Motivate with a Carrot, Not a Stick

What motivates employees well enough to make their employers successful? A 20-year study by the Gallup organization found four factors: Knowing what's expected of one, having the tools to do it well, getting the chance to do what one does best, and being recognized and praised for one's contributions. That last one, according to experts from O.C. Tanner Recognition Company, is too often neglected.

Carrots: An apropos analogy. To tackle the employee motivation task, these consultants use the image of carrots tangible, noncash rewards to individuals and teams who help their organizations meet goals. For example, "carrots improve your eyesight" means that using rewards appropriately helps employees focus better on an organization's goals and the strategies for reaching them. And, "carrots break the bread barrier" contrasts the effects of symbolic recognition with cash bonuses. That is, given fair compensation, employees will be more highly motivated by a well-chosen tangible reward (a carrot) than by money (bread). Since most employees use cash bonuses to pay bills, they don't remember quite where it went and have nothing to show for it later.

Authors Adrian Gostick and Chester Elton debuted their carrot concept in 2001 in Managing with Carrots (Gibbs Smith, $18.95), and followed it up in 2002 with The 24-Carrot Manager (same publisher/price). Both books are packed with examples of motivation programs that have worked and some that have failed in the companies that Gostick and Elton have counseled. A sample failure was in a pharmaceutical company that had recently risen from a slump to become highly profitable, using innovation and extremely hard work. Top managers held a meeting to honor all employees. After the speeches, the CEO announced that each would receive a gift, as he unveiled a huge pyramid of plastic mugs with the company's logo.

Suit reward to recipient. Is it any surprise that employees saw the mugs as infuriating and/or laughable? That mistake spotlights an important carrot concept: Suit the value of the reward to the value of the achievement, and individualize as much as possible. In that case, engraved watches a gift chosen by two other companies cited in the books would have matched better. In another failure, a top performer received a trip to an exotic location. Learning that the trip had never been taken, Gostick and Elton asked the recipient why; he replied that he was terrified of flying. To reward an individual, they say, ask the employee, his or her family, or close co-workers what's suitable.

Some other recommended carrot tactics: Use formal and public presentations for significant achievements and events like perfect attendance or major service anniversaries. Daily instances of extra effort or graceful cooperation should be rewarded informally and ASAP. Such "instant carrots" can be a note, e-mail, or voice mail of gratitude; coffee delivered to the person's desk; a reserved parking space for a few days; movie tickets? You get the idea.
More Reasons for Rewards

In their "Carrot" books, recognition experts Gostick and Elton discuss the most common reasons that managers fail to reward their employees. Here are what we might call the rationalizations and how Gostick and Elton refute them:

"I don't want to get too familiar with my employees," which would make discipline more difficult. The carrot guys respond, "Are you kidding? Do you think your people will really work harder for someone who is distant and aloof?" Fear will keep people working only until they find a better employer.

"What's in it for me?" The answer to this is clear: employees who are loyal and highly productive. To paraphrase Gostick and Elton, "If you measure it, they will do it. If you measure it and reward it, they will do it more and faster and better."

"I don't have time." This is a tougher rationalization, because today's managers are often overworked and given no scheduled time to manage. Acknowledging that they each manage teams of six or more people, Gostick and Elton respond that carrots needn't be time-consuming after all, how long does it take to write a brief thank-you note? Again, of course, the payoff is in greater productivity.

"I don't want to play favorites." Rather than fall back on recognizing the whole team at once (probably once a year, if that), understand that stars are then given short shrift and average or poor performers are encouraged. Instead, recognize a different employee, in very specific language and with a customized reward, at each team meeting until all have been rewarded. Then start over.

"They'll be suspicious of my motives." This can happen, the authors say, very occasionally. But the reason is usually that recognition came too late (long after the achievement that prompted it) or so unspecific that the recipient couldn't trace it back to his or her performance. Nevertheless, they say, one or two sourpusses may be impossible to satisfy.

"Other managers aren't doing it." The authors reply, "Exactly our point. And just look where it gets them [to low morale and high turnover]. So go ahead and be first."

"They'll ask for more money." "Actually," answer Gostick and Elton, "just the opposite. According to workplace studies, employees who are satisfied and appreciated are less likely to keep asking for more money."

"They'll expect more recognition." To which the authors' response is, "Yes, they will. Employees eat up carrots. When recognition is provided regularly, people will stick around a company for seconds and thirds all the while turning out increasingly better results. And this is a problem?"