



# Corporate Learning Institute

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## Meeting Employees' Motivation Needs in a Struggling Economy **A White Paper from CLI**



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## About Corporate Learning Institute

**The Corporate Learning Institute's** programs teach, inspire, renew, and challenge your people to become powerful performers. Our expert consultation and facilitation ensures that participants learn the skills that are critical to their success back at work. Our bottom line is to help achieve both personal and organizational success.

**The Corporate Learning Institute** offers a continuum of services from short-term training events to full-scale change projects. For maximum return on investment, our services are custom designed for each client we work with. Our services encompass the following five areas:

**Consulting Services:** Our approach is rooted in process consultation, organizational behavior, organizational development and expert facilitation. We provide strategic planning, vision, mission and values development, change management, culture work and executive planning retreats.

**Training and Development Workshops:** These dynamic skill building sessions include leadership, management and supervisory training, performance accountability, change management, customer service, diversity, personality styles, conflict management, train the trainer and communication.

**Performance Coaching:** Our expert coaches provide assistance with team coaching and development, individual performance coaching and executive coaching.

**Adventure Programming:** We provide provocative Team Challenge and High Ropes Courses tangibly designed to target performance improvement.

**Corporate Team Building Events:** Our lively, well-orchestrated, and power packed events create awareness of your organizations goals.

This article examines the motivational needs employees have with any economical downturn. Within the article are best practices used, by four industry leaders, to enhance motivation at work.



### **Experiences of Organizational Leaders: The Economy and its Perceived Impact on Employee Motivation**

Four industry leaders were asked if their employee's motivational levels were affected by the economic downturn, and the responses from leaders varied. According to an executive from the food industry, "employees are putting in the same amount of effort and potentially even more effort to ensure they are building skills that can serve them as a back-up plan." Similarly, the General Manager of the Marriot Hickory Ridge Conference Hotel Laura Lojas also claimed an increase in motivation. She said the "leadership team keeps employees up to date with new information. For example, when jobs were eliminated, we were very honest with employees, eliminating the shroud of mystery that could have

enveloped this process." The Hickory Ridge Marriott Hotel, takes the motivational levels of employees seriously. Lojas further stated, "By celebrating the small successes, employees stay motivated because they are being recognized for the work they are doing."

From a different perspective, the President of the National Marine Manufacturing Association (NMMA), Thomas Dammrich has noticed minimal impact on employee motivation. Instead, he found the influence of the economy to be much greater on employees' attitudes. "Workers have become more edgy and worried but also creative, in the face of adversity", he stated.

According to Vice President of 53<sup>rd</sup> Bank Tom Heuer, the economy has affected motivation in that "workers seem to be exerting less effort on the job, and are more edgy and careless. There also seems to be a loss of energy for the company and for their work."

### **Leaders View of the Motivational Needs of their Employees and their Reactions to Them**

NMMA President Thomas Dammrich says he maintains motivational levels by offering staff an internal daily blog that keeps them informed about what is going on

within and outside the industry. Dammrich notes that uncertainty is a major demotivator, more specifically, “people can deal with adversity and bad news but they cannot deal with not knowing what’s going on.” A robust communication process is critical for keeping staff informed.

Marriott’s Laura Lojas suggests that, “Each individual is motivated by different things; finding out what keeps others excited about their jobs makes a great difference in performance levels.” For example, in order to motivate employees in need of more hours, the Marriott recently implemented an online scheduling tool that allows employees to seek work openings at alternate Marriott locations. Lojas explained that employees have been cross-trained so they can look for additional employment in other departments or hotels to maintain a forty-hour workweek. It is critical to find out what motivates each individual and search for opportunities to support employees.

5/3<sup>rd</sup> Bank Vice President Tom Heur says employees motivational needs lies in “recognizing people for their work and communicating the future of the company, its vision and strategy.” Heur has increased executive communications and clarity, sustained development efforts and minimized layoffs. Having employees focused on the organization vision, future and strategy helps maintain motivation.

The food industry executive found that trust, emotional support and feedback to be the main motivational needs of employees. She stated that “now is a good time for career coaching, and casting a positive vision for the employee’s future role within the company.” Offering small rewards

for key milestones, asking for employee feedback, team recognition, identifying team members and opening dialog about people’s fears are all things that her company has done to motivate their employees.

### Motivational Approaches



One major component that organizational leaders seemed to have agreed on was the importance of minimizing uncertainty and fear. According to the leaders, uncertainty can lead to fear, which can be reduced with added clarity and communication. The article “The Pursuit of Happiness” by Chris Edwards (2009) stated that fear is a powerful motivator, and the uncertainty caused by current economic downturn may be playing a role in motivating employees to exert more effort to prevent being laid off.

