

## How to Motivate when the Money Isn't There

By James Kimberly

A recent Aon Hewitt study projected a net pay raise of only .8% for the average worker in 2013. This means that a lot of employees are working hard, but receiving only gratitude in return. How can employers keep people motivated without the carrot of a pay raise?

### Engagement is Key

The 2009 10th annual Deloitte Best Company to Work For survey indicated that today's employees value open communication, meaningful work, and connection to their company more than they do high salaries. These priorities were particularly noteworthy among the Millennials (aged 24-32).

Many employees are willing to forego a pay raise if they love their work and feel connected to their employer. This emotional investment is known as "employee engagement". Employee engagement encompasses, yet goes beyond, the traditional measures of employee satisfaction, morale and productivity. It is about how employees are fully involved in the business and their commitment to organizational goals. It also is about their personal connection to managers and leaders.

Engaged employees trust each other and their environment implicitly. They seize the initiative, fix customer problems and help each other out without direct instruction or demands from management. They know what to do to be supportive to the mission and values of the organization. They are ready to work and enthusiastic towards the challenges ahead. They collaborate freely, unrestricted by reporting relationships.

When engagement is high, employees are more likely to find the work itself rewarding and less likely to look elsewhere if an immediate pay raise is not forthcoming. Employee engagement is more important than ever, yet Aon Hewitt reports in its study "Trends in Global Employee Engagement" that "2010 engagement levels represented the largest decline in employee engagement that Aon Hewitt had seen in the last 15 years."

### Drivers for Employee Engagement

The Aon Hewitt report identified career opportunities, managing performance and organization reputation as the top drivers for employee engagement in North America. The Hay Group had a slightly different spin on the issue, citing these top three drivers:

- *Clarity* of the work – employees understand the purpose of their work and its relevant connection to organizational goals and values; goals and expectations are reviewed regularly and using different mediums

- Adequate *resources* – Employees have access to staff, materials and other concrete resources to accomplish the work; relevant training and development opportunities are accessible to all levels of employees
- Regular and specific *feedback* on their progress – employees ask for and receive performance feedback on what is and isn't working; feedback occurs often, not just at the annual performance review

Savvy companies are looking at these drivers as a means of maintaining employee satisfaction when big pay raises are not in the cards.

### Ten Tips to Increase Engagement

1. Schedule regular formal reviews at least quarterly with your direct reports. Review the goals and progress towards them, identifying areas of excellence and challenge. Document how they see progress and current relationships on the team and beyond. Brainstorm together ideas for improvement and use theirs as much as possible. Learn to listen better.
2. Use “huddles” on a daily and/or weekly basis to outline interim progress, gauge employee moods, reactions to change, and identify needed resources. Listen deeply to their perceptions of progress, morale and challenges. Co-create action plans that reflect their concerns and use dashboards to show progress.
3. Practice giving negative feedback with a peer or boss. Managers often don't have enough practice with difficult conversations and difficult employees. Train all managers to use a coaching model that emphasizes the behavioral dimensions of work processes.
4. Employ 360 Degree Evaluations across all levels of management. If there are important leadership competencies that are missing in your leaders, you want to know about them. Manager relationships are critical for long term motivation in employees and 360's offer anonymous feedback on the competencies that matter to your organization. If you haven't defined those competencies, create them using a cross section of employee levels, gender and tenure.
5. Allow employees to control as much of their work processes as possible. Autonomy has been shown to be a critical element in increasing motivation and when combined with effective manager delegation, employees feel empowered to act responsively. Support work process redesigns by your teams.

6. Offer more flexible work scheduling to allow each generation of employees to adapt as they need to their own work/life balance. According to the Society of Human Resource Management, four out of five married employees are part of dual earners couples and one out of five employees are responsible for elder care. Inflexible employers risk high turnover, burnout, low productivity and disengagement – regardless of the pay.
7. Focus on the purpose of each employee and how they contribute to the overall success of the organization. Hold regular update meetings at all employee levels with financial, operational and customer related plans and results. Inspire connection to purpose in creative ways. For example, one NH based manufacturer highlighted the value of employee work by flying in a National Guard helicopter that used several components made in their factory.
8. Train and develop job skills needed for the job now and for the future. Cross training might generate resistance but tie it to the future markets and products that will be critical for success in five to ten years. Developing mastery of job skills has shown to be extremely important to maintaining motivation. Partner with public and private training resources to build the right program for your organization. Seek 50% matching funds from the NH Job Training Fund (<http://www.nhjobtrainingfund.org>).
9. Recognize employee contributions. If you know your employees well, you will customize recognition programs to their needs. Some like recognition conducted privately, while others enjoy public events. Hold small team meals to celebrate progressive steps towards goals or invite employees to meet casually with senior leaders over coffee to discuss accomplishments. Offer spot awards with small gift certificates or time off for volunteering in the community.
10. Get out of the building. Inspire your employees to participate in networking opportunities, speaking at industry events or attending regional/national conferences. Have them report back what they're learning to their team and beyond.

Employee engagement is crucial to a strong workplace, whether the business is handing out liberal pay raises and bonuses, or on an austerity plan. In tight financial times, however, employee engagement is the essential glue that will retain valuable workers when they are most needed.

---

Jim Kimberly is President of Sapphire Consulting, a New England based organizational development and executive coaching firm. He can be reached at (603) 889-1099 or at [www.consultsapphire.com](http://www.consultsapphire.com).