Improving Workplace Morale and Motivation

July 2023

INTRODUCTION

This Innovation Research Interchange (IRI) report shares examples of how organizations can boost morale, particularly for innovation and R&D practitioners, by remaining cognizant of employee workplace challenges, providing support, and fostering a culture of innovation. The practices outlined in this report have been used by a variety of organizations across industries working to create a positive work environment while encouraging employees to perform at their highest potential.

KEY TAKE-AWAYS

1. Senior leadership should actively build relationships to better understand morale and the actions that can be taken to sustain and improve it.
2. Continued coaching and training opportunities for mid-level managers will have a positive corollary effect on employees and teams.
3. Encouraging innovation, both by allowing time for it and soliciting ideas from throughout the organization, demonstrates a commitment to its value that translates through to staff and their dedication to innovation.

METHODOLOGY

Combining pre-existing IRI resources with new roundtable information and interviews with leading organizations proved fruitful in outlining several different strategies to improve innovators morale and motivation within organizations.

Three employee morale and motivation roundtable discussions were held from October 2022 through January 2023. Participants represented a cross section of levels (senior executives to team members) working in innovation and R&D from IRI member companies. Industries included: aerospace & defense, industrial equipment & products, metal industries, paper, petroleum, building products, consumer goods, chemical & advanced materials, energy, and government agencies. Participants were asked a series of questions around morale and motivation in breakout format. Discussions included subjects such as the impact of hybrid working on morale, executive communication, training opportunities, and managerial responsibilities.

Roundtable information was supplemented by excerpts of synthesized qualitative data from the IRI/Babson College *Encouraging Autonomy and Empowering R&D Teams* study as well as interviews with leaders from member companies that experienced success in improving morale in their companies. Surveys generated from the IRI/Babson College *R&D in the Next Normal* study were used to support findings as well as information from the ongoing IRI/CUNY-Staten Island *Organizing Time for Innovation* project. Interviews were then conducted with individuals using innovative approaches to tackling the challenges identified in the roundtables.

THE ROLE OF SENIOR LEADERSHIP

In 2017, the IRI Research on Research (RoR) working group *R&D Leadership Skills and Styles* examined key questions around what characteristics comprise the unique aspects and attributes of successful R&D leadership. The primary goal of this group was to identify those attributes and explore how these traits could be leveraged to develop stronger and more impactful R&D leaders. The research team determined that key traits for successful R&D leadership include leaders serving as catalysts, coaches, and team architects (Gritzo et al., 2017). The importance of trust, teaching, and coaching while giving encouragement absent of pressure, are all traits that enable success, as well as leading by example. In fact, Lou Gritzo, Chief Science Officer at FM Global served on the *R&D Leadership Skills and Styles* working group and demonstrated the key traits above as he went "undercover" and spent time with his lab teams to boost morale, open lines of communication, and learn the challenges that his staff faced on a daily basis. Lou's time in the lab fostered creativity around process improvement while opening lines of communication.

(Not So) Undercover Boss

In early 2022, Lou Gritzo was concerned by survey results administered to lab personnel that indicated low morale. During the COVID-19 pandemic, the Research lab team was dealing with an issue common to many R&D facilities: a bifurcation between those employees who could work remotely and those employees who needed to be on site. Survey results only provided part of the picture and often questions did not get to the heart of the challenges staff were facing. They needed to go deeper. To do this, Lou decided to spend a day with each different lab group to understand their roles better. While in the labs, Lou rolled up his sleeves and helped where he was needed, working under the direction of the teams there.

The lab staff tend to be can-do oriented people, which often translates into a tendency to just "plough through" rather than approach their managers with questions or concerns. While communication with lab managers was good, the bird's eye view that Lou was able to use across the labs provided a broader perspective and helped open lines of communication up and down the organization. As Lou explains: "after you spend a day with people, they're more likely to share with you." (L. Gritzo, interview, March 30, 2023).

Lou believes that the main gain for the organization from his time in the labs has been in communication and trust. The better flow of questions and information has led to process improvements, including having an engineering manager more frequently on site to see the workflow and answer questions, and streamlining communications so that answers don't need to slowly work their way up the chain. Lab staff also feel more comfortable asking questions and increased ownership over their processes. Engineering managers better understand the need to communicate the rationale behind decisions, including the positioning of lab equipment.

For others looking to try their hand at being a (not so) undercover boss, Lou recommends setting out rules of the road in advance. He was there to listen and learn, not usurp lab managers. The goal is to create a dialogue, not make guarantees that things will change. The change comes from the relationships built.

This example from FM Global not only puts into practice the traits described by the *R&D Leadership Skills and Styles* study, but also demonstrates the importance of leadership being seen to go the extra mile to understand staff and their challenges. As Lou pointed out, the primary benefit from the exercise was in communication and trust, not specific changes made to processes and facilities. Those changes may well occur, but are now likely to be more effective and well received because of the improved flow of communication and trust that Lou established.

