

MORALE BOOST PROGRAM UNDER RESTRUCTURING PERIOD

Hu-Seok Chang
(chahus@hri.co.kr)

Recent plant investment, consumption, and business data in each sector reveal that growth is slowing.

Under the IMF bailout program, many Korean companies underwent painful restructuring. Due to formal restructuring programs, massive lay-offs and forced retirements were implemented. In addition, recent plant investment, consumption, and business data in each sector reveal that growth is slowing and losing momentum, and many people have been affected. The people hardest hit by the recession appear to be salaried workers. Hundreds of thousands of layoffs later, many employees were disheartened.

Demoralized by downsizing, outsourcing, and restructuring, the employees of Korean companies have little loyalty left to give. The aggregate level of employee benefits has actually fallen over the years, as companies have pared benefit plans. In general, the higher one's rank in a company, the greater the rewards and the stronger the incentive to stick around and try for more. But, tempting benefit packages cannot easily be enhanced to keep the restless in place, for shareholders are always wary about labor costs.

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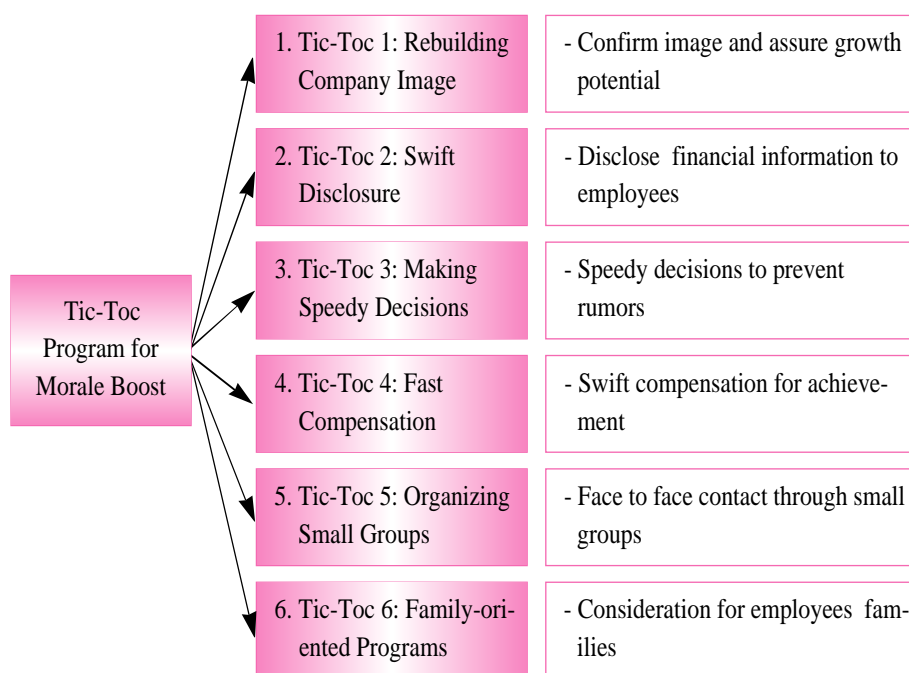
Companies are searching urgently for new ways to foster old-fashioned loyalty and commitment in their workers. A number of Korean corporations are trying to acquire new wisdom on retaining and motivating workers. The challenge is how to inspire the excellence of workers in an uncertain era. This article describes cases from several Korean companies.

Tic-Toc¹⁾ Program for Morale Boost

Tic-Toc 1: Rebuilding Company Image

It is important for employees to appreciate their company's image. During recessions, corporate image plays a special role in enhancing employee morale or commitment. This may be attempted by looking for past examples of hardships overcome, honoring employees who work hard under difficulty, and publishing the

1) Tic-Toc, referring to the sound of a clock's constant movement, is a program to bolster the morale of workers in hectic time constraints. For the program to be effective, quick implementation is essential.



proceedings of the company's morale-boosting convention.

First of all, the company image should bring attention to the company's potential growth. Despite economic difficulty, the company should advertise its stability and take fundamental measures for future growth. With active publicity of stability and growth potential, the company should advertise its efforts and intent to do its best for the customer.

