

UNIT 42- UPSC - Employee Morale And Productivity (Human Resource Management)

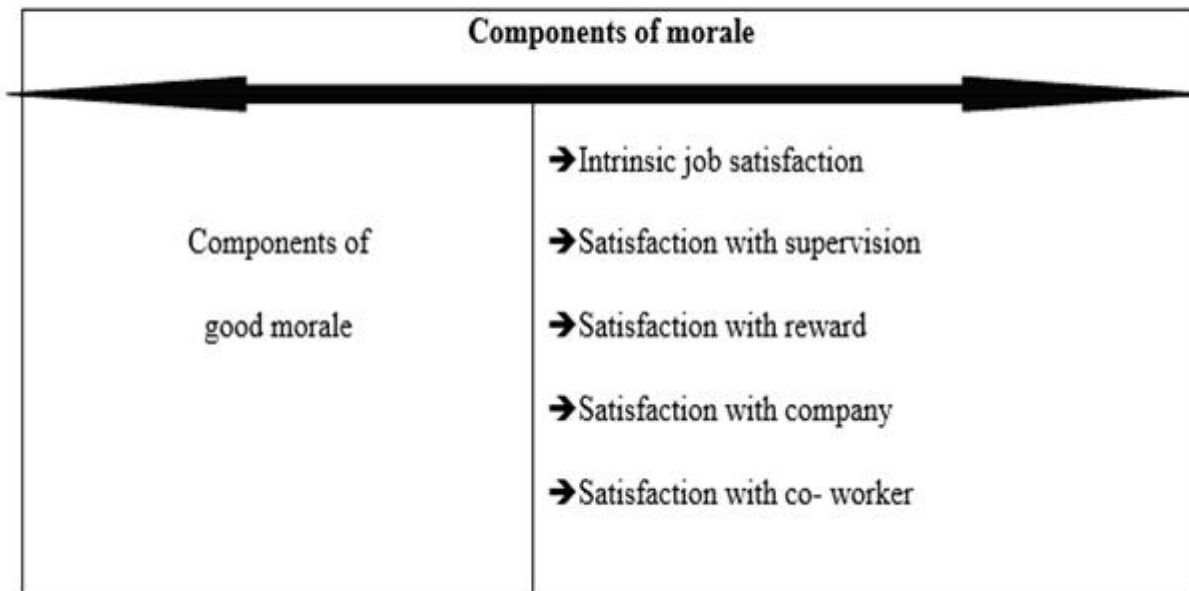
It is established in many theoretical studies that employees who are satisfied with work culture of organization are more productive and there is a specific association between productivity and morale. Employee morale is a decisive factor in companies. Employee morale has been a matter of broad social research, which intended to establish aspects of work associated with either high or low employee morale. Hetherington (1997) stated that major studied areas include supervision, remuneration, the job itself, company and relationships with other colleagues. In his study of structure and job satisfaction in a multihospital system he uses a modified Price definition of morale: "the degree to which the members of a social system have a positive affective (and cognitive) orientation toward membership in the system". Employee morale, in human resource management is described as the job satisfaction, attitude, and feelings of happiness of a worker in work environment. Proven to have a direct effect on productivity, it is one of the corner stones of business. Only few organizations pay attention to morale among workers in their organization. This is a mistake from their side. Forret and Love (2008) explained morale in two different states of directions as either being high or low. Depending on what direction morale was in an organization often times determined the overall attitude one felt towards their work environment. High morale in the organization may not directly affect productivity but it has been revealed high morale among workers enhances work satisfaction and increases the productivity of organization. Morale can be considered as team spirit or outlook. In competitive business environment and goal oriented situation, companies are generally goal driven and managed as a result, employees are focused on increased efficiency, better procedures and keeping up with competitors. This behaviour has its price in worker morale which needs to be balanced.



Conversely, Dimitriadis and Papalexandris (2011) explored employee morale and commitment in the Greek banking sector and explained morale as "employee perceptions of team-based efforts directed towards organizational goal accomplishment" (p. 145). Research mainly focused of employee perceptions of present team spirit, positive energy, enthusiasm and pride in the

organization and did not include personal analysis of the respondent. In theoretical studies, not all research on employee morale concentrated on the general health of the employees. Investigators have tried to connect employee morale with work-place performance, relying on the postulation that morale is highly dependent on the employee perceptions of management.

Figure: Components of morale:



To fully comprehend the major factors that impact morale can assist the managerial team to develop numerous strategies to maintain high morale. It can be recognized as external and internal factors. External factors are influences outside the organization that are not under the control of management such as employees' family relationships, problems with friends, etc (Hilgert et al, 1995). The factors may considerably affect employees' morale and therefore, effective managers should alert to their existence and take appropriate actions to manage the situation like counselling with empathetic listening and to decrease the impact. Internal factors involve supervision and management aspects, which are more complex as they are related with morale to the degree of which individuals recognize with the objectives of company (Costley and Todd, 1991).

