

# Motivation Matters Report 2009

Kate Turner  
Lynne Bell

## Contents

Survey Results .....	3
The Business Case .....	4
Re-energising a Workforce during a Recession .....	5
Treating People as Individuals .....	7
Summary.....	8

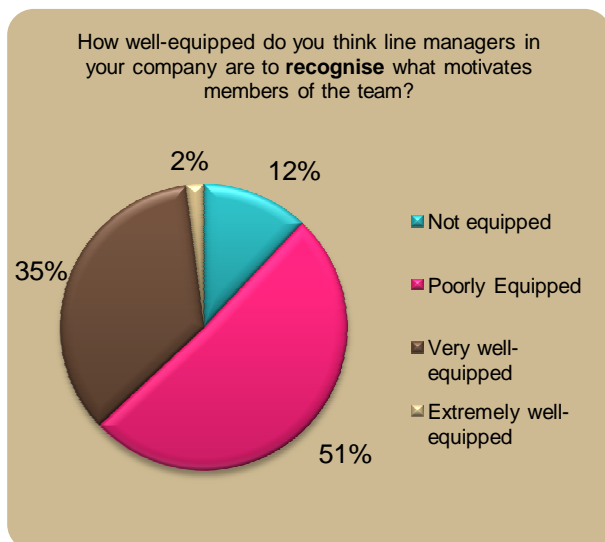
## Survey Results

The importance of motivation in business has increased during the recession for more than two-thirds of employers, according to our Motivation Matters Survey 2009.

The poll of 91 employers – covering a combined workforce of more than 504,000 staff - found that the downturn had made the subject of motivation more prevalent in 77% of the organisations surveyed. Just 23% felt that the importance of motivation had decreased during the recession.

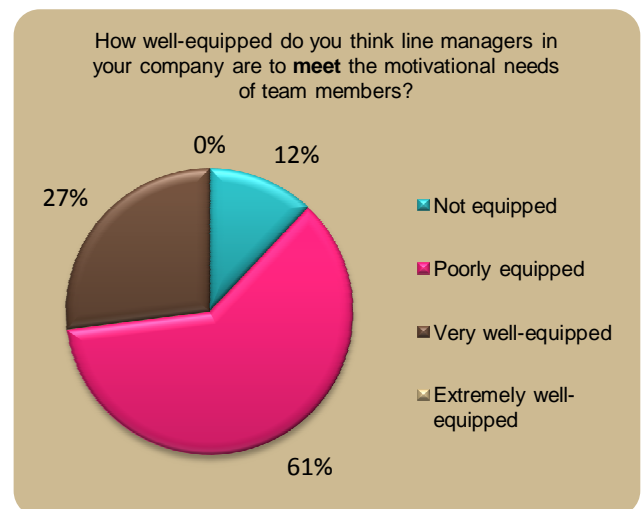
Furthermore, 84% of those companies surveyed believed that the importance of motivation would increase over the next two years as companies recover from the effects of the economic downturn, leaving just 16% to believe that its importance will decrease.

Amongst all those companies surveyed, 95% believed that motivation is 'Very important' or 'Critical', with just 5% believing it is 'Somewhat important'.



Asked how well-equipped employers believed their line managers to be in recognising what motivates their team, 63% felt they were 'Not equipped' or 'Poorly equipped'. 35% believed that their managers were 'Very well-equipped' and just 2% felt they were 'Extremely well-equipped'.

Similarly, when asked how well-equipped employers thought line managers are to meet the motivational needs of team members, 73% felt they were 'Not equipped' or 'Poorly equipped', and 27% believed their managers are 'Very well-equipped'. None of the employers surveyed believed that their line managers were 'Extremely well-equipped'.



In terms of measuring the levels of motivation in the business, 60% of organisations do not currently do this, with 30% of these confirming that they do not know how to measure it. For the 40% of organisations that do measure motivation, Employee Satisfaction Surveys are by far the most popular method. Some organisations also measure motivation levels during the appraisal process.

The most challenging aspect of increasing staff motivation, according to those surveyed, is the ability of the manager to focus on the individual needs of staff, rather than looking at company wide methods. The need to recognise that each person is different, and so provide an individualised approach, was a key finding in the survey. The second most challenging aspect was obtaining leadership buy-in to the importance of motivation to the business and further reiterating this importance through the behaviour of senior staff.

