Success or Suckcess

It's Up to Senior Management to Decide

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A Game of Blind Man's Bluff

I won't name names, though it's terribly tempting to do so. Instead, let me merely say that of two signature, blue-chip companies that I am currently working with to improve the pace and degree of innovation within their rank-and-file practices, at least one of them is engaged in a self-deceiving ruse. Here in brief are the details. The latest internal, employee satisfaction survey results come in and prove to be disappointing. What happens then? A decree goes out across the lands (yes, echoes of the Roman emperor are in order here), announcing that all managers will have achieved better results by year's end (never mind that it's not necessarily within their powers to deliver a happier, more satisfied workforce when there's a larger, top-down, senior management context to take into account).

In other words, middle managers are being invited to participate in a whitewashing of circumstances, all the better by which the board of directors, or shareholders, Wall Street analysts, or whomever else happens to be listening, can take away the impression that all is fair and well with morale within the company's ranks.

If only it were so easy. Motivation matters. How could it not? A company's productivity and customer satisfaction levels inevitably depend on reasonably happy employees delivering products and services in a manner that makes customers happy in turn.

Study after study has documented how a company gets what it sows, and for that matter that happy people do significantly better at solving hard problems than people who are downbeat—by a margin of nearly 20 per cent! So don't tell me that happiness is "soft." Positive feelings are something that carries to the bottom line.

I wrote about that hard-nosed reality in my previous book, *Emotionomics*, where I noted for instance how frequently organizational restructurings as well as mergers and acquisitions don't pan out because workers end up feeling stressed, despondent, even despairing, and for long periods of time as the company's productivity and profitability plummet. Now a new study is bringing me back to thoughts about the interrelatedness of employee/customer feelings and success or success yet again.

"Mergers don't always pay off" says the headline of an article in the business section of the Saturday edition of my local newspaper. In truth, the headline's soft. The real news is tougher than that, with the results in showing that the stocks of 53 of the 100 companies that made the biggest purchases from 2005 to 2008 lagged behind industry peers two years later. More specifically, the top acquirers trailed benchmark indexes by an average of about 3 percentage points.

But in the end, it's not the statistics that grab my attention while reading the article. After all, they merely confirm what I've already known.

Rather, it's a quote that speaks to the heart of the matter that brings a grimace smile to my face. Quoted is Alexander Roos, a partner at Boston Consulting Group. He observes that when it comes to executives looking at a deal, "Everyone is always very convinced of being the first to know how to do it right."

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If only it were so easy. Motivation matters. And what is the CEO's motivation in these cases? Are the gods of industry bored? Or do they feel the heat more than they see the light, given the pressures to demonstrate growth (whether real or manufactured through a deal)? Surely, in considering their acquisition targets the CEOs in question will have examined closely the operational, financial, legal and perhaps marketing angles. But can the same be said of the personnel fit? Or is merely a game of blind man's bluff regarding employees, with an assumption that the human heart is "soft" in business terms and as easily massaged as goosing the numbers of an employee satisfaction survey?

A Better Way Forward Exists. Last week, I had a request to meet from a guy named Paul Herr, who's the author of Primal Management, a book about needing to verify the "horsepower" motivational level of a company's workforce. I thought it intriguing enough to interrupt my vacation for a glass of wine together, and a spirited two-hour conversation. Speaking of morale and motivation, Paul notes that last century one solution to "troubling" emotions (like dissatisfaction), hospitals engaged in lobotomies that enabled patients to score well on IQ tests but had the side effect of leaving the patients entirely unmotivated because the emotional cost/benefit analysis of engaging in action had also been disassembled in conducting the lobotomies.

Convinced that companies will achieve suckcess instead of success if they continue to pursue approaches that negate the importance of (positive) emotions in driving employee performance outcomes, Paul has created a seven-question survey to gauge employee motivation levels every month, rather than annually. Monitoring human capital is far too important to do so only occasionally, after all.

Paul's survey measures, in particular, just how well people's social needs are being met, ranging across five different survival checkpoints from experiencing cooperation, competency, goal attainment, and opportunities for innovation, to enjoying a sense of self-protection.

It’s no doubt not a perfect system, nothing is. But the survey’s a decent starting point, so long as it can be supplemented because otherwise there’s what could often prove to be a fatal flaw in Paul’s methodology.

What is it? As a survey, Paul’s version is blissfully short (thereby, helping to avoid test taker fatigue). There’s also a reason to care about it, thereby protecting the validity of the results because people are being asked to rate things that presumably matter to them (and not just to senior management).

Where it most likely falls down, however, is in thinking that internal “focus group” discussions will suffice to rectify the deficiencies that the survey unearths. Now, let’s think about that for a moment. Have you ever participated in a group, so-called 360 review of your manager? I have. To call it a bogus, empty suit exercise would be too generous. A “travesty” is probably more accurate.

Something stronger will be needed to get at the “why’s” of any problems, as well as how to implement improvements. Otherwise, fear of exposure, embarrassment, even humiliation—as well as reprisals—along with (emotional) repression and suppression will rule the day and companies won’t actually make progress. Alternatives have to be created to realize the potential.

