worker unhappiness is a problem for employees, to be sure, but it's also an even more serious problem for a company's bottom line. While few employees will actually come out and tell management they're unhappy, they instead demonstrate passive aggressive behaviors in ways that are harmful to the company. They keep good suggestions to themselves and intentionally do the least amount of work possible. The worst part is that they refuse to fully commit to the goals of the organization.

Does management care? Are they listening to the cries of employees? In some organizations, the answer is "yes," but in most it's "no."

Organizations can avoid having unhappy employees by successfully addressing their concerns. The purpose of this book is to help senior managers and human resource professionals understand why their employees are unhappy and what they can do to make their place of work a more friendly and productive environment.

My firm, Discovery Surveys, Inc., conducts employee opinion surveys for organizations. My clients use my services when they want to gain an objective, quantitative understanding of the views of their employees. Employees are often leery of telling management how they really feel. I serve as an objective conduit of these thoughts and feelings.

Senior managers pour over tons of data to manage their business. They read daily reports containing numbers about sales, expenses, and the value of their assets. But they also need a quantitative report of the psychological health of their most important asset, their employees. This is what I provide. They then use this information to identify areas of discontent and track their success at trying to improve the situation.

During a typical employee survey program, I meet with senior management to learn about their business and gain an understanding of what they really need to know from their employees. I also have the opportunity to meet face-to-face with employees to learn what's really on their minds and what they want management to know. These different perspectives help shape my understanding of the climate of the organization.

Again, employees hate management because they're unhappy and resentful. But, it doesn't have to be this way. This book outlines specific steps both management and employees can take to make the workplace more tolerable and to reduce the ongoing war between them. Each section addresses a specific issue our research shows employees are complaining about. I will then talk about why this concern is a problem, the underlying psychology causing the problem, and most importantly, what can be done about it.

## **CHAPTER I**

# **HOW TO TREAT EMPLOYEES LIKE ADULTS**

## **1. We feel like slaves.**

*1 out of every 2 employees believes management does not treat employees with respect and dignity.*

I telephoned my sister one morning at her office. She works in the credit and collections department of a small medical equipment rental firm. We had been speaking for less than a minute when she told me that she had better hang up. She had just received an email message from her supervisor sarcastically asking her if she was on break. The next day she found out that her boss was actually reading her private emails and listening to her private telephone conversations. Needless to say, she was outraged. But what could she do? The company has every legal right to spy on her and she desperately needed the job. She felt like a slave.

Employment is a form of slavery. This is a provocative analogy and may be offensive to some, but it is key to understanding why employees are often unhappy.

*Merriam Webster* defines a slave as, "a person who has lost control of him or her self and is dominated by something or someone else." This is precisely what happens in the workplace. No wonder many employees, shackled to their jobs with little freedom to control their day-to-day work or their career, feel like slaves.

Employees are "dominated" because *what* they do, *when* they do it, and *where* they do it are controlled by their employer. In return for pay and benefits, employees must conform to set work hours, dress codes and work rules. They must dutifully follow management's orders and maintain good relationships with their supervisors and coworkers. Also, many have very little say in how



they perform their work. In short, they are like slaves because their employer controls their time, their space, and their actions.

Like owners of slaves, management often doesn't listen to employee suggestions or value their opinions. Indeed, they often don't even communicate directly with their employees. They communicate instead through intermediaries such as middle managers and supervisors.

Like slaves, employees are subject to the whims of management. Promises made by management are often broken. It is not uncommon for employees to experience layoffs, salary reductions, increases in what they must pay toward their benefits, and the loss of their hard-earned pension benefits. It is also not uncommon for the senior manager "masters" to personally take home large salaries for themselves while cutting jobs.

### The Problem

Employees who feel like slaves live in a state of perpetual anxiety about losing their jobs. Indeed, our research shows that more than half of all employees feel insecure in their jobs. Such anxious employees are typically not the best performers. In addition to their tentativeness on the job, they also become reticent to express their useful opinions or develop innovative approaches to the work.

Technically, of course, unlike slaves, employees are voluntary workers and are legally free to leave whenever they please. In practice, however, this is not the case. Many feel trapped. They don't want to leave their work friends or the "pseudo-security of their jobs. They are also intimidated by the prospect of finding another job. They hate and silently resent management for their predicament.

I believe that the perpetual state of anxiety experienced by many employees is due to what psychologists call a loss of the “perception of control.” Studies have shown that the *perceived* control over one's destiny has more of an influence on anxiety than does the *actual* control.

For example, psychologists reported that post-traumatic anxiety in aircrews during World War II was found to be highest among the bomber crews, less among bomber pilots, and least among fighter pilots. Although fighter pilots had the highest casualty rate amount the three groups, they had the most control of their environment. Thus it was the perceived control and not the actual control that determined their level of anxiety.

I have consistently found in my consulting work with organizations that many of the happiest employees are those who work part time. Why is this? They typically make less money, receive few if any benefits, are less involved in organizational decision-making, and are less connected to the people in the office. They are happier because they perceive more *control* over their own time. Even though they abide by the normal working hours on the days they are scheduled to work, they do not feel like they are slaves to the clock. Instead, they feel they have control over when they work. They, therefore, feel more independent (and less slave-like) than those who work full time.

Similarly, I have found that employees who work primarily out of their homes are more satisfied with their work life than those who work in an office. Although these home-working employees are also less involved in organizational decision-making and less connected to their colleagues in the office, they too feel they have more control. They don't have to be sitting at their desks or beside the phone projecting a compliant image to their boss. They are in control of their “space.”

Many of my colleagues are independent consultants. A great many of them left corporate positions to start their home-based businesses. Most have told me that once they experienced the freedom that came with operating outside of the corporate environment, it would be almost impossible to go back. Deciding every day what work they are going to perform, where they will perform it, and when are freedoms they relish that are rarely available within an organizational setting.

### What Can Be Done

Becoming a benevolent master is not enough. Unshackling employees requires providing them with more actual control of their work life. It also requires supporting employee requests for freedom. Here are a few suggestions for how to emancipate employees.

#### 1) Provide Opportunities for Employees to Work Part Time

When given the opportunity, many salaried employees can complete a full weeks' worth of work in less than a week. Let them do it.

Some jobs, of course, require someone to be at their desk full time. For example, a customer service representative has to be near the telephone during all of the organization's normal working hours. However, why couldn't one employee be at the station for half the week and another, equally competent person be at that station for the other half?

#### 2) Provide Opportunities for Employees to Work From Home

Many organizations have discovered that employees can be just as effective, if not more so, working from their homes rather than reporting to the office. Employees who report to the office waste valuable time and energy commuting

and chatting by the coffee pot. Most business today is transacted by telephone and email anyway. Employees can do this just as easily from their homes.

### 3) Listen to the Concerns of Employees

Employees bear some of the responsibility for removing the shackles as well. To break the perceived bonds of slavery, employees need to be proactive in managing their bosses and their work environment. This can include demanding both flexible work arrangements and increased decision-making authority. Management must encourage honesty from employees and try their best to accommodate their requests.

### 4) Encourage Employee Independence

Managers need to support employees in their efforts to develop professionally and manage their careers. It is important that employees not allow themselves to become totally dependent on their current employer. If they view the demands of their current job as just one temporary stop in their chosen career, they will feel more in control of their work life. Caring managers, therefore, need to encourage their employees to keep an eye out for their next job by always maintaining an up-to-date resume, attending professional networking groups, maintaining relationships with former coworkers, and keeping in touch with search firms.

To create career options for themselves, employees need to focus on amassing accomplishments, not for the purpose of advancing in the organization, but to provide themselves with the currency they need to more easily find another job. Accomplishments demonstrate how one has brought value to the organization by helping the company make money, helping the company save money, or developing something new or different for the organization such as a new program or procedure. These accomplishments

are an employee's ticket to employment freedom. Supportive managers can help focus employees in this direction.

Organizations can and should support the careers of their employees by offering career counseling and emphasizing the importance of amassing accomplishments. Such support for employees is not merely altruistic. It will further the goals of the organization by keeping a cadre of highly motivated, accomplished, and upwardly mobile employees who refuse to become complacent slaves.

### Conclusion

Employees who lack freedom are unhappy and resentful. It is in the self-interest of employers to provide their employees with as much freedom as possible and to support their employees' desire for more control of how, when, and where they perform their work.

## ***2. I know how to do my job. Why can't they just let me do it?***

*2 out of 5 employees say they don't have the decision-making authority they need to do their jobs well. Also, 6 out of 10 believe that decisions are usually not made at the appropriate level in the company.*

I have a client who hates his boss. Rick is a very competent and experienced human resource professional who has been with the organization many years. But his boss is a micromanager. She is very controlling, second guesses his decisions and wants the final say on everything. He feels like a prisoner whose voice goes unheard by the senior executives of the company because his boss allows him to have only very minimal contact with them.

Needless to say, Rick's work life is a living hell. Coming to work each day is very difficult for him. His creativity and enthusiasm for his work are very low and he feels that he is never going to be able to realize his full potential on his job. He is constantly depressed. He wears his emotions on his sleeve and walks through the organization moping with a sour look on his face. His job performance has been in a downward spiral for several years. He has become argumentative and an emotional drain on his colleagues.

He knows this, but he feels powerless to do anything about it. He has discussed the issue many times with his boss and even his boss's boss, but to no avail. He also feels trapped. He has been looking for another job but doesn't believe he will be able to find a comparable position elsewhere.

He wishes his boss would just leave him alone and let him make decisions as he sees fit. He is perfectly willing to suffer the consequences if those decisions are unwise.

## The Problem: Micromanagement

A culture in which employees are not given the decision-making authority they need leads to an unhappy, unproductive, and paralyzed workforce that lacks self-motivation and is unable to take prudent business risks or develop innovative ideas.

Employees are selected to work in organizations because they possess the required skills and knowledge. It is wasteful if the organization does not allow them to use their skills and knowledge to their full potential. The performance of the organization is equal to the sum of the performance of each individual. If the activities of individuals are artificially constrained, the overall performance of the organization will suffer. It is management's responsibility to provide a supportive environment in which employees are empowered to contribute to their fullest.

## The Underlying Psychology

There are a number of reasons why organizations fail to provide employees with the decision-making authority they need.

1) Top Down Mirroring – The CEO or President micromanages his or her direct staff. The staff then unconsciously adopts the same management style with their direct reports. The practice spreads, or "mirrors" itself, throughout the organization and becomes an immutable part of the culture.

2) Too Many Chiefs, Not Enough Indians – Some organizations have an overabundance of middle managers. To justify their existence, these managers mistakenly feel they need to make all of the decisions for their employees.

3) Externally-Imposed Paranoia - Highly regulated organizations such as food and pharmaceutical manufacturers and nuclear power generation plants, frequently suffer from micromanagement. Employees are given very little latitude to deviate from standard operating procedures. The unfortunate result is that these employees learn to avoid thinking for themselves even when such thinking is critically important such as during emergencies.

4) Fear - In today's difficult economy, managers live in perpetual fear that their department better produce or else. This fear drives them to micromanage, rather than trust their employees to make the appropriate decisions.

5) Inability to Surrender Control – You've heard the expression, "If you want anything done right here, you've got to do it yourself." Many parents have a difficult time asking their children to clean their rooms, do the laundry, or even take out the garbage. Instead, they take the easy way out and just do it themselves. Many managers do the same thing.

6) Inability to Delegate – Many managers are willing to delegate but actually don't know how. Delegation requires the ability to break up large tasks into smaller chunks, establish priorities, create timetables, and decide which of those chunks they need to perform themselves and which can be just as easily done by one of their direct reports. The manager then also needs to monitor the activity of his or her subordinates. Many managers simply don't have the ability to do these things.

7) Lack of Direction – Managers often receive little guidance from their managers about the importance of delegating. Their managers need to tell them that they are to work on high value activities and are not waste their time doing work that can be done by others.



8) Poor Hiring Decisions - Many organizations do not make it a priority to select employees who are capable of thinking on their own. The organization is then compelled to micromanage them.

### What to Do

#### 1) Make Certain the Senior-Most Executives Delegate

If senior managers don't delegate, it is unlikely that their direct reports will. Senior managers need to set the appropriate example. Others will then likely follow suit.

#### 2) Provide Delegation Training for Managers

Delegating, letting go, and trusting employees are all skills that can be taught. There are many training programs, books, and tapes that teach managers how to delegate. Managers should be required to read these books and attend these programs on a regular basis.

#### 3) Share Best Practices

Good role models can be very effective. Those managers who are doing a good job of delegating should be asked to share their "best practices" with other managers in the organization.

#### 4) Ask Managers to Put Themselves in Their Employees' Shoes

It is very easy for managers to lose perspective about what decisions their employees really need to make by themselves. Managers should ask themselves, what decisions would I need to make if I were doing that job?

#### 5) Rate Supervisors on How Well They Delegate

I have a number of clients who track how well supervisors delegate on an annual basis. Each year employees are asked the extent to which they agree with the following statement, "I have the decision-making authority I need to do my job well." Those supervisors whose employees do not feel empowered are required to develop action plans for how they can provide more decision-making authority to their employees. Some are also required to attend training sessions on the topic.

#### 6) Ask Employees What Decision-Making Authority they Really Need

Use focus groups and individual interviews to learn from employees what decision-making authority they feel they need to do their jobs well. Then communicate this information to their supervisors. Better yet, require supervisors to meet with employees individually to discuss this issue.

#### 7) Encourage Employees to Push Back

Just as teenagers need to scratch and claw to earn independence from their overbearing parents, employees need to push back on controlling bosses. They need to make it clear what decision-making authority they need and reassure their bosses that they will use their authority properly. It is senior management's responsibility to make certain that employees know they can and should push back on their managers to gain more control of their work.

#### 8) Train Employees How to Take More Decision-making Authority

Some employees will jump at the opportunity to assume more decision-making authority. However, many others will need to be coaxed and

encouraged. They may have become complacent due to the micromanaging of their boss. Training will be needed to change the situation and help them feel more comfortable taking over the reins.

In summary, employees are not happy that they aren't free to make their own decisions. Providing employees with the decision-making authority they need is healthy for the organization as well as for individual employees. Managers need to be taught and encouraged to delegate. Employees need to communicate what authority they really need and push back on their managers to get it.

### ***3. I am afraid to speak up.***

*Half of all employees don't feel free to voice their opinions openly.*

During a pep talk to the troops, a brave U.S. soldier serving in Iraq dared to ask Secretary of Defense Donald Rumsfeld a challenging question. He asked why U.S. soldiers needed to scavenge through landfills to find armor to protect their vehicles. Speaking up in this way was shocking and received a great deal of international press attention. Soldiers are usually too intimidated to challenge their leaders.

The same holds true in all organizations. Less than half of working employees feel free to voice their opinions. They feel it is safer to just keep their mouths shut, yet another reason why employees are unhappy.

I interviewed an X-ray technician at a local hospital one day. He was the senior person on the day shift and had been held in high esteem by the management of the department. One day, however, he and his manager did not see eye to eye on some work-related issues. He voiced his concerns but received no satisfaction. He then took his beef to the human resources department. Human resources held a meeting with the manager and the employee, but the employee felt he received no support from human resources during the session. He shared with me, "From that point forward, I made up my mind that I won't speak up at all in my department. If I have a suggestion, I just keep it to myself. It's just a job for me now. I put in my 8 hours, pick up my paycheck and then enjoy my time at home."

The problem is pervasive in organizations and affects supervisory employees as well. I met one day with a group of 40 middle level managers in a financial

services company to discuss the results of their employee opinion survey. I shared with them the survey finding that employees did not feel free to openly express their views. I then asked the group, “Why do you think employees are too afraid to speak up here?” Not surprisingly, there was no reply.

### The Problem

It's a sad commentary that about half of all employees are too scared to openly express their views at work. A lack of openness has negative consequences for both employers and employees. When employees don't feel free to speak up:

- Good ideas don't surface;
- Important problems go undetected;
- Vital information is not shared with others in the organization who need to know;
- Groups make faulty decisions because individuals are afraid to disagree;
- Valuable time is wasted at unproductive meetings;
- Relationships between managers and employees deteriorate; and
- Motivation declines because employees view their work as no longer worth their full psychological commitment.

### The Underlying Psychology

Employees don't speak up for a variety of reasons, including:

- Weak communication skills – Many employees do not possess the verbal skills to accurately express their views. They thus feel it is safer to keep their mouth shut than to speak in a way that might reflect badly upon them.

- Poor emotional intelligence – The ability to express one’s feelings in a tactful and appropriate manner in the work setting is beyond the skills of many employees.
- Fear of retribution - Many organizations foster a climate of “shooting the messenger” when any bad news is expressed by an employee. Ever notice the deafening silence when a senior manager completes a presentation and asks a group of employees if there are any questions? Why does this happen? One common reason is that in the past many employees have witnessed that others were ignored, belittled, or embarrassed when they spoke up.
- Job insecurity - In today’s layoff-happy environment, employees feel it is best to “keep their mouths shut” whenever possible.
- A lack of management responsiveness - When they voiced their opinions in the past, no one listened, so why should they risk doing so again?
- An uncaring organizational climate - Many feel like a mere cog in a big, unfeeling machine with very little chance of being heard.

### What to Do

#### 1) Foster a Spirit of Openness.

Managers must consciously try very hard to ask for opinions and then listen carefully. Doing so will increase the probability that their direct reports will be open to new ideas as well.

Also, management should continually thank employees for their suggestions. When appropriate, they should also use the suggestion and tell the employee that it was heard and appreciated.

#### 2) Catch People in the Act and Use Positive Reinforcement

When an employee makes a comment, suggestion or criticism, managers should go out of their way to acknowledge the remarks. They should sincerely

thank them being careful not to be patronizing. This will not only increase the probability that the person will speak up again, it will also help promote a spirit of openness that will spread to others.

### 3) Improve Your Listening Skills.

Listening is a critically important management skill that can help improve employees' willingness to speak up. Some of the key principles are listed below.

- Use unconditional positive regard. - Try not to rush to evaluate opinions and suggestions. View all of them with a positive outlook.
- Dummy up. - Use the technique made famous by the actor Peter Faulk in the role of the bumbling, but actually cagy, detective Columbo. Continually ask questions and tell employees that you “don’t understand” or “are confused.”
- Avoid threatening questions like “Who told you to do it that way?” and “Who is responsible?” These questions will restrict the type of responses you will receive.
- Be an active listener. - You must be fully psychologically engaged when listening to employees by maintaining eye contact, nodding your head at the appropriate times, and saying things like “I see,” and “uh-huh” in response to their words.
- Use open-ended questions such as, “How would you handle this problem?” Ask questions that will elicit more than one-word answers such as, “How do you feel about this?” or “Could you please tell me more about that?”

- Use restatements. - Simply repeating or paraphrasing what an employee has just said will typically encourage him or her to continue speaking.

#### 4) Get in the Habit of Making Self-Disclosures

It can very powerful and contagious for senior managers to display openness themselves. For example, a CEO could stand up in front of employees and say something like, "As you know, we recently made a decision to acquire another company but I felt very torn about the decision and had many doubts such as . . . What are your doubts?"

#### 5) Look Inside

Fear of speaking up is often an organizational culture issue that pervades all levels of an organization, not just frontline employees. If openness is a problem in your organization, look inside and think about why you might be reluctant to voice your own opinions. Undoubtedly, other employees will have the same reasons.

#### Conclusion

Employees are not happy that they are scared to voice their opinions. Can a spirit of openness be improved? The answer is yes. However, it will take time and consistent effort by senior managers and supervisors.



## ***4. Nobody appreciates my hard work.***

*One out of two employees say their good work goes unrecognized.*

### Story

I consult to a small rural hospital in New England. Many of their employees have 25 years of service with the hospital. It is a very good place to work. Employees enjoy the working atmosphere and the collegiality they have with their fellow employees. However, many of the long-service nurses complain that the hospital does not adequately recognize their many years of service. They believe they shouldn't have to work weekends, should receive more vacation time, and should be paid significantly more (not just a little more) than new nurses hired off the street.

Long-service employees at another one of my clients are also concerned about the lack of recognition they receive. This is a small family-owned manufacturing organization. Many of the employees have more than 30 years of service with the company and the family. As the organization has grown, they feel more and more like just paid help rather than part of the family. They wish their contributions would be better recognized by the owners and by their supervisors.

### The Problem

Many employees are unhappy because they believe management does not respect their good work. They crave encouragement and positive feedback and feel they are not receiving it. Our research shows that half of all employees feel their immediate supervisor does a poor job of providing them with recognition for their good work. Their supervisors typically fail to praise them when they:

- Make good decisions;
- Take prudent business risks;
- Make important contributions during meetings; or
- Come up with innovative ideas.

I have found that one of the signs of a healthy organization is a climate of positive reinforcement and recognition. Supervisors in these organizations can be frequently heard saying to their employees:

- Good point!
- I'm glad you brought that up!
- I really appreciate that!
- Good job!
- Well done!
- Thank you!

Here are 6 reasons why many managers fail to provide recognition to employees:

- 1) They take their employees for granted.
- 2) They view employees as expenses rather than investments and vital assets.
- 3) They don't realize how important praise and recognition really are to employees.
- 4) They lack the appropriate level of emotional intelligence. For them, thanking employees is awkward and just not part of their normal repertoire of interpersonal behavior.

- 5) They don't know how to thank or recognize employees in a meaningful way that will be perceived as intended rather than patronizing.
- 6) They don't receive recognition from their superiors either.

