PERSONNEL NOTEBOOK
For Your Most Important Resource — The Human Resource
Prepared By:

Human Resource Associates

Human Resource Consultants

MYTH BUSTERS ABOUT WORK

Most supervisors and managers have, over the years, developed a number of rules or beliefs about the world of work. Many of these rules are effective and have proven to make good sense. Rules such as:

- "If you can't measure it, you can't manage it."
- "Success is all about luck. The harder I work, the luckier I get."

Some are questionable:

- "If people like me, they'll work harder for me."

And some are just plain wrong:

- "Nobody likes to work. People need to be pushed."

People in charge generally like to think of themselves as rational, and they usually are. But such rules, whether good or bad, can become so ingrained that we don't notice if they no longer apply or if they ever did. When we find that a long-held belief is proven wrong, we discover a "myth buster." Myth busters are often surprising and sometimes we just don't want to accept them. But they can certainly be of great value when working with people. Is anybody out there looking for these myth busters?

Recently, the Wharton School of Publishing produced a white paper reporting on the results of more than 30 years of research conducted by Sirota Survey Intelligence, an international consulting group, that covered millions of employees at all levels and industries. This research exposed many myths about work and workers.

In this issue of Personnel Notebook, we'll take a look at some myths about work. In our next issue we will do the same about workers.

Myth No. 1: To a significant degree, praise can be a substitute for money.

The Reality: One cannot be substituted for the other. Nonfinancial recognition (such as a "thank you" from the boss) cannot be a substitute for money, but neither can money be a substitute for recognition. Both needs are important. Recognition in lieu of pay will not keep your costs down.

Myth No 2: Nobody likes to work.

The Reality: Whatever the work, the environment it exists in determines whether the work is liked or disliked.

Work, to most people, is highly satisfying if the experience of doing it is not troublesome or oppressive and if it can earn them respect and a feeling of belonging. Furthermore, Sirota's research showed that people are most satisfied with a reasonable amount of work than with too little work to do.

Myth No. 3: People hate doing routine work.

The Reality**:** In the early 1970s, U.S. auto manufacturers were convinced by their unions that routine work must be made more interesting through "Job Enrichment." This was based on the concept that people hated doing routine work. It was an expensive investment of years and money and produced little of the productivity gains they expected. This research showed that 72 percent of blue-collar workers doing routine work at all levels liked the kind of work they were doing.

For some workers, it was because they were given the primary responsibility for the work they were doing; they were the "specialists". For others, they didn't like the kind of work that was otherwise available, but for most, it was the environment and the people they worked with that were the overriding factors in liking their jobs.

Myth No. 4: A disgruntled army is a good army.

The Reality**:** Although this worked for some generals in some battles during World War II, today's military sees this as an unfunny myth. The reality is a disgruntled army is *not* a good army. There is a strong and positive relationship between employee morale and business success as expressed by productivity, quality, sales, long-term stock market performance, and profitability.

Myth No. 5: Traditional merit-pay systems work and profit sharing is a major motivator of employee performance.

The Reality**:** Actually such systems do work very well in the *few* situations where they are conducted properly. But contrary to the promises of the system, most employees do not find that their individual performance actually results in the pay increases or rewards.

The problem seems to be that most companies do not show clearly and effectively that employees are being evaluated properly and fairly and that rewards are not given to undeserving employees. The answer is in creating an accurate measurement system and an accurate evaluating system. And of course, if employees deliver the performance and the company later determines that it cannot provide the rewards, the entire system defaults.

However, this research showed that "Gainsharing," a system whereby the *team effort* is rewarded *to the team,* does work very effectively. The results for "profit sharing," when successful, produced company gains in the 2 to 6 percent range, while "Gainsharing," when successful, produced company gains of 5 to 78 percent (overall average 25 percent).

Myth No. 6: No matter how nicely handled, correcting an employee's performance will be resented by the employee.

***The Reality*:** Mangers tend to avoid performance appraisals like the plague, and many consultants are advising their elimination altogether. This is only because often they aren't done well.

