### Creative Ways to Reward and Motivate Employees Key Terms

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<th>Term</th>
<th>Definition</th>
<th>Introduced in:</th>
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<tr>
<td>Employee retention</td>
<td>The ability of a company to keep its employees satisfied, so they choose to work for the company for a sustained period of time</td>
<td>Module 1</td>
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<td>Extrinsic rewards</td>
<td>Externally administered valued outcomes given to someone by another person</td>
<td>Module 5</td>
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<td>Goals</td>
<td>An ideal result toward which one directs effort</td>
<td>Module 4</td>
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<td>Hierarchy</td>
<td>An organizational pattern in which entities are ranked one above the other according to status or authority</td>
<td>Module 2</td>
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<td>Intrinsic rewards</td>
<td>The positive feelings an individual has after completing a job well done</td>
<td>Module 5</td>
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<td>Mission statement</td>
<td>A written declaration of an organization's aims and values; a statement of the purpose of an organization</td>
<td>Module 4</td>
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<td>Morale</td>
<td>The state of mind of an individual or a group of individuals, exhibited by confidence, cheerfulness, enthusiasm, and willingness to perform assigned tasks</td>
<td>Module 3</td>
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<tr>
<td>Motivation</td>
<td>An internally generated drive to achieve a goal or to follow a particular course of action</td>
<td>Module 1</td>
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<td>Reward</td>
<td>Something given in recognition of someone's worthy behavior, services, efforts, or achievements</td>
<td>Module 3</td>
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<tr>
<td>Self-actualization</td>
<td>The need to reach one's fullest potential to achieve some creative success</td>
<td>Module 2</td>
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<td>Succession planning</td>
<td>A process for identifying and preparing employees to take over leadership positions within the organization</td>
<td>Module 4</td>
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<td>Vision statement</td>
<td>An organization's statement of what it would like to achieve or accomplish in the future</td>
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Module One – Why Motivation is Important. As a supervisor, you should know that employee motivation is key to individual performance, to group productivity, and in maintaining positive office culture. Motivation is an internally generated drive to achieve a goal or to follow a particular course of action. Highly motivated employees focus their efforts on achieving specific goals, and those who are unmotivated don’t. It’s the manager’s job, therefore, to try to get employees to do the best job that those employees can do. But what motivates employees to do well? How does a manager encourage employees to show up for work each day and do a good job? Well, paying them helps. But many other factors influence a person’s desire – or lack of it – to excel in the workplace. A company’s biggest investment is its employees. Today’s economic challenges require organizations to find new ways to not only reward top performers, but to motivate all workers to improve performance while maintaining or increasing business value. Both must be done as cost effectively as possible. What’s the value of employee recognition? In today’s global workforce environment, there’s competition for one, the number of workers because the Baby Boomers are retiring and the generation behind them is smaller; and two, the quality of workers - workers possessing the skills for today’s economy; and three, value from workers – the organizational value obtained from the workplace and from individual workers. Recognition programs can help organizations in all three of these areas by creating a culture of recognition that helps attract and retain top performers, and even more importantly by improving performance by increasing individuals’
engagement with their jobs and with their employers. There is strong research linking the quality of the employee’s work, how well they can satisfy the needs of their customers, and the employee’s own satisfaction. Ask yourself if these statements are true for your company and for your own employees. Our people have the right skills and knowledge to perform their work well. We regularly monitor employee satisfaction and act on the findings. We recognize that performance and behavior of outstanding individuals and teams. We empower our people to deliver service excellence. And when recruiting and developing people, we focus on attitudes first. Well, if you can confidently say that these statements are true for you and your company, you’re well on your way to creating a motivating work environment for your employees. Several well-regarded studies have recently estimated the cost of losing an employee. SHRM, which is the Society for Human Resource Management, estimated that it cost $3500 to replace one $8-an-hour employee when you consider all the costs of recruiting, interviewing, hiring, training, and loss of productivity. SHRM’s estimate was the lowest estimate of 17 nationally respected companies who calculate that cost. Other sources have provided other estimates. It costs you from 30 to 50 percent of the annual salary of entry-level employees, 150 percent of middle-level employees, and up to 400 percent for specialized high-level employees to replace those employees. So it makes clear sense to do what it takes to motivate your current employees to stay on the job and to be productive. Here are two strategies for employee retention. Number one, don’t wait until turnover costs become unacceptably high before you implement an ongoing
