



WORK AS REWARD

ABSTRACT

People need to be managed, what they do is not driven by pay. Their pay simply ensures they come to work

Motivation Matters Limited



Introduction

We live in a world where an Underground Train driver's pay of £50,000 a year seems modest against the far from unusual £500,000 total pay packet which many enjoy.

Despite political manifestos the gap between rich and poor has grown markedly in the last ten years. Today we have one million unemployed young people in the UK. They are learning first-hand what is important, and social unrest is bubbling here as it is across much of Europe.

Setting aside feelings of jealousy, it is obvious that we need to find a way, other than bribery, to reward people for the work they do.

In the UK there is an alarming need to improve our "output per person" whether he is building cars or she is creating new financial instruments. This is nothing new. The Victorians were complaining that we could not compete effectively with the Germans and the upstart Americans. Those jobs the Victorians worried over losing have now vanished from this country, like so many other jobs before and since.

Let me dismiss "piece work" or "payment by results" schemes as ineffective. The argument is a distraction here but my paper "Bonus schemes" explains it.

The only alternative to lavishly paying people to work more effectively is summed up in the concept of employee engagement.

This important concept, recognised by the last Labour Government, was awarded its own official report, the MacLeod Report. In my opinion the report mixed facts so completely it was not so much adding apples and oranges as making a fruit salad! It is my opinion that "engagement" now means differing things to so many people it has lost its usefulness as a word. I won't use it again in this paper.

This report isn't the place to explore projects to change people's behaviour or to look at the individuals who compose our workforce. When I talk about people I mean the whole range of people with every type of attitude to their work.

Some believe that you should only hire people who want to work. Yet the way we feel about work depends on our previous experiences and most can be managed to want to work in a year or two.

Just imagine that the productivity decline could be reversed. The UK (and Europe) would be a better place to set up some types of business. Jobs and tax income would grow. The Government would be struggling with the spectre of full employment limiting growth and the immigration problem, the lack of immigration problem.





Pay me to come to work

Does that sound like a dream? You have to dream before you can plan to make it a reality.

Read on to understand your part in making it a reality.

People need to live and their pay lets them do that. But, basically, people get their pay for turning up to work, not for their achievements at work.

The economist's "rational man" model says that the market sets the price for labour: That people try to maximise their pay for as little work as possible, while employers attempt the opposite.

This seems to describe the state of pay in our society today. The ideal condition for employers is to have their staff on the breadline, worried about the next big bill. Is that true?

Have you ever employed anyone with problems like that, marital problems or severe family issues? Do they pay more attention to their work in those circumstances? Of course they don't.

Perhaps you can get away with paying less than the going rate? Or even pay two people doing the same job different rates? If you do, you know how much of the working week is swallowed up in discussions on the unfairness of your pay policy.

Employers want people to come to work in a settled and stable frame of mind ready to focus their energies on their work. The pay has to be fair for that to happen.

That is the view of employees. The pay has to be fair. They know (generally speaking) they can get that pay by turning up to work. The relationship between achievement and pay has been broken.

What will make your people **want** to work for you?

Why should I work?

What people do at work is driven by their motivation: their willingness to act.

The language of sales has most in common with motivation. In sales you are persuading someone of the value of a course of action – as you are in motivation management.

That "people buy from people" is a sales maxim. People work for people too, work is a social act. My employer needs a human face, a person who epitomises the organization and its meaning to me.





My work as my reward

Secondly I want to be part of something worthwhile. I may be a small cog in a big machine but I want to know without “my” cog we can’t deliver our valued output as well as we might. I want my daily work to be worthwhile to me and to my circle of family and friends.

I also want to be proud of that output. I want to be able to tell my friends and neighbours that I am part of something amazing. I know that numerate targets and tick boxes are necessary parts of administering a business. But nobody wakes up with an urge to tick a box. To be part of the team delivering “freedom from fear” is awesomely invigorating, a big hairy audacious goal before its time.

Businesses are perfectly able to create visions, goals and objectives that inspire. I want to be proud to be part of the team that “delivers tomorrow”, is “never knowingly undersold” or is “the real thing”.

First there is the exceptional case to get out of the way. Some people will give prodigious effort to achieve a life changing amount of money. Whether we are talking about multi-million pound bonuses or economic migrants the reason is the same – a period of intense work leads to a change of life: the banker retires at 30 while the Ukrainian farmhand buys his own farm back home.

In this case the work isn’t the reward; it is the change of life that is the deferred reward.

I want to feel an important part of the enterprise. I want to be missed when I’m not there and I want my work, good or bad, to be treated as important.

I want a thank you when I am successful. I want someone to notice and ask what went wrong when I mess up: to notice and ask what help I need to do better next time.

