Motivation, Recognition and Reward

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Session Outline

- Introduction
- Overview – the search for the magic key to performance (or why behavior is at the heart of business)
- Motivation: traditional perspectives
- Motivation: a new perspective – the ABC Model of Human Behavior
- Reinforcement Vs Reward – designing reward systems that work
- Lessons for C & B specialists
- Additional resources
- Learning review and action planning
The Search for the Magic Key...

- Managers have always wondered how to keep employees motivated and working to full their full potential

- Employees are searching for their ideal work environment:
  - Maximum satisfaction
  - Trustworthy
  - Recognition and appreciation for contributions
  - Opportunity to grow professionally/advance careers
Importance of Understanding Motivation

Ultimately, business is all about behavior:

- People are hired because what needs to be done requires people to **do** it
- Behavior is the only way anything is accomplished in business
- Many behaviors occur daily – affecting business directly or fulfilling social needs

Managers are typically concerned with:
- Customer focus... More /Less/Different
- Communication responsiveness... More/Less/Different
- Creativity/ innovativeness...More/Less/Different
In business, collaboration is often the key...

- In business, very little can be achieved through individual effort...collaboration is the name of the game

- **Collaboration**: the set of human behaviors that create the best possible win for all parties concerned

- People at work act across two dimensions of interest:
  - Self-oriented
  - Other-oriented
Collaboration – the Win/Win Solution

Self-oriented
High

Low

Other-oriented
High

Collaboration (Win/Win)

Competition (Win/Lose)

Compromise (Win some/Lose some)

Complacency (Lose/Lose)

Compliance (Lose/Win)
But, the problem with collaboration is that…

- People cannot be made to collaborate and…

- Command and control methods just don’t work very well

- **The challenge:** understanding what drives human behavior so that we can create the conditions necessary to encourage desired behavior e.g. where people:
  - *Want* to focus on the customer
  - *Want* to collaborate
  - *Want* to perform value-added activities
  - *Want* to increase their speed, responsiveness...etc
So, what must managers do?

- Managers must learn to create workplace environments that positively influence the critical behaviors required to achieve results.

- **Motivating**: the work a manager performs to encourage and compel people to take required action.

- **Reward system**: any process within an organization that encourages, reinforces, or compensates people taking a particular set of actions. It may be formal or informal, cash or non-cash, immediate or delayed.
Motivating - the work a manager performs to motivate, encourage and compel people to take required action

What motivates people hotly debated for centuries

Several theories exist:

- Maslow’s Hierarchy of Human Needs
- McGregor’s Theory X and Theory Y
- Herzberg’s Hierarchy of Needs
- ABC Model of Human Behavior
Maslow’s Hierarchy of Human Needs

- Theory developed by Abraham Maslow in the ‘60s

- Attempts to classify needs i.e. internal drives for satisfaction that give rise to human behavior

- Maslow postulated that when one need is satisfied, others manifest

- A higher priority need will dominate behavior until at least partially satisfied
Maslow’s Hierarchy of Human Needs

- Basic Survival
- Safety
- Belongingness
- Ego - Status
- Self-Actualization
The Hierarchy of Human Needs

- Human needs classified into categories according to their priorities for satisfaction:
  - **Self-actualization needs**: grow and expand personal horizons
  - **Ego-status needs**: to feel significant, effectual and competent; to have self-esteem
  - **Belongingness (social) needs**: to be accepted by others
  - **Safety needs**: to know one’s survival is not in jeopardy
  - **Basic (survival) needs**: air, water, food, shelter
Developed as a means of approximating and comparing basic manager assumptions about people in organizations

**Theory X:**
- Average person dislikes work and will avoid it if he can; must be threatened before he puts forth effort; is self-centered; and resistant to change
Theory Y:

- Work is as natural as play; people will work towards org. goals without threat or punishment if they believe in the objectives; degree of commitment will depend on rewards associated with their achievement

- McGregor’s real value is in asking managers to examine their assumptions about human behavior
## Theory X & Theory Y Comparison

