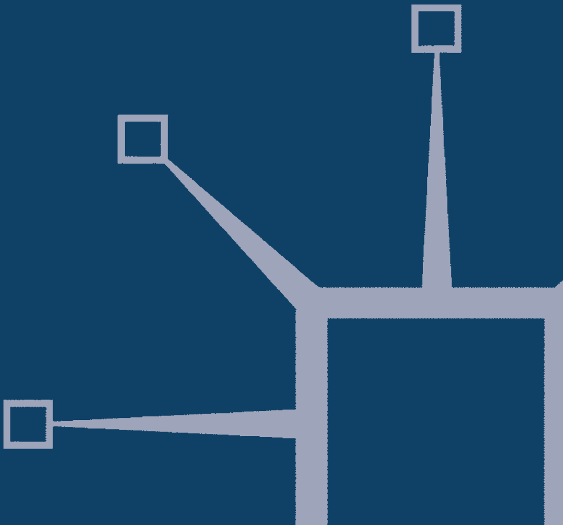
palgrave
macmillan

EMPLOYEE MORALE

Driving Performance in Challenging Times

David Bowles and Cary Cooper



EMPLOYEE MORALE

This page intentionally left blank

EMPLOYEE MORALE

Driving Performance in Challenging Times

David Bowles

Managing Director, Research & Consulting International,
Rancho Santa Fe, California

and

Cary Cooper

Pro Vice Chancellor (External Relations)
and
Professor of Organizational Psychology
and Health, Lancaster University

palgrave
macmillan

© David Bowles & Cary Cooper 2009
Softcover reprint of the hardcover 1st edition 2009 978-0-230-57942-2

All rights reserved. No reproduction, copy or transmission of this publication may be made without written permission.

No portion of this publication may be reproduced, copied or transmitted save with written permission or in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency, Saffron House, 6-10 Kirby Street, London EC1N 8TS.

Any person who does any unauthorized act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

The authors have asserted their rights to be identified as the authors of this work in accordance with the Copyright, Designs and Patents Act 1988.

First published 2009 by
PALGRAVE MACMILLAN

Palgrave Macmillan in the UK is an imprint of Macmillan Publishers Limited, registered in England, company number 785998, of Houndmills, Basingstoke, Hampshire RG21 6XS.

Palgrave Macmillan in the US is a division of St Martin's Press LLC, 175 Fifth Avenue, New York, NY 10010.

Palgrave Macmillan is the global academic imprint of the above companies and has companies and representatives throughout the world.

Palgrave® and Macmillan® are registered trademarks in the United States, the United Kingdom, Europe and other countries

ISBN 978-1-349-36808-2 ISBN 978-0-230-25078-9 (eBook)
DOI 10.1057/9780230250789

This book is printed on paper suitable for recycling and made from fully managed and sustained forest sources. Logging, pulping and manufacturing processes are expected to conform to the environmental regulations of the country of origin.

A catalogue record for this book is available from the British Library.

A catalog record for this book is available from the Library of Congress.

10 9 8 7 6 5 4 3 2 1
18 17 16 15 14 13 12 11 10 09

CONTENTS

List of Figures, Tables and Charts vii

Acknowledgments ix

Introduction xi

Chapter 1 What is Morale? 1

Work life over the ages 6

Building a model of organizational morale 7

Notes on the morale model 12

Chapter 2 How Do Organizations Measure Morale? 17

Measuring morale: Informal methods 19

Measuring morale: Formal methods 21

Viewing the morale index: The power of a picture 44

External databases ("norms"): To use or not to use? 47

Feedback and action planning 51

Resurveying 58

Chapter 3 Why Morale is So Important 59

Introduction 59

Why morale is so important 1: Group morale, financial performance and organization effectiveness 68