I want to know how “we” are doing. Are we delivering on our vision? What needs to be done? What more can I do to help?

I want to work for an organization that is business-like but compassionate.

Reward me how?

If I make a mistake or something doesn’t turn out well, I don’t want to be made to feel useless. I feel upset already if I care about my work and my employer. If I don’t care then telling me I’m useless underlines how right I am not to care.





Volunteer or employee?

If something goes wrong talk to me about what I did or didn't do – my behaviour – that contributed to the poor outcome. Don't criticise me, criticise my behaviour.

If I do something well, if I make a success of something then praise me for choosing the right behaviour. If I care, the praise will reinforce my feeling "I'm right to care".

If I don't care, I will wonder why I'm being praised. I will wonder if I'm right not to care about my workplace and whether my boss does actually value me and my contribution.

Then we have the military example. We expect our military to risk death for £18,000 pa plus some fringe benefits. That so many do is testament to the values communicated to the recruits.

They are part of something special. They are doing a worthwhile job. They will be recognised through promotion. They will be exalted through medals.

Do you think our frontline forces would be more effective if we paid them £500,000 pa? I think less effective but that is material for another paper!

What is the difference between a volunteer and an employee?

Simply, one receives a non-monetary reward and the other receives both a monetary and non-monetary reward.

There is no difference in effort and no difference in management needs either.

Would it be useful then to consider employees as volunteers who get paid? Would that change the management culture to one more responsive to the employee's needs?

I hear managers say the recession is good for getting people to work hard. This means that their bad management practices are being suffered in silence. It is a sad statistic that 60% of new recruits are looking to change jobs again after 4 weeks! But most job changers are looking to change their boss not their job.

My bespoke reward

Bespoke reward packages have become very popular. To an extent the trouble taken by the employer to offer an adaption of the standard terms is welcome, it shows some thought for me.

But I forget about it quickly enough. It certainly isn't the answer to staff motivation. It is an opportunity for the organization to show it cares.





How to make it better

There are many opportunities to show care: Health & Safety policy should care for the employees; Corporate Social Responsibility will enhance my pride of being associated with you; having a good formal communication channel to keep me informed of what is happening in the organization at large is an essential tool.

It is time to recognise that training in skills is not enough. I need to be managed to make me willing, increasingly willing, to use those skills for your good.

Think back to before the Industrial Revolution, before Enclosure when people lived off their own small holding providing goods and services they produced themselves. They didn't get paid by the hour. They haggled for a sale where the customer's willingness to pay depended on the perceived value.

Paying people to work regardless of the outcome breaks this motivating link. It is time to replace this missing link with the management of motivation.

Here we go again

Here are three examples of how to waste opportunity, money and lives.

Manufacturing in the UK is enjoying a renaissance. Order books are filling and new jobs are being created. More staff are being hired instead of managing the current staff to achieve more.

The result will be, and we have seen this over and over again, in a few months manufacturers will complain the pound sterling is too high in the world currency markets and they can't compete. The real problem is that productivity per person continues to lag behind our competitors, new and old.

Similarly in our financial sector there is a slowly dawning realisation that transaction costs have bitten into pension values and raised the cost of funds for business.

We could never afford to pay "life changing salaries" to people in that sector. We were just kidded into believing they were adding value by circulating the same pound faster!

The financial sector will have to totally overhaul its motivation management practices.

Finally we wonder why the unemployed are disaffected when they have the luxury of being paid to sit at home and do nothing.





Conclusion

They are disaffected because the rewards of work are being denied them.

They are merely being paid to live.

Of course we have to pay a person to work, that is how our society functions. But we need to recognise that we also need to manage people to achieve at work not just pay them to turn up.

It is time for some hardnosed management that recognises that throwing money at people is poor, lazy management.

People need to be managed, what they do is not driven by wages.

Hardnosed managers know this and don't accept lazy managers under them who try to skip their responsibilities.

If we don't do this we will not address the long slide in UK and European productivity that threatens our ability to have the society we want.

You know you have to inspire people.

My parents spoke of the dreadful events of World War Two but also the tremendous sense of a common purpose, a shared vision and the pursuit of a common goal that made living those times so exhilarating. Winston Churchill promised blood, sweat and tears not money.

This could be an exhilarating time if we understood what people do at work is due to the social reward.

A management revolution no less, but one needed by the UK mentality.





MOTIVATION MATTERS LIMITED

VISION

Inspiring good management, and thus achievement, within organizations will improve employee attitudes, engagement and job satisfaction to create stronger companies with more productive people.

More productive companies build competitive advantage creating a sustainable business with safe growth, healthy profits, secure well paid jobs and contribute to the well-being of the UK.

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