<table>
<thead>
<tr>
<th>Assumed Attitude of Employees Toward:</th>
<th>Manager's Theory</th>
<th>Theory Y</th>
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</thead>
<tbody>
<tr>
<td>Organizational Objectives</td>
<td>Indifferent to them</td>
<td>Will work towards them if they perceive rewards associated with doing so</td>
</tr>
<tr>
<td>Responsibility</td>
<td>Will avoid if possible</td>
<td>Will accept responsibility if they are rewarded for acting responsibly</td>
</tr>
<tr>
<td>Work</td>
<td>Prefer to be directed</td>
<td>Capable of self-direction towards objectives that are valuable to them</td>
</tr>
<tr>
<td>Rewards</td>
<td>Dislike all forms of work</td>
<td>Consider work as natural as play if they associate rewards with working</td>
</tr>
<tr>
<td>Appropriate Means for Dealing with Employees</td>
<td>Want money and security More pay will produce more work</td>
<td>Behave in ways that seek to satisfy a variety of needs</td>
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<tr>
<td></td>
<td>Coercion, pressure, threat of punishment Well specialised tasks and dose control Fay and monetary incentives</td>
<td>Establish a work environment in which employees can realize recognition, challenge, satisfaction of achievement, etc</td>
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</tbody>
</table>
Frederick Herzberg’s Motivation/Hygiene Concept

- Model seeks to assess a manager’s options for influencing employee motivation and performance
- Model identifies two categories of job factors that influence workers:
  - Hygiene
  - Motivation
Herzberg’s Motivation/Hygiene Concept

- Motivation (Presence of Motivators)
  - Achievement
  - Recognition
  - Work itself
  - Responsibility

- Maintenance Level (Presence of Hygiene Factors)
  - Advancement
  - Company Policies
  - Salary
  - Working Conditions

- De-Motivation (Absence of Hygiene Factors)
Hygiene Factors

- Conditions ("pain relievers") required by employees to maintain good social, mental and physical health:
  - Pay
  - Fringe benefits
  - Safe and comfortable working space
Motivation Factors

- Conditions ("reward producers") leading employees to apply more of their efforts to their jobs:
  - Positive feedback
  - Increased responsibility
  - Greater opportunity
  - More challenging work
  - Recognition
  - Increased status
• M/H concept classifies *pay* as a factor of hygiene – does not increase commitment to job performance

• Suggests motivation factors are more reliable because of their psychological influence

• Herzberg argues that organization’s err by considering motivation as something the manager *does* to the employee
• 1930s – American behaviorists studied behavior in animals

• B.F. Skinner succeeded in ‘teaching’ a rat to push a lever by providing it with food every time it did so:
  
  o Cause of the original (or first-time/antecedent) action was unclear

  o *Each time* the rat performed the *behavior of lever-pushing*, it was *immediately rewarded with food* (i.e. the consequence of the behavior)

  o After several “rewards” – rat made connection between lever-pushing and eating...and *continued to perform the behavior*...so as to *continue to reap the reward*
Skinner’s conclusion was that...

- The rat had “learnt” a previously unknown behavior simply because that behavior made a difference in its life.

- Further experiments on higher species (including humans) produced similar results.

- Critical variable in all experiments was the Consequences.

- Key Learning/Discovery: by controlling the consequences of a behavior, you could change the behavior itself.
The Big Lesson?

- To change or improve a person’s performance, you don’t have to know the “reasons” behind his/her current performance (i.e. behavior)...

  ... Performance/behavior can be altered simply by modifying the attendant consequences
The ABC Model of Human Behavior

- Recognizes 4 major elements that drive human behavior:

1. **Antecedents**: things that prompt us to take an action, occur before a certain behavior, or get the behavior started

2. **Behavior**: an observable action; anything that people say or do

3. **Competencies**: the knowledge, skills, and abilities that enable people to perform certain tasks

   * Competencies are not behaviors - they are the abilities that enable a behavior to occur

4. **Consequences**: things that happen to a person when certain actions or behaviors are performed; provide the reason for repeating (or not repeating) a specific behavior again
Four Types of Consequences

• Positive Reinforcement
  - Occurs when people receive something of value for what they have accomplished
  - Encourages people to take action because they want to; because they get something of value – internally or externally

• Negative Reinforcement
  - Occurs when a person does something only to avoid something unpleasant; to prevent an adverse consequence
• **Punishment**
  - Occurs when people receive undesirable attention for something they have done or failed to do
  - Typically stops the behavior that bought on the punishment

• **Extinction**
  - Occurs when people do not receive something they were expecting from an action they have taken
  - Usually occurs when a behavior that has been reinforced in the past begins to be ignored
In ABC - Positive Reinforcement Works Best

- **Reinforcement:** The increasing likelihood that a behavior will be performed, or the intensity with which it is performed.