recognition program. Put a program in place before you reach a crisis situation. You need to find out why employees leave your organization, and you also need to find out why other people stay. Number-two strategy, survey your top performers now in order to find out what keeps them there, why they might leave, what type of competition offers they might find attractive, and what they need to be happier and more productive in their jobs. Knowing why your employees leave and why they stay will help you do a better job of keeping them, along with their expertise and value. You’ll also find out highly beneficial information about the improvements that your organization needs. This means driving improvements in your organizations by what your best people tell you instead of focusing on taking care of the ever-present complainers that you have in every organization. So here are some of the most common answers that companies have received when they are surveying their top performers. As we go through this list, think about surveying your own employees. Do you think that the answers from your own top performers would be the same, or do you think they’d be different from these? A common answer is exciting work and challenge. Meaningful work – making a difference and a contribution. A chance for education and training. Workers like to have a good boss – one who’s a good listener who works for employees, is understanding, a good communicator, and one who appreciates employees. They like to have recognition for work well done. Fair pay and benefits. Stimulating and interesting workplace. And they like being part of a team. They like to take pride in the organization. And last on our list is employees’ retention is motivated by job security. But even though
those are the most common answers, that doesn't mean that your employees would have the same answers. So I’m going to give you some sample questions that you can use to develop your own employee motivational survey. You can ask questions in the area of career – what skills are you interested in developing? What would you like to be doing in five years? What training are you interested in taking? Other questions on the survey could be in the area of business. What do you like best about the work environment? If you could change one thing other than your salary or your boss, what would you change about this organization? What changes could be made to improve the products or the services that we provide to our customers? Then we could ask questions on the survey in the general area. How do you like to be recognized for your efforts? And in what hobbies or special activities do you like to participate? Then you could give your employees a list of different kinds of recognition and rewards that other companies have used, and ask them to check all of the items that appeal to you as a recognition for an accomplishment. These could be items like money, professional development, time off, public praise and thanks, education, classes or seminars, increased responsibilities within the current job, job promotion, a plaque or certificate, childcare benefits, flexible work schedule, autonomy over daily work schedule, telecommuting, and appointment to committee or special project. Then you ask your employees to list the top five items that they've checked in priority order. The information that you get from your employees can help you determine what kind of recognition would be motivating for your own employees. And it will give you an answer to the
question – what motivates my employees? That answer might be, well just ask them.

[End of recording.]
Module Two – Understanding Motivation. Let’s talk about motivation. What motivates one employee will not necessarily motivate the guy that’s sitting at the next desk.

I will never forget the time that Gail, one of our newest members of the Quality Assurance Group that we had in our organization, the Marine Corps Technology Services organization, well she thought we needed to be motivated. And unfortunately her boss thought that he was too busy to oversee her plans, and he had not seen her proposal until she rolled it out at an executive steering committee meeting. Well, all the senior managers were seated around a conference table when through the door comes our quality expert dressed in a Gandalf-the-wizard costume from Lord of the Rings, complete with the long white beard and the magic wand. In fact, she had magic wands for all of us as well. She went around the conference table and passed each one of us out a magic wand of our own. Well, not one of us managers made one sound. Not one. You could almost hear crickets chirping. We were biting our lips and trying not to make eye contact with one another so that we wouldn’t burst out laughing. Then she went back to the podium and the microphone and described her motivation program, which consisted of recognizing special accomplishments by placing a life-sized cutout of Gandalf the Magician in the work area of the person being recognized. This, she said, would inflame all of the other employees with the overwhelming desire to have that life-sized Gandalf cutout in their own area, and their work would improve. Around the table we were still completely silent. Poor Gail could obviously tell that she was not getting the enthusiastic reaction that
