

## Behaviours 4

## Reward outputs

**In managerial terms, you reward inputs (e.g. effort) because you want outputs (e.g. productivity).**

**In behavioural terms, if you reward inputs, you will get more inputs and not the outputs you were really after. Rewarding effort does not necessarily lead to a better outcome. It only leads to people making more efforts. And doing it systematically creates a culture where effort and not the desired result is the endpoint...**

A key thing to remember is that behaviours compete for airtime. A behaviour that is rewarded or reinforced has an increased probability of sticking around. A behaviour that's not rewarded/reinforced will fade away. This is the 'abc' of behavioural management. The basics. That means that every 'activity' in the organisation, has many behaviours linked to it. For example, a high quality visit to a customer requires intellectual preparation, effort, planning time and the visit itself, which means the physical contact and the quality of the dialogue. This is very simplistic, but I am only using it as an example.

Following the simple rule of 'what you reinforce is what you get', you need to choose which competing (for airtime) aspects of 'seeing the customer' you want to see more of.

Imagine that you have 100 units of airtime/reinforcement and you use 90 of them for planning, five for the actual visit to the customer and five for intellectual preparation. If this is all you do and if you repeat it as a pattern, you would get more and more planning, but not necessarily the increase in (quality) visits to the customer you were after.

See this as an input-output model. We reward inputs (effort, preparation, planning) because, among other things, we believe in the connection input-output. But the laws of behavioural management are blind as to whether there is a connection or not. All they know is that if you reinforce Behaviour A - from a possible set of A, B and C - you'll get more A. So, in behavioural terms, if you reinforce inputs, you'll get more inputs, not more outputs. If you reinforce (reward, gratify, pay money for) the efforts that were made to achieve something, people will make more efforts, but this is no guarantee for successful results (for example, they may be the wrong efforts).

This way of 'rewarding people for their contributions' has nothing to with rewarding them for staying late at night, working weekends or long hours. If you reward the latter, those rewarded will stay even longer hours, but the question is whether their output will be

better. It would be crazy to completely ignore efforts and preparations (inputs), but they should not compete in airtime (reward, recognition, reinforcement) with outputs, whatever they are: the quality of visits to the customer, the production of a report, the collaboration with colleagues.

It is extremely important to exercise continuous discipline in differentiating between inputs and outputs because that distinction between them gets blurred very easily. It is also easier to manage inputs, because they tend to be more visible: longer hours, number of meetings attended, numbers of dossiers studied, etc. However, outputs are what deliver the value to the business. If examining lots of dossiers and market research data is an output and an end, value producer in itself, then by all means reinforce it. But if studying dossiers is directed towards a better outcome (the production of a more detailed business plan or a new brand strategy), then the output is what you need to reinforce.

One extra bit of confusion: output is not necessarily the final outcome of an activity/action or the execution of a strategy. In the example used before, if you define the real output as the customer buying the product from you, then this may not even be remotely linked to the process that you are managing or that you are involved with. You need to choose or define what your outputs are. If you are in charge of market research, then the internal delivery of a report may be your output. If you are a sales manager, examining the market research data is your input, but your

output is probably to create some sort of customer engagement. However, you can apply the 'reward output' philosophy in every single case.

Behavioural scientists have a word for applying reinforcements to smaller elements of the behavioural change process: shaping. It means not waiting for a final outcome, but shaping the small bits. In that context, there may be a series of inputs and outputs that together constitute the overall 'planning and preparation → outcome'. The principles still apply.

Praising efforts (input) is OK, but only if it doesn't take over and receives all the reward-capital that the output should get. This simple behavioural rule in itself has an enormous revolutionary potential. When in doubt, picture it in your head!

**BEHAVIOURAL MANAGEMENT PARADOX:**

IN MANAGEMENT TERMS, YOU REWARD INPUT (EFFORT, PREPARATION, TRAINING) BECAUSE YOU WANT TO CREATE OUTPUTS (PERFORMANCE, SALES, A REPORT).

IN BEHAVIOURAL TERMS, IF YOU REWARD INPUTS, YOU'LL GET MORE INPUTS, NOT OUTPUTS. TRANSLATION: REWARDING PEOPLE FOR WORKING LONG HOURS INCREASES THE NUMBER OF PEOPLE WHO WORK LONG HOURS. PERIOD.

DON'T REWARD EFFORTS IN ISOLATION. REWARD OUTPUTS/OUTCOMES FIRST, EFFORTS ('SHOWING COMMITMENT') SECOND. BUT BE AWARE: IF YOU REWARD INPUT AND OUTPUT 50-50 (WELL, IT'S BOTH, ISN'T IT?), YOU ARE LIKELY TO REWARD NOTHING.



**Imagine...**

Imagine that the culture of your organisation was very focused on outcomes. Not just on paying lip service to being focused on outcomes ('results-focused people', 'customer-centric'), but really focused on practicing the 'reward outputs' behaviour as a norm. Imagine what people would be doing and what they would perhaps stop doing? What kind of organisation would be shaped? Imagine that you progressively focused more on outputs or outcomes and less on efforts, including the heroic ones. How could you manage that transition without demotivating people who are genuinely supportive? A common complaint is that people often don't have anybody talk to them about their progress. Imagine that you do that, but with your eyes focused on the outputs and not on the effort or time put into it. What cultural shift would you be creating? Can you see the benefits? The challenges?

**In your organisation.**

