

BY THOMAS J. McCOY

'WHAT'S IN IT FOR ME?'

Employee empowerment comes at a big price, especially in our materialistic society.

Evidence is mounting that incentives support and drive the employee-involvement processes that are so critical to staying competitive. Why, then, are the majority of American managers so reluctant to use them?

Take the case of a major manufacturer of sporting goods. After two years of study, design and implementation, the employees at a start-up facility were then duly "empowered." Unfortunately, however, they failed to respond as expected: They turned their attention only to solving low-profile, low-risk issues. Management was perplexed—but the employees' response can only be described as "appropriate."

As Americans, we live in a highly materialistic society, and the sporting goods firm failed to address the employees' most pressing question: "What's in it for me?"

In general, the non-sales employee population is risk-averse: By nature, they desire a fixed environment with predictable requirements and outcomes. Asking such a group to become empowered and seize the initiative goes against their basic need to avoid risks and maintain security. Certainly they'll participate to a limited degree, but if you really want them to enthusiastically invest more of their discretionary time, energy and knowledge in the

organization, then it's necessary to provide them with the probability of a reasonable return on their investment.

The sporting goods manufacturer sought advice from the business school at the local university. The recommendation: Provide employees with cash incentives to participate in this new management style. Once the incentives were installed, the employees began to use the involvement process as a tool to improve their own standard of living (and the effectiveness of the organization). It was as if a switch had been pulled to activate the process.

Other organizations such as Vista Chemical and Corning Inc. have discovered the activating relationship that exists between employee incentives and their quality-management processes. So why aren't more organizations using incentives in their efforts to propel their employee-involvement processes?

One answer is that they don't know how to get started. Initiating incentives in a risk-averse environment can be a challenging task. Incentives are an element of compensation, and for non-sales employees, compensation is an emotional issue associated with the basic needs of security and stability. Using monetary incentives introduces a host of issues including, among others, trust,

accuracy of measurements and payout design.

A good way to introduce the concept of incentives is by using merchandise or travel in lieu of cash. This approach removes incentives from the somber category of "compensation" and places it in a category that is regarded as non-threatening and even fun.

What? Fun in the workplace? Yes, fun—why not? If you want to start using an incentive program to drive performance (the way it does for a sales force), what better way to gain experience (and a solid database) than in an environment where everyone stands to win? Merchandise and travel incentives are programs that can help you quickly move to a *performance-based* philosophy of compensation that can include all kinds of incentives—and perhaps change everyone's definition of work in the process. □