However, Edwards also mentioned that companies inducing fear in their employees create detrimental effects in the long-term because it creates negative emotions. Moreover, Edwards also stated that positive emotions might help employees persist in the face of negative situations and allow them to scrutinize innovative ways of doing things. Similarly, in the article “How to Be a Good Boss in a Bad Economy” by Robert Sutton (2009) says that workers who feel threatened by their superiors may become distracted, and that

this redirects their efforts toward trying to figure out what is going on and coping with their fear and anxiety instead of on job tasks.

The executive from the food industry noted, “employees are operating with a background of fear, knowing that they could be surprised by a lay-off and almost expecting it to happen. I encourage managers and leaders to spend more time building trust with employees.” In other words, while employees seem to be motivated by the fear caused by the struggling economy, they do not seem to be motivated by fear purposely induced by their manager(s).

### **Effective Leadership in a Struggling Economy**

Effective leadership appears to be an important determinant of the motivational levels employees’ experience. Leadership roles include motivating and inspiring others in today’s service-oriented world. In their article “Emotional Intelligence and Effective Leadership” by Palmer, Walls, Gurgess & Stough (2000) note that leaders are responsible for motivating, inspiring, fostering positive attitudes, creating a sense of contribution and importance with and among employees, communicating effectively, creating expectations, offering positive feedback, and encouraging employees to build trust. The food industry executive we interviewed stated that the struggling economy has created “a tendency to over-communicate or to under-communicate, and trust is harder to build. Cynicism, distrust of leadership, and self

preservation are themes that can really slow us down.”

Many leaders note that individuals have different needs, and offer that effective leaders must seek ways to satisfy them. For instance, Laura Lojas states that some employees prefer a lot of information while others want a more flexible work schedule. According to the Harvard Business review article by Robert Sutton, “How to be a Good Boss in a Bad Economy,” giving people as much information as possible about changes that are happening (individually, as a work group or as an organization) and when it will happen allows them to prepare to the extent they can and to suffer less.



According to Isaac, Zerbe & Pitt in their article Leadership and motivation: The Effective Application of Expectancy Theory, there are two types of motivators, extrinsic and intrinsic. Extrinsic motivators account

for the causes for behavior exhibited in the workplace such as pay, while intrinsic motivators are behaviors derived from internal forces such as the enjoyment of work. Extrinsic motivation is what leaders can provide to motivate their staff, like incentive programs, career development, mentoring and training. Intrinsic motivators come from within a person. One of a leader’s most important roles is to learn what intrinsically motivates each of their employees to then create an environment for an individual’s intrinsic motivation to flourish. The authors note that both are equally important. Leaders need to be able to differentiate between them and use them

accordingly. Tom Heuer notes that “encouraging the heart is important; people need to be recognized for their work. In addition, as a leader, you need to be clear about the future of the company; vision and strategy. Finally, recognizing people for their work can make them feel like their work is meaningful.”

One common assumption traditional leaders have is that monetary incentives automatically increases everyone’s motivational levels. In Kreisman’s article “Insights into Employee Motivation, Commitment and Retention” (2002), monetary incentives like bonuses and pension plans are noted as powerful extrinsic motivators, but may no longer be powerful enough. In today’s world, employees other needs. In his interview, Thomas Dammrich stated, “employees need to know that their efforts are appreciated and valued and that they themselves are valued.”

According to Sutton in his the article “How to Be a Good Boss in a Bad Economy,” leaders at the top of the organization or who only have a few direct reports should keep in mind the following four points during this hard economical time:

1. **Predictability:** Give employees as much information as you can about what will happen and when. If shocks are preceded by fair warnings, people not only have time to brace themselves but also get chances to breathe easier.
2. **Understanding:** Explain why the changes you are implementing are necessary- and do not assume you need to do so only once.

3. **Control:** Take a bewildering challenge and break it down into “small win” opportunities. Lojas from Marriott found this to affect motivation positively. In situations where you cannot give people much influence over what happens, at least give them a say in how it happens.
4. **Compassion:** Put yourself in the other person’s shoes. Express empathy, when appropriate, and sorrow for any painful actions that have to be taken.

### **Tips for effective leadership and motivation:**

The leaders that we interviewed and articles offered suggestions for leading and motivating in a struggling economy.

#### **1. Communication**

- Over-communicate with employees
- Take the time to listen
- Give honest feedback

#### **2. Leadership**

- Set goals and objectives for people
- Develop employees strengths and create an environment for success
- Create an environment for continuous learning, growth and innovation
- Learn the intrinsic motivators of your employees
- Value each person’s unique style and capabilities
- Use different leadership styles according to the individual need

#### **3. Strategies**

- Build an environment of trust and support that reduces fear
- Assess the motivation levels of your employees
- Focus on the vision and strategy of the organization
- Explore the factors that motivates and fulfills each employee
- Design incentive programs that will get the results that are required

## Conclusion

The struggling economy affects the level of motivation of workers in organizations differently. Exercising effective leadership will help ensure those levels of motivation in your organization surpass

expectations. According to the executive from the food industry, “the worst thing for any employee is to have a cloud of anxiety hanging over their head. If employees are working for leaders that are honest and ethical, it enables them to do their best work.”

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