REIGNITING SPIRIT IN THE WORK PLACE

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Abstract: Reengineering and downsizing—the change initiatives of the 1990s—have caused a serious dip in employee morale, which, in turn, has decreased productivity. Yet the pace at which business changes will only accelerate in the future, and organizations must be able to implement change initiatives without undermining morale even further.

The author suggests that executives, managers, and other change agents must integrate both the tangible and intangible dimensions of business. How? By speaking not only to people's heads but also to their hearts, and by aligning structures, systems, and technology in a way that promotes human potential. Hauser believes that by integrating the tangible and intangible dimensions of business, organizations can not only survive but can thrive in today's competitive business environment.

Reengineering and downsizing, the cost-cutting strategies of the 1990s, are taking fierce tolls on organizations. More and more, we are learning that downsizing depletes employee morale. Low morale, in turn, diminishes productivity, which causes the very monetary losses that management was trying to avoid by downsizing.

As a result of widespread staff reductions, the remaining employees often feel overwhelmed by their increased work loads and have had to lengthen their working hours to as many as ten to sixteen per day. Both managerial and nonmanagerial employees feel devalued and understandably discouraged; they no longer find their work satisfying and meaningful. People feel a loss of energy; they feel psychologically empty and distanced from their work and the organization.

The fast pace of change is only going to accelerate in the future, and organizations still have to be able to respond with changes of their own. So how can management effect change without disengaging and overextending employees in the process? At a recent conference for PIHRA, the Professionals in Human Resources Association, I presented what I believe is the answer: reigniting spirit in the work place. My thesis was that sparking organizational energy is an emerging critical success factor for leaders who are responsible for planning and implementing strategic-change initiatives.

When people are asked to implement change but their spirits are not engaged, they take whatever action is required of them, but they do not offer their loyalty, support, concern, and special efforts. Consequently, the change itself often fizzles and gives way to anxiety and frustration. And if the organization's own employees do not adapt to the new situation, how can the organization survive and thrive in a rapidly changing world?

THE CONNECTION BETWEEN SPIRIT AND THE BOTTOM LINE

An individual's "spirit" is the source of positive, creative energy—the center of his or her being. Spirit is an intangible but powerful aspect of individual and organizational success. When people's spirit is evoked, they feel energetic, attuned to their work, and committed to achieving desired business results.

Although many organizational leaders are proficient at dealing with the tangible dimension of success (how to focus on profits, how to

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implement new systems, structures, technologies, and processes), they either forget or do not know how to deal with the intangible dimensions of business (the human spirit). But a leadership that integrates the tangible and intangible dimensions into the planning and implementing of strategic change guides the organization toward dynamic business results (see Figure 1). Such a leadership understands that employee support and enthusiasm play an important role in achieving a positive bottom line.

High ↑

The Tangible Dimension

(Profits, Structure, Systems, Processes, Technologies)

