Your Name

Instructor Name

Course Number

Date

Title: Manager as Decision Maker

**Why Incentive Plans Cannot Work, Summary**

Alfie Kohn published a controversial article in the Harvard Business Review, discussing the incentive plans and why they cannot work in his opinion. Most of the managers believe that the rewards hold a redemptive power. However, a large amount of evidence shows an opposite picture. According to the author, rewards merely ensure temporary compliance (Kohn, 54). Once rewards run out people turn back to their original behaviors. Extrinsic rewards or extrinsic motivators are unable to alter the underlying attitudes that trigger certain behavior. Kohn presented a six-point framework to demonstrate the true cost of rewards programs.

The first reason he mentions in the discussion is that salary is not a motivator. It is true that when people are paid less, they are demotivated but higher wages do not bring increased motivation (Kohn, 55). If employees are asked about what they care about at work, money is never at the top of the list. Rather it is generally ranked fifth or sixth. The second argument he presented is that rewards punish. Manages of today must realize that fear and coercion end the motivation. Managers can produce movement by “KITA” (kick in the pants), but not motivation. Same goes for rewards in the opinion of the author since the reward is the other side of punishment. In addition, the failure of an employee to receive a reward he or she was expected to review is synonymous to being punished. Another factor is that rewards rupture relationship since it results in competition. When employees compete against each other, they consider their peers an obstacle in the way of their achievement.

The fourth reason is that rewards ignore the causes and reasons behind the problems. Counting on incentives and rewards does nothing to the deep-down reasons for problems and therefore do not result in bringing about an evocative change. Using pay for performance program obstructs the aptitude of managers to manage. One more reason Kohn gives for the ineffectiveness of rewards is that rewards discourage risk-taking. When it comes to rewards, people precisely do what is required to attain them and they stop exploring possibilities and taking risks. The fatality of rewards is creativity because incentives only motivate people to achieve numbers. The last reason is that rewards undermine interest, people who love to bring excellence in their work is purely due to their interest, not for any artificial incentive. Studies indicate that rewards seem like a bribe to many employees and they lose their interest. "If they have to bribe me to do it, it must be something I wouldn't want to do" (Kohn, 62).

Managers of today need to grasp that rewards fail because they are same as offering saltwater to someone thirsty (Kohn, 63). Rather managers have to ensure that they pay well and fairly and do everything to make employees forget about money and temporary rewards. Productive managers must stop manipulating employees with orthodox reward and punishment strategies. In order to bring productivity, managers must stop pushing money into faces of employees. Excellence and innovation are the outcomes only if employees are intrinsically motivated. As a manager, I believe that the issue of employee motivation can be resolved in different collaborative ways. For instance, providing employees with the opportunity to patriciate in decision making, and creating an environment of collaboration rather than competition. The collaboration will ensure a climate of support and exchange of ideas. Furthermore, providing something they are willing to do and feel good in doing will result in intrinsic motivation what will produce positive outcomes for the employees and organization as well (Kohn, 63).

**On the Folly of Rewarding A, While Hoping for B, Summary**

In 1957, Steven Kerr of Ohio State University wrote an interesting article that is counted as a management classic. Even after the decades, the article is considered significant and is widely well-regarded for its relevance until today. This article also highlights the ways in which the reward structure undermines goals and objectives. According to the author, when managers complain about the lack of motivation of their employees, they must take in to account the factor of the reward system (Kerr, 769). Sometimes reward systems do not deliver the outcome for which they are created. It is clear from this article that how a variety of fields fell prey to creating a system that lacks intended qualities. Examples of such reward systems can be found in the fields of sports, medicine, government, academia, consulting and politics.

Each and every system seems flawed when it comes to rewarding and incentive programs. According to the author "a person can and will accept communication as authoritative only when…at the time of his decision, he believes it to be compatible with his personal interests as a whole” (Kerr, 771). The author brings the issue of goal displacement in his article, which results when the means used to achieve an end becomes an end in themselves and displace the original goals and objectives. For instance, in the politics politicians hoping for addressing the operative goals while rewarding for the involvement in official goals.

In war, hoping for obedience from the soldiers while rewarding them for disobedience. He also shares multiple examples from the field of medicine such as doctors who identify healthy people as sick to save them from the blame of missing out an illness (Kerr, 771). Same goes in academic, universities that claim to focus on prioritizing teacher's aptitude reward them on their number of publications. Another example, in this case, is of a basketball player in the school who excels at the skill of passing the ball. However, he is not rated well because the coach only considers players ability to score. Many other examples are quoted by the author to demonstrate how faulty reward and incentive system result in opposite to what these systems are expected to do. Some of the causes of faulty systems are divided by Kerr into four main reasons.

The initial reasons are a fascination with an “objective” criterion, which means that managers are inclined towards quantifiable and easy to measure standards (Kerr, 779). The second one is an overemphasis on highly visible behaviors such as publications and scoring basket from the above examples. Other reasons include hypocrisy and emphasis on the morality of equality rather than efficiency (Kerr, 780). Therefore, managers of modern organizations must consider the reward and incentive systems while facing the issue of absence of motivation among employees. In addition, while creating a rewards system, managers must create a system that positively influences preferred conduct and not represent an obstacle to be defeated.

In my opinion, it is useful to alter the reward system if the current system employed is not rewarding the desired results (Kerr, 781). The first step to be taken is to analyze what behaviors are being rewarded, there is a likelihood that some of these would be the undesirable behaviors. Though not every organizational behavior is influenced by the rewards system but the rewarder may be causing undesired behavior. For an organization to attain its objectives and goals, reward systems should exist but if they produce admired behavior. Moreover, they must not hinder an organization's ability to attain its objectives.

Works Cited

Kerr, Steven. “On the Folly of Rewarding A, While Hoping for B.” *Academy of Management Journal*, vol. 18, no. 4, 1975, pp. 769–83.

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