



Perks Help a Little

by Bob Whipple, MBA, CPLP

As I interface with MBA students, I am astonished with the number of organizations that use perks, contests, quotas, and other methods in an attempt to improve productivity and raise employee morale. I believe that all of these things can and do provide some temporary increase in morale and performance, and yet I think their use is often overdone and their effectiveness is way overrated. Having a constant stream of gimmicks as a means to obtain higher engagement of the employees shows that the leaders do not understand the nature of motivation.

Over 60 years ago, Frederick Herzberg demonstrated that trying to pump up the workforce using what he called “Hygiene Factors” is like trying to drive a nail with a screwdriver. It may be possible to get the nail partly into the wood using the handle of the screwdriver, but the job would go much better if you used a hammer.

Herzberg’s experiments led to his “Two Factor Theory” about the nature of motivation. It states that to eliminate job dissatisfaction workers need a sufficient level of hygiene factors, but that alone will not create motivation. To create an environment where workers really want to engage in the work, you must add adequate motivating factors.

Perks and other mechanical means of focusing on productivity will cause people to pay more attention to the work, so some effect will be noted, but if you want to use the proper tool, try working on the culture instead. A better culture would include greater autonomy, where people are not micromanaged and are allowed to do things their way. It would include specific feedback, so people have a sense of progress and mastery against the goals that they helped to set. It would also include the realization that we are citizens in a world that needs our collective help.

Most of all, it would include an environment of trust where there is low fear and people are allowed to voice their ideas or gripes without the threat of dire consequences. In his book “Drive,” Dan Pink presented the idea that if we treat people like people rather than smaller and better-smelling horses who respond to carrots and sticks, we are going to

produce higher engagement. He suggests that autonomy, mastery, and purpose are three prime ways people get really engaged in the work.

Herzberg would agree with Pink and call all three of those conditions “Motivating Factors” rather than Hygiene Factors. After over half a century of knowing that using carrots (perks) or beating on people mentally (sticks) produce only minor and temporary results, along with a lot of cynicism and trying to beat the system, why do leaders fail to heed the advice to work on building a culture of high trust?

I think the reason is that the mechanical approach is far easier to visualize and orchestrate than actually getting down to creating a better culture. It is easier to find a better sales incentive plan than to figure out what behaviors leaders need to change in order to build real and lasting trust. You can put out a new work quota in 15 minutes without batting an eye, but you are missing the steps required to reach the hearts of the people at work.

So, the games go on, year after year, in numerous organizations, and the results remain tepid at best. Still, leaders are allowed to remain in place to crack the whip or peel the carrots. What is not known by higher up decision makers is how much amazing potential of the organization keeps falling off the table, year after year. Studies indicate that only about a third of the workforce in an average organization is engaged in the work. The remaining group is either not engaged or actively not engaged, meaning they are consciously working against what needs to be done.

I have written dozens of [articles](#) on how leaders can generate more trust in their organizations. It is all about getting leaders to change their behaviors. One of the most powerful ways leaders build trust is by creating a culture of low fear where people know it is safe to voice their opinions and not have to worry about being punished. To accomplish that, leaders need to encourage people to voice their concerns and then praise them for doing it. I call that skill “reinforcing candor.”

The productivity improvements in most organizations are available, but only when leaders learn to use the correct tools for the job. Focus on creating a culture of higher trust rather than trying to incent the workers to be more engaged and motivated.

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