she had expected for her fun idea, but she kept going through the whole presentation. Her voice was quavering and she was nearly in tears, but she finished – to dead silence. Then our director said, “Ok, moving on …“ And that’s the last we heard of Gandalf or the motivation program. But I still have that wand. Let’s talk about some motivation theories. First, Maslow’s need of hierarchy – Need Hierarchy Theory. Psychologist Abraham Maslow’s Hierarchy of Needs Theory of Motivation holds that people are motivated by a hierarchical series of unmet needs. He proposed that we’re motivated by the five unmet needs arranged in hierarchical order. At the bottom are physiological needs, such life-sustaining needs as food and shelter. And working up the hierarchy, we experience safety needs, such as financial stability, freedom from physical harm. One step up are social needs – the need to belong and have friends. And then the next step is esteem needs, the need for self-respect and status. And at the top of the list, self-actualization needs – the need to reach one’s fullest potential to achieve some creative success. Now there are two things to remember about Maslow’s model. We must satisfy the lower level needs before we seek to satisfy the higher level needs. And once we’ve satisfied a need, it no longer motivates us. The next higher level need takes its place. So what does that mean to you in your business? Well there’s two key points: Not all employees are driven by the same needs; and the needs that motivate individuals can change. Managers should consider which needs employees are trying to satisfy, and should structure rewards and other forms of recognition accordingly. For example, when you got a first job repossessing cars, you were motivated by the need for money
to buy food. Well, if you’d have been given a choice between a raise or a plaque recognizing your accomplishments, you would have undoubtedly opted for the money. Later on in life, as say a state senator, you may prefer public recognition of work well done – say being elected to a higher office. Next, we’ll talk about Herzberg’s Two-Factor Theory. Another psychologist is Frederick Herzberg. He set out to determine which work factor, such as wage, job security, or advancement, made people feel good about their jobs, and which factors made them feel bad about their jobs. He surveyed workers, analyzed the results, and concluded that to understand employee satisfaction or dissatisfaction, he had to divide work factors into two categories – motivators, which are those factors that are strong contributors to job satisfaction – things like promotion opportunities, opportunities for personal growth, recognition, responsibility and achievement; and hygiene factors – those factors that are not strong contributors to satisfaction, but they must be present to meet a worker’s expectation and prevent job dissatisfaction. These could be things like quality of supervision, or pay, company policies, working conditions, and relationships with coworkers. Fixing problems related to the hygiene factors may alleviate job dissatisfaction, but it won’t necessarily improve one’s job satisfaction. To increase satisfaction, and to motivate someone to perform better, you have to address the motivation factors. Is the work itself challenging and stimulating? Do employees receive recognition for jobs well done? Will the work that an employee has been assigned help him or her to advance in the firm? According to Herzberg, motivation requires a twofold approach: eliminating the dis-satisfiers; and enhancing the satisfiers.
Next theory we’ll talk about is Vroom’s Expectancy Theory. If you were a manager, wouldn’t you like to know your employees – what makes them decide to work hard or to goof off? And wouldn’t it be nice to know whether a planned rewards program will have the desired effect, namely motivating them to perform better in their jobs? Wouldn’t poor Gail in her Gandalf costume have been better off knowing that managers did not value cardboard cutouts of a magician? Wouldn’t it be helpful if you could measure the effect of bonuses on employee productivity? Well these are the issues that are considered by psychologist Victor Vroom in his Expectancy Theory of motivation that proposes that employees will work hard to earn rewards that they value and consider obtainable. Vroom argues that an employee will be motivated to exert a high level of effort to obtain a reward under three conditions: The employee believes that his or her efforts will result in acceptable performance; the employee believes that acceptable performance will lead to the desired outcome – a reward; and third, the employee values the reward. Let’s talk about some common myths of employee motivation. The first myth is I can motivate people. Well, not really. People have to motivate themselves. You can’t motivate people any more than you can empower them. Employees have to motivate and empower themselves. However, you can set up an environment where they can best motivate and empower themselves. The key is knowing how to set up an environment for each of your employees. The next myth, money is a good motivator. Well again, not really. Certain things like money, a nice office, and job security can help people from becoming less motivated. But they usually
don’t help people become more motivated. A key goal is to understand motivations of each one of your employees. I do think that people are motivated by fair pay. If someone is doing pretty much the same job that you are for a lot more money, then I’d think you’d want to know the reason why. I remember reading once that when basketball legend Bill Russell was negotiating his contract for the year, he said he didn’t care how much money they paid him, as long as it was $1 a year more than Wilt Chamberlain was getting. The next myth, fear is a great motivator. Well yes, fear is a great motivator, but only for a very short period of time. And that’s why a lot of yelling from the boss doesn’t seem to light a fire under the employees for a long period of time. Next myth, I know what motivates me, so I know what motivates my employees. Again, not really. Different people are motivated by different things. I may be greatly motivated by earning time away from my job to spend with my family. You might be motivated much more by recognition of a job well done. People are not motivated by the same things. Again, a key goal is to understand what motivates each one of your employees. Another common myth – nobody can understand motivation. Well, that’s not true. There are some very basic steps that you can take that will go a long way toward supporting your employees to motivate themselves toward increased performance in their jobs.

