

# Rewards? Inquire within

Instead of offering external incentives, help workers find self-motivation, writes **Sue White**.

**W**ith the festive season well and truly behind us, everyone needs a little extra motivation to get out of bed. But if you're an employer tasked with keeping the troops fired up, where do you start?

It turns out that we do better when our motivations are intrinsic ("I feel good about this task"), rather than extrinsic ("I've just banked another \$50 for doing this"). But if that's true, what does it mean when it comes to rewarding employees?

"Incentives are based on the view that humans will be more inclined to act a certain way if a benefit is promised," says the principal of management consultancy Hardwired Humans, Andrew O'Keefe.

The problem is, we're not. Well, at least not all the time.

Bonuses, commissions and incentives are commonly used to motivate employees, but this usually works only for simple tasks with a narrow focus, rather than in motivating people to do more-complex jobs.

The issue was summarised nicely a while back in a TED talk from Al Gore's former speechwriter Dan Pink. "There is a mismatch between what science knows and business does," Pink told audiences (view at TED.com). But what's really wrong with incentives?

O'Keefe says our brains view incentives as controlling. This reduces our intrinsic motivation – the trigger that pushes us to go above and beyond on a task. While this doesn't mean incentive plans should be wiped out, O'Keefe suggests taking the practice of motivation back to basics pays off.

"Make sure the job fits with a staff member's interests, provide him or her with the opportunity to learn more, and acknowledge people and



**Reaping benefits ... HR manager Kristy Montague says flexibility is a key motivator for MSD staff.** Photo: Jacky Ghossein

thank them for a job well done," he says, adding that company-wide recognition plans work when they're done in a way that minimises the "if/then" connection (if you do this, then you get that).

Mostly, he says, rewards should be offered after a task is complete, or as a surprise, because offering a reward in advance changes our motivation for the job at hand.

O'Keefe says research also shows that competitive rewards (for example, when only the top salesperson wins) aren't always effective motivators. It's a reality on which health care services company MSD has already acted.

"It's not all about money," says the senior HR manager at MSD, Kristy Montague. "The diversity of our people means there are a lot of different motivators [among staff].

For us, becoming more flexible is a bigger factor than the dollar factor."

In 2009, the merging of two separate organisations to form MSD meant management had the opportunity to overhaul its rewards and recognition system.

"We took the best aspects from each company," Montague says.

Popular components of today's program include a purchased annual-leave scheme (above and beyond legal entitlements), flexible working options (including the ability to work from home) and paid maternity leave, all of which tap into motivations far deeper than cold, hard cash.

"We've seen an increase in fathers taking long periods of paternity leave as a result of that aspect of the program," Montague says.

Those who struggle to get through

winter may be envious of what are effectively company-sanctioned Doona days; every employee at MSD receives three "reward yourself" days a year, above and beyond existing leave entitlements.

"Some people take it on their birthday, others go for a manicure or a massage," Montague says.

Going back to the science, the reward-yourself system works because there's freedom for workers to choose what they'd like to do with the bonus time and when to take it (it's not controlling); everyone gets the offer (it's not a competition); and perhaps most importantly for the company, staff have recharge time.

"Rather than taking extra time to refresh as [fake] sick leave, this gives people a chance to recharge without the guilt," Montague says.