Why morale is so important 2: Individual morale and performance 85

Why morale is so important 3: Morale and customer satisfaction 88

Why morale is so important 4: Morale, individual and organizational health 97

Why morale is so important: Conclusions 106

Chapter 4 Case Study: Culture, Morale and Customer Satisfaction: Hilti Group, Liechtenstein 109

Methodology 112

Interview with Hilti's chairman 123

Chapter 5 Creating and Maintaining the High Morale Organization: Do We *Create* High Morale – or Step Out of the Way? 127

Steps for the new or "new start" user of morale improvement programs 134

Steps for all users of morale improvement programs 140

Maintaining high morale in your organization 161

Chapter 6 Current Trends, Issues and Myths in Employee Morale 167

International trends in employee opinions 167

Technology and morale: The telecommuting revolution 173

Generational issues and morale 175

Morale and time on the job: The "middle" years 176

Working for the family business 177

Debunking ten morale myths with survey data 178

Chapter 7 Employee Morale as a Response to Challenging Times 193

Notes 199

Index 207

LIST OF FIGURES, TABLES AND CHARTS

Figures

1 Model of morale 12
2 Scoring for a simple ranking system 41
3 Hilti's positive flow: From management to employees and customers 122

Tables

1 Summary: Methods of gathering morale information 27
2 Scoring for a more complex ranking system 43
3 Sirota analysis of morale relationship to financial performance, 2004–5 74
4 Accenture performance factors 131
5 Accenture "Most Important" functions 132
6 Mercer table of engagement factors by country 170

Charts

1 Morale index by group, typical company data: Above average performers 45
2 Morale index by group, typical company data: average performance 45
3 Morale index by group, typical company data: Below average performers 46
4 Ratio of engaged to disengaged employees among top quartile EPS and bottom two quartiles ("below average") EPS of Gallup employee engagement database 71
5 Comparison of top quartile (employee engagement) and bottom two quartiles (employee engagement) groups by EPS growth, 2001–03 and 2004–05 72
6 Hilti morale and unit size 114
7 Hilti morale and supervisor seen as encouraging employee suggestions 115
8 Hilti morale and local management ability 115
9 Morale of different employee groups and % of Hilti "Fans/Bonded Customers" 118
10 Effect of time on morale-customer satisfaction correlation: Hilti "Fans" 120
11 Mercer database of engagement by country, percent favorable 168
12 The "middle" years 176

This page intentionally left blank

ACKNOWLEDGMENTS

DAVID BOWLES

My first acknowledgment and dedication belongs to my beloved Janice, without whom this book would not have been possible; I also dedicate the book to my wonderful mother, sisters and extended family in England; to my friends at Starbucks Del Mar Heights who cajoled, encouraged, criticized and contributed ideas to make the book better. Many thanks go out to the employees at Starbucks Torrey Hills, who kept me in coffee and support while most of the book was written, and to authors before me who demonstrated convincingly that large parts of a book could indeed be written in a Café! One of those Starbucks employees, Ryan Shue, deserves special thanks for sitting down for a long interview on military morale and his experiences in that area as a US Marine. Professor Mika Kivimäki of UCL, London, was a great help in understanding some of the issues related to her extensive and thorough research on morale and employee health. Thanks too for the use of the University of California, San Diego, Geisel library facilities, open almost around the clock and so comfortable and comprehensive, which allowed me to research this book and write large sections of it.

Our support at Palgrave Macmillan has been 110 percent and I am especially grateful to Stephen Rutt for agreeing almost instantly to our proposal for a book linking morale and performance, to Eleanor Davey-Corrigan for making it all run so smoothly, and to Macmillan Publishing Solutions in Bangalore for their speedy and excellent copy editing.

Several companies have contributed their help and shared part of their intellectual property with us in order to bring you the best morale research that there is. Many thanks go out to Hilti Group in Liechtenstein, and its Chairman, Dr Pius Baschera, for agreeing to share their data and be our Case Study. Hilti lives what we talk about in this book. Thanks also to Klaus Risch, current Executive VP and Global head of HR at Hilti; also to Andre Siegenthaler, formerly in that job at Hilti, who was such a great client and friend while the Hilti data were being collected a few years back.

