Bloom Companies: Benefits Communication and Employee Ventilation Assignment, Final Report, 1984

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Abstract
Final report includes Methodology Employed in Assignment; Ventilation Findings; Communication; Management Attitude Toward Employee Concerns; Quality of Supervisor; Compensation; Benefit Complains; Other Complains; Positive Comments Analysis and Recommendations; Recommendations Regarding Benefit Complaints and Other Complaints; Recapitulation of Recommendations and Suggested Plan on Action; Full Version
METHODOLOGY EMPLOYED IN ASSIGNMENT

The format for the sessions was as follows:

1) **Opening Introduction**
2) **Listing and Brief Explanation of Benefits**
3) **Listing of Benefit Costs**
4) **Explanation of How Company Came to Increasing Employee Insurance Contribution**
5) **Explanation of Operation of Pre-Tax Deduction of Employee Insurance Contribution**
6) **Ventilation of Employees**

In each session, the same thing was said in the same way.

The style of presentation I employed was a very specific one and chosen to engender participant reactions that could be added to the employee survey data and analyzed later so as to shed light on this attitudinal information. This style was one of informality, affiliativeness, openness and ease. This approach is one that has been found to engender acceptance or comfort in people oriented individuals and impatience and discomfort in highly task centered, non-people oriented persons. It is interesting to note that the response of a number of your upper level managers was somewhat less than positive and thereby quite revealing. This situation will be analyzed in a subsequent section.

In discussion and question and answer exchanges, company positions were defended when clearly justified on the basis of sound and accepted management principles and not defended when they did not meet this test. Although a few employees wanted to use the sessions as a kind of open condemnation of the company, this was not allowed.
Initially, it was my intention to keep the ventilation light so as to keep participant expectation of quick company changes at a less than high level. However, when by the end of the first day of meetings, it was clear to me that the level of negativity among your employees was so high that only complete and open ventilation would suffice to get their continued cooperation in the project, that course was chosen. Hence, on completion of the assignment, employee expectations of company change were somewhat higher than was originally targeted.

Ventilation Findings

The ventilation of your employees resulted in the finding that all but a few of your employees hold an extremely strong negative attitude toward the Bloom Companies. This attitude is the cause of your high turnover, less than full commitment to positive interpersonal relations and strongly negative feelings about supervision and top management.

The five most repeated complaints were the following:

1) Poor or non-existent communications up and down the organization
2) The belief that supervision and top management do not care about employees
3) The people handling and leadership skills of most supervisors are extremely poor.
4) The workload is too great for the number of people in the company.
5) Compensation practices are not fair - take-home pay is declining.

Communication

Non-Exempt Employee Ventilation Comments

"There are no communications in this company". (This statement or one close to it was repeated over and over again in the ventilation sessions.)

"The company gives us a lot of hokum; it should be more honest; it should have told us about the premium increase beforehand and explained why".

(3)
"Company should have held these type meetings before announcing the insurance premium increase."

"Bob Bloom should speak to us more."

"We should have had meetings like this before the employee insurance contributions were raised, so we could have had the chance to trade some other benefits for keeping the insurance costs where they were. (Several employees made this kind of remark.)"

"Instead of regular staff meetings we get memos."

Communications (Exempt)

"We don't have regular staff meetings with our bosses either."

"We would like to know more about what the company is doing and in what direction the company is planning to go."
MANAGEMENT ATTITUDE TOWARD EMPLOYEE CONCERNS
(Non-Exempt)

"Our supervisors and the people at the top don't care about us." (Several comments of this type were made.)

"They (supervisors) don't listen."

"They (supervisors) don't get back with answers."

"Once when I came to my supervisor with a problem, he told me that if I didn't like it at Bloom, I should go elsewhere." (This was told to me in private after the conclusion of a meeting.)

"We don't even know who top management at Bloom is."

"Is the company really going to do something about all these complaints? We have had consultants in here before, and nothing was done."

"Our bosses think we are drones."

"Human Resources didn't get back to me after I sent them a question I had."

