

Destination CRM publication

Morale Stinks!

But before you can improve it, you must first understand the key elements that foster -- or ruin -- morale.

by [Benson Smith and Tony Rutigliano](#)

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For many companies, 2002 will prove to have been a lackluster year financially. Even historically low interest rates couldn't produce the much-heralded second-half recovery. To make matters worse, most business news seems focused on threats rather than opportunities. Competitive threats, economic threats, terrorist threats, and the potential impact of war and a prolonged occupation of Iraq are all contributing to a malaise among businesses. Is it any wonder that so many managers are so concerned about their sales forces' morale?

So, how is morale among your salespeople? Perhaps more important, how do you know, and what can you do to improve it? Let's look at a scenario that may seem familiar to you:

Shortly before an upcoming annual sales meeting, the company president asked the vice president of sales a pointed question: "How is morale?" The VP hemmed and hawed before admitting that morale wasn't so great.

"I'm afraid our troops are a little down," the VP said. "Competition is getting tougher. And with the economy still in the doldrums, many of our customers are feeling the pinch. Orders aren't as robust as they should be. All this has a negative effect on our commission structure, so people aren't as pumped up as I would like them to be."

"So what the heck are you doing about it?" the president barked.

"Well," the V.P answered, "we're throwing a few extra dollars into the commission pot. We're planning a big first-quarter promotion. And we're going to give away a BMW to the first salesperson that breaks the \$2 million mark this year. That should get our troops juiced up and give us something to talk about on a positive note at the upcoming sales meeting."

After the sales meeting, the VP came back to the home office and was happy to report that the sales force responded enthusiastically to those changes. "They're all primed and ready to go," he told the president "You should have seen the look on their faces when we announced the car contest," he said. "They couldn't wait to get back home and start selling!"

"Really?" the president asked, unconvinced. Wouldn't you be skeptical, too? Did the VP really solve the problem? Or was he deluded? Do these types of programs and gestures actually improve morale?

Defining morale

Before we can answer that, we have to ask an even more basic question: What exactly is "morale" anyway? Sales managers agree that morale is important, but they seem to interpret it in very different ways. Is morale something we can clearly define? Is it something we can measure? Is it something we can improve? Is it even important?

Based on The Gallup Organization's substantial research, we can tell you that the answer to each of those questions is an emphatic yes. But our research also reveals some very

disturbing facts about morale in most sales forces -- facts that every sales manager must understand.

First, let's start with a meaningful definition. Morale is best thought of as the emotional attachment or sense of engagement a salesperson has for the job. We know that engagement has a direct and meaningful relationship to the outcomes every sales manager gets paid to drive. Sales teams with high engagement levels are more productive, more profitable, and develop far more sustainable customer relationships.

So, sales managers and presidents alike are quite right to be concerned about morale. It is too important to leave to guessimates.

In fact, engagement is so important that sales managers must pay constant attention to improving it within their ranks. But our extensive studies show this is often far from the case. In most sales forces Gallup has studied, we find that as many as two-thirds to three quarters of individuals within the sales force are operating at engagement levels that substantially inhibit the workgroup's performance.

Research also suggests that short-term fixes, like tweaks in commission plans, new contests, or even giving away BMWs, have very short-lived effects on improving the engagement or morale of sales forces.

Sure, your sales force might act excited at the sales meeting when these tweaks are announced. But most sales forces have been conditioned to react positively at such gatherings. They have been explicitly or implicitly coached to hoot and holler at just the right moments and can deliver standing ovations precisely on cue. These outward signs of "good morale" are as credible as the Pavlovian laughter of a sitcom's live studio audience.

In most instances your sales force's morale is driven much more by local management than by home office policies. Front-line managers improve morale by setting clear expectations, providing needed resources, focusing sales reps' attention on what they do best, showing frequent appreciation for their efforts, and providing a culture in which they can learn and grow. Those are the key ingredients that create emotional attachment to a company.

When front-line managers pay attention to these fundamentals, engagement improves dramatically and quickly. When engagement improves, we almost always see an improvement in key business outcomes.

Too often, we think that if business gets better, then morale will improve accordingly. Actually the reverse is much more the case. This is especially true in tough times when improved engagement levels can be a conspicuous competitive advantage.

Every manager, from the president on down, should rightfully be concerned about the morale or engagement of his or her employees. Our research suggests that is much too important to leave to guesswork or quick fixes.

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About the authors:

Benson Smith is a consultant, speaker, and author for The Gallup Organization and an expert in the area of sales force effectiveness. Tony Rutigliano is a senior managing consultant, speaker, and author for The Gallup Organization and an expert in the areas of sales force effectiveness, organizational effectiveness, and talent assessment. Smith and Rutigliano are coauthors of *Discover Your Sales Strengths: How the World's Greatest Salespeople Develop Winning Careers* (Warner Books, February 2003).

