



Building Loyalty Through Recognition and Continuous Learning

Companies facing financial challenges or experiencing losses often find it difficult to keep employees motivated while managing payroll costs. While financial rewards are among the most significant motivating factors, their impact can be partially offset through alternative strategies to maintain employee motivation and foster loyalty. This article addresses two key aspects. First, it explores non-financial strategies that companies can implement to keep employees motivated during financial crises. Second, it encourages readers to prioritize learning and skill development. By adopting a mindset that looks beyond salaries and perks, you can future-proof your employability while achieving greater fulfillment, satisfaction, and a heightened sense of value.

Part I: Non-Financial Recognition Strategy: Money is Not Everything

Rewarding employees in ways that are emotionally fulfilling, more personal, and demonstrate recognition of their value beyond just their paycheck falls under non-financial recognition. Celebrating employees' achievements and contributions is an important part of this approach. The impact of such recognition has far-reaching effects on employee performance and motivation, including:

- **Positive impact on organizational culture:** Publicly acknowledging achievements helps foster a positive organizational culture. This can increase loyalty and commitment to the company, potentially reducing employee turnover.
- **Boost in emotional motivation:** Recognizing employees for their efforts boosts morale and encourages them to improve performance. When employees feel that their work is appreciated and valued, they are more likely to go the extra mile to achieve tasks.
- **Fostering a sense of purpose:** Recognition helps employees feel a stronger sense of purpose and connection. When their contributions are acknowledged, they experience greater job satisfaction and fulfillment.

Some strategies for non-financial rewards include:

- **Public recognition:** Employees want to feel celebrated, cherished, and valued. Public recognition through an 'Employee of the Month' award, newsletters, company-wide emails, or an award ceremony reinforces their importance.
- **Professional development:** Offering opportunities for professional development, such as attending industry conferences, earning professional certifications, pursuing academic degrees, or engaging in leadership training, can foster loyalty by supporting employees' professional growth.
- **Flexible working hours:** Providing flexible working hours and hybrid work models improves work-life balance, contributing to employee satisfaction and retention.

Pitfalls Ahead

There is no perfect strategy; every approach has its pros and cons. Similarly, non-financial reward strategies come with potential pitfalls:

- **Perceived bias in the reward system:** If employees see the system as flawed or biased, it can backfire and severely damage workplace culture. Resentment and anxiety may increase. Therefore, it is crucial to establish a clear and fair set of criteria for recognition.



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- **Recognition fatigue:** Over-frequent recognition can dilute its value, leading to decreased motivation and even skepticism about management's intentions. Recognitions should be reserved for truly outstanding performance and accomplishments, not for routine tasks.
- **Inconsistent recognition matrix:** Recognizing behaviors or achievements that don't align with company goals can create confusion and undermine the process. It's essential that all recognized behaviors and achievements are closely aligned with the company's objectives.
- **Lack of financial reward:** Let's be clear, money is a significant motivating factor. Relying solely on non-financial rewards could backfire. Top performers should be recognized with both non-financial and financial rewards. A balanced approach that combines recognition with monetary compensation is more effective and sustainable.

Don't be Naïve: there are some Underlying Assumptions:

Intrinsic motivation cannot entirely replace extrinsic motivation: While employees are motivated by more than just money, it's important to acknowledge that monetary incentives play a key role in driving performance.

- **Cultural support is key:** A culture that values and supports recognition will make non-financial rewards feel genuine and meaningful. In contrast, a culture that doesn't support recognition may make the whole system seem insincere, forced, or manipulative.
- **Active management involvement:** Management's active engagement is essential to make this strategy work. They must be consistently involved in recognizing and celebrating employee achievements.
- **Not all employees seek learning and development:** Some employees may not be motivated by professional development opportunities. To address this, a tailored approach to development programs is needed to cater to individual preferences and needs.
- **There is no one-size-fits-all reward system:** Employees are motivated by different factors, so there's no universal reward system that works for everyone. Management must design a flexible reward structure that accounts for diverse motivations.

Part II: Give Your Best and Keep on Learning

"Why should I put extra effort if I don't get extra money?" A common phrase resonates in corporate hallways and among employees. Although it seems right and very legitimate, it is the most detrimental thinking for an employee when deeply introspected.

Continuous learning and skill development are essential tools for anyone looking to rise in the corporate ladder. They serve as ammunition for professionals, as lacking these skills can render one less valuable in the workplace. Given the ever-changing landscape of technology, sustainability, and regulations, staying ahead of the curve is crucial for success. In an increasingly competitive job market, slow learners or those with fewer skills are likely to fall significantly behind.

