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Almost Every Manager is Dead Wrong about Employee Motivation

Peak Performance
Business Group™

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PEAK PERFORMANCE
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If you asked most managers what motivates their employees, they would probably say ***“Money.”*** *They’re not alone.*



A 2003 National Federation of Independent Business survey compared wage increases to other compensation tactics such as profit sharing, pension benefits, health insurance and paid time off. Three-quarters of all business owners polled indicated they would increase their employees’ wages to improve their performance. Why? Because they believe money motivates.

The National Opinion Research Center at the University of Chicago discovered similar findings in another recent study. When a random sampling of American adults was asked, 75 percent said they believed a large pay increase is the key to sparking employees’ productivity. But when asked what mattered most to them in their own jobs, the top response was the opportunity to do significant and valuable work. Remuneration was a distant third.

Are you underestimating what drives your employees? Knowing money isn’t as much of an incentive as you originally thought, here are some hot hints that may work better than cold cash.

Give Clear Direction

Certainly your employees realize that sales figures, more than anything else, contribute to revenue. But have you explained the concept of net profitability to them? Or how profitability impacts bottom line? Have you offered examples of how their actions influence customer retention and impact both their success and the company’s reputation?

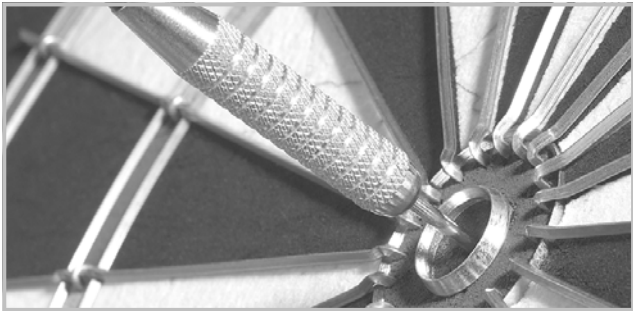
This kind of information makes employees feel involved – confident that you value their contributions and secure in their talents. When people know their performance matters, they will do amazing things to strive to improve their output and enhance the company’s overall achievements.



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Set Performance Expectations

Quantitative measures are crucial. When you set realistic and quantifiable goals regarding sales dollars, productivity or cost savings, employees will have a target toward which to work. They will then taste true success based on your predetermined goals – a taste they will crave again and again.



Create Performance Parameters

Rich Teerlink, former chief executive officer of the Harley-Davidson Motor Co. and author of *More Than a Motorcycle: The Leadership Journey at Harley-Davidson*, created a concept called “Freedom with Fences.” Don’t tell your employees how to do something; simply let them know their boundaries. Invite them to allow creativity help them meet your expectations, but also let them know how they could take that creativity too far.

Give Resources for Help

Learning is a powerful motivator. It not only gives employees a sense of purpose and job security, but the need to grow is inherent in the human condition. You’re not always available to provide guidance, so make sure your employees know where they can go for answers:

- Create a resource center: Organize your training-program materials in one place, and encourage your employees to use them regularly.
- Ask experienced employees to teach others: Let veteran staff members realize you count on them to lead new employees by example. Plus, he or she who teaches learns twice.
- Online references: Find a few quality online resources and add them to your company’s list of bookmarked sites on all internet-connected computers throughout the organization.





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Provide Performance Feedback

Managers sometimes get so busy that they rarely take the time to inform employees about how they are performing – a crucial component of motivation. Feedback comes in many forms, and any (or, better yet, all) of them are encouraged:

- **Daily check-in:** Swing by an employee's work area for a few minutes each day to answer any questions, provide appropriate advice or simply ask how his or her day is going. Don't hesitate to bring up productivity targets in an informal and non-threatening manner.
- **Weekly recap:** Sit down with each employee for a few minutes every week for a brief review of that week's performance.
- **Monthly analysis:** A longer review of what went well and what can be improved upon helps determine performance objectives for the following month.
- **Year-end review:** Discuss with each employee individually (and perhaps more formally) strengths, weaknesses, plans for improvement, compensation adjustments and opportunities for advancement. This session will be much easier if you follow some sort of feedback routine during the rest of the year.



Some managers say they don't have time to stay in such close contact with employees. Truth is, they can't afford not to stay in touch. The effects of feedback sessions are proven to empower employees more than most other motivating

factors. When you take the time to give your people feedback regarding their performances, you will increase your business' productivity. Guaranteed.

Give hope for the future.

It's a cliché, but the adage holds true: "When there is hope for the future, there is power in the present." People have an intrinsic desire for a better future. Employees often (and sometimes quite understandably) don't see opportunities for advancement.

To alter that perspective, help them consider advancement not only in terms of title or position but also in short-term assignments. You may not be able to promote someone to several different job levels over a period of time, but you can give talented employees significant and stimulating tasks. For many, just the motivation required to accomplish those tasks is proof enough that you value their contributions.



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Almost every manager falls into the “money as motivation” trap sooner or later. Do your people want to earn more money? Sure, everyone wants to be reasonably wealthy (some even want to be unreasonably wealthy). That’s why paying your people for their performance should be an important part of your business strategy.

But dollars don’t have to be the biggest motivating factor. Providing clear directions, setting expectations, offering parameters, making resources available and taking the time to give feedback and create excitement for the future are real ways to create lasting team motivation.

“People who are emotionally committed behave in ways that defy logic and often produce results that are well beyond expectations,” writes author Jon Katzenbach in *Why Pride Matters More than Money: The Power of the World’s Greatest Motivational Force*. *“They pursue impossible dreams, work ridiculous hours and resolve unsolvable problems.”*

It’s important to know in these challenging economic times that the best tools to help you attract, keep and advance a great team aren’t expensive. In exchange for just a little more of your time, your employees will probably give you even more of theirs.

When it comes to employee motivation,
it’s **your performance that matters.**



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An award winning author, speaker and sought after consultant, Mark's work has attracted clients as diverse as the Harley-Davidson Motor Company to the Executive Education Program at the University of Wisconsin and dozens of other leading organizations.

His speaking and training schedule typically includes 200 events per year and has taken him to 8 countries and 40 states. He keeps threatening his wife, Amy, to get an RV and visit the rest.

Holding a master's degree in adult education, Mark has also earned the National Speakers Association Certified Speaking Professional designation – There are only 500 people in the world who have passed the rigorous criteria to attain this coveted recognition. He is also a certified member of the Association of Finance and Insurance Professionals.

A prolific writer, Mark received Advanstar International's Grand Gold Award for editorial excellence for his article series, "Improving Human Performance." He continues to write monthly columns and even wrote a book about the music industry: *Guardian of the Gods – An Inside Look at the Dangerous Business of Music*. The reason Mark says was singular, "to get backstage at Aerosmith concerts."

Traveling by plane most of the time, Mark's favorite mode of transportation is his 2007 VRSCDX Harley-Davidson V-Rod, which has been known to "fly" as well.

Mark is the President of the Peak Performance Business Group™.

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