

# THE ROYAL BANK OF CANADA MONTHLY LETTER

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# About Building Morale

MORALE is one of the most precious elements in a business.

In time of war, morale is the ability to endure hardship and to show courage in the face of danger. In peace time, it means willingness to serve faithfully, to get together with others in solving problems, and to work harmoniously in getting the work done.

Good morale is expressed in the creed suggested by His Grace the Lord Archbishop of Canterbury at the Duke of Edinburgh's Study Conference on the Human Problems of Industrial Communities: "I believe in the work this factory is doing and in the fellowship of those who work with me in it, and in what it produces."

No firm whose employees feel like that will ever be riven asunder by internal conflict, or worsted in competition because of slackness of its workers. The management of such a firm will be made up of executives who are leaders of people, co-ordinators of jobs, and the source of inspiration.

The basic fact in morale is that it applies to a group of people who share goals in common. To attain their purpose they plan enthusiastically and work efficiently as a production team. Morale is a way of co-operative living.

No one will deny the emotional benefits of being one of a group that has high morale, but there is more to it than emotional pleasure. High morale generates thinking and planning, it stimulates initiative and enterprise, it is a most important ingredient of efficiency and only in its atmosphere are people inspired to seek the best. High morale pays off in earnings and job satisfaction, and in the effective operation of the factory or office.

Indeed, high morale spreads outward from the workshop. The workers who are happy in their jobs, with confidence in their management and co-operative relations with their working team, will spread their contentment throughout the community, and will win friends for the company. What workers say about the company is a potent force in public relations. Consider, now, the situation when morale is low. Workers feel no great responsibility for the success of company operations; there is a big turnover of employees and there is excessive absenteeism, the workshop or office is plagued by disobedience, slow-downs, unconcern about quality; friction; abuse of privileges, and all-round tension that is bad for the health of everyone in the firm.

# Management's responsibility

With whom should the human relations practices that make up good morale start? With top management. Executives get to the top because of their ability as leaders, and building morale is first of all a leadership problem and job.

Successful business managers take pride in the teams of which they are captains. Morale and team spirit are the product of consistently high executive character displayed over a period of years. Loyalty and efficiency are not created overnight by some code or appeal or promise or hand-out. They arise out of the personality of the executives, managers, and supervisors.

The character of leadership includes forethought in the interest of employees, fairness and impartiality, willingness to listen to complaints and suggestions, liberality in giving credit where it is due, honesty in living up to promises. But to all these necessary qualities the executives who are most successful in building morale have added something special: they are considerate of their workers in minor matters.

Great men and women are careful in dealing with people. The fact that they take greater care than lesser men and women is at once a cause and a symbol of their success. They know that only through other people is it possible for them to progress. They do not boast only an "open door" policy by which employees may reach them: they go out through the open door to reach their workers.

The executive will lay out broad plans of operation, assign them to subordinates, insist upon the fulfilment of not only the letter of the law but the spirit in which he laid it down, and then devote attention to exceptions — the gremlins that can ruin any plan if they are not watched out for.

#### Supervisors' responsibilities

What supervisors do with the good plans of the executive will make or mar the morale of the company.

People in supervisory positions are not doing their best for the company if they are content to administer rules. Fairness, consistency, and demonstrated interest in employee problems are the backbone of supervisory morale building.

The supervisor is charged by management with taking a group of human beings, every one different in temperament, emotions and skills, and developing them into a satisfactory work unit. An important ingredient in that development is the reflection by the supervisor of the high principles of executive officers. Morale, it has been said, doesn't start at the bottom of an organization, but trickles down from the top.

Every supervisor has some job that is his special bit of the bigger job. He may set up a machine, lay out blue prints, check accuracy, or prepare reports. But while he will do that part of his work well, it is not the part out of which he gets his greatest satisfaction.

The joy of leadership and the thrill of being in charge of men and women consists in spending the last ounce of your management talent so as to see the people under you fulfil their greatest abilities in their jobs and raise their stature as efficient workers.

It will pay every person who is in charge of workers, both for his own sake and for the sake of his firm, to make a personal inventory along these lines: Am I developing good human relations with my people, or am I content with casual daily contact? Have I some guiding principles in dealing with men and women in my department, or am I going along from day to day, doing the best I can according to how things look? Do I always seek the positive factor in a problem or a situation, or is my negative attitude putting a wet blanket on morale? Have I given thought to the fact that all these workers have the human instincts and emotions that I have, perhaps differently emphasized, or do I look upon them as "hands" hired to make the machinery run?

The supervisor who expects employees to be perfect is due for disappointment. No matter how carefully workers are selected, they bring to the workshop all their imperfections, peculiarities and limitations. You can't hire just the fine points about a person: you have to take all of him.

This, of course, gives the supervisors their great opportunity. There is little glory to be had in jotting down on charts the hour-by-hour performance of a smoothlyrunning machine, but to keep one operating that is given to break-down, that needs gentling under load, that has to be carefully lubricated in particular places and at certain times: that is, indeed, a triumph and a satisfaction.

