

# The CEO's Role in Employee Motivation

By Bob Nelson, Ph.D.

Today's employees expect to be recognized when they do good work. This statement is supported by dozens of studies and surveys and can be easily confirmed by asking almost any employee. Being thanked for doing good work makes it easier to do more good work, increases the likelihood that the employee will want to continue to work for the organization, and serves as a catalyst for attracting additional employees to your organization.

Why is it, then, that thanking employees is so foreign to most executives? In a recently completed three-year national study by the author, age was found to be a key factor in answering this question. Older managers (age 50 and above) were less likely than younger managers (age 40 and below) to recognize their employees or feel it was important to do so.

That age has an inverse relationship with the practice of employee recognition perhaps should come as no surprise. It is easy to imagine an older manager with traditional "old line" work values believing: "We pay above industry average, so I shouldn't have to thank employees for the job they do as well." "People should be glad they have a job, why should I have to coddle younger employees?"

or "No one ever recognizes me—why should I do it for them?" But such values, as logical as they may seem, are out of step with the times. To be an effective leader today, you must be good at recognizing your people when they perform.

## Overcoming Misperceptions & Constraints

Executives need to realize that employee recognition today is critical to employee motivation at all levels. They need to systematically



make a case for the behavior to make employee recognition a personal, practical, and positive experience—not an abstract and fuzzy notion. Misperceptions and constraints need to be overcome to make employee recognition easy to understand and easy to do. To become more effective leaders, executives need to overcome

their primary objections for providing employee recognition, which the author's study found to include the following:

**"I'm unsure how to provide recognition well to employees."** On top of the list of constraints by recognition non-users was that employee recognition is an unclear behavior considered difficult to do. Such managers need to have an increased awareness of the importance of employee recognition, be trained in the skills of employee recognition,

provided individual feedback, and be shown positive examples and techniques that they are comfortable and committed to actually do given their time and resource constraints. Executives should discuss potential recognition strategies with their management staff to get buy-in on what is done and they should seek feedback on their own recognition behaviors, so as to learn from their past efforts and enhance their ongoing effectiveness.

**“I don’t feel providing recognition is an important part of my job.”** Organizations need to set the expectation that providing employee recognition is not an optional activity, but rather an integral part of the organization’s strategies, specifically tied to any and all goals that are of importance to the company. Managers need to be evaluated on their efforts at providing employee recognition in a frequent and meaningful way to their employees. Employee recognition should be made to be an important part of the ongoing planning of both organizational, team and individual goal setting.

**“I don’t have the time to recognize my employees.”** As evidenced in the findings of this study, high-use recognition managers actually rated time as a facilitator for providing employee recognition in that some of the best forms of employee recognition (personal or written praise, public recognition, positive voicemail or e-mail messages, etc.) require very little time. Thus, the reaction by low-recognition users of not having enough time is often no more than an excuse for not doing the behavior that needs to be confronted with techniques that can be readily applied, even by busy managers. Simple techniques, such as, a stack of thank you cards on the manager’s desk with a commitment to write a few notes to deserving employees at the end each day, or listing one’s direct reports on the manager’s weekly “to do” list and checking each employee off once the manager has “caught them

## The Recognition-Performance Link

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A fundamental reinforcer for the use of non-monetary recognition is its impact on improving job performance of employees and the impact of the employees’ performance as a reinforcer of the manager to continue to provide additional recognition. This study found evidence to support the recognition-performance link in at least three ways.

First, several performance-related variables were found to have broad support by managers in the study, the majority of whom agreed or strongly agreed with the following items (listed with percent of agreement):

- Recognizing employees helps me better motivate them. (90.5%)
- Providing non-monetary recognition to my employees when they do good work helps to increase their performance. (84.4%)
- Recognizing employees provides them with practical feedback. (84.4%)
- Recognizing my employees for good work makes it easier to get the work done. (80.3%)
- Recognizing employees helps them to be more productive. (77.7%)
- Providing non-monetary recognition helps me to achieve my job goals. (60.3%)

Second, 72.9 percent of managers reported that they received the results they expected when they used non-monetary recognition either immediately or soon thereafter and 98.9 percent said they felt they would eventually obtain the desired results.

