



Employee Rewards

How to motivate people on a shoestring budget.

By Merge Gupta-Sunderji

If you've attended one of my leadership seminars or if you're a long-time reader of this column, you might recall mention of a series of experiments conducted in the late 1920s by Harvard Business School professor Elton Mayo. Seeking to establish the relationship between work conditions and productivity, Mayo looked at the effect of fatigue and monotony on job productivity.

At a manufacturing plant in Hawthorne, IL, Mayo took six women from the assembly line and put them under the supervision of a manager who was known to be a friendly observer as opposed to a strict disciplinarian. He then improved the working conditions for the work team by altering rest breaks, work hours, temperature, and humidity, and as he predicted, its productivity went up. Finally, he reinstated the original working conditions, expecting productivity to fall to previous levels. Much to his surprise, it went up even further.

Mayo had discovered a fundamental concept: that workplaces are social environments. When the employees were singled out from the rest of the factory workers, it raised their self-esteem and allowed them to develop more team spirit. When they were allowed to have a friendly relationship with their supervisor, they felt happier at work. In a nutshell: because of these positive changes, the supervisor had secured their cooperation and loyalty, so productivity continued to rise even when their rest breaks and other perks were taken away. Mayo's research is now known as the Hawthorne effect.

Applying the Hawthorne Effect

Since 1932, substantial investigation has been conducted on the Hawthorne Effect, and there are several points on which the experts unanimously agree.

1. Employee behaviour is the result of forces both within the individual and in the environment.
2. Employees make conscious decisions about their behaviour.
3. Employees have different needs, desires, and goals.
4. Employees do what they see is rewarded.

These points offer important insight into what motivates employees. First, employees make deliberate choices based on their environment. Since you, as the leader, create the environment, it is possible to influence the performance of your

employees. Second, while employees are motivated by rewards, different employees are influenced by different types of rewards. Many of the leaders I work with assume that rewards mean an endless drain on their budgets. Not necessarily. Since employees have different needs, desires, and goals, there is great opportunity to be flexible and creative in coming up with inexpensive ways to reward (and thus motivate) your employees. To get you started, here are six low-cost ideas to motivate people on a shoestring budget.

1. Offer Praise

You can't beat praise for its cost-effectiveness as a motivator. As long as it's genuine and timely, it can work wonders. People often ask me what "timely" means; my own rule of thumb is to offer praise within 24 hours of the praise-worthy event. And as long as the praise is directed at a specific behaviour or result, it can never be too much. Keep in mind that praise is always best delivered in person. Voicemail should be your second choice, but if it's e-mail or not at all, then a short note is an acceptable alternative.

2. Say Thank You

For cost-benefit value, this one can't be beat, but go beyond the obvious. Don't just thank employees for working the weekend, staying late, or coming in early; thank their families as well. Sending a card or even flowers to your employee's significant other will move you light-years forward in getting the best out of your people.

3. Share Information

Tell people what you know as quickly as possible. Don't wait until you get all the Is dotted and Ts crossed before you make a formal announcement. Instead, tell people what's confirmed and what's subject to revision. People are okay with that. Besides, when information is lacking, people will often make it up and invariably assume the worst. As misinformation makes its way through the company grapevine, it can take on a monstrous life of its own. You're better off feeding the grapevine, even with limited information, than pretending it doesn't exist.

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taken together, are contributing to longer import processing times at the border. Such delays increase transportation costs and product cycle times and, in a just-in-time environment, may even cause production line shutdowns.

Companies that are able to demonstrate compliance with customs laws and regulations may be allowed to participate in programs that can reverse this trend. Examples of these programs include Customs Self-Assessment (CSA), Free and Secure Trade (FAST), and the U.S.-based Customs-Trade Partnership Against Terrorism (C-TPAT). These programs contain significant benefits for importers who can clearly demonstrate compliance and the necessary audit trails, including seamless customs clearance, monthly consolidated entry reporting, and access to specially designed highway lanes at border crossings.

A common myth is that compliance slows the supply-chain process. In reality, ineffective systems and processes that lead to non-compliance pose the real risks for cross-border traders. The most obvious risk is that on-time deliveries will be affected, resulting in a slow-down of revenues. Other risks include reduced customer satisfaction, AMPS penalties, and the effect non-compliance could have on corporate image. Integrating customs processes into the business processes that importers and exporters employ will go a long way toward raising the level of customs compliance, and therefore facilitating the movement of goods across the border.

Importers (and exporters) may believe they are protected from such problems because they hire a service provider (i.e., broker) to carry out customs-related responsibilities. However, it should be noted that the CBSA holds the importer (and exporter) of record responsible for the accuracy and completeness of customs transactions, as well as any AMPS penalties that may be issued for non-compliance. ■

With assistance from **Heather Missouri**

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4. Be Flexible

Organizational policies are there for a reason, but as a leader, you've also been charged with exercising good judgment. You have room to bend the rules occasionally to fit your team's needs. I'm not suggesting you put careers at risk, but your ability to flex the rules when a positive outcome outweighs any negative consequences can be highly motivating to many people. I often tell leaders: Don't ask for permission, ask for forgiveness.

5. Have Fun

Set up "fun committees" to make sure you don't lose sight of this objective. I divided my group of direct reports into four teams and assigned each team a three-month period during which they were responsible for fun. I gave each committee \$250 and let them go. The only rules were that the fun had to be legal and ethical. My committees planned birthday cakes, hallway bowling tournaments, potlucks, even practical jokes. The point is they got involved and had fun. And they loved coming to work.

6. Allow Personal Projects

In his book *1001 Ways to Reward Employees*, author Bob Nelson tells how some companies have enabled employees to pursue personal interests on company time. At electronics manufacturer Hewlett-Packard, for example, employees are given access to 24-hour laboratories and are encouraged to devote 10 per cent of their time to personal pet projects. At the Bank of Boston, one manager gives each of her staff four "informational days" per year to work on special projects of their choosing. Think about how you can accomplish the same goal in a different way.

These inexpensive ideas work because employees perceive rewards in different ways. This gives you a powerful opportunity to seek out imaginative low-cost ways to motivate your employees. Let the ideas herein be a springboard to your own inventiveness and resourcefulness, and don't forget to drop me a note to share your best ideas! ■

Merge Gupta-Sunderji, MBA, CGA, helps turn managers into leaders. Through engaging keynotes and workshops, articles, books, radio commentary, and her training consultancy, she gives people specific and practical tools to help them achieve leadership and communication success. Contact her at www.mergeSpeaks.com or 403 605-4756.



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