[End of recording.]
Module Three – Creating a Motivating Work Environment. Employee motivation is a continuing challenge for supervisors and managers. You know that motivated employees will be more productive, which results in more satisfied customers and is better for your business. But if your work environments don’t emphasize employee satisfaction as part of the overall business strategy, supervisors and managers are walking a tough road. The truth is that no work environment will ever perfectly support your efforts or help employees choose motivated behaviors that work. Even the most supportive workplaces only provide daily challenges and often appear to operate at cross purposes with your goals and efforts to encourage employee motivation. Well here’s a tip. Instead of asking yourself how do I motivate employees, instead ask yourself how do I create a work environment where individual employees will choose to be motivated about work goals and activities? Let’s start with some basic principles of motivation. Motivating employees starts with motivating yourself. You can make their day, or break their day – or for that matter, you could make or break your employee’s whole career. As a manager or supervisor, your impact on employee motivation is immeasurable. By your words, your body language, and the expression on your face, you telegraph your opinion of their value to the people that you employ. Feeling valued by their supervisor in the workplace is key to high employee motivation and positive morale. Feeling valued is as important for most people as liking their work, competitive pay, opportunity for training and advancement, and feeling in on the latest news. Building high employee morale
requires that you as a supervisor pay attention every day to the impact that you have on life at work. Next principle, always work to align goals of the organization with the goals of the employees. You need to communicate the goals of your work unit, and you should enable employees to participate in setting the goals to develop more employee ownership of those goals. Involve employees in determining how they’ll go about achieving those goals. And help employees know what to measure and how to measure so that they can see that they’re making progress in meeting those goals. Next, recognize that supporting employee motivation is a process – not a task. When I was a Senior Manager in the Marine Corps Technology Services Organization, I was sitting at a staff meeting and my director said, “Pam, we don’t have anything to check the box on the balance scorecard for employee motivation. I want you to set up an employee of the month program so we’ll be covered on that element.” Well, I was a little bit amused, but not that surprised. In the environment that we worked in, the managers were focused on checking off the boxes on our balance scorecard, which determined our director’s success or failure. Well, I was able to talk my director out of establishing the employee of the month program. Employee recognition and motivation is not a one-time or even a once-a-month event. You have to make it part of a company culture. And my biggest concern with the employee of the month recognition is that a lot of employers will believe that their job of creating a motivating work environment for the employees is done if they create this reward. Employee of the month recognition is not a substitute for day to day positive recognition, reasonable pay and benefits, and company
sponsored activities and events, and an environment of appreciation. Next, support employee motivation with policies and procedures. Don’t just rely on good intentions. Don’t just count on cultivating strong interpersonal relationships with your employees to help motivate them. The nature of these employees can change greatly - for example, during times of stress. Instead, use reliable and comprehensive systems in the workplace to help motivate employees. For example, you can establish organizational policies and procedures to support your ideas on employee motivation. Having the policies and clearly communicating the procedures will help make sure that all of your employees have a clear understanding, and it will make sure that the recognition is applied fairly and not just at the random whim of a supervisor. The next element is know your staff. Remember that every person has different motivations for working hard. The reasons for working are as individual as the person. If you know your employees well enough to know what motivates them, you can create a relationship with each employee geared towards them as individuals. I remember the most motivating conversation that I ever had with my director at the Marine Corps. I was sitting in my office when he came in the door, and then he shut the door behind him. So I knew something was up, but I didn’t have a clue as to what it was. He said, “Pam, you know our business manager is leaving for another job.” Well, I knew that. I knew that no decision had been made on a replacement. And then he asked me to take on the responsibilities for the business office. Well, I was really shocked. I told him, “Well I’m not an accountant.” Our business offices had always been CPAs. And besides that,
