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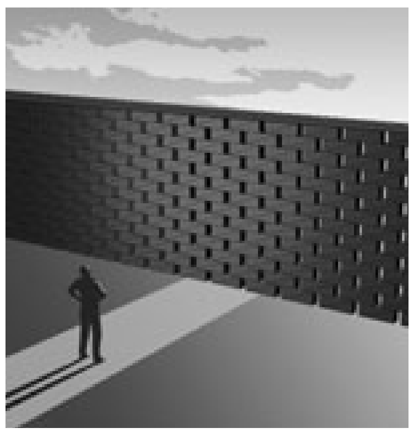
MOST COMPANIES HAVE IT ALL WRONG. They don't have to motivate their employees. They have to stop demotivating them.

The great majority of employees are quite enthusiastic when they start a new job. But in about 85% of companies, our research finds, employees' morale sharply declines after their first six months—and continues to deteriorate for years afterward. That finding is based on surveys of about 1.2 million employees at 52 primarily Fortune 1000 companies from 2001 through 2004, conducted by Sirota Survey Intelligence (Purchase, N.Y.).

The fault lies squarely at the feet of management—both the policies and procedures companies employ in managing their workforces and in the relationships that individual managers establish with their direct reports.

Our research shows how individual managers' behaviors and styles are contributing to the problem (see sidebar "How Management Demotivates")—and what they can do to turn this around.



Three key goals of people at work

To maintain the enthusiasm employees bring to their jobs initially, management must understand the three sets of goals that the great majority of workers seek from their work—and then satisfy those goals:

- Equity: To be respected and to be treated fairly in areas such as pay, benefits, and job security.
- Achievement: To be proud of one's job, accomplishments, and employer.
- Camaraderie: To have good, productive relationships with fellow employees.

To maintain an enthusiastic workforce, management must meet all three goals. Indeed, employees who work for companies where just one of these factors is missing are three times less enthusiastic than workers at companies where all elements are present.

One goal cannot be substituted for another. Improved recognition cannot replace better pay, money cannot substitute for taking pride in a job well done, and pride alone will not pay the mortgage.

What individual managers can do

Satisfying the three goals depends both on organizational policies and on the everyday practices of individual managers. If the company has a solid approach to talent management, a bad manager can undermine it in his unit. On the flip side, smart and empathetic managers can overcome a great deal of corporate mismanagement while creating enthusiasm and commitment within their units. While individual managers can't control all leadership decisions, they can still have a profound influence on employee motivation.

The most important thing is to provide employees with a sense of security, one in which they do not fear that their jobs will be in jeopardy if their performance is not perfect and one in which layoffs are considered an extreme last resort, not just another option for dealing with hard times.

But security is just the beginning. When handled properly, each of the following eight practices will play a key role in supporting your employees' goals for achievement, equity, and camaraderie, and will enable them to retain the enthusiasm they brought to their roles in the first place.

Achievement related

1. Instill an inspiring purpose. A critical condition for employee enthusiasm is a clear, credible, and inspiring organizational purpose; in effect, a "reason for being" that translates for workers into a "reason for being there" that goes above and beyond money.

Every manager should be able to expressly state a strong purpose for his unit. What follows is one purpose statement we especially admire. It was developed by a three-person benefits group in a midsize firm.

Benefits are about people. It's not whether you have the forms filled in or whether the checks are written. It's whether the people are cared for when they're sick, *helped when they're in trouble.*

This statement is particularly impressive because it was composed in a small company devoid of high-powered executive attention and professional wordsmiths. It was created in the type of department normally known for its fixation on bureaucratic rules and procedures. It is a statement truly from the heart, with the focus in the right place: on the ends—people—rather than the means—completing forms.

Stating a mission is a powerful tool. But equally important is the manager's ability to explain and communicate to subordinates the reason behind the mission. Can the manager of stockroom workers do better than telling her staff that their mission is to keep the room stocked? Can she communicate the importance of the job, the people who are relying on the stockroom being properly maintained, both inside and outside the company? The importance for even goods that might be considered prosaic to be where they need to be when they need to be there? That manager will go a long way toward providing a sense of purpose.

Receiving recognition for achievements is one of the most fundamental human needs.

2. Provide recognition. Managers should be certain that all employee contributions, both large and small, are recognized. The motto of many managers seems to be, "Why would I need to thank someone for doing something he's paid to do?" Workers repeatedly tell us, and with great feeling, how much they appreciate a compliment. They also report how distressed they are when managers don't take the time to thank them for a job well done yet are quick to criticize them for making mistakes.

Receiving recognition for achievements is one of the most fundamental human needs. Rather than making employees complacent, recognition reinforces their accomplishments, helping ensure there will be more of them.

A pat on the back, simply saying "good going," a dinner for two, a note about their good work to senior executives, some schedule flexibility, a paid day off, or even a flower on a desk with a thank-you note are a few of the hundreds of ways managers can show their appreciation for good work. It works wonders if this is sincere, sensitively done, and undergirded by fair and competitive pay—and not considered a substitute for it.

3. Be an expediter for your employees. Incorporating a command-and-control style is a sure-fire path to demotivation. Instead, redefine your primary role as serving as your employees' expediter: it is your job to facilitate getting their jobs done. Your reports are, in this sense, your "customers." Your role as an expediter involves a range of activities, including serving as a linchpin to other business units and managerial levels to represent their best interests and ensure your people get what they need to succeed.

How do you know, beyond what's obvious, what is most important to your employees for getting their jobs done? Ask them! "Lunch and schmooze" sessions with employees are particularly helpful for doing this. And if, for whatever reason, you can't immediately address a particular need or request, be open about it and then let your workers know how you're progressing at resolving their problems. This is a great way to build trust.

