

THE MAJOR MYTHS ABOUT REWARDING EMPLOYEES



MYTH #1: MONEY IS THE BEST REWARD.

Research shows that money does not itself constitute a strong, ongoing reward. Like having a nice office, it can give a temporary boost in morale and energy. The key roles for money and nice offices are that they can stop people from feeling worse.

MYTH #2: EMPLOYEES SHOULD JUST 'SUCK IT UP' AND DO THEIR JOBS.

That view is outdated. Workers can no longer be treated like machines. They come at a high price and can cost as much to replace. Workers expect to be valued as human beings. Today, rewarding them is done as a partnership between the supervisors and their workers.

MYTH #3: IF I REWARD EVERY TIME THEY DO SOMETHING USEFUL, I WILL HAVE TO REWARD ALL THE TIME.

Employees are mature adults. They do not need to be, and do not expect to be, rewarded for every useful thing they do in the workplace. One of the most important outcomes of regularly rewarding workers is that they believe that their supervisors fully acknowledge their value to the workplace.

MYTH #4: WE'RE WORKING TO ADDRESS CRITICAL PROBLEMS, NOT TO MAKE OUR WORKERS HAPPY.

That is like saying, "This is a wood saw. It should be able to saw wood all the time. It should never have to be sharpened!"

GUIDING PRINCIPLES OF EFFECTIVE REWARD SYSTEMS

There are a variety of ways to reward people for the quality of their work. Rewards can, for example, be in the form of money, benefits, time off work, acknowledgment for work well done, affiliation with other workers, or a sense of accomplishment from finishing a major task.

- Rewards should support behaviours directly aligned with accomplishing strategic goals.

The goal of carefully tying employees' behaviours to strategic goals has become important over the past decade or so. The term "performance" is now used to designate behaviours that really contribute to the

“bottom line”. Employees can be working as hard as anyone else, but if their behaviours are not tied directly to achieving strategic goals, then they might be engaged only in busy-work.

- Rewards should be tied to passion and purpose, not to pressure and fear.

Fear is a powerful motivator but only for a short time, and then it dissipates. For example, if you have initially motivated employees by warning them of a major shortage of funds unless they do a better job, they will likely be very motivated to work even harder. That approach might work once or twice, but workers soon will realize that the cause of the organization’s problems is not because they are not working hard enough. They might even start to resent management’s resorting to the use of fear. If, instead, management motivates by reminding workers of their passion for the mission, the motivation will be much more sustainable.

- Workers should be able to clearly associate the reward with their accomplishments.

Imagine if someone told you “Thank you” and did not say what for. One purpose of a reward is to reinforce the positive behaviours that earned the reward in the first place. If employees understand what behaviours they are being rewarded for, they are more likely to repeat those behaviours.

- Rewards should occur shortly after the behaviours they are intended to reinforce. The closer the occurrence of the reward to the occurrence of the desired behaviour in the workplace, the easier it is for employees to realize why they are being rewarded – what behaviours are being appreciated.

THE IMPORTANCE OF SENSE OF PURPOSE AND FEELING APPRECIATED

Finding and training new employees has a substantial cost, no matter the size of the organization. One of the best ways to retain employees is to reward them for their work. A primary reward for working adults is feeling a sense of meaning or purpose in their work. If employees feel that they are serving a useful purpose, they are much more likely to stay at their current job.

A common complaint from employees in small to medium-sized organizations is that they feel burned out. A common symptom of burnout is to feel unappreciated. One of the best ways to address burnout – and retain employees – is to ensure that they feel appreciated for their work.

Thus, it is critical that organizations carefully consider how they reward their employees. Organizations do not need huge sums of money to reward them. We already know the belief that money is the major reward is just a myth.

GUIDELINES FOR REWARDING EMPLOYEES

There is no set of standard rewards to be used for employees everywhere. Instead, each person has their own nature and needs. These guidelines will help you determine the best ways to reward your employees.

- 1 Reward employees by letting them hear positive comments from customers about how the employees’ activities benefited the customer.

- 2 Occasionally have a board member come to an employee meeting to thank them. This usually means a lot to employees, almost as much as having customers provide positive feedback about the employees’ activities.

- 3 Understand what motivates each of your employees. A major benefit of this approach is that each employee is afforded the opportunity to explain what motivates them.

- 4 In each monthly staff meeting, take a few minutes at the beginning to mention major accomplishments of various employees.

- 5 Present gift certificates to employees who have made major accomplishments. To ensure all perceive the practice as fair and equitable, your personnel policies should clearly explain guidelines for determining who gets this reward. Allow employees to recommend other employees for awards.

- 6 Probably the best reward for employees is to be able to do useful work. Be sure that each employee understands the mission of the business and how their work contributes to that mission. Post your mission statement on the walls. Discuss the action-planning section of your strategic plan with employees so they can see how their activities tie directly to achieving the strategic goals of the organization.

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