who did he have in mind for my own job as the Systems Manager? He said, “No, no. You don’t understand. I don’t want you to change jobs. I need for you to take on the business office as well as doing your current job. And there’s already plenty of accountants in the business office already. You just need to direct their work.” He said, “What I need is someone that I trust, someone whose opinions that I value, someone who knows how this organization works, and someone who I can depend on.” Well, he had my number because for the next two years, I was both the Systems Manager and the Business Officer. And it wasn’t until one of the Marine Officers who had those same qualities retired from uniformed service and wanted to stay on in a civilian position that my director decided that it really wasn’t fair for me to hold down two of those senior management jobs, and we should really let somebody else have a chance at having one. Next, give feedback. The most significant factor that a manager controls is his or her relationship with each employee. For many people, according to employee polls, the motivation and morale builder that they identify first is knowing how they are doing at their work. Your staff members need the same information. They all want to know when they have done a project well, and when you’re disappointed in the results. They need this information as soon as possible following the event. They need to work with you and make sure that they produce a positive outcome the next time. So you need to set up a daily or a weekly schedule and make sure that that feedback happens. You might be surprised how effective this tool can be in building employee motivation and morale. Next, partner with your staff in achieving goals. If you clearly convey how employee results
contribute to the organizational results, that’s a big motivator. Employees often feel strong fulfillment from realizing that they’re actually making a difference. This realization requires clear communication about organizational goals, employee progress toward those goals, and celebration when those goals are met. Next, educate your employees. The opportunity for growth and development is motivational. Things like education and training, career paths, team participation, succession planning, cross training are good ways to keep employees involved and motivated. You could also try planning field trips for employees to visit other successful work places and get ideas. Now this is especially true if your work place has counterparts in other locations that do the same or similar things that you do in your own office. Keep your employees informed and involved. To belong to the in-crowd creates motivation. As a senior manager, I had regular twice-weekly staff meetings with the other managers and our director. On those same days later in the morning, I had my own meetings with my supervisors to pass along any information that came out of the morning staff meeting. I also had a designated note taker who took notes in my staff meeting, and then sent out those notes to every member of my staff before noon on the day of the meeting. Well, the people in my division got the word on organizational news and events way before the rest of the office, and they were pretty smug about it. They really, really liked being in-the-know and being the first ones to hear what was going on. Next, use rewards that have mutual benefit. Rewarding an employee with skills training or professional development will benefit both the employee and the company. So when you’re
looking for rewards, think of something that benefits both you and the employee.

And use monetary rewards sparingly. And always use those monetary rewards in conjunction with feedback and personal recognition.

[End of recording]
CREATIVE WAYS TO REWARD AND MOTIVATE
MODULE FOUR – MANAGER DOS AND DON’TS FOR MOTIVATION EMPLOYEES

Module Four – Manager Dos and Don’ts for Motivating Employees. Recognizing and rewarding employees for their efforts is crucial to maintaining motivation throughout the organization. But you should handle those efforts with care. Counterproductive employee recognition programs can result in more harm than good. Here are some dos, some ideas for long-term motivation. First, create a clear vision. Identify the organization’s mission and goals, and make sure that your employees know how the effort that they make contributes to the overall mission and goals of the organization. Everyone should understand the rationale behind the company’s goals. Now in my own career, it was easy. Our primary mission boiled down to supporting the Marines. In your own organization, it might not be that clear. But it’s your job to make it clear to your employees. You need to clearly communicate organizational objectives. Employees need to know what they’re aiming for in order to help you get them there. Ask your employees how they can help achieve objectives. To get your employees involved in achieving organizational objectives, you could ask them to help you come up with ideas on how to achieve those objectives. Make them a part of the effort to meet the goals. Next, make an effort to compliment your direct reports at least once a week. And this really shouldn’t take that much effort. If you set a goal for yourself to make your work environment motivational for your employees, this could just be part of your routine. For me, for most of my career I only had four direct reports, and these were the same four people for almost 15 years until I retired from federal service. Except for the period of time when I was also the