4. Coach your employees for improvement. A major reason so many managers do not assist subordinates in improving their performance is, simply, that they don't know how to do this without irritating or discouraging them. A few basic principles will improve this substantially.

First and foremost, employees whose overall performance is satisfactory should be made aware of that. It is easier for employees to accept, and welcome, feedback for improvement if they know management is basically pleased with what they do and is helping them do it even better.

Space limitations prevent a full treatment of the subject of giving meaningful feedback, of which recognition is a central part, but these key points should be the basis of any feedback plan:

- Performance feedback is not the same as an annual appraisal. Give actual performance feedback as close in time to the occurrence as possible. Use the formal annual appraisal to summarize the year, not surprise the worker with past wrongs.
- Recognize that workers want to know when they have done poorly. Don't succumb to the fear of giving appropriate criticism; your workers need to know when they are not performing well. At the same time, don't forget to give positive feedback. It is, after all, your goal to create a team that warrants praise.
- Comments concerning desired improvements should be specific, factual, unemotional, and directed at performance rather than at employees personally. Avoid making overall evaluative remarks

(such as, "That work was shoddy") or comments about employees' personalities or motives (such as, "You've been careless"). Instead, provide specific, concrete details about what you feel needs to be improved and how.

- Keep the feedback relevant to the employee's role. Don't let your comments wander to anything not directly tied to the tasks at hand.
- Listen to employees for their views of problems. Employees' experience and observations often are helpful in determining how performance issues can be best dealt with, including how you can be most helpful.
- Remember the reason you're giving feedback—you want to improve performance, not prove your superiority. So keep it real, and focus on what is actually doable without demanding the impossible.
- Follow up and reinforce. Praise improvement or engage in course correction—while praising the effort—as quickly as possible.
- Don't offer feedback about something you know nothing about. Get someone who knows the situation to look at it.

Equity related

5. Communicate fully. One of the most counterproductive rules in business is to distribute information on the basis of "need to know." It is usually a way of severely, unnecessarily, and destructively restricting the flow of information in an organization.

Workers' frustration with an absence of adequate communication is one of the most negative findings we see expressed on employee attitude surveys. What employees need to do their jobs and what makes them feel respected and included dictate that very few restrictions be placed by managers on the flow of information. Hold nothing back of interest to employees except those very few items that are absolutely confidential.

Good communication requires managers to be attuned to what employees want and need to know; the best way to do this is to ask them! Most managers must discipline themselves to communicate regularly. Often it's not a natural instinct. Schedule regular employee meetings that have no purpose other than two-way communication. Meetings among management should conclude with a specific plan for communicating the results of the meetings to employees. And tell it like it is. Many employees are quite skeptical about management's motives and can quickly see through "spin."

Get continual feedback on how well you and the company are communicating. One of the biggest communication problems is the assumption that a message has been understood. Follow-up often finds that messages are unclear or misunderstood.

Companies and managers that communicate in the ways we describe reap large gains in employee morale. Full and open communication not only helps employees do their jobs but also is a powerful sign of respect.

6. Face up to poor performance. Identify and deal decisively with the 5% of your employees who don't want to work. Most people want to work and be proud of what they do (the achievement need). But there are employees who are, in effect, "allergic" to work—they'll do just about anything to avoid it. They are unmotivated, and a disciplinary approach—including dismissal—is about the only way they can be managed. It will raise the morale and performance of other team members to see an obstacle to their performance removed.

HOW MANAGEMENT DEMOTIVATES

There are several ways that management unwittingly demotivates employees and diminishes, if not outright destroys, their enthusiasm.

Many companies treat employees as disposable. At the first sign of business difficulty, employees—who are usually routinely referred to as "our greatest asset"—become expendable.

Employees generally receive inadequate recognition and reward: about half of the workers in our surveys report receiving little or no credit, and almost two-thirds say management is much more likely to criticize them for poor performance than praise them for good work.

Management inadvertently makes it difficult for employees to do their jobs. Excessive levels of required approvals, endless paperwork, insufficient training, failure to communicate, infrequent delegation of authority, and a lack of a credible vision contribute to employees' frustration.

Camaraderie related

7. Promote teamwork. Most work requires a team effort in order to be done effectively. Research shows repeatedly that the quality of a group's efforts in areas such as problem solving is usually superior to that of individuals working on their own. In addition, most workers get a motivation boost from working in teams.

Whenever possible, managers should organize employees into self-managed teams, with the teams having authority over matters such as quality control, scheduling, and many work methods. Such teams require less management and normally result in a healthy reduction in management layers and costs.

Creating teams has as much to do with camaraderie as core competences. A manager needs to carefully assess who works best with whom. At the same time, it is important to create the opportunity for cross-learning and diversity of ideas, methods, and approaches. Be clear with the new team about its role, how it will operate, and your expectations for its output.

Related to all three factors

8. Listen and involve. Employees are a rich source of information about how to do a job and how to do it better. This principle has been demonstrated time and again with all kinds of employees—from hourly workers doing the most routine tasks to high-ranking professionals. Managers who operate with a participative style reap enormous rewards in efficiency and work quality.

Participative managers continually announce their interest in employees' ideas. They do not wait for these suggestions to materialize through formal upward communication or suggestion programs. They find opportunities to have direct conversations with individuals and groups about what can be done to improve effectiveness. They create an atmosphere where "the past is not good enough" and recognize employees for their innovativeness.

Participative managers, once they have defined task boundaries, give employees freedom to operate and make changes on their own commensurate with their knowledge and experience. Indeed, there may be no single motivational tactic more powerful than freeing competent people to do their jobs as they see fit. ◆

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