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After splitting from the Daewoo Group, Daewoo Securities held a meeting. 3,300 employees and employers took part in the all-night convention to boost morale. The company advertised a new image that fits their new beginning.

Tic-Toc 2: Disclosing information swiftly

Uncertainty about a company's future disrupts the organization's functioning. If employees don't have accurate information about the company's status, they may start unfounded rumors. Furthermore, if the channels of communication are cut within the organization, such misunderstandings could cause a vicious circle.

A company should promptly disclose relevant information such as financial data to employees. Likewise, if there is some change in the company's stability, the company should swiftly inform all employees of the change.

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Bridge Tec, a universal messaging service, has adopted a "golden bell" policy. If an employee wants to make an announcement to the company, he can ring a bell

provided for that purpose. If the bell rings on a given day, the employees will have dinner together, on the company's expense.

Tic-Toc 3: Making speedy decisions

If decisions are not made quickly in a company, the effect tends to be disruption to the company. If a difficult matter is left undecided, employees will only lose morale. Star employees will be the first to consider leaving the company, and the rest will think of themselves rather than the company.

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When a decision is especially hard to settle, employees may become uncertain about how to proceed with their work. The more that decisions are made on the spot, the more employees will be committed to their work.

Hyundai Engineering and Construction provided notebooks to all managers ranking at department head or higher. This allowed them to settle accounts through e-mail even outside the company.

Tic-Toc 4: Implementing fast compensation

Companies should take constant interest in their employees. In a sluggish economy, employees have low morale and are affected by even minor events. Therefore, companies should take careful interest in their employees to give them reassurance and support their work efforts.

The company should implement a system that gives swift and fair rewards to even small achievements.

A speedy results-based reward system is very important. To improve the alertness of employees, the company should implement a system that gives swift and fair rewards to even small achievements. Instead of reward systems based on yearly evaluations, the new system would give rewards immediately for work well done, as well as frequent promotions for those who deserve them.

LG Electronics gave a special, immediate reward to the R&D team that succeeded in a CD-RW development project. This reward, which totalled 0.43 billion won, was an unprecedented case in the Korean corporate world.

Tic-Toc 5: Organizing small groups

Mutual trust is essential between a company and its employees. During an economic downturn, employees are more apt to respond to minor information, and may easily be misled by rumors. If employees cannot rely on their company, morale can only deteriorate, and trust between employees will also be undermined.

Companies should actively participate in small group meetings as they are opportunities to provide accurate information.

One response to this issue is creation of small groups for better face-to-face communication. Companies should actively participate in small group meetings as they are opportunities to provide accurate information which is the basis of mutual

trust. Active sports and leisure groups for employees can help personal contact and networking among employees, and provide a wholesome outlet for their energies.

Samsung Electronics has a campaign called “Together Day”. To invigorate small groups within the company, the general policy should be a supportive atmosphere for small employee gatherings.

Tic-Toc 6: Family-oriented programs

In times of economic difficulty, a company needs to consider the situation of their employees’ families. During such hard times, there are more advertisements with themes dealing with the importance and value of the family. Other factors aside, employees with harmonious families will be able to contribute more productively to the company.

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Companies should give consideration and support to employee families through in-house family centers. Such family-oriented service centers would give an opportunity for families to spend time together. Another recommended measure could be provisions for family outings, such as free passes to amusement parks.

LG Chemical has adopted several family-oriented programs for its employees, such as family tours to Mt. Kumkang and summer English camps for children.

Improving Worker Morale Essential

Efforts to boost employees’ motivation and improve the work environment should follow a concrete program and be carefully prepared. Companies should help upgrade their workers’ abilities by shifting the focus of their education programs from morale (eg. the corporate culture or the proper attitude of an employee), to ability and improvement of professional skills and knowledge. Such programs should be the result of thoughtful planning and preparation, and priorities in implementation would depend on the company’s condition.

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The organization’s efforts to ensure employment stability should be clearly expressed and emphasized. Although permanent employment cannot be guaranteed, employees should feel that the company is trying its utmost to provide job security. The measures should not be a band-aid effort to improve morale after restructuring, but should be connected to long term job security. Although efforts to improve worker morale will entail costs, companies should remember that these measures will improve productivity in the long run. **VIP**