SUPPORT FOR MID-LEVEL MANAGERS

Participants in the roundtable conversations expressed that senior leadership had become increasingly reliant on mid-level managers to communicate expectations and important initiatives to departments and teams. Mid-level managers had been tasked with having to communicate effectively while ensuring that their teams felt engaged and supported. In fact, in these discussions, IRI was told that mid-level managers were the cornerstone of the executive function. Discussion groups and recent studies indicate that mid-level leaders are experiencing very high stress levels and that the management experience is not as positive for managers as compared to those they manage (Elliot, 2021).

In particular, managerial training became a challenge during the COVID-19 pandemic as managers faced unforeseen situations. Data from the IRI/Babson College *R&D in the Next Normal* study demonstrate the managerial training focus that began to take shape during the second half of 2021.

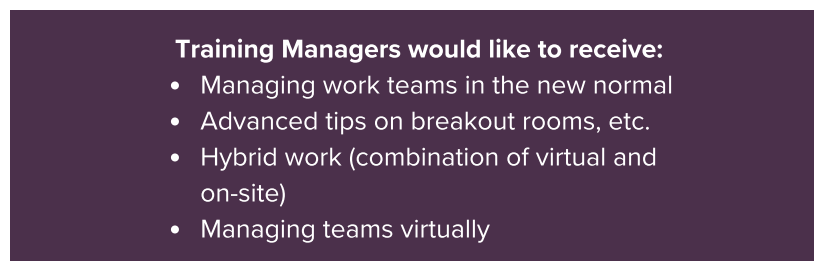Figure 1. IRI/Babson *R&D in the Next Normal* presentation from 10/19/21

Figure 2. IRI/Babson *R&D in the Next Normal* presentation from 10/19/21

The responses in Figure 1 show a focus on collaboration and virtual communication. Managers asking for training in Figure 2 focused on supporting their teams in the new hybrid environment. While collaboration and virtual communication training was likely helpful for managers, we see managers asking for help in performing a key element of their roles and a disconnect in the support being offered to them.

Research from the IRI/Babson College *Encouraging Autonomy and Empowering R&D Teams* study indicates that there are some companies that have been providing support for managers in the form of managerial coaching, increased training opportunities, and the ability to come together for discussion and support. For example, a research participant, in describing their workplace (industrial company with >10,000 FTEs) reported that many training opportunities were given to managers upon hiring and continued throughout ones' managerial tenure. In fact, managers were never expected to assume team lead duties without support and began their leadership ascent by managing projects, then teams, then eventually larger sections. During this advancement, resources were available both inside and outside of respective departments for support and mentorship while always taking individual goals into account. The prospective manager was given the opportunity to build credibility and develop their own managerial style while still under supervision and guidance. Once managers at this company were set in their new roles, they enjoyed increased autonomy over project direction, authority over their teams without much supervision, and access to executive coaching and leadership training (Participant 15, interview, 2021).

A second research participant from a mid-sized bio-tech company (<7,000 FTEs) explained the helpfulness of a new program in which external leadership coaches taught executives, leaders, and managers how to ask the right questions in assessing employee morale and team efficacy. These external coaches were brought in multiple times during a one-year period in order to observe leadership styles and gave feedback openly. Company managers reported taking this feedback very seriously as well as a willingness to modify their communication styles to better serve their teams. This demonstrated the necessary integration of managerial communication with the prioritization of individual managerial development, thereby addressing two key concerns with one action. Teams at this company were also given more autonomy once training and coaching sessions were completed, allowing managers the flexibility to structure their team building activities around project presentations, lunch and learns, and informal question/answer sessions (Participant 34, interview, 2021).

These examples demonstrate that support for mid-level managers is crucial to organizational success and that support should be encouraged via coaching, training opportunities and regular meetings with senior leadership to discuss challenges. This strong foundation can help managers navigate the difficult terrain of the new working environment.

ENCOURAGING INNOVATION

Knowing that the work you do is valuable to the organization is a key element of morale. For innovation and R&D practitioners, this is especially important given the long cycle times of projects and the likelihood of new ideas not making it to market. Therefore, knowing that the organization values innovation is key. Several companies have made use of unique practices that boost morale by encouraging innovation. IRI spoke with Deb Kolenc, Global Communications Manager at ICL Group about the rollout of a company-wide innovation program and how this program has achieved continued success. In addition, research around the benefits of having dedicated time to innovate by longtime IRI collaborator, Professor Heidi Bertels, Associate Professor of Management and Blackstone LaunchPad Campus Co-Director, City University of New York-College of Staten Island, provides further evidence of the positive impact of fostering creativity on employee motivation and morale.

Engaging The Whole Organization In Innovation

In 2019, ICL Group decided to tap into its biggest resource: its people, to enhance its innovation capabilities. They recognized that innovative new ideas could come from anyone at the company, not just those whose work touched R&D directly. Leadership began looking for a way to capture, evaluate, and measure the impact of these new ideas. They settled on an online platform that allowed anyone at ICL Group to propose an idea, have it reviewed by management, voted on by frontline staff, and assigned to the appropriate team for implementation.

This new effort was named the BIG program (Business Innovation for Growth). Under the direction of upper management, each department nominated a BIG champion to serve as a representative and resource to team members. Each sub-division then nominated a BIG captain, who was responsible for sending out reminders to participate and creating excitement around the program within their team. Upper management then celebrates the best ideas at a year-end ceremony.