We both very much appreciate the following organizations for giving us access to their data:

The Gallup Organization; Mercer; Accenture; Sirota Survey Intelligence; American Society for Quality; American Marketing Association; Rowman & Littlefield Publishing Group; American Psychological Association; MIT-Sloan Management Review; Taylor and Francis (Productivity Press); BAI Banking Intelligence.

Finally, I would like to make a special dedication to two dear friends: my former consulting partner Dr Marshall Whitmire, who worked tirelessly to see that our small research and consulting firm kept clients happy around the world; and my friend and colleague of almost 40 years, Cary Cooper, who has taught, inspired, encouraged and believed in me for all that time. It is an honor to write a book with him.

CARY COOPER

I learned a great deal about morale and camaraderie from all my former Ph.D. students, who supported and valued me throughout my career – this book is dedicated to them.

INTRODUCTION

Being in the morale business, we experience something like doctors who go to cocktail parties and accidentally let the fact of their profession slip out, resulting in all sorts of symptoms being "shared", and diagnoses requested. Mention "work morale" to a perfect stranger and they respond with a knowing laugh, a groan and always, always the same comment: "You should come to *my* work place!!" Are they asking us to come because things are so great? Not judging by the comments which follow their invitation, no. Details of the "boss from hell", the "colleague from hell" or the "company from hell" follow. Of course, when asked how long they have been there, and hearing "fifteen years", the question begs to be asked "then why stay so long?" The answer is usually quick, sure-footed, something like "I love the people there" (except for the boss or colleague from hell, of course), "I love the job", "great benefits" and so on. This is the essence of the complex of human emotions and related opinions we call "morale", the mix of positive and negative, this feeling we have at and about our work, where we spend so much of our waking time. As much as we complain, too, let's remember that when a person takes him or herself out of the workforce through retirement or other reasons, the result is often painful for that individual, sometimes even fatal. Is it just a coincidence that, even after a day's work in environments of varying sustenance, as far as morale is concerned, many of us sit down to watch *The Office* on TV or read Dilbert cartoons[*]? Work has such a hold on us, and for more reasons than the money, as we shall see. Clearly, how we feel at and about work, our morale, plays an important part in our *broader ongoing life*.

The Office, which originated in the UK, features a format which often covered morale issues; it was brought over to the United States where it has enjoyed significant success; Dilbert cartoons feature a character who works in an office cubicle and makes fun of the many absurdities of work life.

In the past, these typical complaints and negative reactions about work which people gave us when we met them might not have been seen as so important, just accepted as "the way things are" and laughed off; but now that we know so much more about the connection between *morale and organization performance* (internally on factors such as productivity and financial performance, externally on measures of customer satisfaction and so on), *they have taken on far greater significance.* Now raised from just "touchy-feely" to "mission critical", employee morale is finally getting the attention which it deserves. As it does, organizations are changing everything from their structure to their processes to take account of this fact, and starting to manage themselves around the need to measure and improve morale on an ongoing basis. Starting with the hiring process, to every single promotion and via ongoing methods which we will detail, morale is more and more the focus and high morale the goal. Of course, not all do this, but we can safely say from many years of direct observation and work around the world that the best, most successful, most creative and dynamic organizations use various social-scientific and management methods to continually or frequently *measure, provide feedback and take action to achieve the highest possible state of morale among their workforce.*

Our goal with this book is to explore these issues in depth for you, to provide you with an understanding of morale, why it is so important, how it is measured in the best organizations, and how its power can be tapped to create extraordinary gains in productivity, customer loyalty, and (if you have such things) financial results. If you are new to this field, we hope to give you a sense of the anticipation and excitement which even very experienced senior management teams (who have seen everything) feel when they receive the results of their yearly employee opinion surveys; these results spell out exactly how morale is holding up around their organizational areas of responsibility (large or small). This interest level is hardly limited to the top ranks; employees at all levels in so many surveys have told us that, in terms of organizational communications, "*the results of this survey*" have their attention above and beyond anything else. If you have experience in the field, we hope to take this to a deeper level, making connections which you might not have known existed.

