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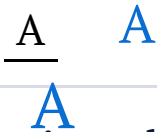
BUSINESS SMALL BUSINESS **MANAGING**

What employees really want

By Alexandra Cain

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This is the first of a two-part sponsored series on employment with the Department of Employment. The content is produced by Fairfax in commercial partnership with DoE.



Erica Stewart, [founder and chief executive of e-tailer Hardtofind](#), was interviewed for this story in her pyjamas. But she wasn't at home or sick and working.



Pyjama Day at Hardtofind: Giorgii Tsironis, Erica Stewart (founder), Erin Brennan, Will Davidson, Georgia Prince, Sarah Ford and Alice Harrington.

Photo: Supplied

Stewart, along with the rest of her PJ-clad colleagues, was celebrating the business' annual Pyjama Day. It's an opportunity for staff to work in comfortable clothes, in addition to being a bonding experience. The business has 28 staff and everyone took part in Pyjama Day.

It's just one of the initiatives Stewart has championed to create a great working environment. As she explains, offering staff non-financial incentives is a great way to attract the best and brightest to the business. Non-financial incentives inspire and engage employees in ways money is incapable of doing. They are also a great way of ensuring top performers stay with the firm.



Business author Gabrielle Dolan says it's important to start the conversation about non-financial rewards from the first interview.

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"I'm a working mum and I have many working parents on my team, both mums and dads. It's absolutely fine if anyone needs to leave early for school pick-ups, or stay home because one of the kids is sick and their partner also works. My team places a high value on that; it's more than just about money for them," Stewart explains.

Beyond the cash bonus

Hardtofind offers a range of other non-financial benefits to staff instead of cash bonuses. For instance, every Thursday morning is team pilates. Participation is optional and anyone who doesn't want to take part can spend the time doing their own thing.

Stewart says the benefits of offering staff more than just financial rewards speak for themselves.

"We really are one big happy family. The team genuinely wants to come to work every day. It doesn't take much to keep people happy; you can be quite creative and it doesn't have to cost a lot. Pyjama Day hasn't cost us anything and it's created a real sense of camaraderie," she says.



Leadership specialist Muffy Churches says employers need to be clear about the non-financial rewards on offer when hiring.

Photo: Christopher Ireland

Praise

HR specialist Karen Gately says thanks and praise are among the most common non-financial rewards people value.

"Feeling appreciated, validated and respected is critical to the strength of anyone's spirit. The more sincere and heartfelt the appreciation is, the more likely someone to feel rewarded. Being commended by an immediate manager or recognised by senior leaders for a job well done is meaningful," Gately says.



Hardtofind founder Erica Stewart offers lots of non-monetary incentives to staff.

Photo: Supplied

She explains vouchers or gift cards, an award presentation in front of peers, an opportunity to attend a course or conference, or time off to pursue personal interests are just some of the ways employers can reward employees.

Other non-financial rewards include flexible working arrangements such as part-time work or job sharing. Employees also value mentoring and training, as well as car park access.

Start the conversation

“It doesn't take much to keep people happy; you can be quite creative and it doesn't have to cost a lot.”

Erica Stewart

Whatever the approach, business author Gabrielle Dolan says it's important to start the conversation about non-financial rewards from the first interview.

"Many potential employees will be reluctant to bring up non-financial rewards in initial interviews in case they think it will adversely impact the hiring decision. But all rewards should be considered part of an employee's package and openly discussed when

hiring," she notes.

Dolan says when businesses are transparent and list all non-financial rewards as part of the salary package, staff realise what is being offered is beyond simple monetary rewards.

"This needs to be explicit during the hiring process and reiterated every time there is a salary negotiation, or when someone's personal circumstances change. High-performing staff need to feel welcomed, valued and appreciated within the workplace and non-financial incentives help build this workplace culture," she says.

Leadership specialist Muffy Churches agrees: "Be clear about the non-financial rewards you are offering when hiring. Vague promises without follow through by management can create disgruntled and disappointed staff. So don't offer flexible working hours during the interview and then pair the employee with a manager that expects nine-to-five."