Here are three I recommend:

1 | Use technology to protect anonymity while simultaneously promoting involvement. Nowadays, it's possible for everybody in one of these so-called internal focus groups to input his or her two cents by making statement from individuals laptop computers, with the comments appearing on a big screen that everybody can see and respond to. Yes, some of the comments may reveal by idiosyncratic word choices or phrasings or the specific details of a critique who is posting the comment. But if one can get past that concern, then while some postings may get discussed verbally by the group, the avenue always exists for people to state their criticisms and recommendations for improvement without having to explicitly reveal their identities. Surely, those exchanges will be more open and constructive than the travesty I participated in.

2 | There's the methodology I have been already using for a decade now among both consumers and employees to get beyond "lip service" statements. It's called facial coding, the research tool made famous initially in Malcolm Gladwell's Blink and now via Fox's primetime hit series, "Lie to Me." Facial coding is rooted in Charles Darwin's realization that even a person born blind reveals their feelings on their faces in a similar, intuitive and spontaneous manner. Want to know how employees are feeling? Don't depend on words alone. A far better means is to match up words to when, and how, people emote, given that "emotion" and "motivation" share the same root word in Latin, movere, to move, to make something happen. When somebody emotes immediately before, after, or while making a comment, you can be much more certain that what they are saying actually matters to them and should be considered carefully. Moreover, how they feel about what they're saying—something they may not even consciously recognize or admit to themselves—can be detected. How one copes with a situation that has created dissatisfaction (namely, is it anger, fear, sadness, disgust or contempt that an employee is feeling) is vitally important because every emotion has its own meaning or script. Put the specific emotion or blend of emotions together with a given statement and, voila, one has a much better idea of what exactly is going on and how motivation can be enhanced.

3 | Facial coding can not only be used diagnostically to parse the comments people make on videotape during focus group discussions, or on private, follow-up statements recorded by individuals using a web cam and a personal computer, the managers eager for, or regrettably perhaps merely assigned to lift employee satisfaction levels within their group, can nevertheless gain a richer understanding of how their group is responding if they were to be taught facial coding so that they can spontaneously react to—and foster—a better conversation among group members by recognizing both statements and the emotions involved.

The Larger Stakes. Whatever the approach taken, it remains true that to step closer (to your employees as well as to your customers) means a company has the opportunity to step ahead of its competitors. For a company to be, or remain, emotionally dyslexic is simply too costly. According to Gallup's engagement surveys, only 29% of U.S. employees care about their work. That's a lot of lost productivity, hence profitability. Is it any surprise that another number, the amount of strategies successfully executed, hovers around the same mark? The Harvard Business Review estimates that only 30% of executive strategies are enacted well, leaving 70% suckcessfully enacted. And it's the same, or worse, regarding the number of mergers and acquisitions than pan out.

Ever since the Enlightenment, Western civilization has been on the wrong track. Eager to put the superstitions of the Dark Ages behind him, the French philosopher Rene Descartes famously declared, "I think, therefore I am."

But the truth is that over the past 25 years, the breakthroughs in brain science have systematically documented the greater reality that thought and emotion can't be artificially separated and that, in fact, the capacity for emotion proceeded thought in evolutionary terms and continues to do so with every deliberation and act an employee makes. There is no such thing as objectivity.

The ultra-rationality of Mr. Spock from *Star Trek* is as a model of employee behavior a figment of executive imagination. Homer Simpson from *The Simpsons* is closer to reality, somebody whose behavior is driven by everything from empathy and love to greed and selfish indifference.

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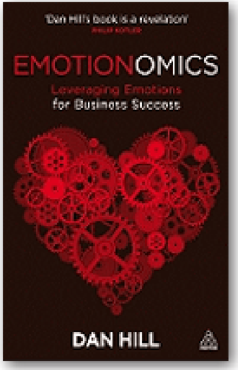
Executives can long for the Industrial Era, and the dream of every employee being a machine or, in more modern terms, a computer, but it won’t lead to competitive advantage. Nor will the old-fashioned approach of the carrot and the stick, motivating through money or else the fear of getting demoted or fired. The companies bringing me in to improve their ability to survive and thrive are doing so for a reason. They know that given the breakthroughs in brain science, leveraging emotion—even to the extent of being able to diagnose and quantify it scientifically, rather than asking people to think their feelings rather than feel them through self-reported surveys alone—is the key for a brighter future.

Trust is a feeling. Hope is a feeling. Loyalty is a feeling. As companies struggle to emerge from the Great Recession, now is not the time for half-measures like polite (but empty) focus groups. Or that the fear that executives may have regarding exposure to the honest feelings of their employees serves as justification for not pursuing progress. **Executives who exhort employees to accept change and sacrifice their own comfort zones must surely be ready to do so themselves.**

Info



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ABOUT THE AUTHOR | Dan Hill is a recognized authority on the role of emotions in consumer and employee behavior with over a decade of experience operating his scientific, emotional insights consultancy: Sensory Logic, Inc. Dan's books include *Body of Truth: Leveraging What Consumers Can't or Won't Say* and *Emotionomics: Leveraging Emotions for Business Success*, which was chosen by *Ad Age* as one of "10 Books You Should Have Read in 2009." Dan's latest book, *About Face: Ten Secrets to Emotionally Effective Advertising*, was released in October 2010.

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