Certainly employees enjoy receiving praise more than being given criticism. But it is a myth that they don't want to know what they don't do well and what they must do to improve. Doing better on the job certainly gives employees a great sense of achievement and pride. Sometimes the problem is that the supervisor gives the feedback in a way that deflates the employee's self esteem. But that's merely a learning problem for the supervisor.

Myth No. 7: Telling people they do a good job makes them complacent.

***The Reality* –** Recognition for good performance does not cause complacency. In fact, it's one of the most powerful inducements to good performance and high morale in general. It is a lack of recognition that depresses the motivation to perform that most people naturally have. To receive recognition for one's achievements is one of the most fundamental of human needs. When employee performance is taken for granted by management, everyone, both the employee and the company, loses. For example, when management assumes that "*They're only doing what I expect them to do. That's what I pay them for. So why should I make it seem like such a big deal?*", everyone, both the employee and the company loses.

Myth No. 8: Loyalty between employees and the company is dead, as it should be. Companies that show loyalty to employees still lose the best workers and overall are less successful as businesses.

***The Reality*:** The authors of the study actually agree with this concept **if** that loyalty is based on the old paternalistic organization structure wherein the company is the parent and the employee is the child. In today's highly competitive environment that structure cannot survive.

However, that paternalism of the past is just one extreme, while the opposite structure that says, *"Employees are owed nothing but a paycheck,"* and are removed regularly as the business flow demands is also an unworkable extreme. The gains from such a transactional relationship are usually temporary. This is mostly because employees in such a relationship really care little for the company's long-range interests and will do little beyond the minimum that is required and monitored. For example, will an employee show the individual care and concern for the customer if he or she is treated like an invisible, interchangeable commodity?

The Sirota study indicates that the most effective relationship between employee and employer is one of *partnership*. Each entity develops the bond of *adults working collaboratively toward common, long-term goals and having a genuine concern for each other's interest and needs*. The partnership is a business relationship *plus*. The *plus* being the additional trust and goodwill that connotes a true partnership and encourages people to perform above and beyond what is required, unlike in a paternalistic or a commodity-like relationship.

Myth No. 9: It is best to foster an environment of internal competition to improve performance.

The Realty: Competition between employees can have a positive, short-term effect on individual performance. But this research, as well as several other studies, demonstrates time and again that the performance of the group, the whole company, is almost always better by encouraging teamwork. First, almost all tasks require the skills and efforts of many people. Second, given the social nature of human beings (the need for camaraderie), morale is boosted in a team environment. Creating "competition" between individuals or groups also tends to create problems in the long term. Employees find out eventually that making the other guy (or group) look bad makes them look good. Damage control can be a full-time job.

Almost everyone comes to work to work, not to fight. In addition, most people are not highly competitive. Just as most people are not studious or detail oriented. Requiring all employees to participate in a system in which they cannot do well is a formula for trouble. Having people work together instead of against each other is a formula for success.

Myth No. 10: Traditional hierarchy in a company is stifling and outmoded in today's "new economy."

The Reality: Traditional pyramid-type management structures are neither dead nor asleep. The misinterpretation that the pyramid is flat, that there are no authority figures, no middle management, and no levels of control, is an all too common mistake in what many "modern theorists" and "post industrial age" gurus call today's "new age," "new economy" world of work.

There is always, and today even more so, a need for clear direction and decisive decision making from leadership, clarity of responsibilities and accountability, unified command (each employee has one boss), a clear approval process, and rules governing acceptable employee behavior.

These hierarchical business structures are uncomplicated, logical, effective, and familiar to people. And yes, some aspects of this can be called bureaucratic. Bureaucracy has its valuable purposes. We don't have to re-invent the wheel for every process, procedure, or practice. Those things you can standardize and activate when appropriate will be your bureaucracy.

Few workplaces, however, can survive for long with a lack of responsibility, a source of final decision making, or a lack of direction and a little middle management to keep the glue together and focus on the identified goals.

Bill Cook
Human Resource Associates
E-mail: wcook62@comcast.net