



## **Why not just give cash, gift cards or gift certificates for recognition awards and incentives - that's what employees say they want?**

I'm often asked to explain why cash is so ineffective in recognizing employees. The question comes in a variety of ways, for multiple reasons, but always gets down to the same underlying issue – *"They all want it, but it doesn't seem to last and is never enough to get the results I was hoping for . . . what gives?"*

Let's start with some facts:

1. Walker Information of Indianapolis, IN - 75% of your employees say they enjoy their work, but only 34% are truly loyal. That means that about 66% would leave tomorrow for more money . . . and it's not the 66% you'd like to go!
2. We are underpaid most of our careers (you're actually only paid fairly the day you get a raise, then it dips until your next raise), the size of this dip averages 15%; far more than most recognition budgets have to spend.
3. The University of Chicago 39% vs. 15% when striving for rewards than if incented with equal amounts of cash yet will ask for the cash more than 80% of the time (if given the option).
4. Maslow and Gallup agree that it's the emotional aspects of work – primarily Love and Respect, that motivate today's workers, but it's all too common to see supervisors using cash, gift cards and cash equivalent goodies to attempt to engage their people.

So, what's this all mean with regard to optimizing employee performance?

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.

Cash equivalents like Gift Cards often play a valuable role in integrated can be the kiss of death to long term performance improvement if not used in a balance way. Recognition is a Right Brain, emotional experience while Cash is a Left Brain, logical experience, so they must be used properly and in the right order.

Money is important to all of us, but it's a low-level need in Maslow's Hierarchy, so by definition, it's not motivating. 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 door. Same dollars, totally different result . . . it's all about perception!

All it takes is training supervisors to understand some straightforward 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 it.