

February 12, 20XX

Mr. Jason Wicien
Chief Operating Officer
Mitus Animal Health, Inc.
3100 McDonnell St Suite 200
Baltimore, MD 21214

Dear Mr. Wicien:

Enclosed is the report “Effective and Ineffective Ways to Address Employee Morale,” per your request following my proposal memo earlier this month.

This report will highlight areas that need attention to prevent further damage to morale at the company. In addition, the report will provide effective solutions to boosting and maintaining morale in the workplace.

Thank you for your time and consideration, and I hope my findings prove useful to your future decisions regarding morale at VitusVet.

Sincerely,

Branden Barnett

Branden Barnett
Senior Software Engineer

Effective and Ineffective Ways to Address Employee Morale

Submitted to Hamid Wicien
Chief Operating Officer
Mitus Animal Health, Inc.

By

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Executive Summary

Purpose

In recent months, low employee morale has had a material impact on the day-to-day operations at MitusVet. Nearly half of the personnel on the product and engineering teams have resigned since October 2019. Many of these associates were relatively new to the organization, and they all separated from the company within six months. After losing a large number of essential personnel, it is clear that a problem exists that is hindering the company's ability to attract and retain talent.

Method

Surveys were conducted with 20 staff members at MitusVet. They were asked five questions to gauge their outlook of morale, determine if any morale inhibitors are present, as well as their position in the company.

Secondary research was collected from a variety of sources, including scholarly journals.

Findings and Conclusions

The surveys help provide a deeper understanding of why morale is low in the workplace from the personnel who experience it firsthand.

Recommendations

Recommendations to boost and maintain positive morale in the workplace include:

- Adopting an employee mentoring program
- Implementing measures to reduce workplace bullying and incivility
- Engaging in frequent check-ins to assess performance and morale
- Showing appreciation to departing employees

Introduction

Background

MitusVet is being crippled by low morale, and solutions are necessary to make the company a great place to work. MitusVet is experiencing high turnover, struggling with talent acquisition, and battling poor work quality due to low morale. The low morale is impacting the company's bottom line and overall productivity while also hurting the company's customers.

Purpose

The purpose of this study is to evaluate how personnel feel about the company and propose solutions to boost and maintain positive morale in the workplace.

Overview of Methodology

The following methods were used to evaluate morale at VitusVet and provide effective and ineffective ways to address morale in a workplace setting.

- Collected secondary research on effective and ineffective ways to address morale.
- Conducted a survey to determine what situations or actions are hurting morale in the workplace, and the number of employees who are actively looking for new opportunities as a result of low morale.
- Collected secondary research on the impacts of low morale.

Methods

Primary Research

Primary research was conducted at the MitusVet office in the Brewers Hill area of Baltimore City, Maryland. A survey with five questions was sent out to 20 employees based out of the office in Baltimore City. The survey results found that professionals are actively searching for new opportunities and are not satisfied in their current positions due to workplace bullying and unreasonable expectations. It also shows that the executive team is not entirely aware of the morale problem at the company.

Secondary Research

Secondary research was collected from various scholarly journals and peer-reviewed articles to explain the impacts of low morale, as well as methods that are effective and ineffective in maintaining positive morale in the workplace.

Results

Impacts of Low Morale

Low morale hurts the overall bottom line of businesses and impacts the health and wellbeing of staff. According to Cheverie (2018), high turnover and absenteeism are common indicators of low employee morale, which come at a high cost to companies (para. 5). Cheverie notes, “The negative impact of turnover is disruptive because of its tremendous impact on productivity” (para. 5). High turnover is significant, given that companies suffer in the short-term when an employee leaves with the skills and knowledge required to perform the job. In addition, disgruntled associates are more likely to call out of work when morale is low. Cheverie explains, “Other staff have to take on more to compensate and, as a consequence, productivity and organizational performance tend to suffer,” when absenteeism is on the rise (para. 6).

Effective Ways to Address Morale

1. Employee Mentoring Program

Mentoring is a powerful tool to address morale in the workplace while also fostering communication and the sharing of knowledge. According to Foster (2009), mentoring is an effective approach to “improve recruitment, retention and boost morale” (p. 27). Foster adds that mentoring may consist of “workshops, lunch-and-learns and sharing personal stories, [which offer] the opportunity for new staff to feel supported and existing staff to feel valued, reducing staff turnover in the process” (p. 27). In addition, mentoring provides two-way benefits for both the mentor and mentee. Foster explains, “the mentee brings their energy, enthusiasm and new ideas and the mentors appreciate learning from new staff” (p. 27). The mutual benefits are real, providing seasoned personnel the opportunity to learn new knowledge given to recent graduates and new employees the knowledge needed to succeed in their position. Ultimately, employers benefit from employee mentoring programs through reduced turnover, which results in fewer dollars being spent on recruitment and training.