Business Manager, I had three Branch Chiefs and a secretary. And part of my routine both in and out of weekly meeting setting was to point out the accomplishments of my staff members to the rest of the group that might not have been aware of them. Now these in turn filtered down through the meeting notes to the rest of my entire group so they could share in those compliments. Next idea for long-term motivation is ask your employees for advice. What do you think we ought to do? Now that's really a simple question, but it means a lot coming from the boss to an employee. Your employees are, or should be, the experts in what they do. And they can be the best source of advice that you have. Next, Make employee development and retention a primary objective. We talked about the cost of employee turnover. It should be one of your most important jobs to focus on developing and retaining your staff. And don't forget to include succession planning. Not everyone can be as lucky as I was and keep the same staff for a long time. Despite your best efforts, there will be some turnover, and you need to plan for it. Next, involve everyone at all levels in goal setting and planning, particularly if those people are responsible for the results. You'll have a much better chance of meeting your goals if you make sure that everyone involved in achieving those goals has also been involved in setting the goals and in the planning. You should let people know what's expected of them, and do everything that you can to help them. Now this sounds really simple. Of course you let people know what’s expected of them. But many times, if you have an employee who is not doing what you expect them to do, it just might be because they don’t know what you expect. You need to be clear in your
expectations, and you should also let your employees know that you’ll do
everything you can to help them by getting them the tools that they need to
accomplish their jobs, or the permissions or the approvals. You run interference
for them and clear the way so that they can get the job done. And you need to
treat everyone with dignity and respect. Even if you have a poor performer, even
if you have someone that you just can't make yourself like, you should not drop
to the level of anything less than professionalism and respect. This also goes for
other managers, your customers, and anyone else that you come in contact with
at work. Your example of treating people with respect and dignity will set the
tone for your group, and your team will behave the way you do. Stand behind
your employees and back their decisions. This is a big deal. You should protect
your employees from the stuff that rolls downhill. And if you give your employees
the responsibility of making decisions, now those decisions belong to you, and
you have to back them up. If the decision turns out to be a wrong one, and you
find yourself in front of your own boss having to answer for it, it still belongs to
you, and you’re still responsible for it. Now after your boss is finished tearing into
you, you can go do what you need to do with your own employee. But you are
responsible for all decisions that you either make or that you delegate. And your
employees will certainly notice and appreciate it if you embrace this. Next, let
your employees learn from their mistakes. Mistakes are part of any learning
process. You just need to make sure that the employee knows the right thing to
do. Then fix the mistake and move on. Listen to your employees' interests,
opinions, concerns, and goals. If you really listen to your employees, they’re
going to know that you’re interested and it will make a big difference in the culture of your team. Now let’s talk about some things not to do. Let’s talk about how to demotivate your employees. First, treat your employees like children. Next, make rules for everyone because of the behavior of a few. Focus on mistakes, no matter how trivial in comparison with success. Apply policies unfairly and unequally. Another demotivator – put down employee initiatives and ideas. Now this doesn’t mean that you need to implement every idea that comes from every single employee. But you need to let your employees know that their opinions are valuable and that you take them into consideration when you’re making decisions. You tell your employees that they’re empowered, but then retain all the decision making power. Well, this goes along with other delegation. It demotivates your employees when you don’t back up their decision and you don’t let them be delegated. How to demotivate your employees also hold meetings, coaching sessions and reviews where you do all the talking. If you do all of the talking, you’re only getting half the benefit of the coaching or the meeting. It’s important to get input from your employees or they’ll feel that their input is not wanted or needed. Another way to demotivate your employees is to share employee information inappropriately. You have a responsibility to keep confidential information confidential. As a supervisor, you know a lot of things that are not the business of your friends or anybody else. You have an obligation to keep that information to yourself, or you’ll be paying for it with demotivated employees. Another demotivator – set unattainable goals and then penalize your employees for not making those goals. And measure your employee’s
performance on events that they cannot control. This goes along with setting an attainable goal. Sometimes things happen that are outside of our control that prevent goals from being accomplished. And that doesn’t mean that your employee’s performance wasn’t outstanding. Now I certainly believe in having employees set goals. It focuses their performance and ties their efforts to the organization’s goals. But I don’t believe in basing employees’ performance ratings only on whether they’ve accomplished their goals that might have been set a year before, because stuff happens – even to the best, most motivated performers.

[End of recording.]