A lack of 'Skill' (and to a certain extent 'Will') amongst line managers to recognise and meet the motivational needs of their staff was the third highest ranking difficulty cited by those surveyed. Other challenges included lack of time/too much work, maintaining the levels of motivation once they had been raised and particular difficulties being faced by firms as a result of the recession (including lack of budget, national pay deals etc).

## The Business Case

With 95% of employers surveyed stating that motivation is 'Critical' or 'Very important' for their business, what is the impact of motivation for organisations?

From a personal perspective, we all know how it feels to experience high and low motivation at work

But how do these feelings translate into business performance? Let the evidence speak for itself:

- A US survey of 24 publicly listed traded companies with a total of over 250000 employees conducted over a 5 year period found that the stock price of the 11 companies with the highest employee morale increased an average of 19.4%, whilst those of other companies within the same industries increased by only an average of 8% - a margin of 240%. (Sirota Survey Intelligence 2006)
- A Watson Wyatt survey of 115 companies (2006, 2008) asserts that a company with highly engaged employees typically achieves a financial performance 4 times greater than a company with poor employee attitudes. Moreover, high job and organisation commitment, which are affected significantly by levels of engagement, also leads to reduced absenteeism and turnover.

In simple terms, if a person is motivated they are likely to work longer and harder than a de-motivated employee and this leads to **increased performance**.

They are likely to talk positively about the business to friends and colleagues which could translate into **higher attraction figures** for staff recruitment and/or **increased sales** as products and services are recommended by them.

Motivated staff are less likely to be ill, leading to **lower absenteeism** and they are less likely to leave the organisation which will lead to **higher staff retention**.

Finally, motivated staff are likely to be more flexible, resourceful and positive; all essential attributes when **managing change**.

### When motivation is low:

- You may dread going to work
- Time seems to drag
- Your confidence may get knocked
- Your self esteem may get knocked
- You may feel like working to rule
- You may get into conflict with people
- You may decide to leave work
- You may even become ill through stress

### When motivation is high:

- You'll feel happy and more energised
- You'll go the extra mile
- Time will appear to go quickly
- Actions are likely to be easier to take
- People like being with you; your positive mood becomes contagious!
- Your performance levels increase
- You are less likely to be sick

# Re-energising a Workforce during a Recession

Over the last year, many firms have had to take tough decisions in order to survive during challenging economic conditions. 72% of companies have reduced their workforce in response to the recession (Source: Towers Perrin). 38% of organisations have reduced their HR budget by more than 5% and 13% have made cuts of over 25% (Source: Talent Drain).

Pay freezes have been the norm across the economy and reduced working weeks have become more common place as companies have sought ways to reduce their pay bill. With this backdrop it is no wonder that the subject of motivation has increased for 77% of the companies surveyed.

At some point in 2010, however, the UK economy will start to grow again and, according to 84% of our survey respondents, the importance of motivation will increase over that time.

What can organisations do NOW to meet the motivational needs of their employees?

- David MacLeod, co-author of the government-commissioned [Employee Engagement Review](#), has strongly advised businesses that they should give their staff a "good listening to" about what has worked this year and their plans for next year, to boost engagement in 2010 and in time for the upturn.
- In the aftermath of redundancies, it is vital that so-called 'Survivors' are taken care of.

A survey of 116 employers – covering a combined workforce of almost 425,000 people – showed that Survivor Syndrome (the physical and psychological impact of redundancies on the remaining staff who didn't lose their jobs) can limit the potential financial savings of redundancies by reducing the performance and attendance of the remaining employees and increasing staff turnover.  
(Personnel Today 10 June 2009)

- You can reduce the impact of redundancies on Survivors by:
  - Having a strategic view on managing Survivors with a clear plan of action.
  - Putting communication at the heart of the down-sizing plans – it is too easy to focus on consultation requirements and so forget the real messages you want employees to be left with.
  - Continuing to provide training to staff, where possible, so that they have the skills to perform their newly expanded roles.
  - Ensuring you have senior management commitment to engaging employees throughout the down-sizing programme; their focus is so often on the people leaving the organisation (and the need to meet legal requirements) that they are unable to see and meet the needs of Survivors.
  - Placing a focus on staff wellness – it doesn't need to cost much and it shows you care.
- Recognise now that as soon as the upturn comes many of your staff will start looking around for new work – and it may be your most valued ones who feel most mobile.