### The Underlying Psychology

One of the most well documented principles of psychology is that positive reinforcement increases the probability that a behavior will occur again in the future. Without positive feedback, desirable employee behaviors may not occur again. Also, employees may become unhappy, unmotivated, and unproductive.

It is also well documented that positive reinforcement is much more effective than punishment for shaping behavior, yet few supervisors effectively use this very powerful technique to manage their employees. Instead, it is much more common for them to criticize, scold, berate, belittle or ignore their employees.

Annual bonuses such as cash often do not have the desired reinforcing effect. Employees often view bonuses as entitlements, not as personal recognition for their good work. Sincere, heartfelt, praise clearly articulated and provided at the right time is much more powerful.

### What to Do

- 1) Use Individual-based Recognition Instead of Group Recognition

Every year most employers provide group recognition to their employees in the form of lavish holiday parties, gift turkeys, or cash bonuses. Everyone receives

the politically correct same amount of recognition for his or her loyalty and good performance.

However, as well intentioned as this might be, individuals often perceive this type of recognition as meaningless. What they want instead is personal recognition for their own individual contributions.

## 2 Accompany Individual Bonuses With an Appropriate Personal Message

Organizations that merely mail bonus checks to their employees are missing out on an excellent opportunity to really show them their appreciation. The check should be accompanied by a personal visit from the supervisor or senior manager in which personal thanks is provided. If this is not possible, at a minimum there should be a personal note of thanks attached to the bonus check. The note should contain specific details.

## 3) Provide Immediate Rather than After-the-fact Recognition

Research has shown that positive reinforcement is most effective when it immediately follows the desired behavior. Although it is customary to provide employees with recognition at certain times of the year such as during the annual performance review, at the end of the year, or at an employee's anniversary date, it is better to catch people in the act of doing good things and provide them on-the-spot recognition. It is then much clearer to the employee exactly why they are being praised.

## 4) Train Supervisors How to Provide Positive Feedback

Although the principles of positive feedback are very simple, many supervisors would benefit greatly from basic training on how to use the techniques. Here are a few of the basics.

The positive feedback should occur as soon as possible after the behavior. Try to “catch people in the act” of doing good things and praise them immediately.

The positive feedback should be of the proper magnitude to match the behavior. For example, public acknowledgement after a good point is made by an employee would be more appropriate than providing a spot cash bonus.

Behaviorists have shown that variable schedules of reinforcement are actually more effective than continuous schedules. For example, praising an employee periodically on an irregular basis is actually more effective than praising that person every time they do something well.

#### 5) Make Positive Feedback Part of the Performance Review Process

What gets measured gets done. Evaluate supervisors on how well they provide positive feedback to their staff. Make this part of their annual performance review.

#### 6) Provide Feedback About Feedback

One way to increase the amount of positive reinforcement that occurs in an organization is to reinforce the reinforcer. In other words, senior management should periodically reinforce supervisors when they provide positive feedback to their direct reports.

#### 7) Senior Management Must Serve as Role Models

Positive reinforcement needs to start at the top. Senior management can set the tone by appropriately praising and recognizing their direct reports. Doing so

on a consistent basis will eventually spread the process throughout the organization.

### Conclusion

Employees are unhappy when they do not feel they are receiving the appropriate amount of recognition for their work. The simple technique of using positive feedback is very powerful. Supervisors should make certain that providing recognition to their employees is a regular part of their management style. The dividends are huge.

## **5. There are different rules for different people.**

*Only one out of two employees believes their organization is doing a good job of applying personnel policies and procedures fairly.*

I was consulting to a large New England-based insurance company to help them improve the morale and productivity of their workforce. It had been a very snowy winter and commuting to work had been a major challenge for many employees. During a series of focus groups I learned that employees in the customer service department were very upset. They had been required to come to work on the snowy days and were not allowed to be late. They said that those in other departments were allowed to arrive later and work from home if they chose to do so. They said, "It's not fair."

I was conducting a series of focus groups at a small public relations firm in Boston. The firm employs many bright, young employees straight out of college. They are constantly working under deadlines to complete press releases and other projects for their clients. Many complained that they had to work well into the night to meet these deadlines while some of the older workers were allowed to leave promptly at 5:00 PM every day to pick up their children at day care centers. They said, "*It's not fair!* Why should we have to work late just because we don't have children? We have personal lives too."

Employees come to the workplace with the assumption that all employees will be treated equally. They resent the fact that certain people or groups receive, what they perceive to be preferential treatment. Here are some of the complaints I often hear. They say, "It's not fair that:

- Smokers get to take smoking breaks but non-smokers don't.

- Some departments can choose to take vacation whenever they want but we are restricted to just a certain few weeks.
- Some employees are allowed to work from home occasionally, but we have to come into the office every day.
- In some departments, employees can arrive to work late, leave early and come and go as they please, but we can't.
- Everybody is not pulling their own weight here, but we all get the same pay.
- The sales people get to take long lunches, but we have to be back at our desks promptly at 1:00.
- Management treats the doctors here like they are Gods but we, who do most of the work here, are treated like second-class citizens.
- The good workers like me end up doing more work than those who aren't as good because they know that I will get it done and done well.

### The Problem

When employees feel that personnel policies and procedures are not administered fairly they lose respect for management, build up resentment toward their fellow co-workers, and lose motivation for their work.

I believe, however, that employees often confuse unequal treatment with a lack of fairness. They believe that all employees should be treated exactly the same regardless of their position, job responsibilities, or personal needs.



But these complaints expose a common fallacy. Employees should always be treated fairly but rarely should they be treated exactly the same. (And, of course, there should be no personnel decisions made on the basis of differences in sex, age, national background, race, religion, sexual orientation, or disability.)

I believe that it is perfectly appropriate for superior performers to receive special benefits, increased pay, and more flexibility. I also believe that it makes sense for there to be different work rules for workers with different job responsibilities. Some jobs require precise starting times and less flexibility than others. Receptionists, for example, need to be in the front lobby during normal working hours, while sales personnel often need to attend networking meetings during the evenings and weekends.

Do you have the same rules for your 7-year-old daughter and your 17-year-old son? Of course not! They are different, have different needs, different responsibilities, and different capabilities. They are treated fairly but not equally.

### The Underlying Psychology

Why do employees feel that everyone in the workplace should be treated exactly the same? I believe there are two reasons. First, it is very important to employees that they feel they are respected for their hard work and good job performance. When they see others receiving special benefits and privileges, they feel they are not receiving the respect and recognition they also deserve.

A second reason why employees complain about unequal treatment is plain old jealousy. They feel bitter and unhappy because of the better treatment or advantages others receive.

## What Can Be Done

### 1) Promote Flexibility Rather than Rigid Rules

Many organizations make the mistake of becoming extremely rule oriented. They produce personnel and procedure manuals as thick as telephone books and expect that this will help ensure fairness. But, rules are made to be broken and are always subject to interpretation. A thick rulebook will make it more, not less, difficult for supervisors. I have found that organizations without these detailed manuals simply entrust supervisors to make day-to-day decisions about policies. These organizations receive the least complaints about fairness.

### 2) Treat Employees Like Adults

Employees want to be treated as unique, mature individuals. They want to know that special exceptions will be made to accommodate their particular circumstances. Others want to know that they will receive similar treatment when they have special needs.

### 3) Communicate Your Philosophy of Flexibility

Make it clear to employees that everyone will be treated fairly but not exactly the same. Communicate that you reserve the right to treat employees as individuals and to make exceptions to the rules.

### 4. Avoid the Union-mentality

Unions work very hard to develop contracts with management that contain detailed rules about how much workers must be paid. Their goal is to take pay decisions out of the hands of supervisors. Most contracts read that pay will be

based on tenure, not job performance. However, I have found that in most unionized environments, union workers are very concerned that the senior-most employees in their ranks do little and earn much more money than they do. Ironically, this is what is specified in the union contract they pay their union to negotiate for them. Management would actually like very much to avoid having to pay more to employees just because they have been with the organization longer.

### Conclusion

Employees may be unhappy about what they perceive is a lack of fairness but this is because they confuse fairness with unequal treatment. All employees should be treated fairly but not exactly the same. This should be carefully explained to employees.

Organizations are meritocracies, not socialistic states. Employees should know that good performers will be treated differently than poor performers, those with higher levels of responsibility will be treated differently than those with less responsibility, and those who have special needs will be treated differently than those who do not. No apologies are necessary.

## **CHAPTER II**

# **HOW TO GAIN THE RESPECT OF YOUR EMPLOYEES**

## **6. Management doesn't listen to us.**

*Our research shows that 7 out of 10 employees say management doesn't listen to them or act on their suggestions.*

### Story

Several years ago, I was consulting to a small printing company in the mid-West. My client, a large East coast media company had recently purchased them. My job was to survey employees to find out how they were feeling about the company and the acquisition. I conducted the survey. Not surprisingly, the results were very negative. Employees were especially dissatisfied with the still-in-charge former owner and his second-in-command son.

I conducted a series of feedback sessions to share the survey results with groups of 40 to 50 employees at a time. The son (not the father who definitely should have been there) sat in on the sessions. His job was to talk to employees after my presentation to tell them how the company planned to respond to their concerns.

One of the major findings was that employees felt that senior management did not listen to their suggestions. The son got up and had the audacity to say, "If any of you at any time have any suggestions or anything you would like to say to me or my father, you can just STICK IT IN THE BOX. He then pointed to the locked unused suggestion box hanging on the wall.

What message do you think this sent to employees? He was clearly saying, "We're really not interested in what you have to say." He then asked if there were any comments or questions. Guess how many people raised their hand? None.

## The Problem

Employees are not happy when they know management isn't listening to them. Their motivation and commitment to the goals of the organization are sure to deteriorate if they feel management doesn't care about what they have to say.

Open communication of ideas and suggestions from employees to senior management is critical to the healthy functioning of any organization. Senior management needs to know what is happening in the trenches, how customers feel about the organization's products and services, how productivity can be improved, how costs can be reduced, and how quality can be improved.

One of the major lessons of the total quality improvement movement has been that employees who actually perform the work usually have very good suggestions for improving the work. Ignoring their ideas is a sure prescription for inefficiency and reduced profitability.

How can employees trust the judgment of senior management when their good suggestions are ignored? Without this trust, their motivation and commitment to the organization declines. Ignoring their suggestions is a slap in the face. In time, employees reciprocate by showing a lack of respect to management and the goals of the organization.

I have often heard employees say, "I know they are throwing money down the drain, but there's no way in hell I would tell management how to improve things. They would only ignore me." Organizations with this type of climate are destined to fail.

## The Underlying Psychology

You may wonder how all those close-minded SOB's ended up in the boardroom. Is there some character or personality trait common to senior managers that make them ignore rank and file employees?

There are at least four reasons why senior managers ignore employee input. The first reason can be explained by the concept of "the intergroup perspective." In any hierarchical system, the uppers (i.e., those in senior management) see the world differently than those in the middle of the organization (e.g., mid-level managers and supervisors) and those at the bottom (i.e., the hourly workers). External factors such as the demand for the organization's products and services and the desires of stockholders shape the perspective of the uppers. By the necessities of their job, uppers typically spend very little time interacting with the lowers. They rely on the middles to manage the work of the lowers and tell them what the lowers are saying. Uppers are, therefore, out of touch with the perspective of the lowers.

When we interact with people with perspectives different from our own, we typically don't trust them. Senior managers, therefore, distrust the abilities and knowledge of the lowers. They think that since the lowers see the world differently, they just don't get it. Similarly, employees frequently say, "Management just doesn't have a clue about what's really happening in the organization."

If you were to promote a lower to a senior management position, he or she would rather quickly develop the same disrespect of the views of lowers. It's the position in the hierarchy, not the personality that shapes the trust senior managers have for employees.

A second reason why senior management often doesn't listen to employees can be explained by the concept of 'the self-fulfilling prophecy.'

In Greek mythology, Pygmalion, the king of Cyprus, found so much fault in womankind that he resolved to live unmarried. But after painstakingly sculpting a statue of a beautiful woman that he named Galatea, he came to regard his creation as so perfect that he fell in love with her. The film *Pygmalion* and the Broadway show *My Fair Lady* popularized this principle of "the self-fulfilling prophecy."

Scientists have also been found that the principle has some validity. In 1968, psychologist Robert Rosenthal conducted an experiment with a third-grade class in a California school district. He gave the students an IQ test and told the teachers that the test had identified students who were "late bloomers" and would eventually show a spurt in IQ. Rosenthal randomly selected 20 percent of the pupils as those he told teachers were the late bloomers. In reality, the IQ of these students did not differ from the IQs of the remaining 80 percent.

After one year the students were given the IQ test again. Lo and behold, those who had been falsely labeled as late bloomers actually earned significantly higher IQ scores than the other students.

What had happened was that the teachers both consciously and unconsciously treated the late bloomers differently.

The same thing happens in reverse in the workplace. Senior managers who distrust the ability and knowledge of employees communicate this feeling to them both consciously and unconsciously. For example, they don't take their input and counsel seriously. Employees, therefore, feel that their opinions don't count and don't share them. Since senior managers consequently



receive little good advice from their employees, their unwillingness to seriously consider employee input grows.

A third reason why senior management doesn't listen to employees has to do with their view of power. Managers are often under the mistaken impression that there is a finite amount of power in the organization and it is their job to amass as much of it as possible. They also believe that knowledge and authority are the elements of power. They, therefore, do not listen to employees because that would be surrendering their own power.

Nothing could be further from the truth. The more management listens to the perspectives of employees, the more powerful the entire organization and each member of the organization will be.

Yet a fourth reason why senior management doesn't listen to employees is that communication gets stuck in the middle of the hierarchy. Organizational "middles" such as supervisors and department heads are sandwiched in between senior management and the majority of workers. Part of the job of the middles is to pass information back and forth between the two. Paradoxically, they are the ones who often hinder this flow of communication.

### What Can Be Done

#### 1) Circumvent the Hierarchy

It is very easy for good suggestions to get lost in the hierarchy. Employees become frustrated when their supervisors (i.e., the middles) do not pass along their suggestions to senior management. Senior management should avoid the bureaucracy by conducting face-to-face meetings with employees. Meetings such as "bagels-with-the-President" and "brown-bag-lunches with

the CEO" can offer rich opportunities for senior managers to ferret out useful ideas.

## 2) Get Rid of the "Suggestion Box"

There is no better way I know to stifle openness than to tell employees to use a suggestion box rather than voicing their views openly. The use of such a policy clearly signals to employees that voicing their suggestions openly to their manager or senior management is unacceptable. Employees should be treated as adults and given the opportunity to communicate their ideas in person.

## 3) Set Realistic Expectations

Employees are often disappointed when their suggestions are not used. However, in some cases their suggestions are off-base, unrealistic, or plain wrong. Management needs to make it clear that not every suggestion can be used, but that all suggestions are welcome. Employees with good suggestions will be happy that the good suggestions, not all suggestions, are used.

## 4) Proactively Promote the Proliferation of Suggestions

Management should make it clear to employees that providing suggestions is an expected part of everyone's job.

## 5) Provide Recognition

Public recognition or cash awards for good suggestions can be very motivating to employees. However, great care should be taken in managing such a

program. I have seen these types of programs backfire by leading to resentment from the many employees who do not receive the award.

#### 6) Close the Loop

Employees need to know that their suggestions are not being ignored. It is important for management to communicate to employees when their suggestions are being implemented. Doing so will increase the probability employees will continue to make useful suggestions.

#### Conclusion

Management often doesn't listen to employees and employees are not happy about it. Perfect communication between management and employees is unrealistic, however, senior management should speak with employees directly whenever possible. Management should also ask employees for their suggestions and recognizing good suggestions.

## **7. Management doesn't respect us.**

*3 out of 10 employees believe the company doesn't treat them with personal respect.*

A major international manufacturer of construction products asked me to help them develop their employee survey. Separately, they had recently published a beautiful 4-color glossy booklet about their new *vision*. It was an impressive, well-organized piece. It had separate pages listing how the company provides value to the community, shareholders, customers, and employees. The booklet was distributed to all of these groups including the employees. The Vice President of Human Resources asked me if it would be possible to organize the items of the employee survey into these same categories. It sounded like a good idea to me. I returned to my office and prepared the draft survey.

As a precaution, we decided to conduct a pre-test of the survey instrument to make certain that employees understood how to answer each of the items and to make sure we were asking all the right questions. We invited 12 employees to the session. They represented a cross-section of the employee population and included supervisors, hourly employees, and members of each of the major departments.

I passed out the survey and asked them to complete it. After about 20 minutes I asked, "So, what do you think?" Their response shocked me. To a person, they said, "If this survey came to my desk, I wouldn't complete it." I asked why. They said, "This is the company's way of pushing their new vision on us rather than really caring about what we think about working here."

In short, these employees felt they were not respected. Needless to say, I changed the survey before it was printed.

My sister worked in the back office of a large health care organization. She worked with about 25 other college-educated employees who were responsible for processing medical claims. Here are three memos she and her coworkers received from management. (These are verbatim transcripts of the memos including the capitalization.)

"Just a reminder to take care of all personal matters before you punch in. This includes personal hygiene, morning beverages or food, or any other personal task that is not directly work related. You should not be attending to any of these matters once you have punched in to start your work day."

"I RESPECTFULLY ASK THAT EACH OF YOU PAY ATTENTION TO YOUR WORK AND IF YOU SHOULD HEAR SOMEONE ELSE'S PERSONAL BUSINESS, THAT YOU IGNORE WHAT YOU HAVE HEARD."

"DRESS CODE - THE DRESS CODE IS FOR EVERYONE TO FOLLOW... IF YOU ARE UNSURE WHETHER OR NOT YOUR OUTFIT MEETS THE REQUIREMENTS, IT PROBABLY DOESN'T... WE ARE BUSINESS CASUAL... IF EVEN ONE PERSON CANNOT FOLLOW THE GUIDELINES, THEN EVERYONE WILL DRESS BUSINESS."

### The Problem

Are you as incensed about these correspondences as I am? Memos like these are downright insulting, degrading and disrespectful to employees. If management wants employees to act as adults, they need to treat them as adults. Management cannot expect to receive respect from their employees if they do not respect them.

My work takes me to many different types of organizations. Even on an initial visit, I can typically tell if an organization respects its employees. Here are some of the very basic little things I look for:

- Special parking places are reserved for “the employee of the month” but not for the senior executives of the company.
- They provide adequate parking for visitors.
- They treat visitors and each other courteously.
- Gentlemen open doors for ladies.
- The receptionist smiles and tries to make me feel comfortable by offering me a restroom and letting me know what happened when they tried to contact the person with whom I have an appointment.
- Managers introduce their support staff and colleagues to visitors.

Here are some things job seekers can look for to predict whether an organization respects its employees.

- Does the job advertisement say, “applicants who do not provide their salary requirements will not be considered?”
- Does the interviewer keep you waiting for a long time in the reception area?
- Does the interviewer offer you something to drink?
- Does the interviewer maintain direct eye contact with you?
- Does the interviewer try to make the interview a stressful experience by asking intimidating questions like, “What are your weaknesses?”

### The Underlying Psychology

Why does management treat employees disrespectfully?

As previously discussed, senior management's perspective atop the organization is different from those within the organization. Since uppers are generally inclined to have a dim view of the skills and knowledge of employees, they don't respect them.

The concept of "mirroring" offers a second explanation of why management disrespects employees. Mirroring is the phenomenon in which relationships at the upper levels of the organization spread to lower levels. As they say, "it all starts at the top." For example, if parents demonstrate violent behavior in front of their children, the children will undoubtedly express these same behaviors to their friends. Similarly, if senior managers don't respect their direct reports, these second level managers will demonstrate a similar level of disrespect to their direct reports and so on. The practice of disrespect spreads or mirrors itself throughout the organization and becomes part of the culture.

But you may ask how does that disrespect begin in the first place? One reason is that uppers often experience disrespect in their external environment. For example, their suppliers, stockbrokers, or customers may disrespect them. This then starts the process of disrespect mirroring within the organization.

A third reason for disrespect of employees in organizations is "insecurity." Managers and supervisors who are not confident in their own skills and abilities often demonstrate the same views about their direct reports.

A fourth reason employees are disrespected is that the organization views all employees as expenses rather than income-producing assets. Senior managers in healthy organizations know that the engines that drive their business are their employees. They treat employees as investments that must be respected.

My neighbors invested in a powerful snow blower to combat the brutal New England winters. To protect their investment they respect the equipment by providing it with the type of fuel it needs and maintaining it in good working order. Healthy organizations treat employees similarly. They focus on the fact that each employee represents \$100,000 to \$500,000 of revenue rather than their salary.

### What to Do

#### 1) Respect Employee Privacy

Discuss personal and sensitive issues in private rather than publicly. Also, don't spy on employees. A 2005 survey by the American Management Association of 840 U.S. companies found that 60 percent use some type of software to monitor their employees' incoming and outgoing e-mail. Jeremy Gruber, a legal director at the National Workrights Institute in Princeton, NJ was interviewed by the Wall Street Journal regarding the monitoring of employee emails by their organizations. He said, "As an employee you have no rights whatsoever." (March 9, 2005, Page B1) Even though employees have no rights, take the high road and respect employees' privacy.

#### 2) Get to know your employees as People Rather Than Mere Workers

In healthy organizations, supervisors, managers, and even the senior-most executives know the names of the majority of their employees. They also know a little about their families and their major interests. Employees are more than just human machines. They are people.