The supervisor's self-analysis should go further than merely listing things one should or should not do. Any man or woman in the shop could prepare a list like that: don't be arbitrary, don't discriminate, don't treat your workers as if they were parts of their machines, don't play favourites, don't give an order when a request will serve as well, don't brush off suggestions, don't say ''no'' as your first reaction to every request, don't put off decisions, don't pass the buck, don't be niggardly with your praise of a job well done.

The good supervisor will be aware of all these, but will wish to go behind them to seek the basic acts and attitudes that can be made to contribute to improving team-work in the department, thereby enhancing his stature as a manager.

#### Co-operation

Co-operation is one of our misused words. Ignorant people "demand" co-operation. They say: "Your co-operation will be appreciated" when they really mean: "Do it — or else."

Co-operation must be practised by everyone, by those who are supervising as well as by those who are supervised. It is a voluntary thing, a two-way street, a way of living in which people work together to get something done. A fair index of a person's efficiency in management is the degree of working together that exists in his unit of the factory or office.

When people become a team, their capacity for production is astonishingly increased. "Teamwork," said Dr. J. F. Johnson in *Business and the Man* (Alexander Hamilton Institute, New York) "is achieved through voluntary effort pooled in a common cause."

The best team-work will be organized by the supervisor who allots to every member of the team the special task for which that person is best fitted, and who sees to it that everyone knows, sees, touches, and appreciates the importance of the finished product to which his hands and skills have contributed.

Everything supervisors do in intercourse with their workers must be done sincerely. False attitudes can be spotted quickly. Then results a loss of faith that is hard to re-establish, and a weakening of the team spirit.

Expediency has come to mean too much in today's living. We are inclined to give in too easily to the idea that the immediate purpose justifies the means. But a supervisor who does what is expedient for the day without reference to what it will mean tomorrow is digging a grave for the department's team spirit.

Since supervisors are not managing inanimate things but are developing people, they must really like people. But because they are in positions of authority they must be careful not to show their liking for some of their people to the extent of playing favourites.

# What workers want

Many executives have come a cropper because they thought they knew all the answers whereas what they really did know was what they thought the answers should be. That is not good enough in the building of morale. Eugene J. Benze underscores this principle in his textbook *Office Administration*, one of the Alexander Hamilton Institute library. He says: "Morale, in a nut-shell, is determined by the degree to which employee 'wants' are satisfied. The satisfaction of employee 'wants' therefore creates morale. It is as simple as that."

People are free to think in terms of job satisfaction. They are free to judge jobs critically. They are free to seek satisfaction of their wishes for recognition, security and comfort.

It is not many years since "security" headed the list of workers' wants, but polls indicate that other wants rank above security and even above the amount of wages. Workers want to be treated as members of a team, to be kept informed of company matters that might affect them, to have their suggestions received with attention, to be promoted according to their merit, and to work under supervisors they can respect.

These are social and emotional needs. They can't be played around with as things to be extended by grace of the management. They are at the core of morale.

The work that men and women do is an essential part of their lives, not only because by it they earn bread but because a person's job gives stature and binds him to society. The belief that money is the most important motive for working, says J. A. C. Brown in *The Social Psychology of Industry* (Pelican), 'is so foolish that anyone who seriously holds this opinion is thereby rendered incapable of understanding either industry or the industrial worker.''

No intelligent person will deny the need for good physical working conditions, wise personnel policies, and stable employment, but we need to go on from there to build a pattern that will meet the needs of workers' social nature.

Satisfactory performance of the social function leads to higher production, reduced absenteeism and reduced turnover of labour. It is not spoon-fed welfare that men and women desire, but a chance to fulfil themselves in the way most satisfactory to them.

#### Status and environment

Every workshop and office has its status system, in which the worker has a place and rank. People are concerned not only with getting the necessities of life but also with getting them in a way that maintains their selfrespect. Every one of us hungers for recognition as a unique individual. Supervisors seeking to build morale will do a better job if they know what the symbols are of this recognition. Trivial though they may appear to one who has grown beyond them, they are of vital importance.

However humble a job may be, a person is entitled to be given the assurance that it is important and that ability in it is highly regarded. He needs the assurance that he is wanted and that he belongs on the team.

At a conference of the Unemployment Insurance Commission officers in Ottawa it was said: "The severest criticism that can be given to any man is not to find fault with him but to ignore him completely. He doesn't know where he stands; he doesn't even know whether or not he's on the team."

# What are the facts?

An industrial organization is a social unit. When everyone is contributing what he or she has to give, work becomes a social activity, yielding individuals respect and approval, and a feeling of fellowship in making a contribution to society.

Within this social unit there will be smaller groups. We should not condemn "cliques" out-of-hand. Be angry, if you wish, about plotting cliques, rumour-mongering cliques, catty cliques, subversive cliques, and all that sort. But there are certain normal groupings that arise in any plant. The foursome that sits at the same cafeteria table every day is most likely there because it is made up of congenial spirits with similar interests. That lunch-time meeting is part of their ego-building satisfaction with their jobs.