"There was an article above the Xerox machine that said how well Bloom was doing. What do you expect us to think of the company when we read that and see our insurance costs raised by the company?"
MANAGEMENT ATTITUDE TOWARD EMPLOYEE CONCERNS (EXEMPT)

A number of exempt employees displayed strong negative attitudes towards management through the following statements.

"We thought the company was trying to use these meetings to sell us the benefit program."

"The pre-tax deduction of the employee insurance contribution created a lot of concerns about what the IRS might do about it."

"The Bloom Company is 10 years behind the times in management practices. Supervisors and managers don't know the salary ranges of their people or their own salary ranges. There are no job ladders. Supervisors get little training. There is no communications program. The people find that this kind of environment does not meet their needs. They are resentful and suspicious of the company. The insurance premium increase triggered open hostility."

QUALITY OF SUPERVISION -(NON-EXEMPT EMPLOYEES)

When asked about supervision at Bloom, the following comments were made.

"It stinks; my supervisor has a big head."

"My supervisor knows his job, but nothing about leadership."

"Our supervisors are not leaders." (A number of comments of this sort were made.)

When one group was asked about the quality of their supervision, two young women looked at each other and burst into laughter.

"We never get any recognition."
QUALITY OF SUPERVISION (Exempt)

There were no major complaints about relationships with superiors by the exempt group.

Workload at Bloom (Non-Exempt Employees)
This was mentioned by a few employees, but was more a problem with some of the exempt employees.

Workload at Bloom (Exempt Employees)
"We are shorthanded."

"The company should hire more people."

"We are stretched too thin; we sometimes do the work that our staffs do."

"Sometimes we have to go to the library ourselves to do research; we can't get the information we need in-house when we need it."

"People work long hours here at Bloom; few people take lunch; we put in so many hours we end up working for close to the minimum wage."

Compensation (Non-Exempt)

"My performance increase was too low; even though I got a raise, my pay went down when the company raised my insurance payment." (Several secretarial employees made this comment.)

"Secretaries are paid too low. What salary information does the company use to set secretaries' pay?"

"The company doesn't give any consideration to people who have long service. When you are at the top of your pay range, you don't get any more increases. The company doesn't pay for long service."

"If you stay with the company your salary level doesn't keep up. People are brought in from the outside at higher salary levels. The thing to do is leave and then come back at more money."
One person approached me after the conclusion of one session and said that his salary had been cut $6,000 and that he was living "close to poverty."

Compensation (Exempt)

"The raise percentages are too low. They have gone from an average of 10-12% to 6%.

"There are not enough top ratings given." "To get a number one rating you have to walk on water."

"Even though inflation is going down, interest rates are going up." I just bought a home, and that is a concern to me. Is the company going to consider interest rates when it decides what the salary budget will be?"

The employees had a number of additional complaints which touched on areas other than those listed above. They will be listed below under the headings, "Benefit Complaints" and "Other Complaints."

Benefit Complaints

"Vacation days and sick days should not be included in your maternity leave. You need that time later in the year when you have a baby." (This was the first complaint registered in the meetings, and it was repeated several times.)

"Our new insurance carrier is unresponsive. I called them and they said, 'Who is Bloom?'"

"I'm going in for some surgery, and the insurance carrier can't tell me if I'm covered."

"We don't have ID cards or insurance booklets."

"Our last insurance carrier was terrible. They never paid claims."

"We change insurance carriers every year."

"We should be able to bank our sick days and vacation days if we don't take them." (This was mentioned by a number of people.)
"The prices of the food in the lunchroom are too high, and the food in the vending machines is terrible." (Several people made this comment.)

"We should be able to shift the "Fun Fridays" we can't take to "Fun Mondays". (This comment was made by quite a number of people.)

"The bank won't deposit my check to my credit union."

"Why did the company do away with the check cashing service?" (Several people had this question).

"All the items shown on the list are not benefits."

"There are problems with tuition aid. You have to pay the money back if you leave the company within 2 years. Also, it takes too long to get approval; it has to go to the management committee. Complaints about tuition aid were made by a number of people.)

"It is difficult to get movie tickets because they are available only 2 hours per week."

"O. G. Wilson no longer honors our Zales discount cards for toys and sporting goods; only jewelry."

"The profit sharing statement is impossible to understand."

