



Book Recognizing and Rewarding Employees

R. Brayton Bowen
McGraw-Hill, 2000

Recommendation

Author R. Brayton Bowen takes a thoughtful approach to understanding the new generation of employees who seem to need rewards and recognition to spur their motivation. He attributes their incentive-based work ethic to workplace changes, such as downsizing and a decline in loyalty, which has tainted the work environment. Bowen proposes a variety of recognition systems, including intrinsic and extrinsic rewards, and he outlines strategies for using recognition to empower the whole person. His in-depth ideas about building motivation through recognition and rewards will appeal to anyone who manages other people, from supervisors to top executives, though he cautions that true motivation can't be bought, but must come from genuine achievement and internal drive. Since Bowen provides a thoughtful context for the workings of motivational strategies, as well offering some hands-on tactics, *BooksInShort* recommends this book to managers and human resource professionals at all levels.

Take-Aways

- Communication is the primary vehicle for recognizing employees.
- Enjoyable, meaningful work should be its own reward.
- You can't buy motivation, since motivation comes from within.
- Intrinsic rewards, such as finding satisfaction in mastering an area of learning, are more powerful than extrinsic rewards, such as paying someone to learn.
- Once basic needs are met, recognition and other forms of satisfaction become more powerful motivators than rewards.
- Generally, use cash rewards more extensively with entry-level or lower-paid employees and use recognition more with higher-level employees.
- Be prepared to increase motivational incentives, since it's human nature to expect more and more.
- As the use of teams grows, employers tend to provide more recognition and rewards based on teamwork.
- Give employees options to choose the rewards that most appeal to them.
- Use rites of recognition to celebrate people's accomplishments.

Summary

The Changing Work Environment

To recognize and reward employees appropriately, you need to consider the new work environment. Due to mergers and acquisitions, corporate downsizing and employment-at-will policies, job permanence and workplace loyalty are outdated concepts. Increasingly, workers are employed on a part-time or temporary basis. Even full-time employees must continually prove their value. To motivate these workers into caring about higher productivity - much less providing it - managers need to use a deliberate mix of reward and recognition.

“Today’s workplace is one where no one expects permanence; employees must continually prove their worth.”

Given the uncertainty surrounding continued employment, workers now want more than money. Today’s employees want:

- Work that builds technical, professional knowledge, and thus boosts their marketability.
- Work that’s interesting, challenging, fun and fulfilling.
- Flexible work environments so they can lead full personal lives.
- Rewards, such as a piece of the action, that recognize both solo and team contributions.
- Personal endorsements that contribute to their self esteem and market value.

“In team-based structures the role of the manager shifts from making the right decisions to providing guidance and support to others so they can make the right decisions.”

Managers need to recognize the diversity of the workforce, so they can adapt rewards and recognition to individual needs. For instance, many new workers are recent graduates or immigrants from different cultures.

Other changes are afoot. The growth of teams and teamwork has moved decision making closer to the front lines. Now employees interact with customers and respond quickly on their own initiative. This development has changed the way managers control employees.

“Experienced managers know that rewards for entry-level employees, i.e., those lower in the pay spectrum, usually need to be more cash-based, whereas employees with longer service or higher in the compensation scheme may be influenced more by cash-equivalent or non-cash rewards.”

Increasingly, managers make fewer decisions themselves and, instead, give employees information and guidance so they can make the right decisions. Employees are becoming more entrepreneurial and seek more inspiration or meaning in what they do. New terms like soul and spirit are entering the world of work as part of this search for meaning.

Recognition and Rewards vs. Bribes and Flattery

Recognition and rewards - which are based on truly motivating employees - are not the same as bribes and flattery, which are perceived as forms of manipulation. Once you begin to use incentives to motivate employees, you must expect to increase what you offer, or creatively find different incentives, because it is human nature to expect more and more.

“Once you start the process of recognizing and rewarding, for whatever reason, the expectation will be more, more, more! It’s human nature.”

People want sincere appreciation for doing a good job. The challenge is finding the right reward and recognition strategies to use to express appreciation, recognize value, provide encouragement, make work more fun or compensate someone for taking risks. Generally, extra income matters more to entry-level or lower-paid employees, whereas employees whose income needs are met prefer rewards of satisfaction income, such as time off with pay, public recognition or better assignments. As the need for food, shelter and security are satisfied, people want to fill higher-level needs, such as personal fulfillment, job satisfaction, and self-actualization, according to a theory initially developed by Abraham Maslow.

“Reward and recognition are the very factors that can most influence worker attitude, productivity and organizational competitiveness.”

Once basic needs are met, recognition is an even more powerful motivator than rewards. Help employees stay motivated by recognizing their efforts, achievements, ideas, individual abilities and talents. With recognition, employees can begin to feel proud of meeting challenges and doing a good job, so work becomes its own reward. You need to spark this inner motivation - not simply buy it. Incentives only increase performance in the short-term, so you need to create and implement new incentives continually. Giving people a choice among rewards improves both your incentive program and their motivation.

Communication, Collaboration and Empowerment

Communication is the primary vehicle for recognizing employees, but you must base praise on real merit and express it with authenticity to show that you are sincere and to inspire trust. Accept and appreciate people's differences and recognize their personal boundaries, so they feel comfortable and safe. Find a balance between too much and too little control. The most effective model of control is more collaborative and empowering. This approach recognizes employees' abilities and makes them accountable and responsible.

“As organizations grow larger and marketplace demands increase, traditional organization structures are transforming themselves into team-based systems.”