Third, of the 598 employees who reported to the managers in this study, 77.6 percent said that it was very or extremely important to be recognized by their manager when they do good work. Over 90 percent of the employees expect to be recognized for the work they did: 72.9 percent of the employees expected recognition to occur immediately (20%) or soon thereafter (52.9%), whereas 18.8 percent expected recognition to occur sometime later.

It’s true: Both managers and employees agree that recognition really does work to get desired behavior and performance!

doing something right” in alignment with that person’s job and responsibilities, can go a long way to make the employee recognition behavior simple and doable.

**“I’m afraid I might leave somebody out.”** Another common concern on the part of all managers (both those that frequently use recognition as well as those that do not) is the possibility of leaving someone who was deserving of recognition out when people are acknowledged for their behavior or performance. Whereas low-use recognition managers take this concern and interpret it as a constraint and excuse for not recognizing employees, high-use recognition managers translate this concern into greater consideration in double-checking who and how they recognize so as to not inadvertently omit someone who should be included. This might, for example, mean checking with a team leader to see if you have all the names of people that assisted with a successful project before commending the team in public. If at any time someone deserving is left out, it is perfectly acceptable to simply apologize and make amends with that performer.

### **Toward a New Start**

In most organizations, the CEO sets the tone for how people are treated. Are employees valued for what they do on a frequent, individual basis or are they treated in aggregate as a line item in the budget? Increasingly, the best CEOs are initiating actions that demonstrate their commitment to valuing their employees in a very hands-on manner. Here’s some advice that can help you be a more effective motivator:

**1) Find out what your employees want—don’t assume you know.** Often what motivates you will differ from what motivates your people. By unilaterally deciding what to do or give employees that perform well, you run the risk of missing the motivational mark. Instead, involve employees in determining what would

best reward or recognize them for doing good work—avoid surprises!

**2) Realize one type of recognition no longer fits all.** What you pay your employees or having a few traditional (and predictable) recognition activities or a single great formal recognition program is not enough today. Update formal recognition programs to make them exciting and relevant to the motivational needs of your employees. At Johnson & Johnson, for example, employees were surveyed to determine what items and activities were most valued, and the results indicated the organization’s traditional “years-of-service” awards was not considered recognition by over half their employees, whereas, “recognition that involved one’s family” was highly valued by most employees that were surveyed. The organization was thus able to make adjustments in recognition practices that were most meaningful to their exiting employee population. Motivation is an ongoing challenge and you’ve got to be experimenting, learning and discussing recognition ideas and activities on an ongoing basis.

**3) Lead by example—model the behavior you expect others to follow.** Don’t expect the human resources department to be able to centrally drive an impactful recognition program, but rather make motivation of people a part of every manager’s job, including your own. Having top managers practice employee recognition sets the tone for the behavior for all managers in the organization and symbolically says “If I can make time to do this, no one else in the organization has an excuse not to.” For example, the publisher of The Washington Post is said to give hand-written notes to reporters who he feels have written excellent articles. Or one bank president gold-plates a roll of quarters to pass out to individual employees as their performance merits a special acknowledgement. Likewise, managers at Busch Gardens in Tampa, FL, are pro-

vided tokens with the word “Thank you” on it to use as an on-the-spot form of recognition that any manager can give to any employee around certain key behaviors valued by the organization.

### **Communication is Essential**

Every communication in the organization—whether it’s passing someone in the hallway or a formal, sending a voicemail or e-mail, or the end-of-the-year awards banquet—offers a chance to recognize employees. Publicly communicating and exchanging praises and recognition in newsletters, an “applause” bulletin board on the company’s intranet (as used by Hughes Network Systems in San Diego), or in meetings are just a few possibilities for formalizing communication about employee recognition. A general manager from Xerox Corporation tells how he saves a few minutes at the end of every management team meeting to go around the group and have everyone share one thing they’ve done to recognize someone on their staff since the group was last together.