#### 3) Communicate With Employees Individually



Don't send blanket emails and threats to all employees. Even in organizations where a high level of teamwork is important, employees must be managed individually.

#### 4) Apply Discipline to Individuals Not Teams

If there is a problem with an employee's conduct, dress, or use of company time, talk to that person individually. Use the organization's performance management and discipline processes. That's what they're for.

#### 5) Recognize that Employees Have Lives Outside of Work

There is no excuse for blatantly abusing company time. But is receiving a periodic call from a family member really so terrible? Is checking in with a childcare provider cheating your employer? I don't think so.

#### 6) Treat Employees as Adults

Eating a two-hour full course meal during work hours is probably inappropriate, but is sipping coffee or soda at your desk a violation of company time? Again, I don't think so.

#### 7) Remember the Golden Rule

Management should give employees the same level of respect and dignity that they would want to be shown.

### Conclusion

There is no excuse for management treating employees disrespectfully. Senior management must treat each employee as an individual and a valuable asset of the organization. In short, they should be treat employees as respectfully as they themselves want to be treated.

## **8. So who's in charge anyway?**

*Only 1 out of 2 of employees believes management makes good decisions.*

### The Story

It was the biggest decision of his career and the biggest decision that had been made by his organization in more than a decade -- and he blew it.

Grady Little, manager of the 2003 Boston Red Sox, was at the helm in New York during the seventh and deciding game of the American League Championship Series against their nemesis for more than 80 years, "the Evil Empire" -- the New York Yankees. The Red Sox got off to an early lead against their former superstar-turned-arch-enemy, Roger Clemens. Pedro Martinez, former Cy Young award winner, and the Sox's best pitcher, was on the mound. He held the Yanks to just two runs in the first 7 innings on two solo homers by the previously unproductive Jason Giambi.

The Sox were leading 5 to 2 and the fans back in New England were cautiously optimistic that this might finally be the year to overcome the famed "curse of the Bambino." Pedro had pitched brilliantly up to this point, but his pitch count was over the magical number 100 and Grady rarely kept him in after that. The Red Sox bullpen had been performing very well in the post season. Should he bring in relief or let Pedro come back to the mound to pitch the 8th? He stayed with Pedro.

Pedro got into trouble quickly by letting up two hits in the eighth inning. With only one out, Grady came to the mound and asked his tired-armed superstar whether he wanted to stay in the game. Of course, the brave battler Martinez said, "keep me in." As he usually did when his superstar spoke, Grady complied.

Little was barely back to his seat in the dugout when Pedro let up a run-scoring hit making the score 5 to 3. But, did Grady take him out then? No. Instead of revisiting the mound immediately and bringing in some relief, he stayed seated and let Pedro resume the battle.

The rest is history. Pedro let up his fourth hit of the inning, a two-run bloop single to center field by the Yankee catcher, Jorge Posada, which tied the game. The Red Sox later lost in the bottom of the 11th inning on a crushing Bucky Dent-like home run by weak-hitting Aaron Boone. The Red Sox Nation was devastated -- yet again.

Why did Grady Little cow-tow to his subordinate Pedro Martinez? Unfortunately, he listened to his subordinate member rather than himself or his business advisors -- a big mistake.

### The Problem

Senior managers in organizations need to know when to gather information from employees and when to make the hard decisions despite the sentiments of their employees. It's management's job to gather all of the information, weigh this information, and then make the final decision with the best interests of the organization in mind.

When managers abdicate their decision-making responsibilities, employees lose trust in their leaders. A lack of trust leads to lowered commitment to the organization and decreased morale.

## The Underlying Psychology

Part of the “psychological contract” employees implicitly accept when they join an organization is that in return for compensation and being treated fairly, they will follow the decisions made by their supervisors and senior management.

Most employees have strong opinions about what decisions should be made, but would rather have management actually make the crucial decisions. They are willing to play a subservient role if management will step up to the plate and make the tough decisions. They are also usually willing to follow along to implement those decisions.

When management makes the wrong decisions or fails to make decisions in a timely manner they are violating the psychological contract.

## What to Do

1) Understand that the Goals of the Organization and the Goals of Your Employees are Not Always the Same

Pedro did not want his pride to be hurt. He wanted to show the world that he could continue to mow down the Yankee hitters. He wanted to silence his critics after his earlier loss in the series. He probably also wanted to make sure that his salary would stay astronomically high during his upcoming salary negotiations. These, of course, were not the goals of Grady Little or the Red Sox. Their goal was to get five more outs and win the game. The primary input used to make this decision came from the wrong person.

2) Know Where to Draw the Line

Some day-to-day decisions can, and should, be made by workers. Other, more strategic decisions should be made by management alone. In this case, the decision should have been made without even consulting the worker. Did Grady really expect Pedro to say, "Yes, please take me out?"

### 3) Consult with Senior Advisors

The decision was Grady Little's to make, but he needed to gather more input from the other coaches on the team. Apparently, he did not. The pitching coach and the catcher should have been consulted.

### 4) Base Decisions on Logic Rather than Emotion

Logic definitely dictated that it was time for Pedro to leave the game, especially after he had given up two hits following a long 7th inning stretch delay. Grady let his emotions and the emotions of his superstar determine the decision. This is not a wise business strategy. Leonard McCoy of Star Trek fame, the emotional doctor of the 23rd century, would have let Pedro stay in; the logic-oriented Vulcan Spock would have taken him out.

### Conclusion

Management needs to make the hard decisions even if those decisions fly in the face of the wishes of their valued employees. Employees will be happier if they know that management will not hesitate to make the important tough decisions when necessary.

## ***9. I just don't trust the information I receive from management.***

*1 out of 2 employees doesn't trust the information they receive from their senior management.*

### Story

I was consulting to a privately held environmental consulting firm based on the East coast. They operated 10 locations in the United States and several overseas with a work force of approximately 350 employees. Trust in management was at an all time low.

In response to declining revenues, the company was in the midst of a great deal of change. During the past year they had downsized the company by more than 25 percent. They had recently hired a new operations manager to help the company better focus on the bottom-line. They were planning on restructuring the company by splitting it up into a small administrative services group and a larger operations group. The owner was also seriously considering selling the company.

Employee morale had become a major problem for the company. Although, in recent months, there had been a much greater focus on improving communication with employees, many problems remained. Employees felt senior management knew much more about the future of the company than they were telling employees.

The rumor mill was running amok. Employees feared the company would be sold and there would be more layoffs. They felt that management was holding back. They no longer trusted management to be honest with them.

The truth was that senior management really had no idea about what was going to happen next. They were also in the dark and had not even developed any contingency plans in the event that revenue continued to decline. They did not want to alarm anyone with possible “what-if scenarios.” They, therefore, passed very little information about the situation along to employees.

### The Problem

Employees often complain that management is not honest with them. They believe that management withholds important information from them. This they view as a sign of disrespect.

I have sat in on many presentations in which senior management attempts to honestly present important information about the performance of the company to employees. It is not uncommon to see many employees sitting there with their arms folded expressing their deep skepticism.

How can management expect employees to align themselves with the goals of the organization when employees don't trust the information they receive about these goals from management?

When employees don't trust the information they receive from management, employee productivity and commitment to the organization decline.

### Underlying Psychology

Senior management loses sight of the fact that they have a very different perspective on the organization than do the rank and file employees. They have access to more information about the performance of the organization, the market, and the economy. They, therefore, often take for granted their important responsibility to communicate information to employees.

Senior management understandably believes that if there is nothing important to report to employees, they need not do so. Employees, however, are thirsty for information. When they don't receive it, they believe that information is being intentionally withheld from them.

Middle managers have the responsibility of passing along information to their employees. Senior management assumes that when they meet with middle managers, the important information shared at the meeting will be passed along to their employees at their upcoming departmental meetings.

Unfortunately, this is often not the case. It is not uncommon for middle managers to leave a briefing of senior management and report nothing to their direct reports. They also assume that the information is not important and that employees don't really need to know.

Some middle managers also intentionally withhold information from their employees. They mistakenly believe that information is power and that telling employees all they know would diminish their authority.

Contributing to the problem is the fact that employees often have unrealistic expectations about what information senior management should provide to them. If they haven't heard about something from management they often assume the worse. They also mistakenly assume that management doesn't respect them enough to be honest with them.



## What to Do

### 1) Bypass the Middlemen

Middle managers in most organizations frequently say, “senior managers and employees would have a much better understanding of each other if they would only spoke directly with each other.” As previously discussed, ironically, it is these middles that get in the way of that communication.

Just like the classic children’s game “telephone,” information becomes distorted when it flows through others. When people pass on information they often intentionally or unintentionally filter, embellish, and put their own spin on the message.

In small organizations, senior managers can:

- Hold regular all-employee meetings;
- Conduct informal breakfast or lunch meetings with employees; and
- Meet face-to-face with individual employees when walking through the halls.

In large organizations, senior management can:

- Prepare videotaped messages;
- Send emails or memos directly to employees; and
- Use the services of communication professionals to help choose the appropriate media, message, and moment.

### 2) Differentiate Between “Nice-to-know” and “Need-to-know”

It is important that senior managers establish criteria for what type of information should be communicated directly to employees and what should not. For example, information should be communicated directly to all employees if it:

- Impacts the actual work they perform;
- Has a personal impact upon their future within the organization; or
- Impacts them monetarily.

### 3) Communicate “Don’t-Knows” as Well as “Do-Knows”

Above all else, employees want honesty from senior management. It is, therefore, important that management communicate what they don’t know as well as what they do. For example, they should be honest with employees when they are uncertain about:

- How the economy will influence the organization;
- The need for layoffs in the future; and
- Future plans for the direction of the organization.

### 4) Over-communicate

You can never communicate important information too frequently. Senior management should communicate important messages to employees several times.

### 5) Use Multiple Communication Channels

Employees have different preferences for how they receive information. Some like to read it in the company newsletter, some in an email, and others like to listen to senior managers present at meetings. To effectively reach everyone, multiple methods should be used.

### Conclusion

Kept in the dark, employees become very unhappy. Management needs to be very sensitive to the need for employees to really know what is happening with the organization. To keep employees well informed, circumvent the hierarchy, communicate directly and often using multiple channels, and communicate what you know and what you don't know about what is important to their work and to their future.

## **10. My boss is terrible.**

*4 out of 10 employees are unhappy with their boss.*

It was the 5th year of my graduate studies and finding a good dissertation topic had become a major challenge. I needed to find a topic that could sustain my passion. My criterion for a good topic was something I called the “so-what-test.” I needed to be able to find a research topic that I felt was important and worthwhile. But finding a topic that could pass this test was proving to be very difficult.

One day one of my faculty advisors at the University of Maryland suggested that while I was in limbo with my dissertation I volunteer to help them with a new research project they were beginning. The task was to find out why employee turnover was so high in the physical plant department of the University. I agreed to interview people who were planning to leave to try to find out why.

The very first interview made a long-lasting impression on me. The interview began with the soon-to-depart employee, Roger Johnson, saying, “I’ve never had a more miserable 6 months in my life.” My attention immediately turned away from identifying why he was leaving to an empathetic concern for understanding why leaving was difficult for him. I thus began to search for an understanding of why leaving was difficult for people and how they dealt with this troubling time in their lives. Alas, I had found a topic that would pass my “so-what-test.”

Here’s Roger’s story. He was a man in his late forties who had been a carpenter for 23 years prior to joining the University. A back injury had forced him to seek his current position, a desk job in which he processed

maintenance work order requests. He had been self-employed for many years. This was his first foray into an organization.

He cited an inability to get along with his supervisor as the major reason for his wanting to leave. She was a micromanager who had very little respect for his breadth of experience and need to feel appreciated. She was also a poor communicator who spoke with him only when she had a criticism to make.

Since that time I have learned that Roger's difficult experience with his supervisor is very common in the workplace. Properly supervising others is no small feat.

### The Problem

Most employees experience a bad boss at least once in their career. Many actually feel they've **never** really had a good boss. Insensitivity, failure to communicate, and a lack of fairness are the hallmarks of poor supervision.

Why is it that good supervisors are hard to find?

- 1) Supervising is Not Easy – Handling the complex issues of motivating employees and solving job and people-related problems is very difficult. Few are capable of handling these responsibilities well.
- 2) The Peter Principle – Organizations promote those who are good at programming, selling, and making their numbers, rather than those who have demonstrated good leadership and people skills.
- 3) Poor Hiring Practices – In this age of specialization, employers rarely focus on hiring people with good potential for supervising others. Instead, they are inclined to look only at the technical skills of applicants. Characteristics such

as the ability to motivate others, the ability to solve complex people problems, and emotional intelligence are rarely considered during the hiring process.

4) Lack of Recognition for Good Supervision – Pay increases and promotions for supervisors are rarely based on how well they actually supervise others.

5) Lack of Training – Most organizations do a poor job of providing the appropriate training for their supervisors.

6) Lack of Good Role Models – Excellent senior level managers who are able to mentor other supervisors is the exception rather than the rule. Instead, it is often the blind who are leading the blind.

### The Underlying psychology

Few employees can maintain their motivation and good spirits when working for a supervisor with poor supervisory skills. The day-to-day reality of employees is defined to a large extent by their supervisor. Employees need to feel that they are competent, appreciated, and dealt with fairly. They desperately want to believe that their supervisor will possess the wherewithal to treat them with respect and dignity.

### What to do

Here are 7 basic principles for becoming a better boss.

1) Treat Employees With Respect and Dignity

3 out of 10 employees do not feel they are treated with respect by their supervisors. To be a good boss requires doing the many little things that demonstrate respect for employees.

- Introduce your employees to visitors.
- Discuss personal and sensitive issues in private rather than publicly.
- Get to know your employees as people rather than mere workers.

## 2) Involve Employees in Decisions

Only 1 out of 2 employees feel their supervisors involve them in decisions. As a result employees feel they are not valued.

- Make it a habit to ask employees for their opinions.
- Let employees know that their ideas are welcome.
- Thank employees for their suggestions.
- Most importantly, don't discount good suggestions. Use them.

## 3) Empower Employees

Employees want to be treated as adults, yet 4 out of 10 feel they don't have the decision-making authority they need to do their job well.

- Delegate whenever possible.
- Allow employees to have more of a say in how they do their work.
- Recognize that a supervisor's power in the organization will increase rather than decrease by empowering his or her staff.

## 4) Clearly Communicate Assignments

4 out of 10 employees do not feel that their supervisor clearly communicates goals and assignments. Unless expectations are clearly set, employees feel powerless to properly perform their job.

- Communicate goals and expectations in groups, individually, and in writing.
- Communicate goals and expectations frequently. Although the goals may be clear in your mind, your employees may need to be reminded.
- Don't assume employees understand. Once you have explained the goals and assignments, ask employees to restate them in their own words.

#### 5) Listen, Listen, Listen

4 out of 10 employees do not feel their boss listens to their suggestions and 3 out of 10 say their boss isn't even available to speak with them when they have questions. Absentee supervision is rarely effective.

- Make it a point to be available to employees any time they have questions.
- Practice active listening techniques such as asking open-ended questions.
- Learn how to probe for information, ideas, and feelings when speaking with employees.

#### 6) Recognize that Your Job Includes Solving "People Problems"

Only 1 out of every 2 employees feels their supervisor does a good job of solving people-related problems.

- Be prepared to address employee issues such as ineffective performance, health problems, family crises, substance abuse, and harassment from co-workers.
- When necessary, seek counsel and involvement from professionals in the human resource department.



- Be aware that sometimes employees will need to speak with a professional outside of the organization.

## 7) Provide Personal Recognition

Employees desperately want to know that their good work is recognized and appreciated. Unfortunately, only 1 out of 2 feel their boss does a good job at this.

- Keep your eyes open so that you can "catch employees in the act" of performing well. Provide them with recognition immediately, rather than waiting for a performance review discussion.
- Just like the best gifts to receive are those when there is no occasion, periodically thank your employees for their hard work.

## Conclusion

Many employees are unhappy with their bosses, but being a good boss is very difficult. It takes thoughtful action and commitment. If you supervise others, become a student of the craft. Continually try new approaches to learn what is most effective for you and your employees. Don't become known as "that terrible boss I had at my last job."

## **CHAPTER III**

# **HOW TO PROVIDE EMPLOYEES WITH WHAT THEY REALLY NEED**

## ***11. I've lost confidence in management.***

*Three of every five employees believe that their organization is not well managed.*

### Story

About one week after I was laid off my job at the major consulting firm, I received a call from an old friend of my mother-in-law. He said that he was on the board of a start-up retail organization that wanted to conduct an employee survey. Alas, this would be my first client in my new business. I was elated.

The now defunct company was called Audrey Jones. It was a 70-store retail chain of clothing stores catering to women in need of high-end, large size clothing. The concept behind the stores was that this was an untapped niche. Larger sized women were not able to find good dress clothing in department stores and would be willing to pay a premium for it.

I called the President of the organization and he asked me to come visit. When I met with him he said that the purpose of the survey was to help him make Audrey Jones a good place for everyone to work. I submitted my proposal. He called me about 2 weeks later and said, "Let's get started."

About 2 weeks into the program, I received a call from a gentleman from a venture capital firm based in San Francisco. He said, "You don't know me, but I am the head of the Board of Directors of Audrey Jones. You are really conducting the survey for us, not for the President. We asked him to have the survey conducted. Once you have completed your analyses, send the results of the survey to me directly." He then added, "Oh, and by the way, don't tell the President we have spoken."

What a curve ball! My first project in my new business and I was unclear as to who was really my client. After careful deliberation, I made the decision that I would comply with his request.

During my pre-survey interviews of employees in the Corporate Office and at some of the stores, I came to understand why I was really asked to conduct the survey. Unbeknownst to the President, employees had lost confidence in him, his expansion plans, and how he was operating the business. They had lost trust in his decisions and felt he didn't know what he was doing. They were very much worried about the future of the organization under his leadership.

I administered the survey, analyzed the data, and sent the report separately to both the President and the head of the Board.

About a week later, I received a call from an assistant at the venture capital firm. She said that there was going to be an emergency meeting of the Board in New York City in 2 weeks and they wanted me to present the results of the survey at the meeting.

I arrived at the meeting about a half-hour early and waited in the conference room in which the meeting was to be held. About 15 minutes before the meeting, the head of the Board came in to the room to greet me. He said, "I just want you to know, that as of this morning the President has submitted and we have accepted his resignation."

Needless to say, I was shocked. My services had clearly been used to convincingly show the Board that the workforce had lost confidence in the President. I felt badly about what had happened to the President but that, perhaps, I had performed a valuable business function. I came to believe that my role in this process was worthwhile. In most organizations, the fact that

employees have lost confidence in their senior management really doesn't make any difference at all. In this case, it did.

### The Problem

Our nation has been suffering for many years from an erosion in confidence in our business institutions and their leaders. Three of every five employees believe that their organization is not well managed. This is not surprising given the:

- Abysmal performance of many organizations;
- Huge numbers of employees who have lost their jobs due to layoffs;
- Sobering news about management improprieties at previously well-respected companies such as MCI, Enron and Tyco;
- Unscrupulous insider trading by senior executives; and
- Large numbers of employees who have seen their once-valuable stock options become worthless.

This lack of confidence is a problem for both employees and their employers. The problem for management: employees who lack confidence in management are less motivated and productive. The problem for employees: employees with little confidence in management develop a jaded and cynical view of their employment situation. Although they take pride in their work and enjoy their coworkers, they are unable to become enthusiastic and truly committed to the goals of the organization.

## The Underlying Psychology

Employees agree to surrender their time and energy in exchange for pay, benefits and management providing a comfortable working environment and a viable business.

When employees feel that management is not making good decisions for the company, they feel that the unwritten psychological contract with their employer has been violated. They thus reconsider their own willingness to commit their time and energy to the organization.

## What to Do

### 1) Produce Results

Most importantly, employees want to know that somebody is doing a good job of minding the store. Just like stockholders, they want to see tangible results, an honest accounting of the organization's financial condition, and well-conceived plans for the future. Produce results and communicate the successes to employees.

### 2) Share the Wealth

Employees can be quite accepting of hefty senior management salaries if they too feel that they are sharing in the wealth and growth of the organization. Institute profit sharing programs and enhanced raises and bonuses when business is doing well.

### 3) Recognize that You Are Accountable to Employees

Senior management in many organizations seems to have forgotten that they are accountable to employees as well as to stockholders and customers. Sadly, in far too many organizations, employees are treated as expendable and do not receive the respect from senior management that they deserve.

### 4) Be Honest With Your Employees

Employees can live with slumps in the business. They can also live with a year without bonuses or raises. What they cannot tolerate, nor should they, is management's insincerity and dishonesty. Nothing can erode employee confidence faster than management's telling lies or failing to disclose important information.

### Conclusion

Employees will have more confidence in the decisions made by management, good or bad, if management openly communicates decisions to them and treats them as true business partners. Employees who have confidence in management are happier employees.

## **12. We're understaffed.**

*Six out of 10 employees say they are shorthanded.*

### Story

A large insurance company in New England engaged me to survey the employees of a small life insurance company they had recently acquired in Maryland. This 200-person company had a long, proud history of serving its local market. Most of their employees had been with the company for many years.

Their book of business had grown, but only modestly, during the past few years. Employees felt that their hard work was responsible for the growth. Now that a larger company owned them, the employees wanted their voices heard. They were very concerned that they were understaffed.

However, based on available staffing level studies in the industry, they were actually overstaffed. These employees had grown accustomed to a relatively light workload but still felt overworked. Management's dilemma was how to address employee concerns without increasing their payroll costs.

