

11. Consistently Recognizing and Rewarding Employees for Their Contributions

is a Difference Maker

Startup environments are demanding, often requiring far more time and energy than those that commit their careers to them ever could have anticipated. There are simply never enough resources in place at even the well-funded upstarts to avoid loading up early employees with responsibilities that fall outside of their core focus areas. Engineers are pulled away from product development efforts to support sales opportunities; operational functions, from onboarding new employees to payroll, tend to be shared by the founding members of the team in the early going. It is not uncommon for work weeks to extend into or through the weekend making it difficult to balance family commitments, exercise, and sleep. So how do the best startups keep their troops motivated and inspired to maintain such a pace for extended periods of time?

It is oftentimes the little things that make the biggest difference to those employees and families that find themselves consistently making sacrifices for the good of the company. When leaders take the time to “care personally,” they gain a deeper understanding of each employee and the things that are most meaningful to them outside of work. I have known founders that keep track of family birthdays, anniversaries, and big milestones that are upcoming in the lives of the children or parents of each dedicated team member. Encouraging employees to make these special days a top priority even in the face of looming deadlines engenders trust and loyalty.

It seems that around every corner in startup-land another big deadline awaits. Team members put in extra time to ensure that the quality of a new version of code meets the company's standards. A group of engineers works tirelessly to deliver a specific feature that an important customer prospect requires. These things happen every single day at startups, but the ones that rise to the top find ways to recognize and reward the contributions of those who go above and beyond. Financial rewards, sponsoring a weekend away, or simply awarding an extra paid day of vacation to recognize a team member or group for a job well done can boost morale in unthinkable ways.

There are countless ways to recognize and reward employees for their efforts which can have lasting effect, especially in a company's early days. In June of 2017, I came across an article published in *USA Today* titled, "Small Business: Simple, Cheap Ways to Reward Employees," written by Rhonda Abrams. The eight suggestions noted included: birthdays off, well days, employee of the week, extra time off, free food, small gifts, flexibility, and saying thank you. These are all very simple gestures that are inexpensive ways for companies to inspire their employees.

In 2016, the US Travel Association commissioned a study which found that more than half of working Americans did not use all of their available time off the previous year. The intensity of startup cultures which are most often resource-constrained tends to discourage team members from taking much-needed time away from the business. In reality, even short stints outside of the frenzied pace can re-energize fatigued employees. Netflix, famously, has offered unlimited vacation days to all of its employees since 2004, empowering each individual to manage their own workloads and meet deadlines. Other companies have paid bonuses out to

those who use all their vacation in a bid to boost productivity and morale, while simultaneously lowering costs in areas such as healthcare and sick days. The reality is that everyone has interests and responsibilities outside of work and those companies that encourage better work-life balance have proven to also enjoy the lowest turnover rates. In *The Power of Full Engagement*, Jim Loehr and Tony Schwartz confirm, “The richest, happiest and most productive lives are characterized by the ability to fully engage in the challenge at hand, but also to disengage periodically to seek renewal.”

It is critical, especially in early-stage companies, to recognize the contributions of tireless team members, find ways to reward their efforts, and to help them protect a healthy space outside of their work responsibilities. Neil Pasricha highlights this need for space in *The Happiness Equation*— “Space is the opposite of burn. No thinking. No doing. This is the sandy beach vacation without plans, phones or thoughts. Lying on a beach chair while sunbeams soak you, waves pounding in the distance, and your mind lets go of everything it’s silently squeezing. That’s space. It’s not the vacation with the packed itinerary or your email buzzing in the background. Those don’t turn off the doing or thinking parts of your brain... You need space!” While there is never a perfect time for a vacation or personal day within the chaos of a startup world, the companies that find ways to honor the needs of their team members extoll far more than the virtues of loyalty and productivity. Intel’s Andy Grove referred to the recognition and rewarding of employees as “achievement orientation.” Over the years, the startups that have gotten this right have consistently outpaced those that came up short in this important area.