Among the successful ideas submitted, one was to begin evaluating the diversity of ICL Group suppliers in a similar way to internal teams. Once this idea was uploaded, it was evaluated by the procurement team for feasibility and their BIG champion brought it forward as a worthwhile initiative. From there, it was reviewed by management and frontline staff. Upon approval, it was implemented into the workflow of the procurement team and folded into their evaluations of vendors.

Bringing innovation front of mind and providing a structured means by which all staff can contribute has both raised the profile of innovation at ICL Group and led to greater employee engagement and satisfaction. Staff across the organization now feel they have a hand in shaping the business and can make a meaningful contribution. Deb shares, "Everybody has just been blown away by how many ideas people have entered and [how many employees] continue to do it." (D. Kolenc, interview, March 21, 2023).

At the 3 year anniversary mark, we had over 4000 employees engaged in the platform, with a total of 5000 + ideas submitted, resulting in 1600+ projects implemented and $250 million in annual operating profit
-Deb Kolenc, ICL Group

Allowing Time for Innovation

Research from the IRI/CUNY-Staten Island study *Organizing Time for Innovation* identifies best practices for how companies can effectively deploy "slack time" initiatives to maximize opportunities for innovation. During "slack time", employees "choose what projects to work on and how to complete such projects" (Burkus and Oster 2012, p. 49). Findings indicate that "slack time" allocation allows employees to think creatively and explore projects in which they have a personal interest and also increases morale and improves retention. Professor Heidi Bertels serves as the project lead and provided IRI with project excerpts that illustrate the symbiotic relationship between morale and slack time.

By May 2023, the study had interviewed 16 R&D employees who had either used, allocated, or organized slack time. One of the themes that emerged quickly from the data was the relationship between slack time and R&D employees' motivation. While most respondents acknowledged that not everyone may be comfortable with slack time, there was general consensus that it was critical to a certain group of R&D employees (mostly scientists with PhDs). The interviews uncovered two primary reasons: 1) personal growth and creativity and 2) feeling trusted with a degree of discretion to pursue projects of their own choosing. This is in line with the theory of needs which posits that the essential task of managers is to enable employees to attain the top of the hierarchy of needs by releasing employees' potential, encouraging growth, providing guidance, and creating opportunities (Lussier, 2019; Maslow, 1943).

Interview subjects weighed in on the importance of slack time to them in their roles:

"I like having someone say you're allowed to go in and tinker, and you can use some budget and you don't have to ask me for every last little thing. I do well in that environment. I have full control of my time, and I....earned the trust of my leadership." (participant 20211013-1, interview, 2021).

"[I]t's a way of growth and kind of controlling part of your job. Slack time gives you the opportunity to interact with people that you might not be interacting with on a day-to-day basis and it gives you opportunities for connection. [I]t allows you the freedom to explore something that's interesting to you and you've come up with, it's your idea....as well as giving those networking opportunities. I think slack time can definitely help with technical and personal growth." (participant 20211028-1, interview, 2021).

"I think the advantage is that people don't feel micromanaged. I think for the most part, people get some satisfaction from knowing they control their own schedule and they have the ability to flex their time. ....I think people in general enjoy having that flexibility and knowing that they're trusted to have that decision making authority on their own." (participant 20211021-1, personal communication, 2021).

Both ICL Group's BIG program and slack time initiatives demonstrate a level of trust and empowerment that gives staff the sense that they can contribute to the organization in their own ways and those contributions are valued. They also show the value placed on innovation by the organization, further boosting the morale of those tasked with innovation.

LESSONS LEARNED AND CONCLUSIONS

Organizations have been required to evolve since March 2020, significantly impacting the day-to-day work of all staff, including innovation and R&D practitioners. Morale has vacillated significantly as employees have contended with changing policies, increased workload, and decreased access to mentors, managers, and teams. As a result, executive leadership has employed strategies to boost morale as well as encourage employees and teams to take true ownership of existing projects while tapping into their creativity to develop future initiatives. Sustaining morale must be supported from the top of the organizational structure and across every level. While this concept is daunting for many organizations, garnering a deep understanding of the issues facing employees can help to ensure long-term success. Leaders should rely on their mid-level managers and team leaders while simultaneously providing coaching and support. In addition, fostering creativity and autonomy has been shown to increase morale and these practices can be employed from the organizational level to the individual employee. Morale maintenance begins with leaders at all levels fostering an environment where employees remain engaged and coaching, communication, and creativity are fluid.

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ADDITIONAL IRI RESOURCES

Community Forum Surveys:
Help us improve team morale.
How are you managing productivity and team cohesion?

RTM Journal Articles:
The Future of R&D Leadership
Success Factors in R&D Leadership
Exploring the Principles of R&D Leadership with Award-Winning R&D Leaders

IRI Research Projects:
Encouraging Autonomy and Empowering R&D Teams
Organizing Time for Innovation
R&D in the Next Normal

Recordings from Improving Workplace Morale and Motivation roundtables:
October 2022
December 2023
January 2023

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