5 Buckets to Success: From the Diary of a CEO

Steven Bartlett is a successful entrepreneur, podcaster, and multi-millionaire. He proposed a model called the "Five Buckets of Success," which outlines the essential elements for achieving success in any endeavor. These five buckets should be filled in a specific order:

Category	Description
Knowledge	Includes your college degree, professional certificates, and other formal education.
Applied Knowledge	The skills acquired while working in an organization.
Network	The network you build by collaborating and sharing your expertise.
Resources	Your network contributes to your net worth and provides access to valuable resources.
Reputation	By integrating the previous four categories, you establish a professional reputation.

At any point, you may lose everything except for two things: knowledge and skills, which are foundational for bouncing back from setbacks. Skipping any step in this order can lead to disaster in your professional life. Ultimately, if someone reaches a top position without adequately filling the first two buckets, they are likely to fail. Knowledge and skills create a cascading effect on networking, resources, and reputation.

Tunnel Vision is a Problem

We are not like racehorses that require blinkers to focus on a single path. Tunnel vision is an issue not only in ophthalmology and psychology but also in sociology. As humans, we often fall victim to tunnel vision, particularly when it comes to salaries and perks.

While these incentives are significant motivators, prioritizing them as the primary focus can lead to disastrous consequences in our professional lives.

We frequently tie our performance at work to the salaries and benefits we receive, which can harm employees far more than employers. By linking performance—an opportunity for skill development—to salary and perks, we risk neglecting the enhancement of our skills, ultimately making ourselves less employable in the job market. As a result, we may fall behind, becoming dispensable and redundant not only within our companies but also in the broader job market. This mindset can lead to extreme job dissatisfaction, missed opportunities for skill advancement, and stagnant growth.

Growth is the Sign of Life and Stagnation is the Sign of Death

The same principle applies to professional life. To remain relevant in this rapidly changing environment, we must keep pace with learning and development. Continuous learning is essential across all professions, including accounting and finance, which are often perceived as stagnant fields. Engaging in continuous learning and skill development enhances employability, fosters creativity and innovation, increases job satisfaction, and supports leadership development. Conversely, outdated knowledge and obsolete skills can ultimately lead to the decline of a professional career.

An Opportunity for Corporations

Professional development opportunities and flexible work arrangements are powerful motivators for employees, in addition to salaries and perks. During times of financial constraints, when companies may have limited resources to increase salaries and benefits, offering clear paths for professional growth can be a game-changer. By providing learning opportunities, such as sponsorships for professional degrees and certificates, along with leadership and skills development programs, companies can foster employee loyalty and cultivate a positive work culture.

A Case Study for Motivation

There are numerous examples of individuals who have embarked on a lifelong journey of learning and development, ultimately achieving great success. One notable example is Shahid Khan, a Pakistani-American who owns Bumper Works in the USA. His commitment to lifelong learning enabled him to transform the struggling Bumper Works into a profitable venture. Khan's life exemplifies the profound impact of lifelong learning, adaptability, and resilience, serving as an inspiring model for aspiring entrepreneurs and leaders.

How to Continuously Learn

Regularly assessing your skills, identifying knowledge gaps, and staying updated on industry trends can help you recognize your learning needs. Platforms like LinkedIn, Coursera, and Udemy offer a variety of affordable and high-quality learning resources.

You are responsible for your own upskilling, so strive to find as many opportunities as possible for hands-on experience and training. Taking on work from various fields can also help you gain valuable experience, but it's important to consider your time constraints before committing to new tasks.

Commitment and accountability are essential for developing a habit of learning and growth. Given the numerous distractions from social media and the abundance of entertainment options, it requires dedication, resilience, patience, and perseverance - qualities that can be challenging to maintain. However, with a clear goal in mind, achieving your objectives becomes possible, if not easy.

Conclusion

In times of financial uncertainty, companies often struggle to motivate employees without resorting solely to salary increases. However, as previously discussed, non-financial strategies like public recognition, professional development, and flexible work arrangements can foster a highly motivating environment. These approaches enhance loyalty, job satisfaction, and a sense of purpose, while also boosting overall morale.

It is crucial to maintain a balance between non-financial rewards and monetary compensation to avoid issues such as perceived bias or recognition fatigue. Additionally, cultivating a mindset that emphasizes continuous learning and skill development is vital for achieving long-term success in today's competitive job market. The notion that effort should correlate only to salary is harmful and can lead to stagnation. By focusing on the five pillars of success - knowledge, applied knowledge, networking, resources, and reputation - employees can establish a strong foundation for their careers.

Pursuing growth opportunities, seeking non-financial recognition, and setting clear personal and professional goals not only improve employability but also enhance job satisfaction and fulfillment. Ultimately, a commitment to lifelong learning lays the groundwork for resilience and adaptability in an ever-changing professional landscape.

About the Author: The writer is a Fellow member of ICMA International and an Associate member of ACCA. He is a seasoned professional with over 16 years of experience in the packaging industry. He is currently serving as the Chief Financial Officer at Merit Packaging Limited, a Lakson Group of Companies.