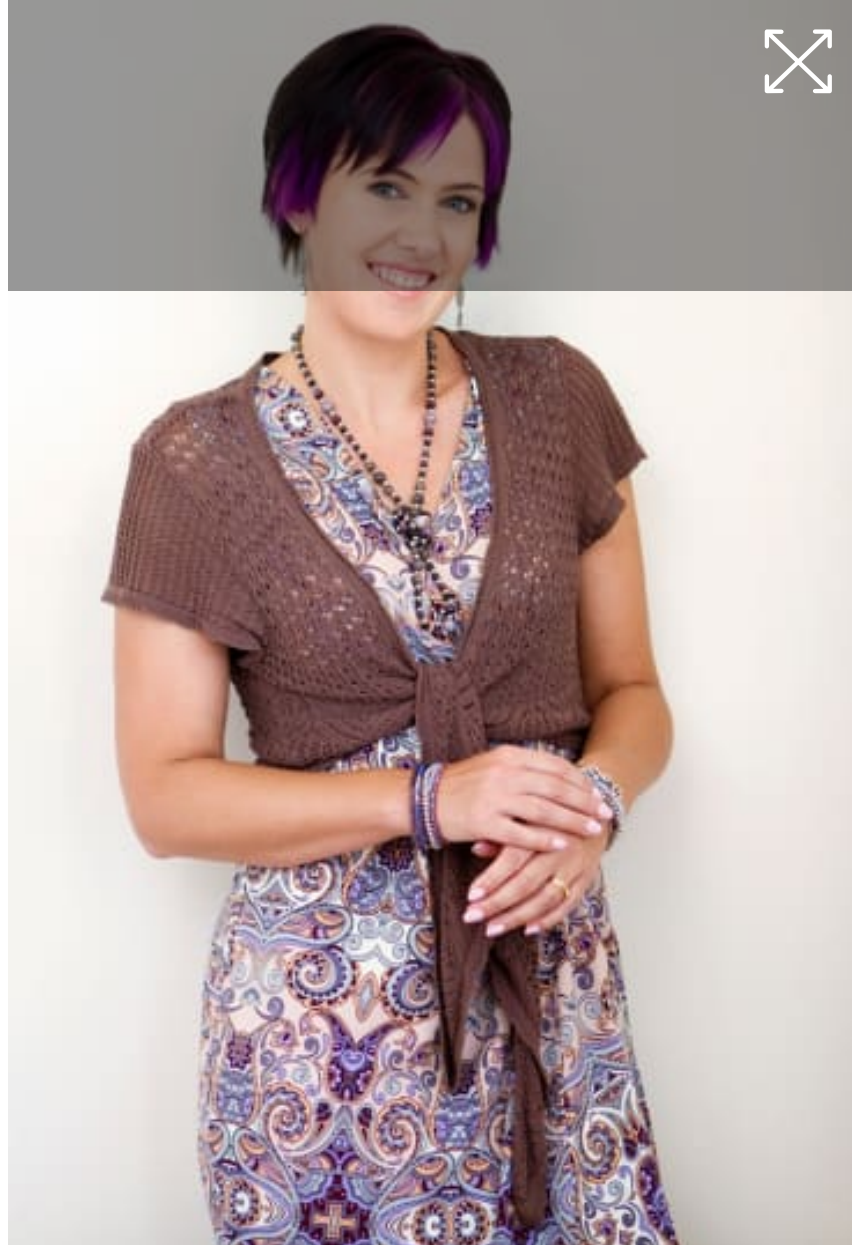
Different staff value different rewards

It's important to remember different staff value different rewards. For instance, some people like being publicly recognised for their efforts, for others this would be excruciating. Churches says the right approach often depends on the staff member's seniority.

"Those seasoned in business are often interested in developing their experience; they want assurances about their career path and chances for promotion," Churches says.

"Those new to business look for a great environment, as well as the sense of being valued enough to be developed, mentored and coached."

To develop appropriate rewards for individual staff, in the interview ask candidates questions about what they value most and the specific extras that will make the role ideal. For some it may be parking, for others it may be the promise of an assigned mentor.



HR specialist Karen Gately says a simple "thank you" is valuable.

Photo: Kon Iatrou

Businesses that get their incentive packages right receive many benefits. For example, non-financial rewards are often more motivating than a high salary or even a raise. Organisations that are successful can expect lower attrition rates and higher productivity, saving money longer-term.

As evidence, a study by management consultants McKinsey & Company titled *Motivating people: getting beyond money*, found non-financial incentives were more powerful motivators than financial incentives.

Says Churches: "When employees feel a sense of validation and worthiness in addition to their the take-home pay, they are more likely to feel inspired to contribute, collaborate and innovate."

In a world in which getting access to great staff is becoming tricky and, at the same time, financial pressures on businesses are increasing, non-financial rewards have become an important tool to ensure a team stays motivated and committed rather than looking for greener pastures at a competitor firm.

And who knows? One day, you might even end up working in your pyjamas.



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