### The Problem

Our research shows that the majority of employees say there are not enough qualified employees to handle the work in their department. Our research also shows that this is a very important issue to employees. Here are some reasons why employees feel overworked.

- 1) The Staff is Slow to Adapt to Changing Technology



For this company, employees were very slow to adjust to the new technology their new parent had introduced to the company. They had been using outdated manual procedures and lacked the computer savvy to quickly adapt to the new systems. As a result, they felt understaffed. What was really needed was not more staff, but better training or different employees who were more suited to using the technology.

## 2) Business Models Change

Organizations must continuously change to survive. They must adapt to the changing needs of their customers. For example, one of my clients operated a (now "dot-gone") web-based Internet commerce company. It helped small businesses establish shopping carts on their web sites to sell merchandise. Their business model required that the process of acquiring new customers and servicing them should be 95 percent automated. But, the Customer Satisfaction Survey we conducted for them revealed that customers wanted more personal attention, not more on-screen documentation or FAQ web pages.

The desires of their customers forced their sales staff to do put in double-duty as customer service agents. But the company needed them to be out selling, not servicing existing customers. Because the only way they could attract and retain new merchants was by providing time-consuming handholding, their sales staff spent more and more time servicing customers and less time finding new customers. In short, their business model had changed and they didn't have the right staffing for it.

## 3) Demand Often Changes Faster than Supply

Another one of my clients is an office manager of a large, busy group medical practice. She is responsible for five office workers who handle medical records and deal with the paperwork required by the insurance companies.

One day the senior partner told her they would be adding a new physician to the practice. That day, she also learned that one of their larger HMOs was changing their procedures and that she would now be required to complete additional paperwork for each patient.

She knew she would need more staff immediately, but to hire and train them would take months. The demand for staffing occurred faster than the supply and her existing staff was overtaxed.

#### 4) Staff Cuts Go Too Far

Declining revenue in another client of mine forced them to impose a 10 percent layoff. In the spirit of fairness, they decided to implement an across-the-board layoff strategy. Each department was required to reduce their staff count by one.

I conducted an Employee Survey of "the survivors" and found, not surprisingly, that the workload problems were particularly severe in the smaller departments which had lost a greater percentage of their employees.

#### 5) Required Skills Change

One of my financial service clients has many dedicated, long-tenure employees. To improve efficiency the company gradually upgraded their internal systems. Many functions previously performed by hand are now fully automated. Our Employee Survey found that, as a result, the technical staff felt overworked and the old-timers felt under-utilized.

What they now needed were fewer of the do-it-by-hand employees and more programmers and computer savvy workers. The required skills had changed.

### The Underlying Psychology

Employees gradually reach a comfort level with the amount of work they are expected to perform and the compensation they receive from their company. This delicate balance can be disrupted, of course, by reducing the compensation. Asking employees to perform more work for the same compensation can also disrupt the balance. When this happens, employees become unhappy and want to restore the balance by either reducing their workload or earning more pay.

As the needs of the organization change, it is no problem for employees who are working very hard to work less hard. But the opposite is not true. It is quite difficult for them to feel happy about working much harder.

There are no rules regarding the amount of work one should perform in order to receive a certain level of pay. Market forces determine pay levels. However, employees develop an unconscious perception about the appropriate amount of effort they should expend. It is as if they have an internal balancing scale that weighs the amount of work they perform versus the compensation they receive. Employers must be very aware that employees are very sensitive to changes in this balance.

### What to Do

This is a major challenge for employers. Creating an even balance of work throughout the year or from year to year is virtually impossible. Yet, this is what employees expect. Here are a few suggestions for handling this problem.

### 1) Set Realistic Expectations

Make it clear to employees when they are hired and on a continuous basis that their workload will depend upon the needs of the business. Tell them that they should expect to be busier during certain times of the year than others. Also, tell them that their workload might increase over the years as the business changes and the staffing levels change. Also let them know that periodic layoffs and unfilled open positions sometimes cannot be avoided.

### 2) Ask Employees About the Workload

Employees are often the best source of preliminary information about the need for more qualified staff. Simply ask them their opinions through confidential interviews and employee surveys. Of course, one must realize that their desire for more staff may be more self-serving than real.

### 3) Conduct Periodic Staffing Audits

Staffing levels evolve over time but don't necessarily match the needs of a changing company. A systematic audit of the volume of work to be performed and the needed skills can identify the mismatches. An objective outsider should be used to conduct this job analysis.

### 4) Retrain Staff

Many organizations talk about retraining staff, but few actually do it. Once an audit identifies shortages in skills, retraining of existing staff can often fill the gap. Although it is often not easy, you old dogs *can* learn new tricks.

### Conclusion

Real or imagined, employee concerns about their workload are often unavoidable. But there are measures that employers can take to better manage these concerns. Avoiding the problem is not one of them. Set realistic expectations about workload, conduct periodic staffing audits, retrain staff, and ask employees how they feel about the workload. Most importantly, make certain that understaffing is not adversely affecting customer satisfaction.

### ***13. I don't receive the information I need to do my job well.***

*Half of all employees say they don't receive the information they need  
to do their job well.*

#### Story

I consulted to a pharmaceutical firm a few years back. They were a division of a Fortune 100 chemical company and took their orders directly from the parent. The researchers at the pharmaceutical firm were working on several experimental drugs. Their job was to conduct animal drug testing on these drugs and work their way through all of the many FDA procedures for gaining approvals.

Each experiment required months of pain-staking preparation and then many months of rigorous work to complete. The problem was that the parent company kept changing their minds about what drugs they wanted them to test and how they wanted the tests to be conducted. It frustrated the hell out of the researchers. They were constantly stopping, starting, and restarting their experiments. My employee survey revealed that more than two-thirds felt they weren't receiving the information they needed to do their jobs well.

I consulted with a large gas utility. The firm had grown steadily through the years and had offices throughout New England. The problem was that their internal information systems were outdated and not built for their large size. The field repairman would receive service orders several days late. The orders were often incomplete or just plain wrong. The office staff also received incomplete information from the corporate office. For example, the marketing department sent out a huge mailing to millions of customers about new service

offerings only to learn too late that the services were not yet ready. Employees were constantly frustrated by the poor information flow in the organization. Our employee survey revealed that 70 percent felt they weren't receiving the information they needed to do their job well.

### The Problem

One out of every two employees feels that they do not receive the information they need to do their job well. As a result, employees feel frustrated and the quality of the organization's products and services suffer.

Employees complain that they need more information from management, supervisors, co-workers, and customers. The key employee questions that frequently go unanswered are:

- Employees want to know from management: What organizational and marketplace changes are taking place that will impact our jobs? What are the priorities?
- Employees want to know from supervisors: What exactly do you want me to do? How much money do I have to work with? When do you need my work to be completed? How well am I doing? What do you want me to do differently?
- Employees want to know from coworkers: When will the work I need from you be completed? What are your expectations of me?
- Employees want to know from customers: How satisfied are you with the products and services I provide to you? What would you like me to do differently?

## The Underlying Psychology

Why is this Information not forthcoming?

- 1) Unnecessary secrecy - Management often mistakenly assumes that by withholding information they will be able to retain power and influence over employees.
- 2) Ineffective supervision - Although communication is the most critically important supervisory skill, many supervisors enter the ranks of management due to their technical, not their people, skills.
- 3) Communication is not built into the workflow system - Organizations typically do a better job of planning the flow of materials and products than they do information. Critical information, therefore, often slips through the cracks.
- 4) Lack of a cooperative spirit - Without a strong spirit of cooperation, employees are more apt to withhold than to share important information.
- 5) The information is simply not available. - Employees often mistakenly assume that information is available and is being intentionally withheld from them.

## What to Do

- 1) Conduct an Information-Needs Analysis

A systematic analysis should be conducted for each job in the organization that outlines what information is needed, from whom, and by when. The results of



this analysis then must be fully integrated into the organization's daily procedures.

## 2) Squelch Secrecy

Encourage openness. Without a good ethical, privacy, or legal rationale, secrecy within organizations makes is counterproductive and should be eliminated.

## 3) Provide Customer Satisfaction Information

Customer satisfaction surveys should be conducted on an ongoing basis. The information obtained from these studies should be communicated to all employees, especially those with customer contact.

## 4) Conduct the JFK Exercise

During John F. Kennedy's inaugural address, he said, "Ask not what your country can do for you, ask what you can do for your country." Similarly, employees should develop a list of NOT what information they need from others in the organization, but of what information they can provide FOR others. If everyone adopts this mindset, there will be a strong flow of communication throughout the organization.

## 5) Promote Supervisors on the Basis of Their Communication Skills

The ability to effectively pass the appropriate information to others is the most important supervisory skill. It should, therefore, be the one of the most important factors in promotion decisions.

## Conclusion

Employees are unhappy when they don't receive the information they need to perform their work. Organizations need to take proactive measures to make certain employees receive the information necessary to do their jobs well. They should conduct an information needs-analysis, squelch secrecy, provide customer satisfaction information, encourage each individual to improve communication with others in the organization, and promote supervisors on the basis of their communication skills.

## **14. We need more training.**

*Half of all employees say they need more training to do their job well.*

### Story

It was during the time of the frenzied Internet boom of the late 90's. I was consulting to a 140-employee, venture capital-backed Internet Service Company. They were able to hire top-notch programmers only by offering them stock options, a nice office, a generous salary, and a rich benefit package.

Many of the programmers complained that they weren't receiving the training they needed to do their work. The technology was changing rapidly and they were not given the opportunity to attend training programs or engage in any professional development activities.

These programmers also felt that the key to their own personal success within the company and in their career was to stay current with the latest programming languages. They knew that an out-of-date programmer is worthless in the market and doomed for career stagnation.

The company, however, was struggling to stay afloat. They had burned through 3 different Presidents within the past 2 years. To protect his investment, the largest investor got more involved in the day-to-day operations. They needed every programmer to be 100 percent billable. The last thing management felt they could afford was the cost and time of sending employees to training programs. Needless to say there was no training offered. Employees grew more and more unhappy. Eventually, for this and other reasons, like many other firms of their kind, they folded.

## The Problem

Organizations spend a huge portion of their operating budgets compensating employees. In return, they expect them to provide excellent products and services to their customers. Yet half of all employees say that they don't receive the training they need to do their job well.

Why don't organizations provide the training their employees need?

- Many view training as a frivolous fringe benefit rather than a vital business investment.
- Senior management doesn't believe training programs are effective.
- Training professionals don't do a good job of convincing senior management that investing in training yields tangible results.

This is a problem for both employees and their employers.

### 1) Personal Development

Without personal growth, employees stagnate and eventually burn out. Employees need to continually expand their job skills so that they can grow.

### 2) Job Performance

Learning new job skills enables employees to provide more value to their organizations, thereby increasing their job security. And, of course, expanding one's job skills also increases the probability of promotions and raises.

### 3) Marketability

Resisting opportunities to learn new skills is tantamount to career suicide. In today's rapidly changing job market, employees must continuously upgrade their job skills so they are able to more easily find another job when and if necessary.

Here's why employers need their employees to continue to learn new skills:

### 1) Capital Improvement

Organizations spend millions of dollars to upgrade their plants and equipment, yet precious little on upgrading their most important asset, their human capital. Improvements in employee skills lead to improvements in productivity.

### 2) Morale Improvement

By continuing to upgrade their job skills, employees will improve their productivity. Just as happy employees are more productive, more productive employees are happier.

### 3) Ability to Adapt to Change

The more skilled the workforce, the easier it will be for the entire organization to adapt to changes in the demand for its products and services.

### The Underlying Psychology

Employees want to continue to learn and grow for a variety of psychological and practical reasons. Maslow's theory regarding what he calls the "hierarchy of

needs” suggests that all employees are motivated to self-actualize (i.e., become all that they are capable of becoming). Doing so requires them to continually develop their skills and knowledge.

The “Two-Factor Theory of Job Motivation,” originally developed by Frederick Herzberg and his colleagues in 1959, posited that all job factors can be classified into two categories based upon whether they contribute primarily to job satisfaction or job dissatisfaction. His theory suggests that employees are more satisfied on their jobs if they are challenged and provided with the opportunity to grow.

Systems theory would suggest that all employees must manage their career in a rapidly changing and evolving system. Just as in nature, the Darwinian principle of “survival of the fittest” applies. Employees must continually learn and upgrade their knowledge, skills, and abilities in order to survive in the rapidly changing and turbulent economy. Employees know this at both a conscious and unconscious level. They are, therefore, motivated to continuously improve.

### What to Do

#### 1) Communicate the Importance of Learning

Senior management needs to communicate to employees that their organization is a learning center. They need to provide resources and encouragement for all employees to continually upgrade their skills. Becoming a center for learning will help attract and retain a dedicated work force.

#### 2) Show Them The Money

Establish a personnel development fund. Give each employee a set amount of money each year (e.g. \$250) that can be used for any job-related learning activity such as a professional meeting, book, video, or trip to a supplier. Also, provide tuition reimbursement to enable employees to take college courses in their field.

### 3) Institute a Job Rotation Program

Develop a system whereby employees rotate between jobs. This will help upgrade their skills and gain a better understanding of the interrelationships between different jobs within the organization.

### 4) Institute a Shadowing Program

This is a program in which employees are given the opportunity to closely observe other workers so that they understand and learn their jobs.

### 5) Provide a Resource Center

Establish a center and stock it with job-related books, technical manuals, industry trade periodicals, and training videos. Allow employees to visit the center on company time.

### 6) Systematically Assess Training Needs

The job skills required to be successful are constantly evolving due to changes in technology and customer needs. Carefully conducted “training needs assessments” identify gaps in employee skills. The organization can then focus on what type of training employees really need rather than on what training they would like to have.

## 7) Evaluate Training Programs

Unfortunately, only a very small percentage of training programs are ever systematically evaluated. To do so requires the following three steps:

- a) Identify the objectives of the training program;
- b) Establish a benchmark prior to the training; and
- c) Compare the before and after results.

If, for example, your objective is to increase customer satisfaction by improving the telephone skills of your staff, only by comparing the before and after customer satisfaction results will it become clear that the effort was worthwhile. Without such studies, senior management often feels that they are just wasting their money on training. The evaluation study will offer proof one way or the other.

Here is another example of the importance of evaluating training programs. I consulted to a major financial services company that was interested in evaluating the effectiveness of their enrollment meetings. During these meetings their financial experts taught employees how to save for retirement using the company's 401(k) plan which was managed by my client. The goal of the workshop was to give the employees the information they need so that they would feel comfortable enrolling in the retirement program.

For my client, obtaining the retirement assets of these employees was very important. They spent millions of dollars developing the informational materials for the meetings and then conducting the meetings at company sites. They needed to know if employees were learning anything and whether the program was increasing the likelihood that they would rollover their retirement savings into the program.



By conducting a pre-test and post-test, I was able to objectively help my client learn what they needed to do to improve the enrollment meetings.

#### 8) Invest in Training During Down Periods

Senior management must change their mindset from considering training to be an expense, to viewing it as an important investment in their business. Training budgets are often the first to be cut during challenging economic times. It makes more sense, however, to focus on training when there is a lull in business. When business is slow, employees are more able to take time from their work to attend training sessions.

#### 9) Encourage Employees to Be Open and Honest about their Needs

Employees have a tendency to say that they don't need training even if they know they really do. Consequently, they say nothing, leaving management in the dark. Employees need to take responsibility to say to their supervisors, "I need training and here's why."

#### 10) Use Methods Other Than Classroom Instruction

Traditional classroom instruction is often not the best way to teach job skills. Computer-assisted instruction, web-based training programs, and audio or video training are some of the many techniques that enable individuals to work at their own pace and learn more than they would in a classroom setting.

#### 11) Make Certain Supervisors Support the Transfer of Training

Supervisors must be open to change. Very often supervisors discourage and even chastise employees for using the new skills that they were taught in training programs. It is no surprise that those skills are, therefore, not used.

### Conclusion

Employees are unhappy when they don't receive the training they need. They are concerned about performing their job well and about their marketability. Employers need to view training as an investment rather than an expense.

## ***15. The quality of our products and services is terrible.”***

*\*\* 4 out of 10 employees don't think the quality of their organization's products  
and services is good. \*\**

### The Story

I was consulting to a large organization that manufactured welded brass fittings for large water pipes. Employees in the shop complained, “We have a quota that management wants us to meet each day no matter what. Some times the raw materials we receive have defects. Other times our machinery breaks down. Unfortunately, as a result our products don't always meet the high quality standards we guarantee to our customers. Sometimes we just really need to make less so that what we make is up to snuff. But when we complain to management about the quality of the products, they say just keep your mouth shut and ship it.”

I consulted to a think-tank that produces research reports for the telecommunications industry. Their customers pay tens of thousands of dollars for an annual subscription to receive these periodic reports. Employees were concerned that the reports weren't as timely or as useful as they used to be. They worried that some of their customers would realize this and cancel their subscriptions.

Employees on the manufacturing floor of an adhesive products company complained that due to quality problems, they were receiving a tremendous amount of returns from their customers. Processing the returns was very time consuming and was definitely angering customers. They blamed management for sacrificing the quality of the products to save money. The

machinery was in need of repair and they were buying raw products from the lowest bidder regardless of quality.

These are all examples of how the continuous quality improvement movement has properly focused the attention of many employees on the quality of the products and services their organization provides to its customers. Indeed, many organizations have transformed themselves to better serve their customers. The result has been an increase in both employee and management commitment to quality.

Back in the 80s when the quality improvement initiatives of many organizations were catching fire and W. Edwards Deming was the organizational guru of the day, the results of many of the employee surveys I conducted revealed a very surprising finding. Employee ratings of the quality of the products and services produced by their own organizations were dramatically declining, not improving. This was especially true in those organizations that had devoted a great deal of time and attention to improving quality. How could this be?

The answer is that employees had become highly sensitized. Through attending quality improvement training classes, learning about six sigma, and serving on quality improvement teams, everywhere they looked they saw opportunities to improve quality. Even though quality was actually improving, they had become much more aware and critical.

Quality has become a sacred organizational cow. However, many employees have actually become *too* critical of their organizations. In the frenzy to improve quality and achieve perfection, employees have become so focused on identifying and solving problems that they have lost sight of the fact that their customers are, for the most part, satisfied.

This is often because they have little actual personal contact with customers and thus don't know how they really feel. Since they spend the majority of their time solving problems and putting out fires, they distort the reality that the overwhelming majority of their customers are satisfied and will continue to do business with the firm.

### The Problem

Needless to say, organizations are in trouble and won't survive long if their customers are consistently dissatisfied with the products and services they produce.

They will also be in trouble with their employees. Employees need to believe that management is committed to quality if they are to stay motivated to do their best. If they believe management doesn't really care, then they think, "Why should I care?" They lose respect for their organization and for themselves.

If employees believe that management, their coworkers, or people in other departments are not committed to quality, they may lose their own personal commitment to quality as well. This could result in a downward spiral of declining quality, poor customer service, and lost business.

### The Underlying Psychology

Employees want to be able to take pride in the quality of their work and the work of their organization. They want to be able to hold their heads up high when they talk to others about what their organization stands for. Although they may not feel that their work is saving the world, they do want to believe that they are working for an organization where everyone strives to the best job possible for their customers.

When employees feel the quality of the products and services provided to customers is low, their commitment to the organization weakens; internal conflicts proliferate, and trust in management declines. Also, organizational pride, that thin glue that holds many organizations together, begins to lose its grip.

### What to Do

When employee concerns about quality are legitimate, it is critically important that management respond appropriately.

#### 1) Investigate the Problem

Employees need to know that management will take immediate actions to investigate and act on their concerns about quality.

#### 2) Communicate and Demonstrate a Commitment to Quality

Management needs to consistently let employees know the importance of providing their customers with high quality products and services. This needs to be a constantly repeated mantra for the organization.

#### 3) Admit When Problems Occur

Honesty is the best policy. Denying that there are quality programs must be avoided. Thank employees for their concerns and admit when management has made poor decisions, bought sub par raw materials, or established ineffective procedures.

But, what should be done when employee perceptions about quality are inaccurate. Senior managers are often perplexed when they learn that 40 to 50 percent or more of their employees rate the quality of their products and services as poor. Often in these organizations management possesses data that convincingly demonstrates a high level of repeat business, low customer turnover, and high levels of customer satisfaction.

#### 1) Provide Employees With Customer Satisfaction Data

Our surveys show that 6 out of 10 employees do not feel they receive the customer satisfaction information they need to perform their jobs well. Customer satisfaction surveys should be conducted on a regular basis and the results shared with employees. Also share data about compliments received and new orders placed as well as about returns, errors, and complaints.

#### 2) Identify What is Important to Customers.

Employees often focus their energies on improving what is most important to them rather than on what is most important to their customers. Properly developed surveys can simply ask customers what is most important to them. Sharing these results with employees can help to correctly focus their energies and perhaps assuage their concerns.

#### 3) Track Trends in Customer Satisfaction.

It is important for employers and employees to know if customer satisfaction is improving, remaining constant, or declining. This information will help them to better understand whether the organization's commitment to quality is working.

#### 4) Provide Competitive Intelligence

It can be enlightening to employees to learn how customers feel about the firm's products and services versus those provided by competing firms. This information can also be gathered through customer satisfaction surveys and by interviewing former customers of competing organizations.

5) Provide an Appropriately Balanced Picture.