Essentially, this strategy creates structures, processes, opportunities and expectations that influence and inspire good performance. Such an empowering management style recognizes human potential and promotes self-esteem. This leads employees to feel more energized and motivated to come up with new ideas, try new things, take moderate risks and work with others. People who feel good about their individual work also feel more organizational pride, so they are more motivated to contribute. An organizational system of positive values and guiding principles can help employees feel proud of their company. For example, Ben and Jerry's ice cream promotes social and environmental concern through its foundation, which supports non-profits in those areas.

The Rewards of Effective Leadership

As more employees become free agents, managers are less able to use the traditional command-and-control model. The Internet's growth and the increasing distance between employees and their work settings decrease managers' direct power. Thus, you must adopt strategies that promote your influence, not your power.

“Smart managers will appreciate everyone is different and will work to recognize and reward each person based on his or her general interests, skills and abilities.”

One way to do this is to focus on the results you want, such as having satisfied customers, rather than on performance itself. If you pay people appropriately, they can concentrate on fulfilling your organization's mission. This is a motivational orientation, since acting in the interest of others is in itself a form of recognition and reward. For instance, when employees see that their individual reputations and your firm's reputation are enhanced when they provide good customer service, they have an extra reason to serve your customers well.

“Recognition is an even more powerful tool than rewards, although both are closely linked.”

Provide a good example; act as you want others to act. Show that you recognize and value employees by treating them respectfully, being on time, keeping them informed, being generous with opportunities and rewards, responding promptly and being available. Don't just tell employees they matter; show them by your actions. To promote creativity and innovation, push fear out of your organization by paying employees for new ideas and efforts, downplaying rivalries and linking rewards to individual and group performance. Foster collaboration to recognize individual differences and talents. For instance, bring employees of diverse backgrounds into teams and provide group rewards that promote teamwork and minimize internal competition.

Using Recognition Effectively

Conceptualize recognition as a whole-person experience for you and each employee. Be accepting, encouraging and affirming to

bring out the best in your employees. Express high expectations about what you feel people can accomplish, tell them why they are doing what they are doing, and personally congratulate them when they do a good job.

“Enlightened managers understand you can’t buy motivation. It has to come from within.”

Develop rites of recognition to celebrate accomplishments such as achieving skill certification, getting promoted, landing new accounts or passing a service milestone. Organizations such as Disney and Mary Kay Cosmetics make much of such events, which are great motivators. Ways you might recognize employees include:

- Tell others, including customers, about their accomplishments.
- Develop ways to mark personal events, such as birthdays and marriages.
- Have assemblies or festivities to announce and celebrate achievements.

“Incentives increase performance in the short term.”

You can provide recognition by:

- Communicating personal praise.
- Noting reward benefits, such as paid time off or subsidies.
- Providing personal and professional development.
- Offering performance feedback.
- Providing informal recognition, such as small gifts or published praise.
- Providing formal recognition.

Using Rewards Effectively

While rewards and incentives can contribute to motivation, avoid any hint of manipulation by first emphasizing doing the right stuff. Employees should be proud of where they work and should want others to know that they like what they are doing. Paying employees competitively and being generous will motivate them to do more. Create a total-reward approach linked to individual and organizational performance to build on these basics. For example, base reward programs on what you want employees to do, such as rewarding them for particular tasks, performance results, skills, competencies, objectives and outcomes. The danger is that extrinsic rewards can be seen as manipulation.

Today, businesses are moving away from complicated pay structures and, instead, offering salary grades with thinner bands and broader pay ranges, so you can adjust pay to changes in work and employee roles. Increasingly, managers offer less entitlement pay and, instead, base raises on performance results. Smart managers make pay and rewards the natural consequence of performance and not the drivers of it. People want to do a good job and gain satisfaction from the work itself, so intrinsic rewards are more effective than extrinsic incentives. Thus, seek good matches between employees and their work responsibilities, assigning them to tasks they already love or will come to love. Encourage skilled employees to teach others, so they gain recognition and reinforce their own knowledge.

Since motivation comes from within, learn to use intrinsic rewards effectively. For such rewards to be valuable, employees have to value them. For instance, knowledge offers an intrinsic reward because it gives someone the satisfaction of mastering some area of knowledge, rather than learning for pay, which makes it a less valuable extrinsic reward. You can use several strategies to make intrinsically rewarding work more meaningful, such as linking employee interests and personal missions with the interests and mission of the organization. You can also:

- Give employees more opportunities to learn.
- Make sure employees have the resources they need to accomplish their jobs effectively.
- Promote organizational pride.
- Hire people who take pride in their work.
- Create teams of people who are eager to accomplish work in which they can take pride.

Nevertheless, some extrinsic rewards can be effective, such as using short-term bonus plans, project rewards, cash and cash-

equivalent prizes, and sales incentives. You also can develop long-term programs such as profit-sharing plans, win-sharing plans and gain-sharing programs. These incentives should be part of a total reward program that is competitive, fair, and measurement-based, and that includes intrinsic rewards and recognition.

About the Author

R. Brayton Bowen is a senior consultant and president of The Howland Group. He served as a senior executive at *Fortune* 500 companies, including Federated Department Stores and Capital Holding Corporation (now AEGON). He has worked in corporations or in consulting for more than 25 years, and is a specialist in change management. His current focus is on workplace issues, including dealing with anger. His clients include Baxter Healthcare, Borg Warner, GTE, Revlon and the U.S. Department of Housing and Urban Development. He has written numerous articles on management, including work that has appeared in *Industry Week*, *Association Management* and *At Work*.
