



Money Talks

By Stuart White

Just before you slink off on your extended Christmas break here's a thought that should put the fear of God into all HR managers. I'm starting to get the distinct impression that all the management models I learnt about at University and the endless hours spent undergoing management training were a waste of time! That what I learnt is not working for me anymore. And what's even scarier is that I am in the game of teaching the wisdom of the ancient HR gurus to those in search of answers to the endless debate on the best ways of motivating a workforce and releasing its human potential! I feel like a church Minister who is beginning to question his faith but still has to give the Sunday sermon and counsel his flock.

So are the old models still relevant today or is the work context and the complexity of the people we have to work with and through so different that the old models are now rendered defunct? I think they might just be and therefore we need to challenge their relevancy in today's working environment.

Take the great motivational theorist, Frederick Herzberg. For years his two theories of motivation in the workplace have been presumed to be set in stone. They purported firstly that the hygiene factors (work environment, quality of supervision, policies and procedures, salary etc.) did not lead to higher levels of motivation although their absence resulted in dissatisfaction. His model goes on to say that recognition, achievement and the opportunity to feel challenged is what motivates staff. This was regarded as one of the ten commandments in the HR bible when I was studying and despite what you may think we were not carving our notes on tablets of stone - we're only talking the 1980's here but that old workplace is a foreign country already. We don't speak the language and frankly, we think its citizens have some very strange customs and habits!

But not only was Herzberg's word law, it was music to the ears of all personnel managers who were under constant pressure to find the most effective way to cut employee benefit costs while maximising employee productivity, commitment and loyalty. And we Personnel Managers (now re-branded HR Managers) would argue with those in search of salary increases that they had it all wrong and that job satisfaction was a much more effective motivator.

But you try telling today's graduates that the nature of the job and all the positive re-enforcement they will get when it's performed well are SUPPOSED to make them satisfied. You will have as much success as trying to convince an American that Saddam really didn't have any weapons of mass destruction.

According to Personnel Today, UK businesses are losing talented staff because HR Directors are failing to keep pace with what motivates ambitious young executives. In a study carried out by Innecto Reward Consulting cultural, economic and technological changes in the past 10 years have made financial reward a greater motivator than challenging work or personal pride. In other words, the smart money's on the money! Move over Mr. Herzberg. Your opinion is no longer needed here but have the HR professionals woken up to that?

Consider this. Nearly three-quarters of the UK executives under 40 years old who were polled said they now expected a pay rise every year and a similar number rated financial reward as the number one career motivator. And what did the HR professionals say? Well only 15% believed financial reward to be a key motivator. So it was hardly surprising that the majority of the HR professionals polled did admit that their businesses had lost at least five talented staff in the preceding year. Granted, the recession has put a temporary cap on the amount of some annual increases but you only have to look at the UK banking industry to see that money is still the main motivator. No sooner had the government announced stringent taxation levels on banking bonuses than one big banking house announced that their top talent would be offered overseas relocation. As for British Airways, their cabin crew have as much as said they'd rather see the company go under than forego a pay increase. Salaries are sacred and money is the new religion.

And it's happening here and now. We all know the old adage 'if you pay peanuts you will get monkeys' and it has never been so true than in the Botswana of today. Talent is still in rare supply, real skills seem few and far between and quite frankly if we don't wake up to a more regionally-competitive reward strategy our talent will just refuse to work for our organisations and instead chose to work in other more financially-enlightened countries in the region or opt to go into business for themselves. Our preoccupation with salary scales, parameters and, God forbid, what the Ministry's permanent secretary is earning is killing our resolve to get the best people on board. When you pay top dollar you can demand top performance without blushing. Appraisals can be brutally honest - failure of management to deliver is no longer an option.

So let's throw out the old precepts that were supposedly etched in stone and get a grip on reality. Pay decent salaries and balance this with realistic performance. Throw away your old textbooks – they no longer work. Listen to what high flyers want and give it to them – then sit back and see that you will get a much bigger bang for your buck. And know that as we emerge from the recession this is even more vital than ever if you want to see real recovery and measurable growth in the new year. Food for thought as you take a break and I hope for your sake, you weren't planning on flying the world's former favorite airline on your holidays.

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