2. Fast Feedback

Fast feedback is an effective tool being adopted by companies to assess performance and morale in the workplace. Companies including United Airlines, LinkedIn, and eBay have all moved away from traditional annual reviews to frequent check-ins to evaluate performance and morale (Kauflin, 2017, para. 3). Kauflin further explains that companies are using employee engagement software to receive faster feedback on how employees feel about their jobs. One tool companies are using to assess performance and morale is Glint (para. 3). Kauflin notes that eBay uses Glint to send out three short polls each year, as well as additional surveys to new hires within their first 90 days (para. 4). Kauflin adds that eBay then uses the results received from Glint to foster communication across teams with their managers in an attempt to gain more insights on morale and job satisfaction (para. 6). It has proven to be a beneficial tool at eBay:

Neville’s role at eBay has her overseeing the use of Glint by nearly 2,000 managers, but

the tool helped her discover a blind spot of her own. When she used to go on vacation, she didn't put her team members' contact information on her out-of-office email message. "I was trying to protect them," she says. But in a meeting about the results of a Glint engagement survey, some of her team members expressed a concern that Neville didn't trust them to take care of business while she was gone. The discussion led her to change her out-of-office approach. And she thinks getting fast feedback through Glint has sparked broader conversations about her and her team members' expectations. "I think it's the right dialogue to be having," she says. (Kauflin, para. 7)

This information provides a great example of the benefits of fast feedback and Glint. It shows that Glint has helped improve communication and transparency among teams at eBay, which are crucial for positive morale in the workplace.

Common Morale Inhibitors: Areas to Improve

1. Workplace Bullying

The impacts of workplace bullying on an organization are often unrealized, despite the telltale signs of high turnover and increased talent acquisition costs. Lieber (2010) reports that workplace bullying "contributes to absenteeism, low morale, decline in performance and productivity, and the necessity of workplace investigations—including their associated time/expense, damage to the organization's reputation, and increased health-care and legal costs," all of which hurt the bottom line of a company (p. 93). Workplace bullying that is not remediated by managers can be financially devastating:

Assuming an organization has 1,000 employees, if 25 percent are bullied and 15 percent of those quit as a result, their average "desk/replacement cost" is \$20,000, which comes to an annual cost of \$750,000. Add to those figures two witnesses per bullied employee, with 20 percent of affected employees quitting, and that analysis Employment Relations Today quickly subtracts \$1.2 million from the bottom line. Thus, a single workplace bully can easily cost an organization approximately \$2 million per year. (Lieber, p. 93-94).

The financial ramifications of workplace bullying are real. Given the high costs associated with high turnover and talent acquisition, companies must work to reduce and prevent bullying in the workplace. HR can help reduce workplace bullying by evaluating the culture, redefining the hiring process to weed out potential bullies, developing policies for bullying, conducting exit interviews, and offering training to employees (Lieber, 98-100). In addition, HR should ensure that employees are comfortable reporting incidents of bullying. Sidle (2009) notes, "only 1% to 6% of employees who experienced incivility ... filed a formal complaint," primarily due to personnel being uncomfortable going to human resources (p. 89).

2. Unrealistic Expectations

Unrealistic expectations can be a source of low morale in the workplace. Stewart (2017) examines how Patrick Fehring, the founder and CEO of Level One Bank, fixed the culture, and

low employee morale at his startup. Stewart explains that Fehring and other executives at the company had come from large banks and were accustomed to having unlimited resources at their disposal to turn their ideas into reality (para. 7). Consequently, they were increasingly frustrated when their small team of 50 employees failed to complete 30 different projects at the same time (Stewart, para. 8). Stewart notes that it took a business coach, prioritization of projects, and a realistic number of ongoing projects to boost employee morale at Level One Bank (para. 16). In the end, Stewart reveals that the employees at the startup grew to be comfortable telling their managers they could not take on additional tasks or assignments (para. 19). Company leadership must not push unrealistic expectations on employees who lack the bandwidth or resources to take on further work.

3. Departing Employees

Resignations are a part of every business, and professionally handling notices given by employees is essential for positive morale in the workplace. Lai (2019) offers tips to prevent morale from suffering when an employee resigns. Lai suggests showing appreciation for departing employees no matter the circumstance, instead of anger and resentment (para. 3). Lai adds that there will be social and emotional ramifications following a resignation, and proper handling of the situation is critical to prevent others from resigning or impacting morale (para. 6). Lai encourages transparency and recommends that managers answer questions surrounding the resignation (para. 10). Departures can be damaging to a company in the short-term if they are not handled professionally.

Survey of Employees

A survey was circulated at MitusVet to evaluate how employees feel about morale and to identify actions or situations that are impacting job satisfaction at the company. The questionnaire consisted of both opinionated and factual questions. 20 MitusVet employees participated in the survey, and a copy of the survey is available in Appendix A. The figures below show the reactions and responses from various levels of employees at the company. The results are represented as a percentage of 100%.