Other Complaints

"Secretaries should have a 1 or 2 day orientation session before they are assigned to their desks. We are hit with a lot before we even know what is going on."

"The Xerox machines break down too often."

"Job openings should be posted in the human resources department."

"There should be more training programs available and more money to go to outside seminars. As it is now, we can't keep up with what is going on in our fields."
"I HAD TO WAIT 2 WEEKS BEFORE I COULD GET A TYPEWRITER FOR A NEW PERSON ON MY STAFF."

"I HAD TO BRING A LAMP TO MY OFFICE FROM MY HOUSE BECAUSE I COULDN'T GET A LIGHT IN MY OFFICE FIXED."

"WE HAD AN EMPLOYEE SURVEY 2 YEARS AGO, AND IT RESULTED IN A ONE PAGE MEMO WHICH REALLY DIDN'T GET PASSED DOWN VERY FAR."

"MY EMPLOYMENT CONTRACT SAYS I HAVE TO PAY BACK MY RECRUITING FEE AND MOVING COSTS IF I LEAVE THE COMPANY WITHIN 2 YEARS."

"SECURITY SYSTEM IS AWFUL. THE KEYS DEMAGNITIZE YOUR BANK CARDS, AND THE DOORS DON'T OPEN WHEN THEY SHOULD."

"WHO IS ON THE EXECUTIVE COMMITTEE, AND WHAT DO THEY DO?"

"THE PERFORMANCE APPRAISAL OF SUPERVISORS BY THEIR PEOPLE IS RIDICULOUS."

"WHY ARE THERE APPLES IN THE LOBBY? THAT IS LEO BURNETT'S THING."

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Positive Comments

Approximately a half dozen employees made strong positive comments about The Bloom Companies during the ventilation sessions. These comments were the following:

"Bloom is a great place to work. You young people don't know what you are talking about."

"Bloom is a company where a person can get into a wider area of activity."

"Bloom is more supportive of its people than other agencies; if you make a mistake with a client, Bloom doesn't immediately fire you."

"Turnover at Bloom is not that high; you should see other agencies."
"Our performance appraisal system is a pretty good system"

"Bloom is a wonderful company — tough, but good."

"Let's do this again next month (ventilation meetings), I feel great."

"Come back (Len Scott) next month or next year to see what's happened."

"Great meeting; I've worked at other agencies and never had this opportunity to speak up." (Told to me by person who stopped to chat in the parking lot after the conclusion of the meeting.)

"The staff meeting was great." (Some employees were not this positive about the staff meeting. No one downed it, but a number were neutral about it.)

"In 1974 Bob Bloom met with the people and told them that times were tough, the industry was changing and that the staff would be cut. The people thought this meeting was great and accepted the cutback. Maybe he should have done that with the insurance increase."

**Analysis and Recommendations**

The information I gathered in this assignment indicates that Bloom Companies employees have strongly negative attitudes toward supervisors, managers, top executives and company policies and practices. They do not trust the company and are suspicious about even those company activities that are meant to help them. As one of your employees so accurately stated, the people find that their work environment does not meet their needs. They are resentful and suspicious of the company. The insurance premium increase triggered open hostility. Further, due to their long work hours, lack of supervisors’ responsiveness to their genuine concerns, and extremely fast paced work schedule, many employees are extremely frustrated and stressed.

This highly negative condition of your workforce is playing out in high turnover, hostility to management
AND AS I VIEWED DURING MY STAY AT BLOOM, A KIND OF DULLNESS OF RESPONSE. RECEPTIONISTS LACKED THAT SPARK THAT IS SEEN IN OTHER COMPANIES OF YOUR CALIBRE. PEOPLE OFFERED ASSISTANCE WITHOUT ENTHUSIASM. SOME PEOPLE CLEARLY REFLECTED FRUSTRATION AND BLANKNESS IN THEIR FACES.