*47% of high performers are looking to leave their jobs when the economy picks up whereas only 18% of low performers want to leave. Survey by LeadershipIQ.com*

One of the most powerful ways of motivating your staff, and so dissuading them from leaving, is to ensure they feel their needs are being met. By **truly** understanding what they are seeking from a role (for example, a sense of belonging, security, freedom, progression, learning, money etc) you will be able to tailor your discussions with them appropriately.

- Review your Reward and Recognition policies to ensure that they provide flexibility for managers to treat employees as individuals.
- Review the behaviour of your leaders and ask what message they are sending to employees. Do their actions portray a company that lacks confidence, has had its morale crushed and the spirit knocked out of it? Or do they embody a company which has shown it can respond to a challenge, is resilient and positive? A leadership or management team will benefit greatly from a clear strategy on how to lead by example, modelling good behaviour and encouraging a genuine focus on the individual and their contribution to business success.

*The Chartered Management  
Institute reported a strong  
association between  
motivation and personal  
productivity levels.*

*Employee Engagement Review*

- Coming out of recession may seem a tall mountain to climb for some businesses and especially difficult when the team feels exhausted, stretched and emotionally spent. Adjust the messages you send to employees to ensure that small successes can be celebrated, the 'team' element is emphasised (to help demonstrate mutual support) and a clear focus is shared.
- Identify the motivation 'zappers' in the organisational and talk to them about their attitude early on. Ensure they feel listened to and then help them become focused on the positive aspects of their role with the company (or, if needs be, help them to move on).
- Learning and development is a vital source of motivation for many people in companies but with 59% of employers reporting to have

had their learning and development strategy adversely affected by the recession (Source: Personnel Today, 6 October 2009), meeting this need is challenging. Innovative solutions to counter this include:

- Making the most of government funded initiatives such as [Train to Gain](#) and the many local European funded projects that exist.
- Ensuring the training you **do** provide is seen as valued by the employee. Vodafone have done this by working with the Learning and Skills Council to develop NVQs for some of their training.
- Encouraging senior managers to mentor employees but make sure they know how to listen and build on the ideas generated by staff. This is a primary reason why talented people stay with organisations.
- Enabling HR to become 'guides' and 'enablers' to the personal development of staff, rather than 'enforcers' or 'tellers' and so encourage staff to take responsibility for their own development.
- Making sure, through discussion with employees, that they are using all of their skills in their role, rather than simply the ones you originally employed them for, or, conversely, the ones they have most recently used. This is particularly relevant following a restructuring.
- Revising appraisal training to ensure that discussions about motivation are encouraged and handled well.
- Providing departmental secondments. These be a useful means to motivating staff through exposure to different parts of the business. If vertical career development is not an option consider whether they can move laterally.
- Equipping more people in the HR team, and managers generally, with the skills to motivate and encourage staff, through coaching.

Without doubt, Employee Engagement has become the buzz word term of the last ten years – and rightly so.

The MacLeod [Employee Engagement Review](#) published in the autumn has reported on the many examples they have seen of companies and organisations where performance and profitability have been transformed by Employee Engagement.

They interviewed many employees who were only too keen to explain how their working lives have been transformed; and have reviewed many studies which show a clear correlation between improving engagement and improving performance. This is a positive signal for any business embarking on Employee Engagement strategies.

So where does the subject of Motivation fit with this?

- We see Motivation as an essential component of Employee Engagement. Without focusing on Motivation, Employee Engagement work will lack energy and drive.
- Whereas Employee Engagement is by its very nature, strategic and wide-ranging, Motivation can be much more discrete, flexible and accessible. As a result, the outcomes are more immediate. For many of our clients, it feels more achievable than Employee Engagement.
- Tackling the area of Motivation in a business is a great place to start. It creates a launch pad for wider Employee Engagement work once the business, its managers and employees have seen the benefit first hand.
- As with Employee Engagement, our work on Motivation stresses the need for good leadership and measurement as, without either of these, increased efforts may be focused in the wrong direction and results go unnoticed.