Care should be taken not to sugarcoat or distort the data about customer satisfaction. Armed with accurate and complete data, employees will be able to develop the appropriate perspective.

### Conclusion

Employees are unhappy when they feel their organization is not producing quality products and services. Trust your employees when they say there are quality problems. Then provide them with the support they need to make improvements. Even more importantly, listen to what your customers have to say about quality. Then provide employees with continuous feedback about how customers feel and what they want to see improved.



## **16. I receive poor service from other departments.**

*Less than one half of all employees feel cooperation is good between their department and other departments.*

### Story

I was consulting to a government agency in New England to help them improve internal customer satisfaction. During a series of employee focus groups sessions, employees complained about the lack of good customer service they receive from other departments in the agency. Everyone was pointing fingers at each other.

I then conducted an internal customer satisfaction survey to identify which departments were the culprits of poor internal customer service. What I found was very interesting.

The survey contained two sections. In the first section, I asked all employees how they felt about the customer service they were *receiving* from the 50 other departments in the organization. In the second section, I asked members of each of the 50 departments to rate the level of customer service they felt they were *providing* to each of the other departments.

The result: all employees felt that their department was providing much better service than their internal customers felt they were receiving from them. I dare say, this is a very common problem.

### The Problem

Can an organization really expect to provide excellent service to its external customers when their employees can't provide good service to each other?

For example, if the sales and production departments don't cooperate with each other, the customers won't receive what they were promised. Also, if the IT department doesn't cooperate well with the rest of the organization, timely service to customers will suffer.

Organizations spend a great deal of time trying to increase external customer satisfaction but very little on improving internal customer satisfaction.

Employees often complain that:

- Other departments don't provide them with what they need in a timely manner;
- Other departments don't understand what they do;
- They are not treated with respect and dignity by their coworkers; and
- Other employees are often moody, unpleasant and discourteous.

Yet, most employees are usually totally unaware of how they themselves are contributing to the problem.

### The Underlying Psychology

Our research has shown that although employees generally have a high regard for their coworkers in their own work group, they stereotype employees in other work groups as lazy, ineffective, and intentionally uncooperative.

One explanation of this problem is the phenomenon of "ethnocentrism." This is the belief that your own group is superior to other groups. Right or wrong,

this natural human predisposition interferes with effective teamwork within organizations.

A related phenomenon that explains why work groups don't cooperate well with each other is "stereotyping." For example, sales employees often stereotype production employees as people just putting in their time with little regard for the customer. When a production problem takes place, the sales force is quick to view the production employees as incompetent without really understanding the situation. Similarly, production employees stereotype sales employees as self-centered, money-grubbers, with little understanding of how the products are really made.

Employees form these stereotypes of other work groups due, in part, to another interpersonal behavior phenomenon best explained by "attribution theory." Social psychologists have shown that there is a difference in how people view their own behavior and the behavior of others. Individuals typically view their own behavior as being caused by the *situation* but view the behavior of others as due to their *disposition*.

For example, if you learn that a fellow student just flunked a test, you would be naturally predisposed to judge that person as unintelligent. The student who flunked the test would be more apt to view their poor grade as due to the fact that they didn't study enough, were sick the night before the test, didn't care about passing the test, or had just learned of a death in the family.

In the workplace, the production employees might view the manufacturing problems in their department as due to the situation such as the poor quality of the raw materials they received, the poorly maintained equipment, or the pressure they received from management to ship as much finished product out the door that day as possible regardless of quality. They would not view the problem as due to their own ineffectiveness or lack of regard for customers.

However, the natural tendency of the sales employees would be to make a dispositional attribution by viewing the problem as due to the laziness and uncaring attitudes of the production department employees.

These tendencies to attribute the behavior of others as due to something negative about their personality or attitudes are counter-productive in the workplace. It would be much better for all involved if, for example, the sales people really understood the situation facing the production workers. In this way they would be more willing to try to develop solutions to the problem rather than just shaking their heads and saying, "Those production employees are really bad."

These attributional biases compound the problems of cooperation between different work groups in the organization.

### What to Do

#### 1) Institute Job Rotation

Many employees have no idea about what the employees in other departments do. Although they are quick to judge their performance, they don't understand the work others perform, how they operate, or the pressures they experience. Rotating employees through different departments can facilitate this communication. It will enable employees to better understand the work of other departments. It will also help them to view these employees as real people rather than merely incompetent adversaries.

#### 2) Reverse the Finger Pointing

Instead of blaming others, employees must learn to critically examine how their own actions are contributing to problems. Each time employees point a finger; ask them what *they* can do to help resolve the problem.

It's like that old story about the difference between heaven and hell. This guy visits hell and sees a group of frustrated people sitting around a large dinner table. They are trying to eat their dinner but are having problems because their forks are each 4 feet long. They struggle to feed themselves but to little avail.

He next visits heaven and encounters a very different situation. They too, are trying to eat using 4-foot long forks. They solve this problem by each using their fork to feed someone else on the other side of the table.

If the organization develops this mindset, poor internal customer service problems will disappear.

### 3) Conduct an Internal Customer Satisfaction Survey

The survey should ask employees how they feel about the timeliness, professionalism, and quality of the services they are receiving from others in the organization. The results will be a real eye-opener to many. It will identify specific areas of the company where internal customer service is in need of improvement.

### 3) Conduct the JFK Exercise

Meet with each department separately and facilitate a brainstorming session. Instead of developing ideas about what other departments can do to improve their service to their department, have them develop ideas for how they can provide better service to other departments.

#### 4) Identify the Best Practices in Your Organization

Some employees and some departments do a much better job of satisfying their internal customers than others. Identify their good behaviors and teach others in the organization to copy them.

#### Conclusion

Employees are often unhappy about the poor cooperation they feel they receive from other departments. The underlying causes are ethnocentrism, stereotyping, and dispositional attributions. Instituting job rotation, reversing finger pointing, conducting internal customer satisfaction surveys, focusing departments on what they can do to improve cooperation, and finding the best practices in the organization can all improve cooperation.

## ***17. There's too much red tape here.***

*Six out of every 10 employees feel that there is too much red tape in their organization\**

### Story

A colleague of mine was working on the shop floor of a small food manufacturer trying to help them improve the efficiency of their operation. He observed one of the machine operators jotting down some numbers every 15 minutes in a notebook. He asked her why she was doing it. She said that she didn't know why but that several years ago her boss, who was no longer with the company, had asked her to keep the log. He asked what she did with the notebook. She replied, "Nothing, I just keep it here by my workstation." He asked, "Does anybody ever look at the notebook and use the numbers?" She said, "Not that I know of." He told her to stop keeping the notebook. Months later, no one missed it.

Many bureaucratic procedures are perpetuated for no good reason. They sap the time and energy of employees. Some organizations seem to have a form, a procedure, and a rule for everything. You can't blow your nose without having to fill out a requisition or get an approval.

As an outside consultant, I often bump up against these bureaucracies when I submit my proposals and invoices. It provides me with a good understanding of what it's be like as an insider.

I frequently consult to a very large manufacturer of metal products. They have been in business for many years and have developed a bureaucracy that rivals that of the federal government. When I submitted a proposal to conduct some work for this organization, their legal department sent me a 30-page document

written in legalese that I couldn't understand at all. When I called purchasing to ask for an explanation, they said, "We don't understand it either, just sign it."

Early in my career, I consulted to a very large telecommunications research organization. I submitted an invoice to my internal contact. After 4 months, I still hadn't been paid. My contact had no idea how an invoice actually was paid and gave up trying to figure it out. On my own, I was able to get a copy of the 25-step approval process my invoice needed to traverse in order to be paid. I telephoned people at each step of the process to track down the invoice. I finally found out where it was being held up. It was in a special purchasing office. That office, of course, would not return my phone calls. Talking to outside vendors was against the company's policy. I got in my car and drove 45 minutes to their facility. It was an office building with about 200 people whose sole job was to process invoices. I somehow found the right person and, at the risk of being apprehended by security, stood at her desk until she handed me a check.

I consulted to a large public company that manufactures process equipment. I submitted an invoice in June and waited many months to be paid. Each time I called purchasing, they said they were under strict orders from the company to not pay anyone until the end of the year. That would be more than 7 months after I submitted the invoice. They were having a bad year and were worried about how Wall Street would take the news. By holding off on paying vendors, their year-end numbers would look better. I was outraged.

Red tape is not limited to large bureaucratic organizations. A few years back I consulted to a small liberal arts college. Most of the faculty had been working there for many years and were tenured. It was a highly political environment. The faculty didn't trust the administration and the administration didn't trust the faculty. The organization was paralyzed. No one was able to make a decision about anything. For example, faculty committees would make



recommendations for hiring a new secretary. That recommendation needed to be submitted to department chairs for approval and then submitted to the deans. The deans would then need to approve the recommendation and submit it to the President. Often the President would need to consult with the Board of Directors. The process, even for a very simple decision, could take years.

### The Problem

Employees often feel it is just too difficult to get things done in their organization. Even simple activities like ordering supplies or hiring a consultant are monumentally difficult tasks.

There are just too many forms to fill out, approvals to gather, channels to pass through, or consensus gathering meetings to conduct. The result: annoyance, frustration, and paralysis. Often employees throw up their arms in disgust and give up.

Where does the red tape come from? Here are 4 sources:

- 1) When small organizations become larger, new systems, policies, and procedures are introduced to regulate and discipline the organization. These well-intentioned measures are supposed to help the organization operate more efficiently and cost effectively.
  
- 2) In highly regulated organizations such as insurance companies or banks, internal rules and procedures proliferate to keep the organization in compliance with the regulations and laws.

3) Large organizations believe that is important to maintain consistency about how money is spent, how people are hired, and employee work hours, pay levels and dress codes.

4) Many organizations don't trust their employees to make decisions or to act wisely. They, therefore, impose many rules and approval processes to make certain that employees are properly controlled and the organization operates efficiently.

These bureaucratic procedures often do just the opposite. They put a stranglehold on the organization, reduce efficiency, encourage rule breaking, and foster an environment where employees feel powerless to get anything at all accomplished.

The organization becomes bogged down in its own internal procedures rather than focusing on its key goals such as customer satisfaction and profitability. Eventually, the organization enters into a state of perpetual gridlock and productive activity grinds to a screeching halt.

### The Underlying Psychology

Red tape often evolves in organizations because senior management doesn't trust employees. They believe that unless employees are told exactly what to do there would be chaos and inefficiency.

Red tape also evolves in organizations because senior management wants to maintain as much power as possible. They are under the mistaken assumption that the more power is centralized, the more efficient and productive the organization will be.

This is rarely the case. The most powerful organizations are those where employees all share in the power. That is, they are unencumbered by red tape such as the approval processes. When 100s or 1,000s of people are empowered, the resulting energy of the organization is much greater than when just a few at the top control things.

When employees feel powerless they become paralyzed. They are reluctant to make decisions, take risks or engage in any actions that would help the organization.

### What to Do

#### 1) Untangle the Red Tape.

Take a hard look at those processes that are bogging things down and frustrating employees. Are they really necessary? What damage would occur by streamlining or simplifying the processes? Involve those who are stuck in developing a set of questions to systematically evaluate these red-tape traps. For example,

- Is this policy, procedure or practice absolutely necessary?
- Can it be simplified?
- Is there a less complex alternative approach that can be taken?

#### 2) Go Around the Red Tape.

Ever notice that some people in your organization just don't have the same red tape problems you do? Often, this is because they have delegated the red tape tasks to others. Or, these red-tape avoiders just don't worry about the same approvals, forms, and protocols that others in the organization obsess about.

Be bold! Don't assume the worst! Try it and see what happens! You may be pleasantly surprised.

### 3) Throw Out the Red Tape.

Organizations typically do a much better job of creating red tape than they do at eliminating it. Perhaps, that form, procedure, or approval has outlived its usefulness and should be abandoned. Be a pioneer by taking the lead! Instead of streamlining operations by eliminating people, eliminate the procedures that make the people less productive.

### Conclusion

Employees are unhappy about the enormous amount of red tape in their organizations. Organizations need to focus on untangling, going around, or throwing out the red tape.

## **18. Why don't they get rid of all of the dead wood around here?**

*2 out of 3 employees feel believe their organization tolerates poor performers.*

Employees at a small, rural, community hospital, complained incessantly about poor performers. They felt that the organization was too tolerant of ineffective performers and should be firing them. Nurses complained that some of their colleagues were constantly coming to work late, calling in sick, and not pitching in to help. Housekeepers said that some of their co-workers only completed about half as much work as they typically perform during a day. Also, employees throughout the hospital felt that several of the department managers were just not doing their job.

The employees wondered, "Does senior management see the problems with these employees? Are they blind?" Privately, they also questioned whether management noticed their *good* performance.

This was a problem for the organization. The hospital prided itself on its friendly, congenial atmosphere. Everyone knows each other both at work and within the community. It is the kind of place that once employees took a job they would stay the rest of their career. The majority of the staff had been with the hospital for 20 years or more. Firing someone was not only taking their job away from them but also ostracizing them within the close-knit community.

Senior management was not blind. They knew, of course, that there were ineffective performers within the ranks who had been tolerated for many years. They feared that taking strong action might change their close-knit, friendly climate forever. They also lacked the appropriate paper trail to dismiss the

poor performers. Their managers had not been doing their job properly. Indeed, some of them had to go as well.

### The Problem

Poor performers! Every organization has them. I'm talking about employees who do the bare minimum. They don't break any company rules. And they don't make any blatant or costly mistakes. However, they are harmful to the organization.

What should be done?

Senior managers that allow poor performers to just coast risk being perceived by other employees as indecisive and ineffective. They also risk alienating good performers that may believe that management doesn't have a clue as to who is performing well and who is not. Typical complaints from these employees are:

- 1) Why should I work hard if so and so gets by on less?
- 2) I should be making more money than so and so.
- 3) I have to work harder because of so and so.
- 4) It's just not fair.

However, simply terminating poor performers may backfire in the long run because:

- 1) It is difficult to find replacements. - Management often feels that keeping a marginally performing employee is often better than hiring an unknown quantity that may not last.

2) Employee commitment may suffer. - Employee commitment is fragile. Terminating marginal performers may signal to average and good performers that management doesn't really care about its people.

3) Morale may decline. - Employees may no longer view the organization as a fun place to work. In addition, they may become paralyzed due to fear and paranoia.

### The Underlying Psychology

According to the social psychological theory "Equity Theory," (Adams (1963) people become very frustrated when they feel that their ratio of inputs to outcomes is larger than the ratios of others. For example, if an employee feels that she is performing very well on the job (i.e., high input) and is receiving the same pay (i.e., outcome) as someone with lower input (i.e., poor performance), she will become frustrated.

Equity theory predicts further, that this frustration leads people to try to reduce the inequity in one of four ways:

1) Reduce Own Inputs - They can reduce their own input by lowering the quality of their job performance. This, of course, would be bad for the organization.

2) Increase Own Outcomes – If the organization were to provide them with more pay, this would help to reduce the inequity. This, however, is not within the control of the frustrated individual. It requires the organization to fork out more money. Instead, the employee could change their perceptions of their own pay. For example, they could think about how although the pay is the same for everyone, it is much more of an increase for them since they started off very low on the pay scale.

3) Increase Other's Inputs – The frustrated employee could change their perception of the inputs of the poor performers. For example, they could think to themselves, "Although my coworker isn't performing as well, she has worked very hard over the years and deserves to coast a little now." Or, the employee could think, "There are many other intangibles that my coworker brings to the table such as strong loyalty to the organization, serving on committees, or helping others to do their job well." Most employees, however, are reluctant to perceive the performance of others in a way that is different from how they perceive their own performance.

4) Reduce Other's Outcomes – The frustrated employee could try her best to reduce the pay of the coworker or get her fired by complaining about the situation to other employees, the supervisor, and senior management.

### What To Do

Parting ways with poor performers may be the best solution when no other option is possible. It can signal to other employees that poor performance is not tolerated by the organization. However, the following options for dealing with ineffective performers should be carefully considered first.

#### 1) Identify the Root Cause of the Problem

Schedule a time to meet with the employee to discuss the situation. Don't wait until the annual performance review. Try to identify what is causing the performance problems and how they can be improved. Explore potential causes both inside and outside of the workplace. Most importantly, make the employee a partner in identifying possible solutions.

#### 2) Assign the Employee to a Different Supervisor



Sometimes a different supervisor may be able to bring the best out of a low performing employee. A fresh no start may be all that is needed.

### 3) Place the Employee in a Different Position

Organizations as well as employees are constantly changing. Perhaps a different job within the organization would better suit this employee. Different responsibilities, coworkers, and surroundings may be beneficial.

### 4) Retrain the Employee

The skill set of the employee may need to be upgraded or changed. Employees are typically much happier and better performers when they possess the skills they need to achieve a high level of success.

If the employee is not salvageable, here is what needs to be done.

### 5) Retrain Supervisors How to Discipline Problem Employees

Properly disciplining employees is one of the most difficult jobs of a supervisor. They should be trained on a regular basis about how to document ineffective performance, how to discuss the problem with the employee, and how to try to improve the situation, and, if all else fails, how to terminate the employee.

### 6) Involve the Human Resource Department

Human resource professionals are skilled in how to discuss performance issues with employees. They are also knowledgeable about the relevant company rules and societal laws. Get them involved early in the improvement or termination processes.

## 7) Start the Paper Trail Now

Supervisors should begin to document specific incidents of poor performance. These should be discussed with the employee as soon after the time of the infraction as possible. The employee should also be told that this incident serves as a warning that they may be dismissed if improvements are not made within a specified time frame.

## 8) Senior Management Must Promote the Process

Senior management must communicate to supervisors that it is important to the organization that they do their best to improve or terminate ineffective performers. Further, they should be told that it is their responsibility to do so.

## Conclusion

Employees are unhappy when they perceive that others are not pulling their own weight. Management needs to be proactive about solving the problem by identifying the root cause of the problem, changing the employee's job and supervisor, retraining, disciplining, or terminating the employee. Contrary to management's fears, other employees in the organizations will actually be pleased that management is taking appropriate actions.

## **19. There are too many damn meetings.**

*Half of all employees believe that the time they spend  
at meetings is not time well spent.*

### Story

I consulted to a 200-person privately held industry think tank. The organization had a long proud history of providing cutting-edge research reports to its members. It was also in total disarray. The presidency had changed hands several times in the space of just a few years and the owners were planning on selling.

This was all very unsettling to the workforce. Key players were constantly vying for power and influence. The managers and employees of the major departments held deep-seated mistrust for each other. The organization had morphed into a group of separate silos unwilling to cooperate with each other.

To combat this problem, senior management over-compensated by establishing interdepartmental meetings for just about everything. The goal was to try to coordinate the activities of the departments and maximize involvement. However, the meetings were typically unproductive. Lots of posturing, little commitment, no real decision-making and no follow through characterized them.

Employees didn't really want to be at the meetings. They came late, left early, and allowed themselves to be interrupted by keeping their cell phones turned on during the meeting. Some of the senior people even arranged to have their secretaries interrupt the meeting and whisper into their bosses' ear that they

needed to leave the meeting to attend to an important phone call. Everyone suspected that the phone call was bogus.

The meetings were chaotic. There was rarely an agenda. They often lasted for hours. Few said how they really felt. No decisions were ever really made. Instead of heated discussions, the preferred modus operandi was passive aggressiveness. Everyone just went through the motions.

People returned to their offices shaking their heads and muttering under their breath, "What a waste of time." These meetings actually further paralyzed the organization.

The employee survey I conducted for them revealed that only 28 percent of employees believed that the time they spent at meetings was time well spent. Even more surprising, none of the 10 members of the senior management team felt that their time at meetings had been time well spent.

### The Problem

Meetings serve many useful functions. They provide an opportunity for employees from different parts of the organization to communicate and cooperate with each other. They enable employees with different perspectives to provide input. They also help focus employees on organizational rather than just departmental goals.

However, half of all employees believe the meetings they attend are a waste of time. Here are some reasons why.

- People come late. - It is rare that a meeting starts on time. This is a waste of time for everyone. If 6 people attend a meeting and the start of that meeting is delayed for 10 minutes, that's a waste of one person-hour.

Late attendance is more the rule than the exception. I often joke with the first person who attends one of my meetings by saying, "You're here on time, you must be new to the organization."

- The meetings take too long. Many meetings have no clear pre-set agenda, objectives, or stopping time.
- Too many people are invited to attend. Ever attend a meeting and ask yourself, "Why am I here?" Meeting leaders often over-invite because they don't want to offend anyone by leaving them off the list. But, many would actually prefer not to be included.
- It's very expensive. Do the math. Let's say there is a meeting of 5 people, each with salaries of \$65,000. If you add in the cost of their benefits, they're each costing the company about \$100,000 per year. Assuming they each work 40 hours per week, take 3 weeks of vacation, and have 15 paid days off, they each make approximately \$54 per hour. A two-hour meeting would, therefore, cost \$540 plus, of course, the cost for refreshments. It adds up. If more people attend or more senior folks are invited, the cost increases dramatically. This also does not take into account the lost productivity of each person that could have been billing hours to clients or making products instead of attending the meeting.

### The Underlying Psychology

Here are a few psychological reasons why employees find meetings to be a waste of time.