When worker has high morale, the levels of general job satisfaction and overall happiness are also high. This indicates that workers give high performance together and function as a unified team. It is a fact that when management keep high morale of team, then it is easy to complete a project on time and under budget. When employees are comfortable and have good feeling about their job, they put their efforts to accomplish more as a team. They also tend to put in more emotionally in their job. They have good self-esteem and they do not want to work anywhere else and take steps for the success of company. As any manager who has witnessed interoffice fighting can attest, having good morale will often improve interoffice relationships. Offices who maintain high moral in their business environment typically display much less pessimism and general bad behaviour issues as compared to workplaces where morale is low. It is much easier to get along with others when employee feels that he/she is happy at job and all is right in the world. When employees do not have clashes in workplace, they have more time to actually do their jobs.

Jones (2009) have shown thwart management and leadership levels in organizations may unenthusiastically ignore morale and not distinguish that it may be heading into a spiral downspin without any display of hints. She demonstrated some common morale problems such as rules not applied equally or only applied towards certain employees may be seen as favouritism. This is often looked at as one way rule or prejudiced action. Second, employees experiences tension and disagreement amongst each other without resolution often at times leading to injustice. This questions truth and honesty. Third, failing to identify and reward to well-deserved individuals with promotions or financial incentives may be seen as discriminating or favouritism also. These actions must be recognized to thwart a morale issue in the organization, and lastly, supervisors' and subordinates are seen as the most awful morale buster if seen in a romantic relationship because its perception is viewed towards negativity. Gini (2004) said that leader's behaviours and actions reveal leadership and subordinates perceiving undesirable actions by their leaders as acceptable may damage the status of the organization and their people.

The recent report showed that inadequate communication from management is the primary cause of morale issues in the workplace. To lessen the possibility of employee turnover, managers should guarantee that they are living up to their roles by serving as good communicators. Whether it's in a group meeting, or on a one-on-one basis with individual workers, employee morale will increase considerably if their immediate superiors are as upfront with them as possible. Fretwell (2002) highlighted the importance of the leaders' role, since organizations are considerably influenced by the leader's vision and decisions. Psychometrics Canada (2010) reported that poor management has unenthusiastic effects on employee's morale. Furthermore, the mistrust of management, poor interpersonal relations and rigid working conditions could be other factors that affect staff morale (Dye and Garman, 2006). At last, according to Workforce Performance Solutions (2006), low morale may be due to departmental layoffs or closures, labor negotiations and contract clashes, high employee turnover rates, changes in leadership, and unclear expectations. They also stated that the lack of opportunity for individual growth because of unchallenging environments leads to low morale. Scholars recommend that servant leadership might be useful to enhance employee's morale (Greenleaf, 1996). Dye and Garman (2006) emphasized those employees morale may be improved by increasing accessibility and legitimacy, fostering openness, and role modelling.

Researchers stated that measure of morale can be based on employee loyalty and commitment. Warnings of low morale can be indicated by the increase of complaints, decrease of trust in company's management and voluntary absenteeism. Therefore, indicators "such as rate of absenteeism and decline in loyalty to the corporation can be safely interpreted as indications of decline in morale" (Makawatsakul & Kleiner, 2003). Most significant of the warning signals include high rate of absenteeism, Tardiness, High labour turn over, Strike and sabotage and lack of pride in work.

Measurement Of Employee Morale

Simple way to scrutinize employee's morale is through an employee satisfaction survey. These surveys should be unidentified, and should ask very specific questions such as "Are you content and fulfilled in your position?" "Do you feel there is room to grow in your job?" "How likely are you to stay with the company?" The survey should also give chance for the employee to provide suggestions, or to provide with information that may not have been specifically asked in the survey.

Another way to assess employee morale is periodic performance interviews with workers can also help company estimate the overall employee satisfaction. These interviews provide team with a chance to tell employee the things he is doing well and the things he needs to work on, as well as give the employee the chance to have input on ways to improve the company to increase employee satisfaction and productivity. It is important to measure the overall productivity of workforce on a periodical basis, and over an extended period of time which will provide data of how well employees are performing. Employees who are pleased at work often perform better, help in increasing company's overall productivity. If there is perceptible decline in production numbers, this may be an indication that employee morale is low and there is a need to check ways to increase overall satisfaction in the workplace.

It is a fact that when employers treat their employees with esteem, they not only boost morale, but they also assist employees to treat their customers and other employees with respect. Managers of all levels or CMD of big organizations can establish good environment for the workplace with their behaviour. When they reflect respect and their employees do the same for those they interact with, the whole company can change. This results in sales increase and employees feel delightful and apply themselves to their jobs. Rensis Likert stated that there can be different combinations of morale and productivity.