At Motivational Leadership we can see that the need for Employee Engagement specialists, policies and strategies is well-developed and companies are beginning to reap the rewards.

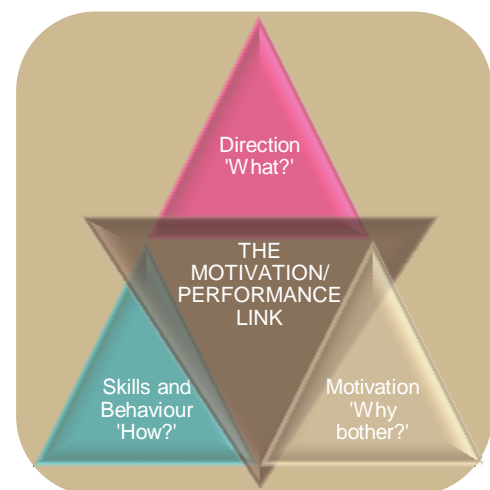
However, what we have identified is that the subject of motivation continues to vex even the most seasoned of HR professionals and managers. We aim to fill that gap.

## Treating People as Individuals

Feedback from participants in the Motivation Matters Survey 2009 clearly shows that the biggest challenge facing businesses in increasing motivation is in knowing how to treat people as individuals. Our work with businesses in recent years supports this finding.

What stops managers from having discussions about motivation with staff? Some of the common reasons cited by clients are as follows:

- Fear that the discussion will quickly turn to an emotional one, with the possibility of tears or tantrums; many managers feel uncertain about how to handle this.
- Concern that a discussion about motivation puts the balance too far on the side of the employee, raising expectations about job shape, rewards and benefits, without the reciprocal increase in performance from the employee.
- A belief that the discussion will focus on money or promotion prospects, both of which are largely unavailable in the current economic climate.
- A sense from some managers that a discussion about motivation is a distraction from the 'real issue' of talking through performance against objectives.





In order to overcome these, we recommend the following approach:

- Review your appraisal process to show the Motivation/Performance Link (the link between objective-setting, skills development and motivation. Without all three ingredients, the process will lack effectiveness.
- Train your managers how to have conversations about motivation in an objective, business-oriented yet individually-focused way.
- Develop a culture where staff are encouraged to take an active role in their own development, including appraisal discussions. By developing more of a partnership approach, the 'them' and 'us' mindset which drives many of the concerns outlined above, will diminish.
- Review your Reward and Recognition policies to ensure that they enable managers to treat people as individuals whilst still maintaining fairness.
- Measure motivation levels in your business and link this to performance indicators, so that all can see the connection between them.
- Help managers recognise the different motivational factors that exist in different generations (e.g. Baby Boomers, Generation X, Generation Y and Millennials)
- Introduce a new language of motivation into your business which allows individual motivators to be easily identified, debated and met. (Motivational Maps<sup>®</sup> is a tried and tested tool for achieving this - [click here](#) for more details.)

## Summary

It is clear that organisations are placing an increasing importance to the subject of motivation and, as such, leaders will need to develop a motivational leadership style to maintain competitive advantage.

This can be defined as knowing how to intrinsically and extrinsically motivate staff, whilst setting a clear vision and developing (and using) the skill sets of the team around them.

We believe that this is something that can only be achieved by really understanding the individual and then modifying their leadership style appropriately. And the time to focus on this is now.

### **Suggested reading**

*Motivational Leadership – about [Motivational Maps<sup>®</sup>](#)*

*David MacLeod - Engaging for Success: enhancing performance through employee engagement, 2009*

*Cam Marston - Motivating the "What's In It For Me" Workforce: Manage Across the Generational Divide and Increase Profits*

*Jon Gordon - The Shark and the Goldfish: Positive Ways to Thrive During Waves of Change*

Motivational Leadership Ltd  
The Chapel House  
High Street  
Chapmanslade  
Wiltshire  
BA13 4AL

T: 0845 123 3959

E: [info@motivationalleadership.co.uk](mailto:info@motivationalleadership.co.uk)  
[www.motivationalleadership.co.uk](http://www.motivationalleadership.co.uk)