- There is not enough time spent on process. – Content and process are the two major components of any meeting. Many psychologists would argue that 85 percent or more of any meeting should be devoted to process issues. Then, the actual content (or work) of the committee will run very smoothly and quickly. Process refers to getting out on the table how people feel “in the here and now” about the functioning of the group, the task at hand, how the decision will be made, and what role each person will play in the decision-making process.
- There is not enough diversity in perspectives at the meeting. – Well functioning groups need a combination of people who view the world in different ways. For example, some people are planners and doers. Others are very analytical. And still others do a great job looking into the future and seeing the big picture. The most productive and time-efficient meetings contain a combination of these different types of people.
- Dissension is not valued. – One problem experienced by many ineffective decision-making groups is a phenomenon known as “groupthink.” This happens when a powerful leader of a meeting makes it clear to the group what decision he or she wants to be made. The meeting then consists of everyone agreeing with the leader and not expressing any reservations or divergent views. This not only leads to ineffective decisions, it’s a waste of everyone’s time.
- Leadership of the meeting is not shared. – Too often members of groups are lazy and simply acquiesce to the person who called the meeting. They fail to share in the responsibility for the success of the group’s activities. Leadership should be shared in groups. Everyone needs to contribute to moving the group along. But, since people are reluctant to do so, the meeting

is less efficient and people feel less committed to the outcome. The result: another waste of time.

- There is no commitment to the goals of the meeting. – If the group's members have different personal goals or don't care about the outcome, little good will result from the meeting. There will be no commitment to following through on the decisions of the group. The result again: a waste of time.

### What to Do

#### 1) Put a Time Limit on Meetings

Tell people that the meetings will start and end promptly. To get people to show up on time, make the last person to join the meeting late pay into a special kitty.

When I worked for a large consulting firm, everyone's billable hours were very closely monitored. Lost time was lost money. They conducted an all-out war against wasted non-billable meeting time. They installed a high table with no chairs in the conference room. The idea was to conduct short stand-up meetings. Also, the meeting room could only be reserved for a maximum of 30 minutes.

#### 2) Use a Process Facilitator

If a meeting is important enough to occupy people's valuable time, bring in a meeting facilitator. This person's job is to ensure that the meeting flows smoothly, that process issues are discussed, and that the objectives of the meeting are met. Instead of bringing in an outside person to facilitate, bring in

someone from another part of the organization or rotate the responsibility among group members.

### 3) Pay Special Attention to the End of the Meeting

Too often, people leave meetings before they have come to their natural conclusion. (Typically, they are running off to attend another non-productive meeting.) This should be discouraged.

Ample time at the end of meetings should be devoted to two critical activities. First, “next steps” should be discussed. Who is responsible for doing what and what is the deadline for each activity?

Also, conduct a “good and welfare” discussion. Ask everyone to say what they thought went well during the meeting, what did not, and what should be done at the next meeting to improve the process.

### Conclusion

The opportunity to interact with colleagues during meetings should make employees happy, not sad. Meetings don't have to be a waste of time. To make them more valuable, limit their length, be careful about who you invite, use a process facilitator, and pay particular attention the end of the meeting.



## **CHAPTER IV**

# **HOW TO PROVIDE EMPLOYEES WITH WHAT THEY DESERVE**

## ***20. I'm not paid fairly.***

*6 out of 10 employees are dissatisfied with their pay.*

During my senior year of high school I held a part-time job loading 50-pound sacks of fertilizer and garden supplies onto large trucks. There were 3 of us, me, my buddy, and an elderly General Motors assembly worker. We were paid by the hour. I was anxious to impress and worked very hard and quickly on the first evening of my job. The second night, the elder coworker cornered me and said sternly, "We work SLOWLY here, GET IT!" He didn't say that we did this to make more money, but that was obvious, even to me.

This behavior is not limited to physical laborers. A colleague of mine works in a management-consulting firm. Most of his clients are government agencies. They set what he considers a very low limit on how much his firm can charge per hour. He, therefore, plays the game by saying that the project will take more hours than it actually does.

Several years ago I was consulting to a small utility in New England. Most of the unionized workforce had been with the organization for many years. Their biggest complaint was that the pay was too low. They said, "we just go through the motions on Fridays not doing any actual work because our paycheck only really covers us for four days of work."

### The Problem

Very few employees feel they are adequately compensated for their work. They feel they are paid unfairly compared to others performing similar work in other organizations. Many, therefore, feel justified in engaging in unethical behavior

to compensate for what they perceive as low pay. This includes falsifying their time sheets and even stealing from their employer.

The truth is that most employees really have very little idea about how their compensation actually compares to those in other organizations. Work rules, benefits, time-off policies, and many other factors vary widely between organizations. It is, therefore, very difficult to compare apples to apples.

Salary surveys are also an inadequate method for employees to assess their pay vis-à-vis other organizations. The results vary by which organizations chose to participate in the study and how comparable those organizations are to the employee's organization. Employees typically complain that the salary surveys their organization purchases are not valid because they work in a high cost of living area or their job responsibilities are more extensive than those in the comparison group.

Employees assess the adequacy of their pay on many pieces of usually unreliable information. They refer to what they heard a coworker made when he or she left for another job. Of course, whether the departed employee was truthful about their current compensation and they don't talk about those who left and actually earned less.

Or they cite the salary they saw listed in the newspaper for a similar job. Of course, they don't know if the jobs are really the same or how the total compensation package compares to their current job.

Our research shows that pay is not the major reason why employees leave organizations, however it is a major reason why employees join the organization in the first place. To attract the best talent, organizations need to be at or above the market.

Although, individual pay levels are usually kept highly secret in most organizations, many employees also feel they are paid unfairly compared to others performing similar work in their own organization. In many cases these perceptions of “internal pay inequity” are inaccurate. However, real or imagined this can result in resentment and poor teamwork.

Since pay levels are secret and employees rarely share this information, they base their views about internal inequity on two, often inaccurate, perceptions. First, in any work group there are usually one or two people who are viewed as poor performers. Employees assume that these employees are earning the same pay that they earn. This may not be true.

Second, most employees feel their performance is above average. They, therefore, feel that if their pay is only average then other less deserving employees are making the same as they are earning. This too may not be true. Also, their perception about the superiority of their job performance may be inaccurate as well.

### The Underlying Psychology

Pay is important to employees, of course, because it allows them to provide for themselves and their family. Pay is also important to employees because they equate it with respect and recognition. It is a badge they wear for the entire world to see and, for many, has a major impact on their self-esteem.

Frederick Herzberg said the workplace consists of motivators and hygienes. Motivators such as personal growth, enjoyment of the work, and advancement can improve job satisfaction and job performance. He described pay as a hygiene factor no more important than the office furniture, lights, and temperature. Hygienes can't motivate or satisfy employees. They can only be a source of dissatisfaction.

## What to Do

### 1) Make Your Pay Philosophy Clear

A pay philosophy is a simple statement about how the organization pays relative to the market. Stating such a philosophy makes it clear to employees and job applicants how they can expect to be paid by the organization. For example, a common pay philosophy is something like; “We pay at or above the market level of pay in similar organizations in our area.” The more specific the policy, the better. For example, we pay at the 75<sup>th</sup> percentile for other mid-sized life insurance companies in downtown Boston as reported in the annual ABC salary survey.

Some organizations are clear with applicants and employees that they pay below the market. For example, many non-profit organizations are poor payers. Many employees are willing to live with the lower pay because they believe strongly in the mission of the organization.

Other organizations say they pay below the market but offer other benefits instead. I conducted a survey for a pharmaceutical research company that paid below market rates for research scientists. They did, however, offer a very family-friendly atmosphere. Leaving at 5:00 PM was accepted and encouraged. Taking time off to attend to a child’s soccer match during the workday was also accepted. The employees all knew when they accepted positions with the company that they were sacrificing pay for a better life style.

### 2) Avoid Paying by the Hour

I work with a computer professional to help me purchase equipment, install software and solve problems that periodically occur. He used to charge me by

the hour. When he helped me, it often seemed like we were focusing on time rather than results. I was looking at my watch, and he undoubtedly was looking at his. The faster he was able to solve my computer problems, the less money he made. It just didn't make sense to me.

Whenever possible, pay your employees for deliverables and results, not their time. Wouldn't it make sense to pay a salesperson who only works half time as much as one who works full time if they both achieved the same level of sales?

### 3) Use Bonuses Rather than Pay Increases

Properly administered, bonuses can be much more motivating to employees than increases to their salary. Also, pay increases are much more expensive than bonuses because they commit the organization to pay the increased level of pay every year.

### 4) Train Supervisors How to Talk About Pay

Supervisors need to be taught how to convey the appropriate messages about pay. Many actually undermine their organization's compensation program by apologizing when they offer a pay increase that is not as high as the employee would like. Instead of expressing regret they should talk about why they are providing them with a pay increase. There are many ways to deliver messages to employees about their pay. It is important that supervisors throughout the organization do so in a consistent and upbeat manner.

### 5) Weed out Ineffective Performers

Most organizations do a poor job of managing poor performers. The presence of poor performers signals to the good performers that how well they perform doesn't really affect their pay.

### Conclusion

Pay is important to employees and most are unhappy about it. Increasing all employees' pay is usually not possible and would probably not solve the problem. Instead, organizations can better communicate their pay philosophy, avoid paying by the hour, use bonuses rather than pay increases, train supervisors how to talk appropriately about pay to their employees, and weed out ineffective performers.

## **21. It's not right that we all receive the same pay.**

*\* \* Fewer than one out of two employees think they are paid fairly compared with people in their own organization who hold similar jobs. \**

### Story

One year I consulted to the behind-the-scenes operations group of a small airport. This 150-person group managed the grounds, security, and maintenance of the airport facilities. The majority of the employees were unionized. Here are some of their complaints:

- A maintenance employee working on a team responsible for taking care of the grounds complained, "Although I've only been working here a short time, I work harder and do a much better job than anybody else here. But, I am paid far less."
- A member of the rescue squad complained, "The people on our squad who have been working here the longest, do the least amount of work yet make the most money because of their seniority."

When I pointed out to them that this is actually the arrangement they had asked and paid monthly dues to their union to negotiate for them, they just shrugged their shoulders and said it was still management's fault.

I consulted to a retail organization where senior employees were also concerned about how their pay compared to their coworkers. One of the sales people on the floor complained, "The starting hourly pay rate here is virtually the same as what I make and I've been working here for 3 years."



## The Problem

Employees want to believe that their good performance is recognized by management and appropriately compensated. Most don't want all employees to be paid the same. Instead they want the best performers to be paid the most. However, most believe, that they are the best performer in their group.

The problem is that when employees feel they are not paid what they deserve compared to others performing the same work in their organization, they become resentful. They resent the organization and their coworkers. They think, "That lazy SOB in the next office makes the same as I do. Why should I work harder when I'm not going to see it in my paycheck?" These thoughts are not good for employee morale or for maintaining a motivated workforce.

Although many organizations would very much like to pay employees performing the same work differently, it is often very difficult to do so.

- 1) It is difficult to measure the performance of many types of employees. Often, one must rely on the subjective ratings of supervisors. Their ratings may be biased and are often not comparable to those of other supervisors.
- 2) Employees don't trust supervisors to properly differentiate between the good and the poor performers. They thus ask their union to negotiate across-the-board pay raises or raises based solely on tenure.
- 3) Organizations find it much easier to pay everyone at the same job the same pay. They then don't have to worry about accurately measuring performance. They also believe that this will be easier to sell to employees. They can say, "Look, you're all part of the same team and we want to pay you the same since everyone needs to contribute equally to the team." But employees usually don't buy this logic.

## The Underlying Psychology

Recall that Equity Theory predicts employees will most likely do one of two things when they believe they are receiving the same outcomes (e.g., compensation) as those working at the same job but performing poorly. They will either reduce their own job performance so that there is more equity or leave the situation. Neither of these is good for the organization.

## What to Do

### 1) Widen Pay Ranges

The "pay compression" problem is common in organizations. In order to attract employees to join the organization, publicly advertised starting pay rates are relatively high. This annoys job incumbents because they see that new employees are earning the same or almost the same as they are earning. Expanding the salary range can help.

### 2) Avoid Paying by the Hour

Paying by the hour makes little sense for most jobs. Here's why:

- Employees spend more time looking at the clock than they do focusing on achieving tangible results. Employees develop ingenious and often unethical approaches to stretching their work into the full 8 hours even if it can be accomplished in far less time.
- Employers spend time looking at the clock as well. Wouldn't it make sense for employers to be focusing on the accomplishments of employees rather than how long they spent hanging around the office?

- If paid by the hour, the faster employees work, the less money they will make. Does that make any sense?

If you pay by the hour you will be paying primarily for attendance and will not be able to compensate people differentially based on their performance.

### 3) Don't Stop Trying to Tie Pay to Performance

It is simply too easy to give up on the task of properly measuring the performance of employees. Continually refine how you evaluate the performance of employees, involve employees in setting their performance goals, and train supervisors how to use the performance review process.

### Conclusion

Employees want to feel that they will be paid more than their coworkers if they perform better for the organization. Do your best to make sure this happens. Widen pay ranges, avoid paying by the hour, and tie pay to job performance.

## **22. My performance reviews are useless.**

*1 out of 2 employees say their performance reviews are not useful.*

Employees complain incessantly about the performance reviews they receive from their supervisors. Here are a few of the complaints I hear most often:

- My supervisor is never around and has no idea of what I do on my job. How on earth can he evaluate me?
- My supervisor just takes the easy way out. She says nice things about me during the review and then recommends that I receive the same raise as everyone else.
- My performance reviews are always late.
- My supervisor is biased. He doesn't like me even though I am a very good performer.
- The rating instrument makes no sense. I don't understand it and my supervisor doesn't understand it. Every one in the company is rated using the same form. The form is totally unrelated to what I do on my job.
- The only performance feedback I receive all year is during my annual review. If I am doing something wrong, why does she wait the whole year to tell me about it?
- My supervisor never comes up with suggestions that are that useful to me.
- I disagreed with my supervisor's evaluation and refused to sign it.
- Performance reviews are a waste of time.

Both high and low performers have concerns about the usefulness of their performance reviews. Everyone can improve his or her job performance. Yet, those who receive glowing reviews from their supervisors are provided with little guidance about how they can become even better at their job.

Most employees feel they are above average performers. This, of course, is mathematically impossible. Therefore, many employees receive information about their job performance that is inconsistent with their own beliefs.

Although certainly possible, it is difficult for employees to receive negative feedback about their job performance and then bounce back and improve. One reason this is difficult is because they deny rather than accept negative feedback. They deny the feedback because it is just too strong of an affront to their personal dignity and self-respect.

Another reason employees don't find negative performance feedback useful is that it is very difficult for them to change. If you have been performing your job the same way for a long period of time, the probability that you will be able to make radical changes is low.

The problem is that although most employees might disagree, many really do need constructive feedback to help them improve their job performance. If employees don't continually improve, the organization will not improve.

### The Underlying Psychology

The annual performance review is one of the most difficult tasks for any supervisor. Supervisors must not only evaluate the performance of their subordinates, they must feedback the information to them in a way that is constructive and useful. Few supervisors are able to do this well. Is it any wonder that many supervisors avoid conducting them?

One of the reasons supervisors find performance reviews difficult is that they desperately want to avoid conflict. They fear that their employees will disagree, debate, and fight their evaluations. They, therefore, take the easy road and provide feedback that is generally positive avoiding the areas in need of

improvement. The result: the performance review is not very useful to the employee or the organization.

Another reason performance reviews are difficult for supervisors is that they are unable to distinguish between different levels of performance. What an average performer needs to do to become a superior performer is unclear to them. They, therefore, find it difficult to tell many employees what they need to do to improve.

Conceptually, supervisors are middles in the organizational hierarchy. Their job is to get the lowers on board (i.e., their direct reports) to perform the work demanded by the uppers. The strategy many supervisors use to successfully influence their direct reports is to befriend them, to pitch in themselves to do the work, and to be viewed as a more of a lower than an upper (i.e., one of the boys). But, evaluating employees is inconsistent with this strategy. Supervisors find it difficult to evaluate their “friends.” It requires them to act more like uppers than lowers. They fear that doing so will make it difficult for them to gain the cooperation of lowers again.

Supervisors also fear that an unfavorable performance review may lead an employee to decrease their job performance. This could happen because the employee becomes so angry or upset that they are unable to perform well. Or, an employee could intentionally reduce their performance to get back at the supervisor. Also, following a negative performance review, a perfectly cooperative and compliant employee may turn passive aggressive.

Many supervisors are just reluctant to accept the responsibility of judging their direct reports. They don't like being evaluated themselves and do not want to do so to others. They don't want to be in the position of providing judgments that will have an impact on the financial and psychological well being of others.

## What to Do About It

### 1) Provide Continuous Feedback

Supervisors should get in the habit of providing performance feedback to their employees on a regular basis. This makes the performance review much easier for both the supervisor and the employee. For the supervisor, the meeting is then just a review of feedback that has been provided throughout the year. For employees, the review will contain no shocking surprises.

### 2) Adopt a Developmental Mindset

Supervisors can avoid much of the pain of the performance review process by viewing it as a developmental rather than an evaluative exercise. Their job is to provide honest feedback, advice and counsel to help the employee improve their job performance. Instead of a meeting to discuss a report card, the review should be more of a developmental counseling session.

### 3) Skip the Money Part

Salary and bonuses, of course, are very important to employees, but they also want constructive feedback. Salary decisions are influenced by many factors outside the control of the supervisor or the employee. Therefore, discussions about money and performance should be held separately.

### 4) Involve Employees in Setting Goals

Employees will be much more committed to improving their job performance if they can have a hand in setting goals. The goals should be specific, measurable, acceptable to the employee and supervisor, realistic, and contain a clear timeframe.

#### 5) Focus on Behaviors, Not Traits

Feedback should be a discussion of specifically observed behavior rather than an evaluation of an employee's personality. This applies to both positive and negative behaviors. For example, it is much more effective to say, "you did a great job proofreading the report yesterday and catching those typos" than it is to say, "you have very good attention to detail."

#### 6) Conduct Performance Discussions, Not Lectures

Employees should be involved in setting their own performance goals and articulating plans for their own professional development. Supervisors should talk about the behavior they have observed, but also ask employees for their views of areas where improvements can be made. By involving the employee in their own development, he or she will be more likely to make improvements.

#### 7) Conduct Annual Performance Reviews On Time

Late performance reviews are a slap in the face to employees. Delaying the performance review signals to employees that their supervisor does not care about their development. Reviews must be conducted on time.

#### 8) Train Supervisors

All supervisors need to be trained on a regular basis about how to provide effective performance feedback. It is an important skill that must be continually refined.

#### Conclusion



Many employees find little value in the performance reviews they receive. To make these reviews more useful, supervisors should provide continuous feedback throughout the year and view the performance review as a more developmental than evaluative exercise. Organizations should do a better job of training supervisors how to conduct performance reviews. Most importantly, the reviews should be conducted at the scheduled time.

## ***23. There's no link between my pay and my job performance.***

*7 out of 10 employees say there is no link between their pay and their job performance.*

I frequently hear employees say, "We all make the same money in this department but some of us really earn it and others don't. It's just not fair." Others say, "It doesn't matter how well you perform here, you'll never see it in your paycheck." Others comment, "If that lazy so-and-so is still here, they must be underpaying me for my good work." Still others say, "My supervisor has no guts. He takes the simple way out and gives everyone the same pay increases each year."

### The Problem

Employees in both manufacturing and service organizations consistently say that a strong link between their pay and their job performance is very important to them. They want to feel their good work is appreciated and appropriately compensated, but most organizations do a very poor job of tying pay to job performance. Many employees, therefore, feel that no matter how hard they work it will have little or no impact on their pay.

One problem is that v even if organizations are committed to tying pay to job performance, they often have a very difficult time differentiating between good and superior performers. For many jobs, individual performance cannot be measured objectively. Therefore, the organization must rely on subjective ratings by supervisors. Many supervisors are not up to the task. Also, supervisors in different parts of the organization may have very different views of average and superior performance.

Some organizations try unsuccessfully to combat the problem by using profit sharing programs that link the pay of all employees to the success of the organization. If the company makes a profit, a portion of that money is shared with all employees.

However, most employees just don't buy in to this profit sharing approach. They see very little real connection between the quality of their job performance and the profits of the organization. Also, profit shares are usually distributed equally to all employees with no differentiation between different levels of job performance. They thus feel that their superior job performance goes unrecognized.

Most organizations throw their hands up at the problem and just offer across-the-board annual pay increases. Others tell their employees that they pay for performance but they really don't. These solutions make nobody happy and exacerbate the problem.

Organizations that attempt to tie pay to job performance face two major challenges.

1. They worry that if they provide pay increases for some and not others, they will undoubtedly offend or alienate some good employees who may even decide to leave.
2. Since there are no readily available objective measures to differentiate between good and poor job performance, they must, therefore, rely on the performance ratings of supervisors. Supervisory performance ratings are plagued by a host of problems including:

Halo – The tendency for raters to develop a general, overall impression of the employee and base their ratings on that impression rather than the employee's actual job performance.

Bias – Supervisory ratings can be influenced by the supervisor's conscious or unconscious bias toward employees of a certain sex, race, ethnic origin, or sexual preference. They may also be biased toward employees who they perceive are more like them.

Leniency – The tendency for raters to rate all their employees as superior.

Personal Equations – This refers to the fact that supervisors vary in how they use the rating scales. If you happen to work for a supervisor that rarely provides high ratings, you will never see a good pay raise. Whereas those working for supervisors who are more lenient with their ratings will always see good pay increases.