- ABC Theory emphasizes positive reinforcement as the best means of achieving desired behavior:
  - **Specific:** recipients must know exactly what they did well in order for the consequence to have the desired impact.
  - **Personalized:** consequence must be meaningful to the individual e.g. needs, wants or expectations.
  - **Contingent:** reinforcers need to be earned if recipients are to draw the right connection between action and reinforcement.
  - **Sincere:** consequences must be perceived as honest, deserved.
  - **Immediate:** consequences should be delivered either during the new behavior or ASAP after its achievement.
**Reinforcement Vs Reward**

- **Reward system:** any process within an organization that encourages, reinforces, or compensates people taking a particular set of actions. It may be formal or informal, cash or non-cash, immediate or delayed.

- If a reward is provided immediately after a behavior it also serves as a reinforcer.

- The most commonly used “rewards” are delayed or available only at a future date:
  - Base pay/merit increases
  - Promotions
  - Variable or incentive pay – bonuses, commissions, profit-sharing
  - Equity /stock offers
  - Special recognition - employee of the month, one-off accomplishments, etc.
Reinforcement and S.M.A.R.T. Criteria

- Popular S.M.A.R.T. acronym identifies 5 criteria for effective reward systems:

<table>
<thead>
<tr>
<th>Positive Reinforcement</th>
<th>S.M.A.R.T. Criteria</th>
<th>Description</th>
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<tbody>
<tr>
<td>Specific</td>
<td>Specific</td>
<td>Focused on desired behaviors</td>
</tr>
<tr>
<td>Personalized</td>
<td>Meaningful</td>
<td>Reward is seen as “valuable”</td>
</tr>
<tr>
<td>Contingent</td>
<td>Achievable</td>
<td>Results seen as achievable</td>
</tr>
<tr>
<td>Sincere</td>
<td>Reliable</td>
<td>Rewards are based on actions or results</td>
</tr>
<tr>
<td>Immediate</td>
<td>Timely</td>
<td>Rewards are as timely as necessary to reinforce desired behaviors</td>
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Fortunately, Multiple Reinforcers are Available

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<tr>
<th>Verbal / Social</th>
<th>Work-related</th>
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<td>Specific compliments</td>
<td>Promotions</td>
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<tr>
<td>Recognition</td>
<td>Special development plans</td>
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<tr>
<td>Commendation letters</td>
<td>Programs/projects</td>
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<tr>
<td>Award dinners</td>
<td>Increased decision authority’</td>
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<tr>
<td>Celebration lunches/activities</td>
<td>Increased control over resources</td>
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<td></td>
<td>Access to top executives</td>
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<td></td>
<td>More challenging assignments</td>
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<tr>
<th>Tangible/ Symbolic</th>
<th>Monetary</th>
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<tr>
<td>Trophies/Plaques</td>
<td>Special recognition awards</td>
</tr>
<tr>
<td>Work-related tools and equipment/office equipment</td>
<td>Individual bonuses and commissions</td>
</tr>
<tr>
<td>Personal items of interest (e.g. trips, time-off)</td>
<td>Group incentives</td>
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<td></td>
<td>Pay increases based on merit</td>
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Source: Innovative Reward Systems for the Changing Workplace, T.B. Wilson
Why Hasn’t the ABC Model Gained More Recognition?

- Fears and anxieties of traditional psychiatrists
- Humanists – people are not rats and should not be manipulated
- Managers are only too happy to place the blame for non-performance on the employee’s unreachable/unreadable internal states
Lessons for Compensation and Benefits Specialists

- Ultimately, business is all about the behavior of people at work.

- C & B specialists and their organizations must focus on creating the conditions that motivate people to want to give their best at all times—not just on attraction and retention.

- The ABC model of human behavior provides C&B specialists with an action-oriented tool for designing reward programs.

- The full range of reinforcers/rewards must be used—different strokes for different folks!

2. **Bringing Out the Best in People**: Aubrey C. Daniels, McGraw-Hill, Inc. New York, 1994
...Thank You!