



Question: Summarize the points made in the lecture explaining how they cast doubt on the reading

Productivity and Rewards

An important management principle is that when behavior is rewarded, it tends to be repeated. It follows that in many business enterprises, the approach to getting employees to work hard or improve productivity is to reward them with money or company stock. In addition, some enterprises use other forms of compensation such as special privileges or perhaps promotion or job reassignments or even company-paid luxury vacations and other bonuses in kind. All such rewards are usually tied in to some index of performance, which precisely calculates the relative amount of increased productivity.

Whatever the type of reward given, managerial consultants point out that the promise of such incentives improves employee attitudes, motivation, and productivity. Typical business handbooks describing compensation methods advocate giving the greatest rewards to those who perform the best. For example, a well-known academic text on incentives points out that "the closer the link between job performance and rewards, the greater the motivational effect."

Advocates of improving productivity through rewards tacitly accept that people are rather like physical bodies that require the application of some external motivating force to be set in motion. Furthermore, they argue that any such incentives must have a high perceived value to the employee and must also be perceived as within the reach of that person. If the productivity goal appears beyond the reach of the person striving for the reward, then the motivational effect will be lower and productivity may decline. But if the reward system is correctly structured, productivity experts argue, it is possible to persuade people to achieve remarkable results.