Module Five – Providing an Effective Reward System. Now let’s talk about setting up a reward system for your group so that you can put a plan in place that will help you focus on motivating and rewarding your employees. First, let’s talk a little about rewards. Managers often use rewards to reinforce employee behavior that they want to continue. A reward is a work outcome of a positive value to the individual. Organizations are rich in rewards for people whose performance accomplishments help meet organizational objectives. People receive rewards in one of the following two ways. First there’s extrinsic rewards. Extrinsic rewards are externally administered. They’re valued outcomes given to someone by another person, typically a supervisor or higher level manager. Common workplace examples are pay bonuses, promotions, time off, special assignments, office fixtures, awards, verbal praise, and so on. In all cases, the motivational stimulus of an external reward originates outside of the individual. Then there are intrinsic rewards. Intrinsic rewards are self-administered. Think of the natural high a person might experience after completing a job well done. That person feels good because she has the feeling of competency, personal development, and self-control over the work. In contrast to extrinsic rewards, the motivational stimulus of intrinsic rewards is internal and doesn’t depend on the actions of other people. So when we’re talking about setting up an employee recognition program, we’re looking for ways not only for you to reward your employees directly, but we’re also looking for ways that you can change the environment to enable intrinsic rewards as well. Rewards demonstrate to
employees that their behavior is appropriate and should be repeated. If employees don’t feel that their work is valued, their motivation will decline. Employee recognition is best approached creatively. While money is an important way to say thank you, once money is spent it’s easily forgotten. It’s as if the recognition never happened. Ideas about ways that they thank you at work are limited only by your imagination. You might come up with some great ideas, and very creative ways to reward your employees. But the only way that your ideas will be carried out in a sustainable way is if you have a program to implement those ideas. And the first step is to have an action plan. Do you need permission to establish your program? Getting permission is a step in your action plan. Do you have the resources that you need to implement your ideas? Get those resources in your action plan. Careful planning can help you to overcome a lot of the pitfalls that happen when good intentions lead to bad employee reward programs. Too often, employee reward programs end up demotivating employees instead of what they were intended to do. Remember Gandalf? So an effective reward system has four elements. Rewards need to satisfy the basic needs of the employees. Rewards need to be included in the system and be comparable to ones that are offered by competitive organizations in the same area. Rewards need to be available to people in the same positions and be distributed fairly and equitably. The overall reward system needs to be multifaceted. Because all people are different, managers should provide a range of rewards – pay, time off, recognition or promotion. In addition, managers should provide several different ways to earn these rewards. You need to
formalize your program, write procedures on how the program is to be run, and what are the criteria for earning the rewards? So I’m going to give you a suggestion for writing up a sample program document. You can take notes on this suggestion and then use them when you go back to your own job. First, every program documentation should include the organization’s mission, the organization’s values, the purpose and goals of the recognition program. And the purpose and goals of the recognition program could be, as an example: to create and support a culture of recognition and excellence among staff; to recognize and reward outstanding contributions to staff; to promote public praise, working condition and relationships; and employee morale. And then you would list the elements that you came up with - your creative ideas to reward your employees – all of those elements one at a time. You list each element, a description of the element, and the cost of that element to the company. And in the description of the individual elements, you need to be sure to document the criteria for earning their reward. So let’s look at some suggestions for some ways that you can reward your employees. You can start with these suggestions, and then build on them when you go back to your own workplace. First, give your people a round of applause for specific achievements. You could have a picture taken of your entire staff, including you, and have it enlarged and hang it in a visible spot in the office. You could build a collage of creative ideas with a team theme. You could schedule off-site events to enhance bonding and team spirit. You could implement contests that earn people time off. You could do non-work-related contests. I remember one non-work-related contest that we had every year at
our work that was a very big success. It was a money-making project for the Marines that we had a dunk tank at the annual company picnic. And the people bought votes for people that would go into the dunk tank. So they would pay money to have their people – usually their supervisors – have to go into the dunk tank at the annual picnic. And that worked really well. And another thing you could do is have treat days. You can single out employees for achievements for public recognition. You could have your team present their accomplishments to upper management. You could publish a kudos notice on your company intranet or in the company newsletter. You could post and follow a big celebration calendar in your office with everyone in your group’s birthdays, anniversaries, and special events. You can include an employee in a special meeting that they wouldn’t ordinarily have attended. You can send an email to the entire group advising them of a person’s contribution. You could create a hall of fame wall with photos of outstanding achievements, both professional and personal. You could buy personalized portfolios imprinted with the company’s name and the employee’s name. Now for once, you could forget the potluck and bring in a caterer. You could reward success with a reserved parking space for a period of time. You could give employees the opportunity to have a face to face with the upper management. Or don’t ever underestimate the value of a personal note of praise. And before we round up, I want to talk about good intentions gone bad. Chances are you’ve been the victim of an employee recognition that was not motivational, and most likely was done wrong. If we remember Gandalf the Wizard, you’ll know what I’m talking about. Maybe you were recognized and it
made you feel good, but it made everyone else of your coworkers feel bad. Those employees who are not nominated for recognition and who don’t understand the criteria for the bestowal of the award are generally negatively impacted by the employee recognition. But with careful planning and a good, sustainable program, you can avoid the pitfalls and create and maintain a motivating environment and a system of employee rewards.

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