

Bob Nelson 'Pay People Fairly, but Treat Them Superbly'

By Bob Nelson, Ph.D. as Interviewed by Mara Dresner of Strategies Special Report

Why isn't it enough for managers to think in terms of rewarding employees with an annual raise?

It's too little, too late. Today's employees have a greater expectation of being recognized when they do good work, and they expect that recognition to occur immediately or soon thereafter.

Is this a shift in attitude over the past decade or two?

Yes. In more stable, predictable times, it was enough to have recognition that was more formal and infrequent, such as an annual awards banquet or years-of-service awards, a once-a-year raise and an occasional promotion.

In more dynamic, fast-changing times, this is not enough. Managing today is "real time," and managers need to be in better tune with their employees, their needs, their achievements and their successes.

Is this a change for the better?

I think so. Work environments in stable, predictable times tend to become cultures of entitlement, where the employee expectation is, "What is the organization doing for me?" In more dynamic times, the focus and subsequent

reinforcement need to be on performance.

In general, what do employees really want? Is it a better salary?

I conducted an Internet survey across industries that asked respondents to rank the importance of 52 types of

recognition when they perform well in their jobs. Being supported by their manager, being praised and thanked, having autonomy and authority, flexible working hours, having the opportunity to learn new skills, and having one's manager available to answer questions and address concerns were all rated as extremely important or very important.

Of course, everyone wants to be paid well, too, and they can be demotivated if they feel they are not paid what they are worth. Money is important but separate from how one is treated. In the best companies, they pay people fairly, but treat them superbly.

Tell me about what would be an ideal environment for a workplace.

It would be where an employee would be very self-motivated. All the things would be in place to have the employee be excited to know what the priorities are; the employee would be anxious to dig in. Should he or she need the

"You get what you reward, you get what you recognize, you get what you reinforce."

— Bob Nelson

answer to a question, not just from a manager but from anyone else, people would be happy about helping out. There would be a high-engagement work environment. When you have a success, people would be quick to congratulate you.

At my publisher's, they have a bell they ring when they have a sale. Everyone comes running to hear what the buzz is. There are lots of things to bring it all into focus and validate the little victories along the way. If there's a bigger project, there needs to be a bigger validation. ... There has to be some freshness to what you're doing, something that makes it fun to come to work.

Do you have to spend a lot of money to reward employees?

I don't think so. The top motivators tend to have little, if any, cost. Of course, you can always supplement the interpersonal activities to do things that do have some cost, like celebrations or merchandise. I feel it's important to start with the connection between people, which is where motivation most occurs.

Motivation is really an internal construct, but we feed motivation through the interaction with those around us. For most employees, the most important relationship is with their immediate supervisor. That person is a conduit to the rest of organization. Working for a "blue chip" company might be a draw. But it is who [the employees] work for and how that person treats them, how they are coached and how they talk about goals and how they involve them in decisions, how they involve them in successes, that's a very personal experience that can't be achieved from corporate. ... It starts with your manager but also has to do with your relationships with your co-workers and customers, with feeling that you're doing worthwhile work and that you're making a difference. ...

In the United States, where unemployment

is at a low for the last 20 years, we're coming back into a stage where most people who want to work can have a job. The question is whether it's a job where they can get the feeling that they're making a difference with their lives.

Do you believe the days of employee loyalty are over?

At least loyalty has been redefined. Days of blind loyalty to an organization that will "take care of" the employee are over. For most employees today, especially with the younger generations, their first loyalty is to themselves. This is why it is so important to create a job and work environment in which employees feel fully engaged, in which they feel they are learning, developing and growing on a daily basis.

Are there companies that have a lot of long-term employees?

Absolutely. This is especially prevalent in larger, older and more traditional industries, which in many ways have been buffered from the changes that have occurred in employee motivation. Those organizations still feel the impact of these changes, but not as quickly as smaller, younger organizations that perhaps have to adapt more rapidly to changes and expectations in order to be competitive.

What makes an employee stay at a job?

For an employee today, if you have a good boss, you have a good job. Robert Half International, the staffing firm, has found the number one reason why people leave their jobs today is "limited recognition" for the job they are doing.

Is it more challenging for small business managers to motivate their staffs?

It seems everywhere I go, organizations tend to focus more on what they can't do as opposed to what they can do.

Smaller businesses, for example, tend to

feel they don't have the resources to motivate their employees, when in fact they have so many things that are motivating: daily access and visibility of top management, the ability to be spontaneous, the need for employees to take on many and growing tasks and responsibilities. These are some of the most motivating factors that exist today!

You talk about rewarding and energizing employees. What are the differences between the two terms?

There's a lot of fuzziness in the terminology around rewards and recognition, and sometimes even these two words are used interchangeably. Recognition tends to be what you do to acknowledge performance and activity toward an end goal; rewards tend to be what you get for achieving that end goal.

If you set up a potential reward for a future achievement, that's known as an incentive. "Energizing" is my way of suggesting an internal employee state of being that has a direct bearing on their behavior and excitement for what they are doing.

What can we learn from companies that "do it right" when it comes to how they treat their employees?

Quite a lot! Whether it's a specific idea or technique, or an overall philosophy and set of values, most every company is doing something right on this topic somewhere. I try to expose and exploit those positive aspects so that others might benefit from them as well.

Of course, companies [that are best at his] take a long-term, strategic view of their employees and systematically work to improve the connection between employees and the organization as represented by its managers.

Different forms of praise means different things to different people. For example, just the simple task of just thanking someone can be so rich and diverse.

You can call someone into your office and thank him; you can thank the person in passing in the hallway; you can thank the person in a meeting; you can thank the person in a meeting when the employee isn't even there. It's interesting and challenging. ... I'll ask, "Will you do it on a systematic basis?" People will say, "We don't have time." That's because they don't think it's that important. ...

Michael LeBoeuf came up with what's been called the greatest management principle in the world. [The concept is] that you get what you reward, you get what you recognize, you get what you reinforce. ... This includes things like sales and profit, productivity and performance, quality and safety, morale and satisfaction, tenure and the ability to hire talent.

Is there something that managers should stop doing?

Yes. Stop thinking that because these concepts sound simple they are easy to do! Common sense is not always common practice! [These things] can be easy to do, but they won't happen without a firm belief in their value and an ongoing commitment to place the principles into practice.

It's not good enough to think someone is doing good work — you need to let them know that you know this. Also, let go of the notion that you already know what motivates your employees: You'll probably guess wrong or just think of what motivates you. There's really no need to guess since you can ask them what they most value. You can take this topic out of the clouds and make it a very concrete and actionable activity.

What are three things business owners/managers can do now to start rewarding their employees?

First, ask employees what most motivates them. Have the discussion one-on-one, in a group or in writing. Second, make it a priority to do those things that employees indicated

were most important in response to when they perform well. Strive to have your response be timely, sincere and specific.

Third, challenge yourself to keep at it every day. Make it a part of your behavioral repertoire and habit in how you work with others. Whether it's a simple thank you or a more

elaborate form of recognition, make it a priority on an ongoing basis.

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