Schaefer Recognition
GROUP

Cash Just Isn't Enough!

How to get more from, without paying more to, employees -- *<u>and they'll thank you for it!</u>*

When surveyed, employees consistently will ask for cash, but research shows that it's the least effective form of recognition – How come? Steve is a loyal employee who enjoys his work, is productive and reliable – the model employee. He was surprised when his 10 year service award package offered him cash as an option. It wasn't like he couldn't use a few extra bucks, but the fact that his employer was able to put a price tag on ten years of his life, left him feeling a little cold and confused.

Why is it that when the company offered the very thing that employee's seemed to want, that it fell short of carrying the important message – "we care about you and are glad you're on our team"? Maybe it has something to do with the question? Asking employees what they want tends to imply that you don't know and really don't care all that much. The moment they think that you are using recognition more out of obligation than desire, they will emotionally disengage, feel a bit insulted, and give you the answer they think you want to hear – " . . . Aw, what the heck, just give me a gift card!"

It actually has to do a lot more with perception than logic. Employees want so much to be genuinely appreciated, that the minute you give them the smallest hint that you're attempting to manipulate them with carrots and sticks, you lose.

It's really just about doing a few very basic things right and in the correct order. This requires training supervisors to understand some straight forward principles, realize that it's to their personal benefit to make recognition a powerful management tool (appeal to their natural self interests – in a good way!) and communicate more effectively, so their people believe they mean it.

Once honest emotional engagement is achieved, you'll be amazed at how quickly financial incentives can take you and your firm to another level of measurable, bankable ROI that will have everybody wanting more. It's an educational challenge that too many companies ignore, but are paying for over and over again. Here are three thoughts to consider:

JOHN R. SCHAEFER THE VOCATIONAL SHRINK 888-646-6670
7131 W. PLANADA LANE GLENDALE, AZ 85310 JOHN@VOCATIONALSHRINK.COM

1. No one disagrees that cash is important. The reality, however, is that you owe it to yourself and your stockholders to do what's best with the company's money. The data overwhelmingly supports the fact that well-designed incentives will out-perform cash by more than 2 to 1, as well as carry far lower tax consequences. Supervisors will embrace these tools when they understand their value, see what's in it for them, and have a clean, well-defined path to run on. You can give a gift valued at 1% of an employee's salary, and if done enthusiastically, they'll feel the love. But, give them a 1% bonus or raise and they're looking at the classifieds. Same dollars, totally different result . . . it's all about perception!

2. Most companies use a variety of disjointed programs to recognize and reward their people. Even if the programs are working, it's impossible to determine the level of participation and financial return. Imagine if you orchestrated all of the tools used to communicate with employees, so they could be properly measured, kept relevant to company goals and you could easily teach your supervisors the proper way to implement them. This is called an Umbrella Recognition Strategy and the benefits are numerous. However, there can be potential challenges involved in transitioning your organization to this approach. Here are the three steps you should be willing to take to consider implementing an Umbrella Strategy:

- You need to have upper management support. Only then will you be able to get all of the program owners to open up and provide the information needed to analyze the current situation and begin to see opportunities for improvement.
- Your team has to be open to new ideas and be willing to brainstorm all viable options. One of the few positives to this current economic downturn is that things are on the table today that would probably not be open to discussion during more robust financial times.
- The goal of your team needs to focus on developing the greatest ROI on your recognition investments, not protectionism or departmental isolationism. A macro view of the situation, where everyone is considering program initiatives from a broad perspective based on company culture, mission and long term objectives is the secret to getting the best overall program and the ROI you deserve.

3. As you begin to evaluate your current recognition programs, you'll be surprised at both the amount of money leaking out of the organization in various ways and why there may be inherent confusion from the employees' perspective. We recommend a Four Cornerstones approach:

- Communications – People need to see where they fit in the overall scheme of things. Every employee wants to know the direction of the organization and the plan to get there. Communication addresses the "what to do" and provides a professional, well organized theme.
- Training – Managers need to know how to give recognition rather than just presenting awards. Training focuses on the "how to do" and is an important element to Performance Improvement. Effective training avoids your best intentions being seen as nothing more than "throwing 'em a bone".
- Reinforcement – Recognition is not an event, it's a process. Employees need to "want to", but how do we achieve this emotional engagement? It's done by validating. Employees must feel important and appreciated when they go the extra mile.
- Measurements – Things that are measured tend to improve. Measurements address the "how are we doing". With the vision and strategy in place, the objectives and responsibilities of each employee to support the strategy must be determined. This is the most overlooked part of performance improvement programs, because it requires responsibility and can often be uncomfortable. Outstanding employees want to be measured and ineffective employees want to remain invisible.

There's a lot more to recognition than just handing out awards and gifts, but therein lies the opportunity to turn accepted expenses into significant profits. Companies that take on the challenge of embracing this new view of employee engagement are seeing impressive improvements in productivity, profitability, morale and teamwork along with significant reductions in the turnover, recruiting and safety related costs.

John Schaefer is a Consultant with more than 20 years of experience helping companies realize and react to what he calls the *Employer/Employee Disconnect*. "Your people have the capacity and desire to become far more involved and productive than they are today. The resources required are freely available, if you simply choose to use them," says Schaefer. "The key is to get your managers and supervisors to embrace this challenge by seeing what's financially in it for them." John is the author of *The Vocational Shrink – An Analysis of the Ten Levels of Workplace Disillusionment*, as well as *The Vocational Shrink The Game* and Manager Training Program *"Why Should Supervisors Care (or what they're really thinking). . . What's in it for Me?"*