THE FACTORS UNDERLYING THE CURRENT PEOPLE PROBLEM AT THE BLOOM COMPANIES IS QUITE CLEAR. THE FAST PACED, HIGH STRESS NATURE OF THE AGENCY BUSINESS COUPLED WITH A GATHERING OF HIGHLY TASK CENTERED, NON-PEOPLE ORIENTED, POORLY TRAINED SUPERVISORS AND MANAGERS* WHO ARE DIRECTING A GROUP OF EMPLOYEES WHO WANT MORE PEOPLE SENSITIVE SUPERVISORS, WHO HAVE THE IMPRESSION THAT THE COMPANY IS DOING WELL IN THE MARKET PLACE, BUT EXPERIENCE A LOSS IN TAKE-HOME PAY DUE TO A MANAGEMENT DECISION, RESULTED IN THE CREATION OF STRONGLY NEGATIVE EMPLOYEE ATTITUDES, HIGH TURNOVER AND HOSTILITY TOWARD MANAGEMENT.

THE PROBLEM IS SERIOUS, INDEED, BUT THE SOLUTIONS ARE QUITE SIMPLE.

FIRST AND FOREMOST, TOP MANAGEMENT MUST COMMIT TO PLACING THE RESPONSIBILITY FOR EMPLOYEE MORALE ON THE SHOULDERS OF LINE MANAGEMENT, TRAIN THESE VICE PRESIDENTS, MANAGERS AND SUPERVISORS TO DISCHARGE THEIR RESPONSIBILITY AND ULTIMATELY, MEASURE THEIR PERFORMANCE IN DOING SO. THIS, HOWEVER, CANNOT BE ACCOMPLISHED AT BLOOM WITHOUT THE TOP PEOPLE LEARNING SKILLS THAT WILL ENABLE THEM TO RELATE TO PEOPLE WHO HAVE OTHER STYLE TYPES (LESS TASK CENTERED AND MORE PEOPLE ORIENTED) THAN THEIR OWN. THEY CAN PASS ON THIS

*SEVERAL UPPER LEVEL EXEMPT MANAGERS REACTED TO THE MEETINGS IN A QUITE COOL FASHION. THEY DID NOT CONTRIBUTE ANYTHING OF SIGNIFICANCE IN THE VENTILATION SESSIONS AND SOME EVEN LEFT BEFORE THE VENTILATION WAS STARTED. THEIR RESPONSE TO THESE MEETINGS IS INDICATIVE OF THEIR HIGHLY TASK CENTERED, NON PEOPLE ORIENTED APPROACH TO THEIR WORK. THEY HAVE DIFFICULTY IN DEALING WITH PEOPLE WHO HAVE DIFFERENT, MORE PEOPLE CENTERED STYLES THAN THEIR OWN. THIS SITUATION VERIFIES AND EXPLAINS WHAT THE EMPLOYEES SAID ABOUT THEIR FEELINGS THAT THE TOP PEOPLE AT BLOOM DON'T CARE ABOUT THEM.
ATTITUDE TO THEIR SUBORDINATES AND ASK THEM TO USE SUCH A FLEXIBLE AND POSITIVE APPROACH TO EMPLOYEE RELATIONS ONLY IF THEY KNOW HOW TO DO THIS THEMSELVES AND, IN FACT, "PRACTICE WHAT THEY PREACH." SUPERVISORS, IN TURN, MUST BE TRAINED IN BASIC SUPERVISION MANAGEMENT, COMMUNICATIONS AND LEADERSHIP AND MOTIVATION TECHNIQUES. FURTHER, MANAGERS MUST BE GIVEN THE TOOLS TO MANAGE THEIR PEOPLE BY CHANGING SOME HUMAN RESOURCES POLICIES. FOR EXAMPLE, SALARY RANGES AND THE OPERATION OF THE SALARY ADMINISTRATION SYSTEM SHOULD BE MADE KNOWN TO SUPERVISORS AND MANAGERS AT LEAST FOR THE NON-EXEMPT CLASSIFICATIONS UNDER THEIR RESPONSIBILITY. STRONG CONSIDERATION SHOULD BE GIVEN TO ESTABLISHING AN OPEN POSTING SYSTEM AND JOB LADDERS FOR PROMOTION OF NON-EXEMPT EMPLOYEES.