Figure 1

Responses to Question 1: Do you believe morale is low at MitusVet?					
	Executive	Management	Professional	Support	Average
Yes	0%	50%	80%	100%	57.5%
No	80%	0%	20%	0%	25%
No Opinion	20%	50%	0	0%	17.5%

Figure 1 illustrates that there is a morale problem at MitusVet. 57.5% of respondents reported that they believe morale is low at the company. Professionals and support personnel were more likely to report a problem with morale compared to the executives who did not feel that morale is low at MitusVet.

Figure 2

Responses to Question 2: Have you experienced workplace bullying at MitusVet?					
	Executive	Management	Professional	Support	Average
Yes	60%	100%	50%	100%	77.5%
No	40%	0%	30%	0%	17.5%
N/A	0%	0%	20%	0%	5%

Figure 2 illustrates that incivility is rampant at MitusVet, with 77.5% of respondents reporting that they have experienced workplace bullying.

Figure 3

Responses to Question 3: Do you find the expectations of leadership to be unreasonable?					
	Executive	Management	Professional	Support	Average
Yes	0%	50%	90%	0%	35%
No	100%	50%	0%	100%	62.5%
No Opinion	0%	0%	10%	0%	2.5%

Figure 3 illustrates that professionals were more likely to report that leadership has unreasonable expectations. The management team responded with some managers reporting that expectations are unrealistic, while others recorded that they are not. Members of the executive team reported that they do not believe their expectations are unrealistic, which was expected. Similarly, support personnel reported that expectations from leadership are not unreasonable, which indicates that the staff who make the company money are the personnel reporting unrealistic expectations.

Figure 4

Responses to Question 4: Are you actively looking for a new opportunity?					
	Executive	Management	Professional	Support	Average
Yes	0%	0%	40%	0%	10%
No	100%	100%	40%	0%	60%
No Comment	0%	0%	20%	100%	30%

Figure 4 indicates that executives, management, and support staff are not actively looking for new opportunities. Of all employees, 60% reported that they are not actively looking for a new opportunity, while 30% refused to comment. However, 40% of professionals reported that they are actively looking for a new position.

The results of the survey indicate that there is a problem with morale that requires remediation at MitusVet. 57.5% of respondents reported that they believe morale is low, while 17.5% provided no opinion. Interestingly, 0% of executives responded that they believe morale is low, which

suggests that they are not fully aware of how the personnel feel. Greater than 50% of employees reported experiencing workplace bullying, which is known to impact morale negatively. While only 35% of staff reported that they find the expectations of leadership to be unreasonable, it is necessary to note that 90% of professionals reported the opposite. Further, 10% of staff reported actively looking for a new opportunity, but 30% refused to comment. Based on the survey results, morale is low, and addressing workplace bullying would greatly benefit MitusVet as the company works to improve morale.

Recommendations

According to the research that I have conducted, addressing morale at MitusVet is critical to reduce costs, improve job satisfaction, retain employees, and recruit new personnel. There are actions that the company can take to boost morale in the short-term. Still, special attention must be given to the known morale inhibitors to maintain positive morale in the workplace.

Based on the survey results, there is an obvious morale problem at the company, and workplace bullying is likely the culprit for much of the poor morale. In addition, there is concern among professionals and management that the expectations are unreasonable. These should be addressed and evaluated, perhaps with a business coach, to ensure that the team is not drowning in work, which hinders morale. Furthermore, nearly half of the professionals at VitusVet are actively looking for a new opportunity, so addressing morale is critical in retaining essential personnel on the product development and engineering teams.

To boost morale in the short-term, research points to adopting fast feedback with a tool such as Glint, which supports frequent check-ins and performance evaluation. Glint has proven to work for notable companies such as eBay. In addition, research shows that there is value in adopting an employee mentoring program, which benefits both the mentor and the mentee. The company should further devote efforts to implement measures to reduce workplace bullying and incivility, as well as show appreciation to departing employees.

It is a relatively low cost to fix and address morale at the company. On the contrary, ignoring the problem will inflict financial damage to the company and ultimately hurt the bottom line. It will undoubtedly take time to address the morale problem at MitusVet, but addressing it is imperative for the company to grow and accomplish its 2020 goals. There have been far too many resignations in the past few months, and the product development and engineering teams are exhausted from long hours and unreasonable expectations.

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Appendix A: Survey

1. Do you believe morale is low at MitusVet?

Yes ____ No ____ No Opinion ____

2. Have you experienced workplace bullying at MitusVet?

Yes ____ No ____ Not Applicable ____

3. Do you find the expectations of leadership to be unreasonable?

Yes ____ No ____ No Opinion ____

4. Are you actively looking for a new opportunity?

Yes ____ No ____ No Comment ____

5. What is your career level at MitusVet?

Executive ____ Management ____ Professional ____ Support ____