

Title:

Money In Reward And Recognition Systems

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497

Summary:

The role of money as a motivator is indisputable if you don't have enough. With bills to pay and mouths to feed, most hunter/gatherers will push themselves to get enough money into the bank account to remove those troublesome worries. However, once the threshold of comfort has been reached and there is a steady flow of money coming from a job that is well understood, can money be used as a further motivator?

The answer is firmly in the realms of "it depends". It depends on...

Keywords:

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Article Body:

The role of money as a motivator is indisputable if you don't have enough. With bills to pay and mouths to feed, most hunter/gatherers will push themselves to get enough money into the bank account to remove those troublesome worries. However, once the threshold of comfort has been reached and there is a steady flow of money coming from a job that is well understood, can money be used as a further motivator?

The answer is firmly in the realms of "it depends". It depends on the individual. Some people will always "jump for the jellybeans" because their lifestyle and their conditioning demand that they acquire the next best car, house, entertainment center or vacation. Others satisfy themselves with smaller dreams that they can achieve without being overly ambitious.

Why Reward Systems?

You will have ambitions for your business. It is important to you that you make the most of your investment both in money and in time and it is important that the people who work with you are focused on the same outcomes that drive you. A well structured reward system can accommodate everything that your people desire and can demonstrate to those who want to do better for themselves, just what it is they need to do to make it happen.

A reward system is more than pay levels, bonuses and stock options. It should encapsulate other forms of recognition for a job well done including promotion, reassignment and a range of flexible bonuses that can be selected to match the particular life-style of the individual person.

Reward systems should be based on the fundamental premise that "You get what you pay for". The old adage "If you pay peanuts, you get monkeys" could never be more true however you also don't want to bankrupt the company, so the balance can be a fine one.

The reward system also has to be responsive. People tire of stretching themselves for future promises. How many times have you heard "If you do this well I'll consider a pay rise at the next review."? If you fail to reward appropriate behavior quickly, you stand less than an even chance of getting the right result.

What is the Reward Strategy?

Like all business activities, it is important to be clear for everyone concerned how the reward system interlocks with the business mission. The Reward Strategy is designed to demonstrate how the company values its people and how the payment practices it adopts help to engage and motivate employees.

The Reward Strategy should deliver the following:

A framework within which the rewards provided by the business will operate

Clarification of the reward objectives

An outline of how reward will be managed

A link between the expressed values of the business and the methods used to manage reward

The total Reward System is, of course, much more than just pay and benefits. Employees also see value in career opportunities, personal and professional development, the management style and, coincidentally, recognition.