

When does an employee deserve a bonus ? When should you as an employee ask for one or expect one and when should you as the person responsible for paying bonuses offer one.

The answer comes from the expectation you have when you hire someone.

When I hire someone, I hire them because I expect them to be good to great at what they do. I don't want to hire some shlep that goes through the motions to collect their money. I don't want someone who does what's expected of them as an employee and nothing more. The people who will find success working for me are those who love the challenge of excelling at their jobs and find away to exceed all expectations.

Now if you are a person that does just that. Challenges yourself. Excels. Makes the company more competitive, our customers happier and our bottom line bigger, should you automatically get a bonus ?

Of course not. You are doing exactly what you were hired to do. You were hired to be great. You are expected to do great things. We pay you to do just that. You don't deserve a bonus.

On the flipside, if you are doing all those things, then it's going to be my goal to keep you happy. There lies the challenge for employers. Happy means a lot of different things to different people. Happy can be where you live, what projects you work on, what personal satisfaction you gain from the job, or maybe just making as much money as possible. It's my job as an employer to know what makes you happy and to try to get you there.

If I can't, you are going to take those special skills of yours and go somewhere else.

Of course the problems come when an employee thinks he or she is special and invaluable and the employer doesn't. One thing I have learned over the years is that self evaluation is not something anyone is very good at. Few people think they suck at what they do, but the ones that are the best at their jobs spend the least amount of time worrying about how valuable they are to their employers and the most amount of time working at excelling and improving at their jobs.

My rule of thumb is that the people who tell you how valuable they are usually aren't, while those who don't, usually are.

Which leads to my perspective on paying voluntary bonuses.

I pay bonuses based on the FINANCIAL success of the company first. If the company is making money. Actually cash flow positive, then I'm always going to be open to paying bonuses that reward those that have earned rewards. If the company is making progress, but is not yet profitable, but on its way, then I'm open to paying bonuses that are more in line with saying "thank you for sticking it out with me, together we are in the process of building a company. When I make money, you will make money".

This is all a long form way of telling a very short story.

employee: I just did something great. I want a bonus because I did something great.

Me : I know. It's wonderful. You are wonderful. Which is exactly why I hired you. I expect you to do great things and I pay you to do great things. Don't you remember telling me how great you were when we interviewed you ?

employee: Yes, but, shouldn't I get a bonus ?

Me: No. But if you keep on doing great things, you will get far more opportunities and we will both will hopefully benefit from that.