ENERGY

Success

Low

Low → High

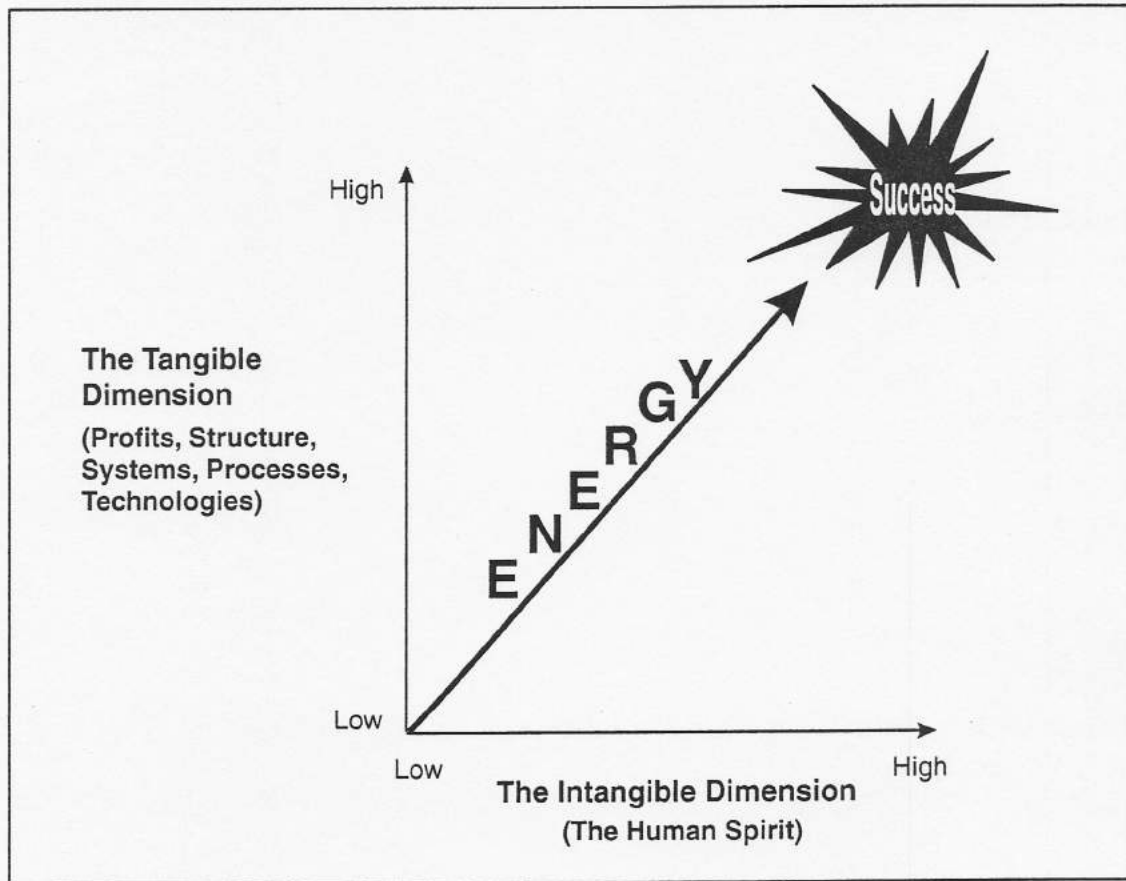**The Intangible Dimension**
(The Human Spirit)

Figure 1. Integrating the Tangible and Intangible Dimensions of Success

Every employee needs to see meaning in a job in order to get that job done; the importance of purpose, values, and ethics in work cannot be overstated. Consequently, a CEO who is able to speak sincerely, not only to heads but also to hearts, is in a position to access powerful energy and creativity. In addition, the organization's management must "walk the talk" by aligning structures and systems in a way that promotes human potential.

A Case Study in Reigniting Spirit

The following case study illustrates how to reignite the spirit of an organization during a reengineering change initiative by integrating the tangible and intangible dimensions of success.

The Situation

The new president of the mortgage division of a major U.S. bank was under pressure from the corporate office to significantly improve financial results, increase market share, and enhance customer satisfaction. During his first year, the division was running behind its financial plan, the processing of residential loans was backlogged, and there was a high level of customer dissatisfaction. Most processes were manual; employees did not trust one another to do things right the first time, so they regularly double-checked one another's work.

The division embarked on reengineering, designing and implementing a new work-flow process and significantly changing the structure of the enterprise. Employees held the unrealistic expectation that a "reengineering switch" would be flipped and conditions would magically change overnight. When the magic did not happen, the employees were disillusioned.

The Intervention

The president realized that to turn the reengineering effort into a success, he would have to integrate the tangible dimension of producing positive bottom-line results with the intangible dimension of engaging the human spirit. I consulted with the president and his human resources manager about how to accomplish this integration. A key intervention used was the creation of two cross-functional teams. The first, the *project team*, was responsible for coordinating and overseeing the technical aspects of the new work-flow design. The second team, the *transition team*, served as a mirror and pulse-check of people's spirits as the changes were implemented.

The transition team's primary goal was to provide top management and the project team with honest feedback as the organizational changes were implemented, much as an anesthesiologist informs a surgeon of a patient's condition as an operation progresses. The members of the transition team followed this pattern of action:

- They identified critical human and operational issues that were impeding the reengineering effort;

- They made recommendations to the president and key executives about how to address these issues;

- They monitored the implementation of approved recommendations; and

- They scheduled similar meetings to follow up on the implementation of recommendations and to address any new issues.