Forced Distribution Problems – One commonly used approach to avoid the problems of leniency and halo is to force supervisors to distribute their ratings. For example, if they have 10 direct reports, they might be required to limit their superior ratings to only 2 employees and their harshest ratings to only 2 employees. The problem is that some supervisors may really have more than 2 superior performers and other supervisors may actually have no superior performers.

The problem is that when employees see that there is little connection between their job performance and their pay, their motivation may decline.

## The Underlying Psychology

Expectancy theory, a theory of work motivation postulates that employee work motivation is dependent upon three factors. The first is called the effort-performance expectancy (E → P). This is the set of expectations employees have about if they exert effort they will be able to achieve a high level of job performance. Those with high E → P expectancies believe that if they work hard they definitely will achieve a high level of performance. Those with low E → P expectations believe that even if they work hard, they will not be able to achieve a high level of performance.

The second factor is called the performance-outcome expectancy (P → O). This is the expectation that employees have that if they perform well they will achieve the desired outcomes (e.g., a pay raise, bonus, or promotion). Those with high P → O expectations believe that there is a strong link between achieving a high level of performance and receiving the outcomes they value. Those with low P → O expectations do not believe there is a strong link between achieving a high level of performance and receiving the outcomes they value.

“Valence” is the third factor (V). This is the value people attach to these potential outcomes. Some employees place a higher value than others on outcomes such as pay raises and promotions.

The equation is  $\text{Work motivation} = \sum (\text{E} \rightarrow \text{P}) (\text{P} \rightarrow \text{O}) (\text{V})$ .

According to expectancy theory, employee motivation is equal to one's E-P expectations times their P-O expectancy times their valences. Therefore if there were a perceived weak link between pay and job performance, the performance-outcome expectancy would lower the employee's motivation.

## What to Do About It

Successfully tying pay to job performance is possible but very difficult to accomplish. Here are a few principles that can help.

- Widen pay ranges
- Develop objective performance measures
- Train supervisors to make the distinctions between good and superior performers

### 1) Make Your Pay-for-Performance Philosophy Clear to Employees

There are plenty of good reasons why you might NOT want to link pay to performance. For example,

- There are no major differences in how well employees perform their jobs.
- It is too difficult to measure differences in job performance.
- There is not enough money available to make a big enough difference in how average and above average performers are paid.
- Linking pay and performance is inconsistent with management's philosophy.

Employees, however, typically assume that above average performers will receive higher pay increases than average performers. Management, therefore, needs to be up-front with employees about whether or not they intend to try to link pay to job performance.

## 2) Use Bonuses Rather than Pay Increases

Pay increases are much more expensive than bonuses because they commit management to pay the increases every year. One-time bonuses are a less expensive approach that can achieve the same motivational impact.

## 3) Rate Supervisors on How Well they Rate their Subordinates

Supervisors often sabotage the organization's efforts to improve the pay of good performers by giving everyone in their work group high ratings. Management needs to train supervisors how to conduct their performance ratings. They then need to analyze the ratings of supervisors and base supervisors' pay, in part, on the quality of the ratings they give to their workers.

## 4) Train Supervisors How to Talk About Pay

Many supervisors undermine their organization's pay for performance efforts by saying things like,

"I wish we could pay you more, but all we can do is increase your salary by 5 percent" instead of,

"I am delighted to tell you that due to your excellent performance this past year, we are increasing your salary 5 percent."

Supervisors, therefore, need to be taught how to convey the appropriate message that their good performance is being rewarded.

## 5) Use Objective Performance Measures

Many jobs require tying pay to the subjective ratings of supervisors. These ratings are often contaminated by a host of factors including personal bias, halo, favoritism, central tendency, and leniency. Every attempt should be made to base pay decisions on objective criteria such as sales, attendance, complaints, quality, and productivity.

#### 6) Weed out Ineffective Performers

Most organizations do a poor job of managing poor performers. The presence of poor performers signals to the good performers that how well they perform doesn't really matter. Those who are not performing their job well should be coached, retrained, disciplined, or removed.

In summary, employees typically want to be paid commensurate with the quality of their job performance. Doing so requires a carefully constructed pay program, a commitment from supervisors, and well-orchestrated communications to employees about their pay.



## ***24. The cost of my benefits is eating up my paycheck.***

*4 out of 10 employees say their benefits do not meet their needs.*

### Story

My wife received a 10 percent raise last year. But, she also received an increase in the amount of money that will be deducted from her paycheck for our health insurance. The net result: a decrease in her take-home pay. This is a common frustrating experience for U.S. workers today.

### The Problem

The cost of health care has risen astronomically in the past decade and it is crippling many companies. For example, General Motors reported a \$1.1 billion loss for the first quarter -- "its largest quarterly loss in more than a decade" -- saying that the increased costs of providing health care coverage for its 1.1 million employees, retirees and their dependants was a large factor. GM also reported that health care expenditures amounted to \$1,525 per car produced and that there is more health care than steel in a GM vehicle's price tag.

The cost of benefits, especially health insurance, continues to rise at an alarming rate. Managed care programs were established to try to reduce these cost increases. Many experts, however, believe that they have been ineffective.

Organizations have responded to these increases by:

- Shifting more of the premium expense to employees;

- Forcing employees to pay more for their health insurance by raising deductible and co-payment levels;
- Cutting back on the services that the health insurance covers;
- Increasing the eligibility requirements (e.g., increasing the waiting period for coverage of new employees); and
- Offering health insurance to employees but not their families.

In 2005, about 2 out of every 5 organizations employing 200 or fewer workers did not offer health insurance to their workers and 50 million Americans have no health insurance.

Many employees are outraged. They feel that:

- They are entitled to health insurance from their employer;
- They and their families should be fully covered; and
- Their employer should absorb all, or most, of the cost increases.

### The Underlying Psychology

Employees have come to expect that they will receive healthcare benefits from their employer. They view it as an entitlement. Herzberg would call this benefit “a hygiene factor.” As such it cannot satisfy employees or motivate them. It can, however, lead to dissatisfaction and decreased motivation.

Despite the fact that employees know the cost of healthcare insurance has risen dramatically, they view any increase in their cost for healthcare or any decline in services as a take-away.

## What to Do

### 1) Re-evaluate Your Current Health Insurer(s)

Conduct an extensive evaluation of the company's current offerings to make sure it has the best coverage available in the area at the best cost.

### 2) Switch to One Rather than Multiple Carriers

This strategy eliminates choices for employees, but in the short term can help employers negotiate more favorable rates with insurance companies.

### 3) Tell Employees What They Actually Receive for their Premium Dollars

A few years ago I spend 10 days in the hospital for a heart problem. I received excellent care on an cardiac intensive care unit, was seen by many leading medical experts, and received dozens of expensive procedures. I would guess that the total cost for my stay ran in the hundreds of thousands of dollars. But, I never saw a bill and really have no idea. Employers should tell employees the actual costs of their healthcare. This might soften the pain of seeing their large monthly payroll deductions for medical premiums.

### 4) Communicate How Much the Organization is Paying for Increases

Many organizations do a poor job of communicating about health insurance cost increases to their employees. If employees are going to be partners in paying for their benefits, they should be kept well informed about the coverage, the negotiations with the insurer, the cost increases, and the percentages of the increase that the employer is planning to pass on to employees.

#### 5) Produce Total Compensation Statements

Organizations rarely receive any credit from employees for shouldering the bulk of the cost of employee benefits. This is due, in part, to a lack of information that is shared with employees. Annual total compensation statements can help employees gain a better understanding of what their employer is actually paying them for salary, bonuses, and benefits.

#### 6) Increase Deductibles and Co-payments Rather than Premiums

Increasing the deductible and co-payment levels can help save money by making employees more accountable for their medical expenditures. Many people would prefer this type of cost increase over an increase in their monthly contributions.

#### 7) Provide Choices

Health plan products can be creatively designed to provide a range of options that can match a person's budget and family circumstances. Provide a broad range of options such as the number of doctors available in the plan and the co-payment and deductible amounts.

#### 8) Establish Flexible Medical Spending Accounts

These accounts allow an employee to purchase qualified benefits, including medical and dental expenses, using pretax dollars. At the beginning of each year, the employee designates how much he or she wants to contribute to the account.

#### 9) Promote Wellness

The employers who promote positive behavioral changes such as smoking cessation, increasing weekly exercise programs and moderation of alcohol can decrease their long term medical plan costs.

#### 10) Help Make Employees Better Healthcare Consumers

Employers can also help reduce their health care costs by making their employees better consumers of healthcare. For example, employers can provide education about disease management, behavioral change, and using web sources such as Web MD for health information.

#### Conclusion

Healthcare costs will continue to be a major challenge for employers and employees will remain unhappy.. Costs will rise and employees will continue to believe that they are entitled to the benefit and should not have to absorb much of the increased cost. Employers will need to use a variety of approaches to reduce the costs and reduce the pain.

## **CHAPTER V**

# **HOW TO MAKE W-O-R-K SOMETHING OTHER THAN A DIRTY 4-LETTER WORD**

## ***25. I hate coming to work. Its become just a job for me now.***

*1 out of every 4 employees doesn't enjoy the actual work  
they perform on their job.*

### Story

Nothing disturbs me more than when I hear someone taking about their work and saying, "It's just a job." Nobody should be unhappy with their work.

What people do for a living has always fascinated me. Wherever I go I ask people what they do for their livelihood, what they like about their work, and what they dislike. (My wife actually gets upset when I ask this at purely social occasions.) But I'm interested on both a personal and professional level. I love what I do for a living and am happy when someone asks me about it.

But, to my surprise and chagrin, many people don't like to talk about what they do for a living. For some, this is because they would rather talk about their kids, their hobbies or politics. But, for most, it's because they really don't enjoy what they do all that much. To them, their work is "just a job" and they would rather not think about it once they're away from it. What a shame!

The other night I attended a Passover Seder at a good friend's house in our town. There were several of the family's relatives and friends whom I had not met. True to form, I asked each of them what they do for a living. One person, a very nice guy, said he was a computer network professional for a well-known retail chain. I asked him what he liked about his job. He said, "Well, it's a job." I probed further and asked why he considered it just a job. It was clear he really didn't want to elaborate. He repeated, "It's just a job."

Many people are unhappy with their work. For some, it is the organization they work for, but for many it is the actual work they perform. They have been doing it for many years and are simply burnt out. The work has lost its meaning for them and they just don't enjoy it anymore.

I have had the opportunity to conduct many outplacement workshops where I help people who have recently lost their jobs try to figure out what they want to do next with their life. I begin the workshop by going around the room and asking each person to say what they want to do next. Typically, about half of the people say they just don't know, but they do know that they want to do something different.

I then ask them what ideas they have about what they might want to do next. A few say they have no idea, but others say, "What I really would like to do is this." They then talk about finding a totally different kind of job or focusing more on their hobby. They are worried, however, that they have little experience in that field and might have to take a pay cut at first. I say to them, "If that's what you really want to do, you owe it to yourself and your family to do it." I tell them to, "Do what you love, and the money will follow and to follow your passion."

Here are few examples of people I know who successfully made the transition. There is a guy in his 60s in our town who had spent his entire career working as a manufacturing supervisor. He worked at a number of companies and was usually forced into finding a new job when the companies moved or went under. He had had it. What he really wanted to do was start a fix-it business. He loved using his hands, putting around the house, and doing little projects. He found out quickly that there were a great many people in need of his services, including me. He followed his passion and has never been happier.



I also know a computer whiz who was working as a Mac programmer for a software development company. When he was laid off, instead of pursuing another highly technical programming job, he took stock of himself and realized that what he really liked best about the work he had performed in all of his jobs was teaching others how to use their computers. He started a business where he helps individuals and small businesses purchase their computers, install software, and use basic programs like word processors and spreadsheets. He loves what he does.

### The Problem

About 75 percent of people do enjoy the actual work they perform. One of the reasons is because people self-select themselves throughout their career. They attend schools where they can learn things of interest to them. And, they choose to work in jobs where they can use their valued skills and abilities. For example, those who are more analytical choose to become engineers, computer professionals, scientists, or service technicians. They wouldn't think of working as a social worker or a human resource professional.

But there are also many who just end up working at a particular job or in a type of organization without ever really thinking about whether it's a good fit. For example, I have conducted many outplacement workshops for those in the banking industry due to the rampant consolidations this industry has experienced. I ask the group, "How many of you grew up saying to yourself, what I really want to do is be a banker." Not one has ever said they had intended to be a banker. They just ended up there because they needed a job at the time or a friend was working there. Out of convenience, they just stayed. Eventually, they grew to view their work as "just a job," and grew unhappy.

This is a problem for both employees and their organizations. For employees, not enjoying one's job reduces their enthusiasm and the quality of their lives. For employers, unhappy workers are lack motivation and are unproductive.

### The Underlying Psychology

Different types of people have very different conceptions of what work means to them. For some, work is purely a means to an end. They are interested in making as much money as possible as fast as they can. Those who feel this way typically enter professions such as sales or start their own businesses.

For others, work means helping people. These types of people are attracted to professions like social work, psychology, and health care. For still others, work means using their creativity. They are attracted to professions such as architecture or the arts. Working for a cause they truly believe in is important to many others. They often work for non-profit organizations.

All of these people, however, enjoy work that:

- Fully uses their skills and abilities;
- Challenges them;
- Allows them to grow; and
- Enables them to feel successful.

Those who say their work is just a job are missing out on one or more of these intrinsic rewards.

### What Employees Can Do

- 1) Make Up Your Mind to Make a Change

Employees must make up their mind that they are not going to settle. “Just a job” is not good enough. Life is too short to be unhappy most of the workweek. There are viable alternatives for everyone.

## 2) Look Inside

Don't look in the newspaper for jobs or ask people, “Do you know anyone who is hiring?” Decide first what you really want to do. This is not easy. We all have a very limited perspective on all of the many possibilities that exist. See a job counselor to help you.

## 3) Keep Your Eyes Open for Possibilities

Start talking to everyone you know, not to find a job, but to help you figure out what you would like to do. Ask them what they like about their jobs and what they do during a typical day.

## What Organizations Can Do

### 1) Help Employees See the Light

Employees who are just going through the motions and who don't have their heart in the work should be encouraged to learn more about what they really want to do. Provide training programs for employees to help them better understand what they really would rather do in your organization or in a different one.

### 2) Enrich Jobs

Find ways to introduce more what Herzberg calls “motivators” into jobs. Providing them with more challenge, growth opportunities, and responsibility on their jobs can rejuvenate the motivation of burnt out employees.

### 3) Provide Other Opportunities

Some employees can be “saved” by transferring them to other parts of the organization and training them to take on different jobs. For example, I have seen organizations bring burned out secretaries back to life by teaching them new jobs.

### 4) Let My People Go

If employees are unhappy with the actual work and you are not able to provide them with alternatives, encourage them to leave. Do so in a positive way. Level with employees. Tell them that you can see they are unhappy. Also, tell them that although they have been a good employee and are perfectly welcome to stay, it is probably time for them to move on with their career and explore other alternatives.

## Conclusion

“It’s just a job” is an unacceptable attitude for employees. Employees should not settle for an unrewarding job and it makes good business sense for organizations to do everything possible to bring the enthusiasm of these employees back to life.

## ***26. I'm dreading returning to work from my vacation.***

*\*\* Four out of 10 employees feel their life is out of balance. \*\**

Last summer I spent a week with a good friend at his lake house in Minnesota. He and his family spend two weeks there each year taking in the sun and wake boarding. During the last several days of the vacation, he kept saying, "I'm dreading going back to work." Although his job as a doctor at a large hospital pays very well, it is very demanding. In fact, he plans to retire in a year or so at the age of 53.

Dreading going back to work is a common problem. The Monday following his vacation, the Chief Executive Officer of one of my clients said, "It's just terrible coming back to work. I wish I was still on vacation." I hear this all the time.

### The Problem

Who wouldn't rather play than work? But how effective can employees be if they would rather be somewhere else? How satisfied can people be with their lives when they are constantly counting the days until their next vacation and view their work as an annoying interruption to their personal lives?

Here are some reasons why people dread going back to work:

- 1) For Some People The Stress is Unbearable – The pressures associated with tyrannical bosses, uncooperative coworkers, demanding customers, and tight timelines can be oppressive. No one relishes returning to a stressful work environment.

2) Lack of Work Life Balance – Many employees are totally consumed by the demands of their work and don't have the time or energy to fully enjoy their family or pursue their other interests. If vacations provide the only opportunity for one to enjoy life, is it any wonder that employees dread going back to work?

3) Work Has Lost Its Meaning – When employees lose sight of why they work, they begin to lose interest and enthusiasm. Some originally viewed their work as a method to amass as much money as possible. Others saw it as an opportunity to help others in need, or a chance to contribute to a very important cause. Still others thought they would build their own business, or at least have an opportunity to use their creativity.

All of these are valid reasons for working. However, losing sight of what originally inspired them to take their current job may make them dread Monday morning.

### What to Do

It **is** possible to love your work so much that you actually look forward to returning from vacation.

#### 1) Get Back to the Basics

Employees need to continually remind themselves of why they are working. They should be asking, other than supporting my family, why did I choose this line of work? Why did I decide to work for this particular organization? Are those reasons still valid? What personal meaning do I derive from work and how can I increase this meaning?

#### 2) Move to the Tension

This is a piece of advice my dissertation advisor gave me many years ago. If something is bothering you, try to meet it head on. Leaving it for another day only prolongs and intensifies the anxiety. If your boss, a coworker, or a customer is causing you anxiety, try to immediately confront the situation and reach a peaceful resolution.

### 3) Blend Your Work and Personal Life Every Day

Many workers maintain a rigid separation between their work and personal lives. Their personal activities are restricted to exhausted nights and weekends. It doesn't have to be this way. Many employees can integrate into their work running errands in the middle of the day, watching their daughter's tennis match, and spending time talking to a good friend. Those employees whose work situation does not allow them to take advantage of these opportunities might want to consider negotiating a different arrangement with their employer, working part time, changing jobs, or changing careers.

### 4) Don't Be Afraid to Change Your Situation

Don't become complacent in a difficult situation. There are many employers and many other ways to make a living using the skills and experience you currently possess. You only live once. Don't be afraid to take some prudent risks with your work life so that you can improve your entire life.

### 5) Employers Can Help As Well

It is important that organizations provide employees with the opportunity to use their skills and abilities on their job. Selecting the right employees for the job is key. But the jobs can also be changed to accommodate the needs of specific individuals. Alternatively, employees can be moved to other positions within the organization that better meet their personal interests.

## Conclusion

All employees should feel good about the actual work they perform. It is their personal responsibility to make sure they are enjoying their work. However, organizations can also help employees by moving them to other positions or providing them with work that enables them to use their valued skills and abilities.



## ***27. There's no job security here.***

*Only 1 out of every 2 employees believes his or her job is secure.*

### Story

You read about it everyday. Here's one barrage of headlines I read in the morning paper one day, "Proctor and Gamble agrees to buy Gillette for \$57 billion. Deal will mean about 6,000 job cuts. Gillette CEO of less than 2 years to receive \$153 million." Is it no wonder that employees working in even highly profitable companies fear for their jobs?

It was during the recession of 1993. I was working for a 71-office international consulting firm at our posh Wellesley Hills, Massachusetts office. A good friend of mine from graduate school had asked me to join his staff there. I had been a hard-working loyal employee for 4 years. My job was to market, sell, and conduct employee opinion surveys for companies in New England.

But, the economy was failing. Layoffs were rampant. Organizations in New England were just not conducting employee opinion surveys and certainly weren't asking high-priced consulting firms to help them do so. My buddy saw the writing on the wall and transferred to greener pastures in one of the company's west coast offices. His boss, another one of my key supporters, had left for a job in the main headquarters. I was, therefore, left heading the department and reporting to my ex-bosses' long-time archenemy within the office.

I knew my days were numbered and I was scared. My sales numbers and billable hours were very low and I knew that I was walking on thin ice. I felt paralyzed. None of my intensive marketing efforts were yielding new business.

There was nobody I could talk to in the office and nobody who cared to help me. I came to work each day trembling with a gnawing feeling in my stomach. I also had difficulty sleeping and must have gained at least 15 pounds.

One memorable afternoon, my boss said, "Do you have a minute? I would like to speak with you in your office." I knew that my time had come. He said, "Bruce, people aren't buying what you're selling, we are going to have to lay you off." Even though I knew it was coming, I was devastated.

Looking back now, this was a major turning point in my career and one of the best things that ever happened to me. But, it certainly didn't feel that way at the time. My heart goes out to all of the many people today who live with the same level of fear and anxiety I experienced at the time.

### The Problem

Employees are pawns in the cruel corporate chess game of layoffs, mergers, acquisitions, and restructuring. Here is how they fight back and the negative consequences for employers:

1) Carrying Multiple Jobs - Employees realize that they can't put all of their eggs in one basket. Therefore, many take on second jobs, night jobs, weekend jobs, and freelancing jobs in addition to their primary job. Also, the majority of married employees feel their spouses must also be gainfully employed.

[Consequence for employers - They no longer receive the total undivided physical and psychological energies of their employees.]

2) Demanding Portable Benefits - Employees are no longer content with pensions that require them to stay with the same company for many years.

They know that their tenure with the company will probably not be long and is out of their control. They, therefore, prefer retirement benefits such as matching 401(k) plans that they can carry with them when they leave the organization.

[Consequence for employers - Expensive defined benefit retirement programs no longer improve long-term employee commitment.]