High morale creates all these positive effects by giving all levels of employee a sense of psychological "well-being", which is the driving force for such gains. But make no mistake: this is far distant from a quick fix of "casual Fridays" clothing to create a warm and fuzzy feeling for a while. Taking the road toward high morale is a long-term investment by an organization, a comprehensive task not undertaken by the timid, those who would rather live by the "image" of change than real change, those who wish to hold onto control at any cost, and those who do not wish to change their *own* thinking and behavior (maybe even beliefs and habits they have held on to for many years), because it requires all these things.

Our title contains a phrase which we would like to explain: "Driving Performance" is our core thesis and refers to a fundamental *causal connection* between employee morale and how well your organization can function, which we will explain and demonstrate with a wide range of research, a case study and other anecdotal evidence. In order to help you achieve a high level of morale so that you can benefit from its many performance advantages, three stages of action are necessary and they will be covered extensively in this book:

- The first stage of morale-driven performance improvement comes from investing in processes which lead to measuring morale in a scientifically valid way. There are many ways to collect this data and many pitfalls along the way. We want you to know the best practices to bring you to the point of having excellent data, in which you can have confidence as a basis for further action. Without this foundation, one builds on shaky ground indeed.
- The second stage involves correctly interpreting the data you receive, and from having the ability to dig deeply into that data to find the real gems which can change the way you see your organization and perhaps even the way you do business.
- The third stage happens once you have this data, have looked into in with the best tools, and begin to implement change. Morale encompasses so much that it can be difficult to know where to turn, and especially what to do at first. What have other organizations done here? What works and what does not? Does this depend on the type of organization you are, the business you are in? Or does "one size fit all"? We plan to answer these questions for you.

We will use various sources of data to back up our statements in this book, so let us briefly share those. Our first source will be personal experience: we are a transatlantic writing team, having been born, raised and educated on opposite sides of that ocean. We then swapped countries, and apart from 6 years of working together in the United Kingdom in the 70s, have lived in each other's native country ever since.

We mention this because our plan is to bring you an international perspective on morale. It is one of those areas which certainly is affected by culture, and the experience of having both lived and worked in the United States, the United Kingdom and many other countries is important. (To counter questions which arise in the literature about the "Anglo-US" focus of much work on organization culture, morale, etc. we will give examples from several cultures from outside that particular geographic axis.) We estimate that we have more than 60 man-years of teaching and consulting experience between the two of us, focused on people issues in organizations. This includes working for consulting firms (including ones we have ourselves founded) which have surveyed well over a million people at work; personally interviewing more than a thousand executives from all major industrial, non-profit and governmental sectors in one-on-one sessions, focused on strategic human resource issues; running hundreds of morale-based focus groups with thousands of employees at all levels in organizations throughout the United States and Europe, as well as in Asia; analyzing the data from many, many employee surveys, and conducting hundreds of feedback sessions on morale for some of the world's largest organizations down to small rural hospitals. This has allowed us to see what works, and what does not; what "best practices" are out there; and what mistakes can be made (and there are many).

For the second source, we will update you with recent data from consultants who are collecting it on a daily basis, to show you important trends in employee morale, worldwide; some of this is proprietary, and some in the public domain. Data, of course, is only as good as the process by which it is collected and analyzed. We will show you how best to collect and look at this type of information, what questions can be answered by it, and what simple statistical techniques can tap its power (and yet are neglected by so many organizations generating this data). We present a case study of an organization which has successfully managed their morale profile to a stellar level, *and has remained that way*; and we will finally draw conclusions from what has been discussed and show you how to take advantage of this knowledge to maximize your returns on the entire morale-improvement process.

