

Archive: *Dear Workforce*: How Do I Convince Our Owner That Rewards Have Value?

## **Dear Workforce: How Do I Convince Our Owner That Rewards Have Value?**

There are numerous statistical studies that illustrate your point.

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**Dear Workforce:**

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**The owner of our company does not believe there is value in showing appreciation to employees. As a result, morale is at an all-time low and turnover exceptionally high. Employees have gone without pay raises for almost three years, salaries have been cut and layoffs have occurred. All health-insurance increases have been paid for by the employees.**

**I believe the tough times could be softened through better communication, team-building, and tokens of appreciation, but he refuses to even buy employees dinner when they're asked to work longer hours on short notice. The talent and experience lost in the last year will take years to recover, but he doesn't believe his treatment of employees is to blame. How can I arm myself with statistics that show the value of strong leadership, communication and appreciation?**

— *Worried CFO, Publishing/Communication/Advertising, McFarland, Wisconsin.*



**Dear Worried:**

You face a tough challenge. Organizations with great cultures know the link between the effort and morale of employees and the performance of an organization. In your case, however, the owner needs some basic fundamentals and education in human behavior.

How you present the information to the owner will determine your success. Here are four recommendations to keep in mind:

1. Acknowledge the tough economic and business environment.
2. Present the data in positive fashion: "here's how recognition can reduce attrition and improve revenue, etc..."
3. Have a get-started, low- to no-cost recognition plan to share.
4. Ask him to participate as a role model

There are numerous statistics and studies that support the need for reinforcement and recognition. One study showed that the number one reason for people leaving their jobs is lack of recognition and praise. Another showed the top three reasons why people don't perform:

- Lack of clear performance expectations
- Lack of feedback
- Inappropriate reinforcement/recognition

Another study showed that non-cash rewards provide a higher return than cash rewards by almost 3 to 1.

In one survey of nearly 800 managers, about 73 percent of managers received the results they expected either immediately or soon thereafter they used non-monetary recognition. Additionally, nearly 99 percent said they felt they would eventually obtain the desired results.

A comprehensive study by Lawrence Lindahl reports that "full appreciation for work done" is the top employee motivator, behind other metrics such as good wages job security, management being sympathetic to issues, and feeling "in" on things.

The big consulting firms have published detailed studies of the link between workforce management and stock price. Watson Wyatt has shown an incredibly strong link between the degree to which employees are committed to their companies and the company's stock value. Watson Wyatt has also shown a very strong link between the amount of trust employees have in senior management and the company's stock price.

The statistical link between workforce-management practices and a company's performance is well-documented and well studied.

Remember, human behavior is entirely rational, and all behavior is a function of its consequences. You get what you reward--or in this case, what you don't reward. Good luck.

**SOURCE:** *Workforce Management's* Todd Raphael wrote the parts about the link between workforce management and stock price. Kimberly Smithson, VP Business Solutions, Prosperiti, Chicago, Illinois, Sept. 3, 2003 wrote most of the rest. Also, the "number one reason people leave jobs" was published in Sales and Marketing. The three reasons people don't perform is from The Balanced Scorecard. The data about non-cash rewards is from the American Productivity and Quality Center's People, Performance and Pay report. The study of 800 managers is from employee-recognition guru Bob Nelson, writing in The Recognition and Performance Link.

**LEARN MORE:** See the [HR Scorecard of Business Results](#). Read [Getting Happy with the Rewards King](#). Also try [www.recognition.org](http://www.recognition.org) and [World At Work](#).

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