3) Withdrawing Psychologically - Many employees are remaining aloof to their employers' cries for teamwork and commitment to the organization's goals. Instead they have developed a WIIFM (what's-in-it-for-me) attitude.

[Consequence for employers - Traditionally important motivators such as climbing the corporate ladder and becoming known as a good team player are no longer as effective as they once were.]

4) Adopting an Adversarial Relationship - Employees have become very cynical about senior management. They no longer have the blind trust that employers relied upon in the past.

[Consequence for employers - Motivating employees toward a common goal requires very strong leadership skills. Managers often feel as though they are trying to herd cats.]

5) Constantly Planning their Escape Route - Employees know that they must continually upgrade their skills, not to help their current employer, but to help them land their next job. Also, many employees are constantly scheming to eventually shed their employee hat to start their own businesses.

[Consequence for employers - It is very difficult to motivate employees that would prefer to be somewhere else.]

## The Underlying Psychology

According to Herzberg, job security is what they would call a hygiene factor. Just like the temperature and the physical working conditions in the office, job security cannot increase job satisfaction but it can lead to job dissatisfaction. Employees living in peril of losing their jobs are dissatisfied. And, dissatisfied employees lack the motivation to perform well.

## What to Do

Employers, of course, cannot guarantee job security to their workers. Indeed, their jobs are always in jeopardy as well. However, employers can manage job insecurity by: a) communicating honestly; b) helping employees to manage their long-term career; and c) developing different methods to gain their commitment and loyalty to the organization. Here are a few suggestions.

### 1) Promote Ideals and Values Rather than Company Goals

Management can gain a strong level of commitment and motivation by promoting socially desirable rather than corporate goals. Employees are motivated by goals they feel are larger than the company's goals such as making the world a better place, providing the best customer service possible, improving the health of the community, etc.

### 2) Don't Deny the Reality of the Situation

Employers must not try to cover up the fact that layoffs, restructuring, and job loss are part of today's economic reality. Telling employees they will have a job

for life or that their jobs will be secure for many more years will only serve to decrease their credibility with employees.

### 3) Help Employees to Grow

Creating an environment where training and skills improvement are encouraged and supported will help the organization. True, the increased skills will help some employees to find good jobs elsewhere. However, it will also keep many employees and enable them to become more valuable contributors.

### 4) Provide Portable Benefits

Employers should offer contributory retirement benefits rather than defined benefit plans. They should also provide the support employees need to make the best use of these plans such as retirement planning materials and education.

## Conclusion

Job insecurity is here to stay. But, it cannot be ignored. Employers can take proactive measures to make it easier for employees. Promoting the values of the organization, maintaining honesty with employees, providing long-term career assistance, and providing portable benefits can all help.

## ***28. I've got no time for my self or my family.***

*Two out of five employees say they don't have a good balance between their work and personal lives.*

### Story

I once consulted to a fast-paced, highly profitable, East coast-based retail servicing firm that outsourced the manufacturing of clothing to Hong Kong, Taiwan, Sri Lanka and other distant locales with low labor costs.

The hard-working, predominately female, staff was very sophisticated, competitive, and upwardly mobile. Most were continuously vying for promotions and pay increases. They were very image and status-conscious as well. They operated in a high-pressure environment with frequently changing deadlines, constant worry about costs, and daily push back from both clients and the manufacturers.

The staff experienced a great deal of stress trying to balance their work and family responsibilities. Many were required to travel often to Asia and maintain very work long hours. The time difference between their East coast office and the Asian manufacturers often required them to make late hour telephone appointments and conference calls from their homes.

Many of the women had young families or were considering beginning a family. Some were married to stay-at-home husbands, but most were having a very difficult time balancing their work and family responsibilities.

Most complained about their lack of life balance only to each other. Few wanted to jeopardize their promotion possibilities by tarnishing the personal credibility they had worked so hard to achieve. They were also keenly aware

that senior management was working the same long hours and not complaining about it.

The anonymous employee survey I conducted for them, however, let the truth be known to senior management. Management's challenge was how to respond to these employee concerns without sacrificing the extremely high level of productivity they needed to remain highly profitable.

### The Problem

Poor work life balance poses a dilemma for both employees and their employers. For employees, solutions such as working fewer hours or taking a less demanding job usually require major sacrifices such as less money, less meaningful work, and limited advancement opportunities.

For employers, providing employees with more time off and a slower work pace can adversely affect the bottom-line. Venture capitalists, stockholders, and customers have little patience for the reduced speed and quality that may result from a more relaxed work environment.

Here are some reasons why employees say they are dissatisfied with the balance they have between their work and personal lives

#### 1) Long Work Hours

According to the Employment Policy Foundation, in 2005, one out of seven American employees worked more than 40 hours a week -- an average of an additional 8 hours on the job.

#### 2) Changing Demographics

According to U.S. Census Data, in 1940 67 percent of working households consisted of a married couple with a single wage earner, usually the husband. This dropped to only 25 percent in 2000, and is projected to drop to 17 percent by 2030. Therefore, in most households today there is no one home during the workday to run errands, take care of the children, and conduct routine tasks.

### 3) More Time in the Car

Suburban sprawl has resulted in longer commuting times. Furthermore, many of our children can no longer walk home from school or to their after-school activities. They need to be car-pooled. Commuting and car-pooling are both time and energy hogs.

### 4) Deterioration of Boundaries Between Work and Home

Voice mail, email, cell phones, laptops, and palm pilots have meant that the office is omnipresent. We just can't get away.

### 5) Increased Work Pressure

Job security is now an oxymoron. Employees feel that they must work longer hours to impress their bosses and keep their jobs.

### 6) Employer Responses Have Been Inadequate

Many progressive employers have made the problem worse by providing after-hours meals and services such as dry cleaning and oil changes. Although well intentioned, these efforts have only made it easier for employees to work more, not fewer, hours.



## The Underlying Psychology

Many employees are dissatisfied with their work life balance because they do not feel they are in control of their work hours. As I mentioned earlier, these employees have a low “perception of control.” They do not feel that they have the power to freely make decisions about when they will work and when they will not. This increases the stressfulness of their job.

## What to Do

Employees define work life balance in many different ways. For some working 80 hours per week provides them with the balance they want. For others, 40 hours disrupts their personal life. Employees often self-select themselves into particular professions and organizations based on the type of balance they believe they will be able to achieve.

But organizations change and employees’ needs for balance change as well. There are measures both employees and employers can take to help strike a better balance.

## What Employees Can Do

1. Work smarter, not harder. Much of the stress and long work hours employees experience is due to their own inefficiency. Employees must continually focus on streamlining and improving how they conduct their work.
2. Reassess the sacrifices you are currently making. Recognize that you do have choices. For example, many employees, especially those recently entering the job market, have made the conscious decision that they will not sacrifice their personal life for their work. They have accepted jobs that provide them with the working environment and schedule that better suits their life

priorities. For example, in medicine, specialties such as dermatology and endocrinology are called “life style specialties” because the doctors in these specialties can maintain regular hours and do not have to be on call during the evenings.

3. Force yourself to better organize your time and energy outside of work. Apply the same rigor and discipline outside of work as you do at work. Set goals and priorities, plan ahead, and develop schedules so that you can maximize the meaning and enjoyment you attain from your personal life.

### What Employers Can Do

1. Provide flexibility. To try to foster good work life balance, many organizations devote page and pages of their employee handbooks to carefully defining work hours, time-off policies, penalties for lateness, etc. I believe this exacerbates rather than helps work life balance. Employees and their supervisors become like Philadelphia lawyers constantly seeking to bend the rules to accommodate what they both believe is the right thing to do. The unwritten work rules are much more important to employees than the written work rules.

I believe organizations should strive to create a work environment that provides employees with the day-to-day flexibility they need to manage the rest of their lives. Those that typically work long hours and weekends should be given the freedom to come in late, leave early, or take time off during the middle of the day whenever they deem necessary. This is called daily flextime.

Daily flextime is a schedule that enables employees to vary their work hours on a daily basis. This is different from traditional flextime in which there is a certain set of core hours and the employee can vary only their start and end times.

Providing employees with daily flextime enables them to feel in more control of their time and their space. This not only reduces their general anxiety, but also provides them with the opportunity to achieve better balance by attending special family events, visiting a doctor during the day, or even going home to take a nap.

Research shows that daily flextime actually improves productivity and work quality. Most employers can, therefore, implement such a policy for most employees without any down side.

## 2. Educate supervisors

First line supervisors end up being the real makers and enforcers of time-off policies. They should be taught how to use compassion and common sense when making these types of decisions rather than merely following the stated policies.

## 3. Become known as an organization where balance is valued.

In the past year, I have worked with several organizations that have made it known to employees and prospective employees that work life balance is a key organizational value. They provide excellent benefits and work flexibility. At 5:00 PM employees are free to leave and, are in fact, encouraged to leave work. These organizations pay at the market rather than above the market. But, their employees are highly committed and are willing to make sacrifices in their paychecks for a better life style.

## 4. Reduce organizational inefficiencies.

Much of the reason employees must work long hours is organizational inefficiency. Our research shows that over half of employees feel the work in their departments is conducted inefficiently.

5. Provide senior management role models. Employees often take their cues from the senior-most members of the organization. If they are workaholics, the rest of the organization will become workaholic. If they work hard to achieve balance in their lives, the rest of the organization will do so as well.

### Conclusion

Providing work life balance for employees is not impossible and is often good for business. Management should use common sense rather than strict rules.

## ***29. I feel trapped. I wish I could go out on my own.***

*4 out of 10 employees do not feel their work provides them with a strong feeling of personal accomplishment.*

### The Story

Back in 1993, when my boss at a major international consulting firm said, "Bruce, we are going to have to lay you off," I felt a strong sense of relief. I would no longer have to worry about billable hours, impressing the bosses, coping with the internal politics, and dealing with the pressure to sell.

I also felt a strong sense of personal power. For me, losing my job was like the scene from *Gone With the Wind* when Scarlet O'Hara returns at the end of the civil war to Tara, the beautiful southern plantation where she had been raised. The Confederate Army had been using the mansion as a military headquarters. All of the furniture and artwork were gone. The slaves, of course, were gone. And her father was walking around aimlessly. He had gone mad. She was totally distraught. She was hungry. There was no food in the house. She went out to the fields, which had already been totally picked over, reached into the ground, grabbed a root, took a bite out of it, and shouted to the sky, "May God be my witness, I will NEVER be hungry again."

That's how I felt. I was determined to figure out a way to start my own consulting business so that I could support my family, never have to worry about being laid off again, be in charge of my own fate, sink or swim based on my own skills, and relish personally in my accomplishments rather than where I lie on management's scorecard.

Many years later, I feel a sense of personal accomplishment every day, even when the phone rings. I think to myself, that's not an organization's phone I'm answering. It's **my** phone and **I** made it ring.

### The Problem

Many employees look back on their many years of service to organizations and say, "I don't really have anything to show for it." They lack a strong sense of personal accomplishment.

They feel trapped in their jobs, but don't want a different job. What they really would love is to abandon the shackles of organizational life and go out on their own. They fantasize about starting their own business or consulting firm. But they're scared. They are terrified of taking a risk by leaving the security of their job.

Many rationalize that they will make the leap once their kids are out of college, their mortgage is paid off, or once they have saved enough money. They spend their idle time merely dreaming about what could have been.

This strong desire that many employees have to strike out on their own is also a problem for their organizations. These employees possess valuable untapped energy. Instead of providing the organization with creativity and enthusiasm, these employees become a drain on the energy of others.

### What Employees Can Do

Here are a few suggestions for beginning the process of turning the fantasy of running your own business into a reality.

- 1) Make Certain You Have the Basics

If you are going to start a business, there are 3 essential prerequisites for success.

- You must really know that there is a need for your product or service;
- You must know that you can meet that need; and
- You must have a strong passion for meeting that need.

## 2) Do Your Detective Work

Open your eyes. The best source of information is not the web or some government information office, it's other people confronted with the same decision you're facing. Consider attending the meetings of a professional association where you will find many people who were once in your situation. While you are still employed, talk to as many people as possible who have started the type of business you're planning. (If they might consider you a competitor, talk to people out of state.) Ask them things like:

- How did you get started?
- If you were to start again, what would you do differently?
- What do you like about your business? What do you dislike?
- How much did you need in the bank to feel comfortable starting your business?
- How much revenue is possible?

## 3) Phase Into It

Instead of jumping from your current job to your own business immediately, consider intermediary steps like learning the business from someone else.

For example, if you want to be a management consultant, work for a consulting firm. There you will learn how to market, sell, write proposals, and set fees. Armed with this knowledge, you will be in a position to eventually go out on your own.

#### 4) Just Do It

Life is short. Once you've laid the groundwork, take the plunge. There is no time like the present. Give notice. Then plant a stake in the ground by sending an announcement about your new business to everyone you know.

### What Organizations Can Do

Here are several ways that organizations can harness the entrepreneurial spirit of employees and provide them with a strong sense of accomplishment.

#### 1) Begin an Intrepreneurship Program

Some organizations establish intrepreneurship programs to provide promising employees with the financial and emotional support they need to launch a new business within the organization. For example, let's say that an enthusiastic chemist in a pharmaceutical lab discovers a promising new compound, but the compound is unrelated to the type of drugs the company currently produces. Instead of risking the employee leaving for another job or to start his own business, the company can fund that new business. Or a medical claims specialist working in a small practice, says, "I can bring in more money to the practice by providing these services to other medical practices." If the idea makes sense, the practice should fund this new business venture.



This can be a win-win situation for the employee and the organization. The company keeps the employee from leaving and stands to gain a great deal financially if the new business is successful. The employee stands to profit financially by gaining a strong sense of personal accomplishment.

## 2) Allow Employees to Work Part Time

Instead of losing an employee when they want to start their own business in a different field, offer them the opportunity to work part time. This will provide the employee with a safety net. The organization may not lose much because many employees can actually produce the same amount of work on a part-time basis as they can working full time.

## Conclusion

Employees who want to enter the ranks of the self-employed must do their homework first and consider phasing into their business. Organizations that don't want to lose them should consider helping them start a new profit center within the company or offer them part-time employment.

### ***30. I would love to leave. The only reason I stay here is “the people.”***

6 out of 10 employees say they feel a commitment to the company as more than "just a place to work."

#### The Story

When I conduct outplacement workshops and ask employees, “Now that you have lost your job, what is going to be the most difficult thing you will have to replace?” They always say, “the people.”

When I conduct focus groups of employees prior to conducting employee surveys, they typically complain endlessly about poor management, lack of communication, and poor cooperation among departments. But then I ask, “Why do you still work here despite all of the negative things you’ve just said about this place?” 100 percent of the time, they say, “because of the people.”

“Friends” at work are very important to us. But think about how many real friends you have KEPT from past jobs you’ve held. It’s probably very few if any at all.

Why is this?

The reason is because they were not real friends. They were merely acquaintances and friends of convenience. When you met at the coffee pot or in the cafeteria you talked about what you had in common – the work, your boss, or the organization. Once you left, you learned that the job was pretty much all you had in common. It’s a very sobering experience.

A good friend of mine, a physician, after many years recently left his small medical practice. Many of his colleagues said they would miss him. But there was no pomp and ceremony when he left. Although his partners and a few others said they would keep in touch, he knew this was a hollow promise. This made him sad.

But it doesn't have to be this way. You spend 8-12 hours a day with your colleagues. You develop camaraderie, a kinship, and mutual respect. You enjoy each other's company and feel safe and secure when you share time and your inner thoughts. Wouldn't it be nice if you could expand these relationships outside of work? Who says that your work and non-work lives need to be separate? We would all be much happier if the connections we make at work last for the rest of our lives.

### The Problem

Is this a problem for organizations? Probably not, but it is certainly a problem for individuals trying to make real connections with others and long-lasting relationships. Organizations, however, do need to be aware that it is the people, not the money, benefits, or advancement opportunities that bind their employees to the organization.

### The Underlying Psychology

People need people. You've heard this expression many times. It is true. Social stimulation is one of the major reasons that people come to work, even though most are totally unaware of this need. Interacting with coworkers, sharing thoughts and feelings, and just being around others are all extremely important to employees. This is especially true in today's society where most people feel alienated from each other and where, for many, a strong sense of neighborhood and community are merely relics from the past.

Co-workers and colleagues help each other make sense of the confusing reality of organizational life. The workplace can be bewildering, stressful, and uncertain. To bring order to this chaos, employees strive to understand their situation by continually conferring with their coworkers to construct a coherent image of their environment.

John Van Maanen, the renowned organizational sociologist, called this an “in-the-same-boat consciousness.” This shared reality is very important. It is the reason that many who experienced army boot camp together, lived on the same freshman dormitory floor, or grew up in the old neighborhood, stay lifelong friends.

Indeed, this feeling of commonality is very important to employees even after they leave the organization. VFW clubs and organizations such as Digital Equipment Corporation and Polaroid have alumni organizations where former employees can meet to continue to share the unique reality of the organization they once experienced together.

### What to Do

Since “the people” is what binds employees to their organizations, employers should focus on creating environments that enable employees to interact more. Here is what organizations can do to help employees become more connected to their fellow coworkers.

- 1) Avoid the cyber-disease, “emailitis,” whereby employees stay glued to their computers all day and communicate with coworkers primarily by email. Discourage overuse of email.

2) Get people out of those cubicles. It is not uncommon for employees to work the entire day without engaging in a single real conversation with anyone in-person or via the telephone. Encourage more face-to-face meetings and group projects.

3) Encourage social interaction. Set up tables near your coffee pot so that people can schmooze while they recharge, encourage employees to eat lunch together, call meetings at the beginning and end of the workday to help get everyone on the same page, encourage walking around and socializing, push your socially isolated employees into social situations, and arrange social gatherings just for the fun of it.

These suggestions, which skeptics could easily view as inefficient time wasters, will help bind employees to your organization in ways that a bonus or pay increase never can.

Here is what employees can do to help turn their work friends into real friends.

#### 1) Share

Make it a point to talk to your work friends about non-work topics. Ask them what's happening in their lives outside of work. Be willing to self-disclose about your own life as well. This is what real friends do.

#### 2) Get Together Outside of Work

If there are people at work who you would like to get to know better, spend some quality time with them outside of the work place. Pursue your common interests.

#### 3) Involve Your Significant Others and Families

I am always envious of the very close relationships that my career military friends have made over the years. What they all have in common is that they expanded their relationships with their colleagues to include their families.

#### 4) Work at the Relationships

It's like anything else. You will get more out of your relationships if you put more into them. Spend the time and energy to get to know them better and share more time together outside of the office.

#### Conclusion

Employers need to understand that they can increase employee commitment by creating environments that maximize the opportunity for employees to interact. Employees should know that the work friends that are so important to them are not true friends but that they can become real friends.

# CONCLUSION

So, what can you do if the employees in your organization are unhappy and hate you?

Management in some organizations, of course, doesn't care. They view employees as expandable and non-essential.

Many others do nothing about unhappy employees because they don't feel they can really do anything to solve the problems. They are often under the mistaken assumption that all that employees really want is more money. Since they are unwilling or unable to pay more, they simply ignore the cries of their employees.

Addressing employee concerns can and does work. I can cite many examples of organizations that have successfully reduced, the unhappiness of employees in their organizations.

Here are several suggestions.

## 1) Listen to Employees

Identify the real problems by conducting focus groups or conducting an employee survey. Using an outside, objective facilitator or survey organization can help assuage employee concerns about their anonymity. Organizations committed to reducing employee unhappiness listen to their employees on a regular basis.

## 2) Involve Employees in Developing Solutions

Organizations that are most successful in addressing the concerns of employees involve their employees in action planning. Employees can and do develop solutions to problems that would never occur to management.

### 3) Start Small and Big Things Will Happen

I have worked in many organizations with unhappy employees that did not know where to begin to resolve the problems. They decided to pick just one or two areas to focus on. For example, the issue selected by an electronic equipment manufacturer was to make certain their performance reviews were conducted on time. An insurance company moved to flextime. A retailer instituted quarterly briefings from the president.

In all of these cases, addressing just one important concern had a dramatic positive impact on employee morale. It stopped the crying, not only on this one issue, but on many issues.

### **A FINAL WORD**

Reducing employee unhappiness is not only good for business; it's good for society. Employees spend the majority of their waking hours at their jobs. Doesn't it make sense to provide them with a work environment where they can feel supported, respected, and fulfilled?



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AUTHOR'S COVER BIO (100 words max for back cover)

Bruce L. Katcher, Ph.D. is an Industrial/Organizational psychologist and founder of Discovery Surveys, Inc., a management-consulting firm based in Sharon, Massachusetts. Since 1993, he has been helping organizations understand and delight their employees and customers. His firm conducts employee opinion and customer satisfaction surveys.

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His clients include: Alcoa, Delta Dental Plan, Johnson & Johnson, Manulife Financial, the Mayo Clinic, Science Magazine, Revlon, Sodexo USA, Textron Systems, Timberland, and W.R. Grace.

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BOOK SUMMARY (100 words max for back page of book)

*Why Your Employees Hate You and What You Can Do About It* describes the major concerns of employees in organizations today and recommends solutions. According to Bruce Katcher, an Industrial/Organizational psychologist, management consultant, and author of the book, many employees:

- Feel they are not treated like adults
- Are concerned about the incompetence of the management of their organizations
- Believe their organizations are run poorly
- Are unhappy with their pay
- Have trouble balancing their work and personal lives

The book is intended to help employees and managers make their workplaces more productive and satisfying. It is based on Dr. Katcher's research on more than 50,000 employees.