Our approach, then, is both anecdotal and data-driven. We find that this is a mix which works in a field like this, based as it is on human behavior and emotions.

No longer relegated to the "less serious" aspects of management (the "serious" being of course finance and strategy), organization morale has come of age. Our wish is that by the time you finish reading, you, too, will have become a morale "fan", enthused and empowered to help make high morale a reality where you work.

David Bowles
San Diego, California, USA
Cary L Cooper
Lancaster, UK
July 2009

CHAPTER 1

WHAT IS MORALE?

Early on in our consulting practice, at the end of an employee survey, managers representing different parts of the organization would be presented with the results, a process which often took a couple of hours and involved looking at massive amounts of data, question by question, group by group. At the end they would frequently ask an important question about their own area: "I saw the presentation, but can you tell me how my group did?" As easy as the task of answering this may sound, it is not: how do you "boil down" the results of 110 questions into one quick summary? They had seen the results on the screen, even summarized by major topics like "compensation and benefits", "communications", etc., but they often had no real sense of the overall picture. At the time, the tactic which was used was to say something like this:

> Well, your employees love their jobs but don't feel so good about the company; they think many more decisions should be made at the local level and that they are being micro-managed by corporate. As you saw, your group was lower than the company average on a few questions, but also higher on others.

To which they would reply, quiet appropriately:

> Yes, I noticed that, but how did we ***do***?

They were asking about *morale*; they wanted the big picture, the sense as to whether people in their group were feeling good or bad about *things in general*. That was a long time ago; nowadays, as we shall see, sophisticated software is used to "slice and dice" the data to create everything from overall morale-index scores to subindices such as "engagement". Go to a good external consultant now, or use skilled in-house resources, and those questions are easily answered.

Most people have a sense of what morale is; we have heard the word in many contexts, for example in the military, and often where we work. The dictionary is quite clear on the subject, so let's start there:

Morale:

1. a state of individual psychological well-being based upon a sense of confidence and usefulness and purpose.
2. the spirit of a group that makes the members want the group to succeed [syn: esprit de corps].[1]

Other sources add things such as:

"willingness to perform assigned tasks"[2]

The phrase "psychological well-being" appears in this definition, something which is very familiar to readers in Europe (but much less so in the United States, where "well-being" is generally used to refer to physical states rather than psychological). We also see that morale refers to an individual as well as a group, it is about confidence and a sense of purpose at the individual level (we would argue at the group level too) as well as the "spirit" of a group. Psychological states are referenced, motivation is covered too, morale is said to create a "willingness to perform assigned tasks". In other words, this little word carries a lot of weight.

Note that morale is defined in a way that goes far beyond just "feeling good". The latter may be a by-product of high morale but does "feeling good" by itself make people "want the group to succeed"? Not necessarily. It could make you want to take the day off and go to the beach. In other words, morale is a psychological state which makes a person want to contribute, be a part of things, make things work better, more successfully.

The measurement of morale has been around a long time, starting in earnest in the postwar United States, around 1947. That means plenty of time has passed for the meaning of this word to be transformed, for it to be used in many different settings, for new ideas and words to emerge which challenge its usefulness or create more focus on a particular aspect. So perhaps it's not surprising that people get confused when looking at all the words which have come to be used in this field.

Consider the following phrases:

Employee[*] Morale
Employee Satisfaction
Employee Well-Being
Employee Engagement
Employee Commitment
Employee Involvement
Employee Passion
Employee Empowerment
Employee Enthusiasm

Do they refer, in some way, to the same thing? Or are they quite different? The answer is that some do indeed mean the same thing as morale, while others (like "engagement") do not, and yet are sometimes used as if they do. It is important to find our way around this word maze so that we can deepen our understanding of morale. One important issue here: *we will use definitions which are used in the non-academic business and organizational world rather than the academic one*. These can be quite different, with the latter requiring much greater adherence to specific words. Our experience is that consulting professionals and their clients in the community of organizations for whom they work do not care nearly as much about a high level of precision in using exactly one word or another, and use them in far less precise but practical ways that might make some members of the academic community's hair stand on end.