It is commonplace for executives or supervisors to say about their staffs: "We're just one big happy family." But there are secrets in the best of families. An article in the *Harvard Business Review* told of a group of workers and supervisors who had harboured resentment for fifteen years without knowledge of it reaching the ears of the executive.

So no matter how heavenly the conditions seem to be in a factory or office, it is just as well to make sure. Conducting employee research is imperative as a preliminary to building morale. The desires of workers must be uncovered.

Such an inquiry offers some bonus dividends. Employees are given the opportunity to say what they think about the company, and self-expression of that sort is in itself good morale building. Supervisors are put on their toes and top management learns wherein faulty reasoning is leading into practices detrimental to good morale.

We need particularly to learn whether the employees are sold on the company: do they believe that there is a good working team upstairs? If there is criticism of management it is better to learn about it than to let it smoulder, and better to listen to it with respect than to brush it off. All this does not mean that management is giving up its sovereignty. A business firm is not a debating society. There needs to be an authority. But management can listen with interest, bring its wider perspective and expert knowledge to bear on criticism, and then tell its decision and position. A procedure like that will drain off bitterness, bring the workers into participation, and inspire exploration of constructive plans. A vital ingredient in good morale is the sense of belonging in an important way.

# Go on record

A significant part of morale building is keeping employees informed of all matters that directly or indirectly concern them. As the *Supervisory Human Relations Source Book* of the Michigan Civil Service Commission puts it: "Discuss impending actions with them instead of suddenly dropping an action-bomb in their midst."

The destructive grape-vine works hardest in organizations where management fails to provide necessary information to the people involved. It is a childish, but often damaging, characteristic of people in every supervisory rank to hold back information so as to feed their ego with the thought "I know something you don't know."

Once upon a time management's maxim was: "Don't tell employees anything unless you have to." Enlightened management of today says: "Don't hold anything back unless there's a good reason."

The autocratic manager tries vainly to control communication. All he can do is cut off his own voice. He cannot stop workers from talking among themselves, or from listening to broadcasts, or from hearing the opinions expressed by politicians, union leaders and workers' wives. Because the autocratic manager withholds his own information, all of these people are incompletely or wrongly informed. The manager has cancelled out his own influence.

#### Some points to consider

When communicating with employees, here are some points to keep in mind: the message must be so presented as to gain attention of the group for which it is intended; it must be tied in with the work and responsibilities of that group; it must be specific and understandable; it must give attention to the human element in management-employee relations.

The management that deals in evasions, half-truths or misrepresentation is subverting the fundamentals of morale building. Only a little less objectionable is the use of propaganda instead of factual information. Another fault is delay in issuing facts, sometimes to the point where ill-wishers can say that management didn't say anything until it was forced to do so. Truly, as John Perry says in *Human Relations in Small Industry* (Small Business Administration, Washington, D.C., booklet No. 3): "Maintaining good communications is like maintaining a good business reputation. One abuse casts a long shadow."

Besides information down, there needs to be information up. Workers have important things to tell supervisors and executive officers. Only when there is a twoway flow can there be the unity of thought that is an evidence of good morale.

Listening to what people say is the starting point toward understanding them. The supervisor who listens with an open mind, giving thought to the significance of what is said, is a bigger person than the supervisor who rebuffs workers. As for top management, it is all too often lacking in awareness of its workers' thoughts and feelings because the upward communication channel is clogged on the supervisory level.

When executives have sufficiently impressed their assistants with the importance of knowing what is brewing in the cafeteria and wash-room conferences of workers, and in their out-of-the-plant social contacts, and of passing along what is significant, then executives will no longer learn about impending crises in their own plants from whispers on the street. Both executives and supervisors will become better administrators in accord with the attention they give to subordinates' ideas.

# An exercise for managers

Whether or not you think you have a staff morale problem and whether you are manager of a great plant, supervisor of a department, or a gang boss, you will gain something from this exercise.

Brain-storm the proposition: *I can contribute something toward improving morale among my people*. Take an hour in solitude, a pencil and a supply of paper. Write down as quickly as possible all the questions you can think of that you would like to have answered about your assistants and your workers. Don't worry if the questions flooding upon you seem to be trivial or irrelevant.

Then imagine that you are a supervisor or a workman, and write down all the questions you would like to have answered about the company and about the top executive.

What a splendid start toward solving the problem of building morale! Now you know what you need to learn about your people in order to understand their wants, and you know what you have to tell them so that they will become aware of the sort of company they work for and the sort of person you are. The exercise will blow away the cobwebs from your thinking about morale building.

Of this be certain: the losses caused by failure to develop the human resources in your business are not all inscribed in the ledger of this year's business. They are in a large shadowy area which must be penetrated by creative thought. And unless you penetrate to them, and do something about them, they will show up in the bookkeeping of future years.