Figure: Morale and productivity

↑ High Morale ↓ Low	High Morale Low productivity	High Morale high productivity
	low Morale Low productivity	low Morale Low productivity
	Productivity	

Another theorist, Davis designated that there is not always a positive link between morale and productivity. However many significant evidences demonstrate that in the long run high-producing employees does tend to have high morale. High morale puts employees in a frame of mind to be dynamic and in intense desire to accomplish and seek increased responsibility (Hilgert et al, 1995). Employees are willing to cooperative, loyal, voluntary discipline, initiative-interest, and pride in organization. These distinguishing features make workers satisfying in their position, have confidence in their capability, and work with keenness to meet the organization's strategic business objectives. Regrettably low morale is harmful to the health, energy, and output of the firms (Frunzi and Savini, 1997). When it is present in organization, employees have a feeling that their professional life has no significance. Boredom, frustration, passive or openly hostile set in, and employees experience a feeling of hopelessness to change existing circumstances.

One major issue related with production of any company is a lack of capable workforce. Companies with low maintenance rates naturally have several employees in training or at different stages of knowledge for their positions. Companies with high morale keep their employees for longer period. They do not have to lose time for training, and the employees who are there know what is expected

of them and know how to do their jobs effectively and in less time than someone who is just starting out.

In any business organization, low self-esteem may lead to reduced attentiveness, which consecutively can cause mistakes, poor customer service and missed deadlines. It also can contribute to a high turnover rate and absenteeism. Employee morale proves to be damaging to the business in these respects. Morale can compel an organization forward or can lead to employee dissatisfaction, poor job performance, and absenteeism (Ewton, 2007). With low morale comes a high price tag. For example, The Gallup Organization assess that there are twenty two million actively detached workers costing the American economy as much as \$350 billion dollars per year in lost productivity including absenteeism, illness, and other problems that result when employees are discontented at work. If organizations do not address such major issue, it may lead to decreased efficiency, increased rates of absence and associated costs, increased disagreement in the work environment, increased customer or consumer complaints, and increased employee turnover rates and costs associated with selection and training substitute employees. Poor morale is developed by Pessimism, Discouragement, Put Down, Lack of Interest, Poor Motivation, Lack of Planning, lack of Caring, lack of Concern, lack of Team Work, lack of Respect, lack of Recognition, lack of Trust, and unfairness.

Ways to Improve Employee Morale

The balance or enhancement in morale can be accomplished through numerous ways. Companies can improve morale through concentrating on employee appreciation, employee involvement, management concern and accountability and working environment. Good moral is prompted by Optimism, Encouragement, affirmation, interest, motivation, planning, caring, concern, team work, Respect, recognition, trust and fairness. Some important ways to improve morale among workers in an organization are mentioned below:

1. **Organizational Transparency:** Employees are quite smart to feel any trouble they face in workplace. Transparency in an organization is very important whether it is good news such a recent success, troubling news such as an upcoming merger or bad news such as personnel layoffs.
2. **Feedback:** Employers need to give positive feedback to employees. This should be regarded narrowly. A positively oriented meeting to analyse a current success what have they done right is also important and contributes to morale in the organization. Feedback should be implemented regularly and constantly.
3. **Milestone parties:** It is important to have a record of significant mile stones achieved. It is important to dwell on success as well as on failure
4. **Take time off to think about organizational surroundings:** Company must organize workshops to train employees. Let employees express feelings, opinions and thoughts.
5. **Hire solution over problem oriented employees:** Problem oriented employees is just that, problem oriented. These employees taint organizations with almost negative energies.
6. **Make horizontal movement possible:** It is recommended to permit employees to move horizontally in organization. It is very significant to explain employees that there are other ways open to them.

7. **Adjust decision taking strategy to the organization:** It is suggested to discuss with employees and listen whenever possible but not always.
8. **) Create organization fidelity:** High organizational and management credibility are highly important as employees can be reassured and can trust management.
9. **Working environment:** Working environment must be improved as much as possible. From office design to office supplies.

Theoretical studies have revealed that improving morale can enhance employee satisfaction and thus improving profitability.

To summarize, high employee morale turned into increased output and performance. A worker who is comfortable in his work environment will help maintain the status quo. Without even realizing it, the quality of their contributions to the company improves. Contrariwise, low employee morale has a negative, almost disparaging, effect on a company as a whole. Employees lack self-confidence in their positions and their organization. This results in a half-hearted effort in their work performance. Low morale also causes tension between colleagues to develop disharmony. Major projects are not completed in a timely manner and errors persist throughout the project development. Eventually, the company have to bear losses in terms of cost and will not realize its full potential in net income.