



# Incentives **THAT WORK**



Finding what employees really want to get out of their work is a case of horses for courses. **Marcus Barber** suggests HR teams need to get out of their typecasting boxes.

**A** GOOD NUMBER OF MEDIA reports suggest there is a current or looming skills shortage in Australia and while I don't immediately buy into the doom and gloom message, I do agree that attracting and retaining good staff is likely to be a serious issue for many organisations in the near future.

Given the likely challenges ahead, when looking at the debate as to what the implications are and what organisations ought to do about it, you discover a mix of singularly focused arguments, all sharing the same playing arena.

What do I mean about singularly focused?

For me, the idea of singularly focused means that the various view points offered as being a legitimate position take into account just one perspective – the perspective of the organisation whose perspective is being pushed. Very few perspectives have a multi-focused perspective where a broad mix of possibilities is included in the discussion. And this invariably leads to a myopic understanding of employee engagement.

Take for instance the idea of workplace agreements. By and large, two opposite perspectives are offered: either they are great, or they are terrible. But apparently there is no chance that both options are equally right.

Worse still is this discussion about generational change. Either you are a Baby Boomer or not, a Millennial or not, a Gen X or not. This approach to typecasting people is something

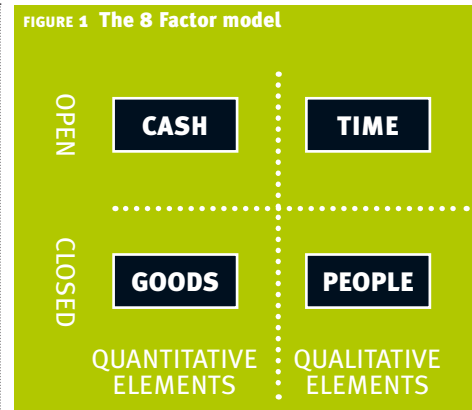
that demographers and marketing agencies love to do. It is something that I find fundamentally flawed because this approach to putting people in their boxes brings with it the denial of the possibility that people might not fit into the box that you'd like to place them in. Know any skateboarding Boomers or technology challenged Post-Millennials? Ever met any Gen Xs who haven't bought into the career path mythology or Gen Ys who don't want to take over the company three weeks after they start or shock of shocks, don't own an iPod nor want one? I have – plenty of them. But marketers and demographers will do whatever they can to deny the possibility that their typecasting approaches are limited.

Where am I headed with all of this? What the debate over intergenerational change and the debate over workplace agreements and the like suggest is that organisations (like yours) have few choices when it comes to managing their workforce and maximising the value that workforce contributes.

And this is something I just cannot agree with. Instead I'd like to suggest that your organisation has literally hundreds of options about how to engage its workforce now and into the future. In fact I'd like to suggest that the issue isn't over too few choices (or one best choice) it is about having too many choices and the resulting challenge that comes with working out what will work best for both your organisation and your employees.

In order to show you how vast your options are

FIGURE 1 The 8 Factor model



and to thereby provide you with a whole raft of options for improving your employee engagement, I am going to share with you a model I use that helps me assess the workplace motivational strategies being used by the clients I work with. The more experienced innovative firms should be able to apply this model to achieve vastly greater returns on how they engage their employees. For short hand I refer to it as the 8 Factor model (see Figure 1).

Let me briefly explain what is meant by each of the labels (factors) I have used in the 8 Factor model.

Quantitative elements (cash/goods) are those that by definition can be accumulated or built up over any given period. These are things that you can actually count and put an exact figure against the quantity you have. The qualitative

Management Approach	Typically used in/for	Inherent Weaknesses
Cash (incentives, salaries, bonuses etc)	High danger industries or locations; high staff turnover roles; firms with poor or low morale; below “industry standard” wages	The only reason people stay is for the cash; no need to build qualitative elements into management styles; limited effect at slowing turnover; increased operating costs
Goods (laptops, phones, gift certificates & “stuff”)	Higher salaried employees; short term incentive programs; industry wide “tools of the trade”	Goods may be less valued than cash; people may not want more “stuff”; expected standard for new employees increases costs for hiring, etc
Time (time in lieu, RDOs, flexitime)	Government agencies; not for profits; heavily regulated workforces; companies trying to limit overtime payments	Used instead of paying overtime; less value for cash poor employees; time off not seen as equivalent to “time worked”
People (mentors, family & friends, access to training for skills & knowledge)	Stable & ageing workforces; community engagement programs; succession planning models; retention schemes	Cash poor employees perceive little need; time poor employees can’t utilise fully; matching the required access can be a nightmare for all

elements (time and people) are things that are finite in number and require personal judgements as to their value to you or your organisation and typically are things that, once gone, cannot be replaced. The qualitative elements require a judgment call on your behalf to determine their value to you.

Open elements (cash and time) are elements that have an infinite number of areas in which they could be used. For instance you have an enormous choice as to how you might spend cash or use your time and therefore the element is “open” to possibilities. Closed elements (goods and people) have a limited number of ways in which they might be utilised. A coffee machine is pretty much good for making coffee and not much else. At work your IT specialist might not be so useful to you in the area of accounts receivable. These limitations then mean that these elements are “closed” and are unlikely to fit your needs elsewhere.

So what does this mean to you and how do you apply it in order to vastly increase your innovative abilities to engage your workforce more effectively?

Let me answer that by exposing – see table above – the inherent weaknesses in using only one of the quadrants as a means to manage your workforce (and by the way, this model works incredibly well when considering how you might go about solving problems for your customers).

It should be pretty clear from this quick snapshot (and the applications are far broader than those given in the table) that while the methods for engaging employees vary, it is unlikely that applying the same approach to everyone within your business will work for you in the long term. The key then is to look at applying combinations of the approaches and to use multiple approaches across your workforce. Figure 2 shows how these items can work in combinations.

By way of illustration, where you have an employee interested in incentives that provide

them with the maximum array of personal opportunity (Open elements), providing them with the cash and time (or providing them with options that combine those elements) will be highly regarded. Alternatively, where an employee is driven by quantitative elements, then anything connected to removal of personal debt or acquisition of things to enhance their lifestyle is likely to appeal. Where you have an employee seeking better or more flexible use of their time and where they seek to engage in group oriented activities, it is likely that they are seeking a qualitative improvement to a “work/life balance”. And finally those people who are interested in one off or short term contributions to their areas of interest are likely to enjoy the opportunity to contribute to their local groups in some way.

Of course when you start seeing the possibilities that emerge by applying diagonal combinations and multiple combinations your choices become infinite.

The challenge for senior managers then is in asking their HR teams to get out of their box of typecasting people and ask them to find out from the employees, the types of things that they might be interested in and applying that knowledge matched to your strategic choices in engaging your workforce. This moves the HR unit from

being an administration centre to a generator of strategic options. There are a number of questions that I would be asking your workforce:

- Do you feel you have enough time with your family/friends?
  - Do you feel sufficiently challenged by your role here?
  - Do you feel that you need to improve your home leisure environment?
  - If given the choice between retiring some of your debt or working with someone on a highly specialised training project, which would you prefer to do?
- And so on.

It shouldn’t take you long to discover that the motivational drivers are vast, varied and change as an employee’s life circumstances change. If attracting and retaining quality people is going to be important to ensure the success of your business in the future, then you need to create more options, not fewer of them.

And doing so requires openness to innovative approaches to engaging the workforce. Simply put, one employee’s cash bonus is another employee’s community project. ★

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