Employee Satisfaction is a good example of this. In the everyday life of a consultant with her clients, or a typical Corporate CEO, it is often just another proxy for morale. Strictly speaking though, it refers to those areas of work life where employees can be satisfied or dissatisfied, such as with their pay, the amount of information they receive, their organization in general or the lighting in their work area. When those opinions are aggregated, there is an overall level of satisfaction. Of course, not all work life aspects are things about which we are *satisfied* or not; sometimes we measure whether employees *understand* something, not whether they are satisfied with it. Other aspects of work morale that are measured might include whether something is present or not (a clear sense of direction, for example). Is this satisfaction? Strictly speaking it is not, unless we have a follow-on question to the one which asks if something is present, which asks the person *how they feel about it*. For most intents and purposes, though, outside the halls of academia, satisfaction is not limited in this way and is used like the word morale.

---

[*] We chose to use the word "employee" throughout this book, mindful of the fact that a significant number of organizations prefer "associate", "partner", "team member" or other words to describe their relationship with the work force.

Well-Being, when used to talk about the emotional state of employees at work as opposed to their physical health, is easier to define and is mostly used in Europe as a proxy for morale.

Engagement is currently the most widely used word in our field. It is certainly cresting in popularity, and that wave may last a while. This is an interesting phenomenon for some of us who have been in the morale business a long time: on the one hand it is exciting to see people so enthusiastic about morale, no matter what they call it. Having said that, it is not really so new a concept. Just like in the medical profession or clinical psychology, where diagnoses come into "fashion" for a while, before fading away and being replaced by the "next big thing", there is similar activity in this field. Words and concepts which have been used for decades lose popularity and are replaced by new ones, and books are written, explaining to us that an organization cannot possibly succeed without this or that. Such is the case with "engagement". But is this new wine or is it old wine in new bottles? And what exactly is engagement?

Engagement is generally seen by its biggest enthusiasts as a *higher level emotional state, beyond simply an elevated level of morale*, in which employees feel a strong bond with their organization and will go the extra mile for it. For example, they willingly volunteer for work, even outside their area, if it helps the organization. They are not the ones who rush out at 5 p.m. sharp, regardless of what needs to be done and how important it is for a customer. Their level of resistance is low, in a positive sense (they don't say "no" to everything that is asked of them). If this sounds a lot like a high morale individual as we (and the dictionary) have defined it, that is true! The one area where one can argue that engagement might reach past high morale is the crucial element called *advocacy*. This means that an engaged employee is more likely to be an advocate for the organization, such as in recommending it to friends as a place to work or to potential customers as a trusted supplier of goods or services. Fans of morale might also argue, though, that high morale employees also show strong signs of advocacy. For these reasons, engagement and high morale have such common ground that they are often used interchangeably.

For the engagement purist though, one can have relatively good *overall morale* and yet not such a large percentage of truly "engaged" employees, because by their definition they are the *crème de la crème* of high morale workers. This is why the international consultancy and opinion pollster Gallup indicates that *only 29 percent of US employees are engaged at work*, a shocking number given the positive benefits which flow from such a state.[3]

If we are to attempt a fusion of morale and engagement, it is this: *engagement is a by-product of high morale, a result of it.* When workplace psychosocial and physical environmental factors are perceived positively by the workforce, they experience a sense of well-being which we call high morale. When that morale level is high enough, it triggers behaviors on the part of workers which include the ones we have described above (advocacy, willingness to "go the extra mile", commitment, helping others, etc.) and which we call "engagement". Engagement is therefore not possible without high morale; and high morale usually results in engagement.

Employee Enthusiasm, Passion and Commitment are all used to describe various levels of emotional attachment to, and feeling for, the job and the organization. They are all to be found in highly engaged workforces and those with high overall morale.

