

Money

The compensation fallacy

Happiness is a relative scale. The poor workingman scrubbing floors could very well lead a happier and more fulfilled life than the richest woman on Wall Street. That's not debate. It's well-researched fact.



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And that should make sense because, after all, happiness has been around long before Bentleys and yachts. But it seems as though CEOs must be forgetting that fact because so many of them turn to money as the primary motivating tool for their teams.

Money can divide. It can isolate leaders from their teams and it can isolate teams from each other. There's a reason compensation is every organization's most closely held secret. It's because salaries aren't always fair — and if revealed, could trigger the ugliest qualities in human nature to kick in within teams.

I can tell you right now that if you've got teams showing up to work each day for the money alone, you've got big problems. That's because research shows that although money may motivate in the short term, it does little to inspire. It's a delta. If a million bucks motivates you today, it'll take \$1.1 million tomorrow. That delta can only go so far before it no longer motivates. It's an unsustainable setup for failure in the long-term.

It's positive life experiences that truly make us happy and it's the employees who look toward what's next in life, rather than the next payout, who almost always do better work.

Of course, money affords many of the positive life experiences I'm talking

about, like the opportunity to get an education, start a family, travel and try new things. And yes, that's part of what money compensation is there to provide.

But there's one life experience that's directly within control of the CEO and it just so happens to be the life experience that occupies a significant chunk of our waking hours. That life experience is work itself.

Research shows that there are four primary motivators that help shape a fulfilled life for the individual while also inspiring better performance for the organization as a whole:

- **Sense of Fairness.** Knowing that you're being paid a reasonable amount for your work so that money no longer becomes an issue.
- **Sense of Autonomy.** Controlling events in your work life by choosing what you want to do and when you want to do it.
- **Sense of Mastery.** Excelling at a craft that you enjoy and being recognized as a master by peers that you respect.
- **Sense of Purpose.** Feeling that your work is helping other people and benefitting the world in a positive way.

Great companies can only sustain greatness if their people are motivated and inspired by their work and fulfilled by their work life as part of a greater life experience. It ain't just the money. ●