

Saying “no” with poise – how to refuse Employee requests for More Money

Check any employment-related job site and you are bound to find information on how to ask employers for more money. But if you are the employer and more money is not an option, how do you say “no” and maintain some sense of staff loyalty and morale?

The answers to many management questions can usually be found online. But try Googling “How do I say no when an employee asks for a pay increase?” and the top responses are all concerned with how to ask for a pay rise, or why your employees may deserve more.

That’s all well and good – maybe they do. But if a pay rise today means a significant risk to end of month profits, the reasons are irrelevant.

Perhaps the best way to address it is to understand some of the motivators that lead to employee satisfaction. While reward makes most top 10 lists, surprisingly, it is at the lower end.

A 2010 Harvard Business Review article by researchers Teresa M. Amabile and Steven J. Kramer focussed on five workplace factors commonly considered significant:

- Recognition
- Incentives
- Interpersonal support
- Support for making progress
- Clear goals

More than 600 managers across dozens of organisations were asked to rank the importance of the five motivators to workers. Recognition topped their list. They were wrong.

Amabile and Kramer studied workers over a number of years tracking activities, emotions and motivation levels. They found that the most positive influence on increased motivation was progress. Recognition and incentives were at the bottom of the list. Interestingly, the bulk of managers ranked the five in complete reverse order to what the study found.

The articles states: “On days when workers have the sense they’re making headway in their jobs, or when they receive support that helps them overcome obstacles, their emotions are most positive and their drive to succeed is at its peak. On days when they feel they are spinning their wheels or encountering roadblocks to meaningful accomplishment, their moods and motivation are lowest.”

As early as 1981, the findings were similar. University of Southern California Emeritus Professor Barry Boehm published his Top Ten Motivational Factors for Software Developers. The list is still cited today as relevant:

1. Achievement
2. Possibility for growth
3. Work itself
4. Recognition
5. Advancement
6. Technical supervision
7. Responsibility
8. Relations with peers
9. Relations with subordinates
10. Salary

Salary sits at the bottom of the list.

So what does all this mean? It indicates that managers may find some success in offering alternative options for employees. Based on the findings of such research, setting up an environment that enables workers to achieve might have a much better impact. This could include ensuring the right systems and processes are in place to help employees achieve the tasks assigned to them.

Other factors commonly regarded as keys to improving performance include providing employees with a sense of ownership. This can be achieved by letting workers take part in decision making processes and involving them in tasks that they are able to see through to completion.

And at the end of the day, open and honest communication may be the best policy. If you can’t afford to provide salary increases to workers who may well deserve them, let them know and come up with an alternative proposal, such as a

profit share arrangement, a bonus scheme or setting a date for a future salary review.

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