

Keeping Good Employees: Money as an Internal Motivator

by Dr. Brian Grossman

Is it possible for money to be used as an internal motivator? We hear a great deal about motivators that aren't strictly compensation-based, and those can be (and are) quite valuable. However, in the interest of keeping ahead of the curve in terms of what employees are looking for today, it may be useful to look back a bit; at what may well be the oldest employee motivator--plain old money.

A brief pause

Before forging ahead, it's important to discuss the difference between internal and external motivators. Internal motivators are factors that will last a long time, provide a basis for improved performance, and provide the backbone for an employee's drive to succeed. Employees will look to these factors, such as corporate environment, employee benefits, and other elements of the Employer of Choice culture, and will use them not only to make their decision about staying with the organization but to motivate themselves to do better work.

External motivators, however, are fleeting, and do not sustain, drive, and reinforce success in employees. A simple pay raise, naturally not identified as part of the corporate culture, would be defined as an external motivator. Pay is expected, needed, and required--it is not necessarily an identifier of either corporate or personal identity. In fact, research demonstrates that after a pay raise, employees' performance only improves for two weeks before returning to baseline. How, then, can money be used as an internal motivator?

Dollars and. . .well, dollars

Currently, we are in the tightest labor market of the past 40 years, and there are no real signs of a slowdown. The competition among companies for high performing employees, therefore, has never been more intense. Companies are raiding each other for talented employees; recruiters are tripping over themselves trying to fill positions. A key component in the battle for workforce retention is the ability to attract and keep good employees. Motivating employees, both financially and non-financially, is a critical function in the retention battle. You probably already know these things.

What you may not know is that money isn't truly going to be a critical factor in retention. Wait. Don't stop reading yet. Don't shout. Money isn't going to be a critical factor in the retention battle precisely because the battle is going on--things are so tight out there that companies will have to pay employees competitively to keep them. The playing field, at least in terms of baseline compensation, is going to be pretty even. Companies, therefore, must look to offer benefits that will transform employees' lives. These benefits will attract and inspire loyalty, and will enable organizations to keep their best employees. These

benefits must include giving employees access to better financial management tools. This point is where money, and the ability to manage that money, can be used as an internal motivator.

The pattern

As we look at the current boom economy, one constant has become an increasing amount of consumer debt. Today, consumers maintain a higher amount of debt than at any other time in our history. Credit cards, mortgages, and even student loans have left Americans in a financial hole, even as we look towards increasingly prosperous times. When star employees have left companies to become "entrepreneurs," the stated reason has always included "financial independence." A major goal of employees has become obtaining financial independence--that is, they want to have enough money to work because they want to, not because they have to.

The pattern of debt and the desire for independence seem to be at odds with one another. However, employers can use this contradiction to provide a much-needed benefit. Naturally, when individuals and families experience a high amount of debt, money becomes more of a motivator. Additionally, as debt increases, people may evidence higher levels of stress, and we often see increased arguing and tension within families. Arguments over money are even a major factor in marital breakdowns. Problems with money can also be a primary reason for business collapse, psychosomatic illness of all kinds, ruination of friendships and--here's a big one--employees changing jobs. As financial stress increases, employees begin looking at alternative sources of income, dividing their energy at work and home, resulting in decreased effectiveness and productivity in both locations.

The Payoff

Psychologists call money a "deficiency need." Money motivates people only when they feel deficient in it--when they feel they do not have enough. What can an employer do to be of assistance to employees in times of financial difficulty, or even financial success? How can an employer help people with money without "just paying more?" Can a company inspire loyalty in employees by adding a benefit that transforms their lives? It can, and the answer is relatively simple: if the organization can teach employees to be debt free, it will help them on the road to financial independence, which will result in motivated, loyal employees.

Self-discipline is the most important personal quality for assuring long term financial success. By teaching employees financial discipline, and offering these lessons as an employee benefit, companies can help their employees transform their lives. Basically, companies can help employees learn to live on less of their money in the short term, while teaching them to aim for long term success. Moreover, companies can essentially give employees as much as a 40% raise by

teaching them to eliminate debt^{3/4}without spending huge amounts of money. In essence, employers can increase pay without raising pay.

Looking Forward

Seminars and programs are now coming on the market that teach just this sort of financial discipline. Costs for employers are low, as basic skills can be taught even in a one-time seminar that teaches employees to eliminate debt, build wealth, and maintain the discipline to stay with the program. In this program employees learn that all they must do is to follow a fairly simple formula to financial freedom, and that they need not resort to second and third jobs.

Imagine: without increasing pay, you can provide your employees with the tools to raise their own disposable income and savings over the long term. You can provide them the means to escape the burden of debt. You can provide your people with the very things they may be considering leaving you for--keys to wealth, independence, and happiness. We must of course pay employees what they're worth. But simple pay raises will never be enough to inspire loyalty. Helping employees work with the money you're paying them, however, to achieve the freedom they so desperately desire, will build relationships that will last for years to come.

Dr. Brian is all about optimization!

Brian works with your organization and utilizes the best assessment tools to target growth potential and "stickiness" for perpetual achievement. His passionate and personable presence and easy to remember ideas create immediate, optimal results. Brian speaks and consults internationally and is frequently called upon by the media for his expertise.

Brian also serves clients at your meeting through Keynotes, Retreats or Coaching.

Dr. Brian Grossman

Optimize yourself and others

13636 Ventura Blvd. #177 Sherman Oaks, Ca 91423

818-939-9426

DrBrian@DrBrianGrossman.com

www.drbriangrossman.com