DOWN THE ROAD, VICE PRESIDENTS, MANAGERS AND SUPERVISORS SHOULD BE TOLD THAT A PORTION OF THEIR SALARY INCREASES WILL BE BASED ON THEIR FULFILLING THEIR OBJECTIVES IN THE EMPLOYEE RELATIONS AREA. BLOOM HAS A SUPERVISORY RATING SYSTEM THAT CAN BE USED TO DO THAT AT THIS TIME. IT NEED ONLY BE CHANGED BY HAVING SUBORDINATES SEND THEIR EVALUATIONS TO THEIR BOSS'S BOSS INSTEAD OF DIRECTLY TO THEIR BOSS AND BY INDICATING THAT ALL EVALUATIONS WILL BE KEPT CONFIDENTIAL.

SECOND, ALL COMMUNICATIONS WITH EMPLOYEES SHOULD BE DONE IN MEETINGS BETWEEN SUPERIOR AND SUBORDINATES DOWN THE CHAIN OF COMMAND. AN END SHOULD BE PUT TO THE PRACTICE OF SENDING GENERAL MEMOS TO EMPLOYEES. ALSO, REGULAR MONTHLY STAFF MEETINGS SHOULD BE ESTABLISHED IN EVERY DEPARTMENT.

THIRD, THE WORKLOAD ISSUE NEED NOT BE DIRECTLY ADDRESSED AT THIS TIME. AS THE OTHER RECOMMENDATIONS ARE ACTED UPON, TURNOVER SHOULD MOVE DOWN AND MOTIVATION MOVE UP, THEREBY CAUSING THE WORKLOAD PROBLEM TO SOLVE ITSELF.

FOURTH, IN ANY FUTURE MANAGEMENT ACTION THAT WILL CAUSE A DECREASE IN EMPLOYEE TAKE-HOME PAY, THE MATTER SHOULD BE SET BEFORE THE WORKFORCE AND THEY BE GIVEN A SPECIFIC REASON WHY MANAGEMENT IS TAKING SUCH A COURSE OF ACTION, OR THEY BE ALLOWED TO EXCHANGE OTHER BENEFITS WITHIN VERY NARROWLY DEFINED OPTIONS TO AVOID THE DECREASE IN PAY.
IN LIGHT OF THE NATURE OF THE AGENCY BUSINESS, THE MANAGEMENT PHILOSOPHY AT BLOOM AND THE MAGNITUDE OF THE PEOPLE PROBLEM, PACING OF CHANGE IS A VERY IMPORTANT MATTER. SOMETHING MUST BE DONE QUICKLY TO STOP THE PROBLEM FROM GETTING ANY WORSE, BUT THE OVERALL CORPORATE CULTURE CHANGE REQUIRED TO SOLVE THE PROBLEM PERMANENTLY MUST BE APPROACHED AT A DELIBERATE PACE AND ON A BROAD SCALE BASIS, AS OPPOSED TO PUSHING AHEAD WITH A "QUICK FIX" MENTALITY. A FULL BLOWN PROGRAM OF CORPORATE CULTURE CHANGE SHOULD BE DRAWN UP AND PRESENTED TO THE MANAGEMENT COMMITTEE. ON RECEIVING THEIR APPROVAL OF SAME, A SPECIFIC ACTION PLAN SHOULD BE EMPLOYED TO GIVE IT LIFE AND THEREBY EFFECT THE REQUIRED CHANGES IN COMPANY PHILOSOPHY AND MANAGEMENT ACTION.

RECOMMENDATIONS REGARDING BENEFIT COMPLAINTS AND OTHER COMPLAINTS

IT IS RECOMMENDED THAT THE EMPLOYEE INSURANCE PREMIUM CONTRIBUTION INCREASE STAND WITHOUT CHANGE. HOWEVER, THE FOLLOWING CHANGES IN BENEFIT ADMINISTRATION SHOULD BE MADE TO ADDRESS THE LEGITIMATE COMPLAINTS OF THE EMPLOYEES IN THIS AREA:

1. CHANGE ADMINISTRATION OF "FUN FRIDAY" BENEFIT TO ALLOW FOR "FUN MONDAYS" WHEN FRIDAYS CANNOT BE TAKEN OFF DUE TO DEPARTMENTAL WORK REQUIREMENTS. MAKE THIS NEW POLICY CONSISTENT THROUGHOUT THE FIRM.