"Management is about organized common sense," says Andy Grove, chairman of Intel. "We communicate and communicate and communicate, at every level, in every form. Anyone can ask anybody any question." To back up the company's commitment to "intellectual honesty," Grove conducts a half-dozen or so open forums every year at different Intel locations. Whenever Grove is in his cubicle (all employees at Intel work in cubicles), any employee is welcome to drop in and speak with him. Employee access to the CEO can be achieved in other ways as well:

- Scott Mitchell, president of Mackay Envelope in Minneapolis, MN, holds a one-on-one, 20-minute discussion with every employee every year to discuss ideas, improvements, or whatever is on the employee's mind. Mitchell devotes more than 170 hours to this task every year, an

investment that he sees as time well spent.

- Palmer Reynolds, CEO of Phoenix Textile Corporation, an institutional linens distributor located in St. Louis, hosts monthly breakfasts. Every month, Reynolds invites one employee from each of the company's five departments to join her for breakfast at local restaurant. Because employees get to know her, and each other, they are often better able to work out problems.
- Hal Rosenbluth, CEO of Rosenbluth International, a chain of travel agencies headquartered in Philadelphia, is accessible to all his employees through an 800-number "voice-mail box." Employees are encouraged to call in with suggestions, problems, or praise, and about seven employees do so every day.

### **Daily Activity is Best**

Most important is for a CEO to demonstrate that he or she believes their people are important is making it a priority to show employees they are appreciated on a daily basis. This can be achieved through the use of timely, sincere, specific praise of employees. For example, Hyler Bracey, president of The Atlanta Consulting Group, knew he wanted to praise employees more, but found his good intentions did not often translate to daily behavior. To correct this situation, he started putting five coins in his jacket pocket each morning and transferring a coin to another pocket each time during the day that he gave positive feedback to an employee. Within a few weeks the new habit took hold and praising employees became second nature to him. Says Bracey: "Praising employees truly works. There is so much more energy and enthusiasm in a workplace where praise has become ingrained in the manager."

If the CEO is uncomfortable with giving personal praise, other approaches can be equally effective. Steve Wittert, president of Paragon Steakhouse Restaurant, based in San Diego, told the author he knows appreciating employees is important, but at the same time he found that because he was so busy he didn't do as much of it as he wanted. One day he decided that was an excuse and that no matter how busy he was, he could always take a few minutes to reflect at the end of the day on whose performance stood out (who "wowed" a customer, helped a co-worker, turned in a cost-saving idea, etc.) and jot that person a personal note, thanking them.

To help keep himself to his commitment, Steve went out and bought a stack of thank you cards and placed them by his telephone on top of his desk so they served as a daily reminder of his commitment. Later he reported that although he didn't write notes every day, more days than not he would—in part because of the response he received from his employees. For him it was a few minutes to write a thank you card—for them it was a highlight in their day or week and they truly appreciated it.

As Larry Colin, president of Colin Service Systems in White Plains, NY, says: "We realized that our largest asset is our work force and that our growth will come from asset appreciation." As you learn to appreciate your employee their value to the organization will increase accordingly.

### **In Summary**

Findings from this study suggest that high-recognition use managers clearly internalize the importance of recognizing employees and made intentional plans to practice its use on a

daily basis, whereas low-recognition use managers felt strongly that the behavior was not important, thus did not seek to make plans to use the behavior. High-recognition use managers had the skills and confidence to use employee recognition and felt strongly that doing so would lead to desired outcomes, whereas low-recognition use managers did not know how to effectively provide employee recognition and felt strongly its use would lead to undesired outcomes. In addition, available budget and resources were not major constraints to using employee recognition and bore minimal impact upon the degree to which a manager used or did not use employee recognition.

Recognizing employees is one of the most important practices an executive can do to build morale and enhance performance in today's fast-moving, competitive workplaces. It is also essential to an organization's ability to attract and retain talent, and get the most out of the investment being made in that talent. Executives can't control their age, but they can learn to understand their biases and overcome those beliefs that hamper their effectiveness and instead learn new behaviors that will help them—and the organizations for which they work—be successful. Executives who do not systematically recognize their employees need to start to make employee recognition a part of their daily behavioral repertoire in order to gain the benefits of the activity.

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