



*Our mission is to provide information and strategies to business owners and managers for improvement in the effectiveness of its business management so that key objectives can be realized.*

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## The Rewards of Recognizing Employees Beyond Their Pay

It's Psychology 101 – praise employee behavior you want to reinforce. Parents do it naturally, but for some reason we forget the concept as we walk into work. Employees work better with the anticipation of extra recognition either through pay, awards, rewards, or positive feedback.

Personal recognition expressed through appreciation for employee efforts teaches employees to be proud of their work, the people and place they work in. This added recognition contributes to their likelihood of continuing the desired behavior or goal. Increased loyalty, better attendance and boosted morale are often by-products of happy, content and secure employees.

When an employee is proud, excited or goal-driven, increased productivity follows. By using motivating techniques such as the following developed by Dr. Gerald H. Graham, you'll notice increased a huge return in productivity for a fraction of your investment.

1. Personal congratulations for positive behavior or achievement of goals.
2. Personal note regarding desired behavior or meeting a set goal.
3. Public recognition in front of peers.
4. Celebrate successes as a group.

Rewarding employees beyond their pay boosts morale and derives desired results from employees. Perhaps the most valuable characteristic of alternative reward systems is predictable behaviors, which in turn, equate to predictable outcomes.

Many companies use recognition or incentive programs. Programs include sales awards programs, employee recognition programs, business incentives, individual incentive travel, incentive merchandise catalog reward programs, and point-based programs.

Altana Pharma uses these programs and is one of the highest yielding pharmaceutical companies in Europe with a 17 percent increase in corporate revenue and 25 percent increase in operating to 2.3 billion dollars in revenue. The company offers employees a comprehensive benefits package, including a pay-for-performance compensation structure and a whole host of benefits designed to support the overall health and welfare of its employees.

Company executives believe in true partnerships and this includes partnerships with employees. In addition to the comprehensive benefits package, the company offers formalized recognition and time-off programs, which reward employees beyond their paychecks. By recognizing employees, and using the methods above, Altana has reduced costs, reduced cycle time, and improved quality and efficiency of workers.

Throughout the United States, small businesses and Fortune 50 alike use incentives and other forms of positive reinforcement. Incentives are large and others are smaller. Starbucks offers their employees one pound of coffee per week, among other incentives and has been named one of the 100 best companies to work for in America in 2004 by Fortune magazine.

Now, you may be asking yourself, "What can I do to get my employees positively motivated and accomplish goals and set standards?" Here are five simple steps!

**Plan** – Set performance expectations and goals for groups and individuals to channel their efforts toward achieving organizational objectives. Make sure to involve employees in the planning process, they will better understand the standards, objective, goals, rewards.

## The Rewards of Recognizing Employees Beyond Their Pay (cont.)

**Monitor** – Measure employee performance and feedback on their progress toward the goal. Work with employees to change problematic measures.

**Develop** – Increase the capacity to perform by using more effective work processes, assignments that introduce new skills or higher levels of responsibility, and training that encourages better performance.

**Rate** – Evaluate results based on the preset standards and appraisal requirements.

**Reward** – Pay for performance, personal recognition from managers, workplace recognition, time off rewards and other monetary and non monetary rewards can all be used to positively reinforce the behavior or goals accomplished.

And what's the bottom line? When positive reinforcement is implemented, employers have a great deal to gain from what they actually contribute. When employees are disgruntled, tired, feel worthless or are unmotivated, productivity is negatively impacted, and the bottom line suffers. On the flip side, happy, content, secure and positively charged employees offer intense employer loyalty, better attendance, increased morale and an overall better work product. You can do a great deal to positively impact your employees. Want to get started? Give us a call today!