2. ELIMINATE 2 YEAR PAYBACK PERIOD FROM TUITION AID BENEFIT.

3. PRESS INSURANCE CARRIER TO MAKE ID CARDS AND BOOKLETS AVAILABLE IN LESS THAN 6 WEEKS.

4. PRESS LUNCHROOM CATERER TO LOWER PRICES ON HIS FOOD. IF HE RESISTS, CONSIDER EMPLOYING A TEMPORARY TO MAKE-UP SANDWICHES ON COMPANY PREMISES AND CHARGE EMPLOYEES FOR THE FOOD AT COMPANY COST.

5. HAVE LINE MANAGERS ANNOUNCE THESE CHANGES TO THEIR SUBORDINATES DOWN THE CHAIN OF COMMAND WITHIN THE NEXT 2 WEEKS.
ADDITIONAL RECOMMENDATIONS INCLUDE GETTING TOUGHER ON ALL YOUR SUPPLIERS, CONSIDERING ESTABLISHING THE USE OF AN OUTSIDE CONSULTANT FOR EMPLOYEE VENTILATION ON A QUARTERLY OR SEMI-ANNUAL BASIS AND SETTING UP A 1 OR 2 DAY ORIENTATION PROGRAM FOR NEW SECRETARIES AND THOSE WITH LESS THAN 6 MONTHS OF SERVICE.

RECAPITULATION OF RECOMMENDATIONS AND SUGGESTED PLAN OF ACTION

1. HAVE TOP MANAGEMENT COMMIT TO MAKING THE CORPORATE CULTURE MORE PEOPLE ORIENTED.

2. TRAIN LINE MANAGEMENT FROM TOP DOWN TO FRONT-LINE SUPERVISORS IN SKILLS WHICH WILL ENABLE THEM TO BE MORE PEOPLE ORIENTED AND FLEXIBLE IN DEALING WITH ALL TYPES OF WORK STYLES.

3. TRAIN LINE MANAGEMENT IN BASIC MANAGEMENT SKILLS IN THE AREAS OF LEADERSHIP, MOTIVATION AND COMMUNICATIONS.

4. PLACE RESPONSIBILITY FOR EMPLOYEE MORALE ON THE SHOULDERS OF LINE MANAGERS AND EVENTUALLY MEASURE THEIR PERFORMANCE IN THIS AREA FOR PURPOSES OF SALARY INCREASES AND ADVANCEMENT.

5. UTILIZE LINE MANAGEMENT FOR COMMUNICATIONS WITH EMPLOYEES AND HAVE MONTHLY STAFF MEETINGS HELD IN ALL DEPARTMENTS.

6. CHANGE SOME SALARY ADMINISTRATION POLICIES TO PROVIDE MANAGERS WITH MORE LATITUDE IN DEALING WITH THEIR PEOPLE.

7. CHANGE SOME JOB POSTING POLICIES TO AFFORD EMPLOYEES A GREATER OPPORTUNITY FOR ADVANCEMENT.

8. CAREFULLY PLAN ALL FUTURE COMPANY DECISIONS THAT MIGHT ADVERSELY AFFECT EMPLOYEE OVERALL COMPENSATION AND YEARLY TAKE-HOME PAY AND CONSIDER OFFERING EMPLOYEES OPTIONS TO ELIMINATE SUCH ADVERSE EFFECTS.

9. MAKE THE BENEFIT ADMINISTRATION CHANGES SUGGESTED ABOVE AND HAVE LINE MANAGEMENT COMMUNICATE THEM TO THEIR EMPLOYEES WITHIN THE NEXT 2 WEEKS.
10. Consider getting tougher with suppliers, establishing regular ventilation sessions, setting up a secretarial orientation program, increasing the budget for outside seminars and making available time and stress management training to all your employees.

Conclusion

No "magic wand" can be employed to change the negative attitudes of Bloom employees. The attitude of these individuals will improve when they experience positive behavior change on the part of the persons for whom they work and they judge the company as a whole to be more trustworthy by their standards. The recommendations in this report provide the road map to bring about these positive behavior changes and trust generating company actions. The quick implementation of these recommendations is strongly urged.

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