

Capitalizing on the Value of People

At the core of employee complaints is a lack of feeling; appreciated, listened to or understood.

This is not new information for those concerned with productivity. Back in the beginning of the century investigations were underway to better understand employee satisfaction and productivity. In 1926, Harvard University conducted the Hawthorne studies. The research began as a simple attempt to study the relationship between lighting and efficiency. The hypothesis proposed that if you increase lighting in the work environment you would increase employee efficiency. The results of the experiments were mysterious to researchers. What they found was employee efficiency continued to improve as the lighting dimmed to faint moonlight levels while at other times the employee efficiency became worse and productivity dropped.

The researchers decided to interview the employees and find out what was going on. It was these interviews that lead to a dramatic discovery now know as the Hawthorne Effect. What the researchers discovered was that that the attention given to employees by the researchers meant that 'finally' someone was paying attention to them. This belief, perceived by the employees, changed their behavior and resulted in increased productivity.

Lessons from the Hawthorne Studies are still valuable today. Some companies still believe that only money and the work environment are significant motivators for employees. The Hawthorne Effect reminds us that all the bonuses, perks and benefits in the world won't add up to the impact valuing the employee has on productivity. .

There are three considerations to remember when capitalizing on the value of people.

1. employees must believe that senior management has a sincere interest in their well-being
2. employees must be given challenging work and opportunities to use their skills and talents
3. employees must believe that they can make an impact and have appropriate decision-making authority

Bottom line if you want to increase your business capital you have to increase your value of human capital.

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