"Just-in-Time" Problem Solving

The transition team's meetings offer an excellent example of integrating nuts-and-bolts business issues with human concerns, engaging the spirits of the employees, and communicating with employees at a heart level as well as a head level.

In each case, I facilitated monthly meetings in which the team members met for half a day without top managers, identifying the successes and problems associated with reengineering thus far and creating solutions to recommend to top management. Then, in the afternoon, the president and key vice presidents joined the transition team.

A dialogue ensued. The members of the transition team and the executives openly and honestly talked about the positive responses as well as the pain and problems associated with the organizational changes. The executives listened to the team's recommendations and engaged in "just-in-time" problem solving. As all of the organization's key decision makers were present, decisions could be made on the spot.

Although approval of the team's recommendations was not always automatic, the executives were careful to communicate their belief that the team members were presenting realistic solutions based on an understanding of the organization's operational concerns. The team members were empowered in that they were able to have an impact on human issues; top management was able to convey its concern about human issues as well as ensure the stability of the reengineering effort.

With each subsequent meeting, the transition team followed up with the executives, asking for an update on the agreements made during the previous meeting before proceeding to new issues.

In addition to bestowing empowerment, conveying trust, and demonstrating top management's concern for people's feelings, these meetings reignited people's spirits in other ways. For example, the meeting structure created a forum for interaction among people who ordinarily would not have interacted. For the first time in the division's history, the

"process owners" consistently sat together to understand how their departments interacted and how they could better help one another.

Also, the team members were able to see the big picture, which, in turn, initiated a process of effective, cross-functional communication. People's language changed from divisive and blaming terminology ("We are not the problem; they are the problem") to inclusive and problem-solving terminology ("We're all in this together; let's figure out how to make things better"). Team members left the meetings with a sense of satisfaction, feeling that they had made an impact on managerial thinking, decision making, and the quality of work life for everyone. And they had.

Results

The division was expecting a 75-percent success rate in implementing the new work-flow design. However, due to increased employee commitment, job satisfaction, and quick resolutions of problems, the division achieved an amazing 95-percent success rate.

Other benefits also were realized, as expressed in the president's words:

> Without the team interventions, I think we would have only been at 80 percent of our financial goal. But more important is the positive change in the satisfaction rating of our major customer base and our increase in market share. I am very, very satisfied with the turn. I think what we really learned is the power of the human spirit in the equation. The first half year, I was talking to people's heads by emphasizing the numerical targets, but my message just wasn't sinking in. I said to myself, "I have to switch—I have to talk to their hearts."

CONCLUSION

The integration of the tangible and intangible dimensions of organizational success during times of strategic change is the key to positive results. Human resource managers are in a unique position to become the architects of this integration, building bridges between top management and employees as well as between the bottom line and the human spirit. The way to begin is by raising the question "How can we tap into individual and team spirit to unleash new energy to contribute to individual and organizational success?"

Using the bank division's successful implementation of a reengineering effort, we can extrapolate the following guidelines for reigniting spirit and promoting success in a strategic change initiative:

1. Deal with the intangible dimension of change as seriously as the tangible dimension.

2. Speak not only to people's heads but also to their hearts.

3. Involve employees in the design and execution of the change.

4. Allow for the emotions, intuitions, and qualities of relationships to enter the design and implementation process.

5. Align structures, technologies, and systems in a way that promotes human potential and engages people's spirits.

6. Create an environment for organizational learning and for talking honestly about the pain and difficulties associated with organizational change.

7. Implement mechanisms for cross-functional communication and interaction and just-in-time problem solving.

8. Acknowledge and trust people's abilities to come up with realistic solutions to organizational problems related to the change initiative.

9. Maintain a constancy of purpose and sense of urgency.

10. Check continually on the emotional climate of the organization during the change period.

Laura Hauser, M.S.O.D., is founder of Leadership Strategies International, a consulting and training firm that specializes in the diagnosis and resolution of workplace problems so people and organizations can achieve greater effectiveness and performance. She is an expert in interpersonal communication and in engaging the creativity of individuals, teams, and organizations to proactively create their future. This involves her in strategic planning, business process reengineering, and team and leadership development. Ms. Hauser is a published author in the areas of valuing workplace diversity and the role of executive leadership in affecting customer satisfaction.