Employee Involvement describes the extent to which management creates a work situation which is less "top down" and more collaborative; an example of this would be soliciting input such as ideas on to how to make things better at work, thus giving a greater degree of creativity and a "voice" to workers.

With *employee empowerment*, there is an extension of involvement, in that both involve some devolution of power to the individual worker; however, empowerment goes further through delegation of decision-making authority, often through the use of a flatter organization structure, for example. Self-directed work teams are an example of employee empowerment.

If we keep in mind one important thing about morale at work, which is that it is a *general psychological state of well-being*, we can begin to construct a model of what influences this state. In order to do that, we will first take a very short walk through the history of how workers have been seen in the past and how far we have come in that perception. Following this we will examine the elements in the workplace which affect how we feel there.

WORK LIFE OVER THE AGES

It's fair to say that for much of "work"[*] history the view of Mankind has been of a rather primitive species, requiring various forms of coercion to do almost anything beyond take basic care of itself. This "beast"-like view still lives on in some office and factory settings, and is epitomized in the message on the T-shirt which one of us created as an annual client gift (it was an all-time "most popular item", which must say something):

The Beatings Will Continue Until Morale Improves

While we do not make him the source of the viewpoint on this T-shirt in any way, a man by the name of Frederick Taylor (1856–1915)[4] institutionalized this general view of the nature of Man with his writings, focusing very much on the need for "control" and "enforcement" at work in order to create a more productive and efficient work environment. The famous Ford production lines were a result of this philosophy. Taylor's view did not leave much room for the intelligence of the average worker, in fact for anything inside the person at all. His "scientific management" was focused on the processes for managing the workflow, not on any science of human behavior. In spite of this somewhat negative capsule description of his work, Taylor's legacy did lead to huge increases in productivity of workers and an equally impressive increase in their standard of living.

His view lasted until a more "enlightened age" began to come about. We see this happening after World War II, which period coincided with the emergence of methodologies to study and measure morale. It was certainly moved forward by the seminal contribution of

---

[*] By "work" we mean that period when Man started to become an "employee" with a "boss", perhaps not by name but by function. The caveman "worked", but not in the sense we mean here.

Douglas M. McGregor (1906–64)[5] who took the work of Taylor and that of Elton Mayo, the founder of the human relations movement, and positioned them as *Theory X and Theory Y*.

The enlightened view (Theory Y) brought forward the novel idea that humans actually wanted to work, that it had some intrinsic value to us even beyond the financial and that we had a lot to contribute which need not be beaten, enforced or controlled out of us. Indeed, as this viewpoint was extended, the idea was put forward that all that was necessary was to *lessen the obstacles to the emergence of motivation, creativity, innovation and the desire to contribute*; often these obstacles were seen in the ranks of management. Interestingly, therefore, the evolution of thought went from a place where coercive management was indispensable to efficient workplace functioning, to the point lately where management is often seen as *the very obstacle which prevents this from happening*!

Our position is that we subscribe to the latter idea up to a point, that is, less management is better than more; that it can and does get in the way of efficiency and even high morale. But we don't go all the way to advocate complete elimination of this function, because there is still the question of leadership: who will set the tone, drive the culture, inspire and have the intellectual power to forge ahead strategically? If this sounds like TOP management, that is correct: we are more sanguine about the role of middle management, and will discuss this later in greater detail.

BUILDING A MODEL OF ORGANIZATIONAL MORALE

The base on which we will build our model of morale is as follows:

> Almost everything which happens to a human being at work can affect his or her experience of "well-being" or "morale" there, positively, negatively or in a way which has little lasting impact. This being so, we need to examine ***every aspect of work life, as broadly***

---

[*] Using the statistical technique called "factor analysis" and inputting large amounts of survey data, groupings of work-life factors are generated. This happens when people respond similarly to each question in that factor, indicating that each question is measuring various aspects of the same factor.