



Money as a De-motivator: Alternative Considerations for Employee Rewards and Incentives

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Many of us have heard the phrase “money makes the world go round,” or “you can’t buy happiness” or some other cliché used to describe just how influential money has become in our lives. And why shouldn’t it be? For many, our allowance was the first example of an incentive to do our chores. This reinforcement continued as we got after-school or summer jobs as kids in order to have spending money and worked to pay for college (read: partying at college). It even continues today when we get side or freelance work to supplement our salaried jobs to help pay for hobbies or interests. With this idea of money as a reward ingrained in our behavior, it only stands to reason companies would embrace it and use cash incentives or bonuses to help improve motivation or to reward employees.

Money is the Root of All Evil

Despite the driving force behind money as a reward, there is an equally powerful potential for money to demotivate employees. Most, if not all, companies will tell you they frown on the open discussion of salary among colleagues, including current rates, bonuses, adjustments, etc. Consider something as simple as the salary of two Web developers hired around the same time—given the (perceived) same responsibilities, task and day-to-day activities, Web Developer A would be very disheartened to learn Web Developer B was making more than he was. “I do the same job as Web Developer B. How come he makes more than I do?” This pattern is also evident in quarterly performance bonuses where one team member receives a bonus but the remaining five do not, with the same question being asked at the end: “Why him and not me?” Even though the opportunity exists for everyone to excel and potentially earn a bonus, these situations often result in a loss of motivation and feelings of disenchantment—the exact things the rewards were developed to eliminate.

Alternatives to Monetary Reinforcement

With the pitfalls associated with monetary-based rewards, companies are coming up with more creative ways to motivate staff and reward productive employees. It is important to note what drives one person may not drive another since the needs of different people vary, but the following provides some insight into ways businesses can successfully promote productive employees.

Training and Seminars

Professionals in the information technology sector will tell you it can be very difficult to keep up with an ever-changing industry. What is considered the latest and greatest technology one week can become a legacy system in the blink of an eye. By offering a training or professional development budget for employees, workers are able to explore new technology or adopt industry best practices to come up with creative and innovative ways to efficiently do their work. This can include fees for conferences, dues for professional organizations, tuition reimbursement or even a budget for purchasing reference books for a department library.

Creative individuals are often motivated by the idea of learning new things and applying what they have learned. Unlike cash incentives of an equal value, providing such opportunities to employees has immediate returns to

the company itself, allowing for an influx of new ideas or innovations into the talent base.

More Work as a Reward? You Must Be Kidding...

Absolutely not! When employees demonstrate proficiency in their given area, there exists an opportunity to reward them with additional experience they otherwise may not get within their job. For example, "Patterson, you did a great job handling that last bid. You know, we have an excellent opportunity coming up with McCormick and Co. Are you interested?"

In other situations, providing more autonomy or independence for employees to come up with solutions or solve problems is an excellent way to develop pride in the work being done—people begin to realize they are contributing to something bigger.

Employee Recognition

Highlighting the accomplishments of an individual or a team is an excellent way to reward employees—with little overhead, it demonstrates genuine attention to the accomplishments of the men and women who make up the company. It may be something as simple as receiving a letter from the CEO on your five or 10-year anniversary, a company-wide e-mail showcasing a successful bid or project completion or even just verbal acknowledgement at a company meeting.

Events

Company-wide gatherings are a great way for the organization to reward employees for a job well done. Things such as corporate picnics, holiday parties or holding a pot-luck dinner on the Wednesday before Thanksgiving are great ways to get everyone together as a group and talk about something other than the quarterly earnings report.

Team-building events are also great way to foster unity between employees and can take on different forms. At a previous job, our team would stay late after work on Wednesday and use the local area network to play "Half Life" (a multiplayer first-person 3D shooter video game, for those unfamiliar). The winner was rewarded with a crowbar that had been spray painted gold, and the loser presented with a toilet plunger that had been painted hot pink, and that was your trophy for the week. Despite a strict "no video game" policy for work computers, management saw there was a real team building value in making an exception, requiring only that we provide licensed copies of the game, and lights out by 9 p.m. Still one of my favorite perks from any job, ever.

Flexibility at Work

With the ever-increasing cost of fuel, people faced with a long commute have to deal with the consequences. To address this problem, some companies have extended a "work from home" policy, allowing employees to work from a home office one or more days a week. People are finding this type of flexibility invaluable when trying to balance the load of a career, family and other obligations that put demands on time and availability.

Casual Friday or "jeans day" is another common example of how businesses make exceptions for employees, deviating from the usual "business casual" dress code.

Don't Forget "The Basics"

Some of the best incentives for motivating employees can be realized in our day-to-day behavior and stem from how supervisors manage their staff and how companies do business as a whole. For example, most people only hear what would be classified by many as negative feedback; however, it is just as necessary to tell people what they are doing right.

Equally important in providing meaningful feedback is the willingness of bosses or managers to receive comments or criticism as well. It is a lot easier for people to become motivated when the goals of the group are clearly communicated in both directions and ideas are received and considered in a fair manner. In fostering two-way dialogue, a sense of ownership is formed in the job, and subsequently employees are more likely to take pride in their work.

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