



## Motivate workers beyond passing yearly reviews

*Compensation strategies can – and should – take on various forms to enhance the diverse strengths and talents of the employees.*

**I**n an article back in February 2026, I talked about the paradox of work and happiness — that this psychological phenomenon happens every day in the workplace. Employees have the potential to find flow states and do amazing work, but when asked where they would rather be, they indicate anywhere but doing the work they are doing.

I discuss this theme a lot in these articles, not only because it is the focus of my dissertation for my Ph.D. in industrial organizational psychology, but because flow states lead to optimal performance. They have even been argued to be an optimal state of consciousness. We all want our team to be efficient and effective. Think of a furnace running optimally. It “flows” as it ramps up, holds, quenches, and repeats. Similarly, we want our employees to come in, get up to speed with their work, close out the day, and come back the next day to continue.

This time, though, I want to address the fine art of establishing goals in relation to building intrinsic and extrinsic motivation within the team. Flow as characterized by the psychologist Mihaly Csikszentmihalyi indicates that it has the characteristics of an autotelic personality (desire to do something for the sake of doing it) and clear goals (what are you working toward). Now, we often think of goals as in “how many parts get heat treated” or “how to set up the TUS and run it successfully.” But what about the goal of someone wanting to earn more money? Or even just the goal of earning the paycheck? I will call these “external goals.”

The argument in flow is that the autotelic nature of this state does not warrant any reason for external goals. The rock climber just wants to be on the rock wall to climb to the top. But what happens when the rock climber gets down the rock wall and realizes that he is hungry? Well, both of these people need to somehow make money to feed their bellies. Similarly, employees after a long day of setting up baskets for heat treat, loading, and unloading furnaces, want to sit down and eat a meal as well. They want to get paid for what they do.

The danger of thinking in terms of too much intrinsic motivation is that it doesn’t sustain a team long term. Down the road, a company paying more money can snatch employees quickly as people are fighting to meet the demands of the cost of living. Employees then settle for bad workplace cultures with good pay.

The power of incentivizing employees with pay is part of the carrot in front of the horse. It can motivate people to move and has to be factored into the equation. But we need to also understand why the horse even wants the carrot. Why is the horse even showing up and pulling the cart for the team?

When people get something new, they get excited. Over the years, I have bought brand-new furnaces for heat treat, but there comes a time when the novelty wears off. The process becomes established. What was once challenging, and possibly exciting, has now become part of the everyday rhythm of production. When heat-treat operators pass a successful SAT for the 100th time or successful TUS for the

30th time, yes — celebrate. But know that there are bigger “goals” to be thinking about. Along with growing the employee from heat-treat operator to possibly a pyrometry technician as part of the pathway, a company must also realize compensation for this.

Most pay structures follow this sort of formula. Every year during the annual review, the supervisor goes over the goals and determines whether the employee meets them. Based on their performance, they get an annual increase in pay. Now, this is great — except there are 365 days in a year. Instead of just yearly, companies should work in smaller compensation goals. For example: If, after a few months, the employee is performing the routine tasks well, increase their pay. If quality is seen to be good a few months after that, increase it from there. Then, at the end of the year, do the overall check.

The smaller compensation goals provide immediate feedback and smaller goals for an employee to be motivated toward. If the carrot isn’t promised until 365 days later, there can be resistance along the way toward this employee being motivated. Now, this isn’t to say that compensation plans must be always increasing throughout the year. There are select times and two strategies I have been adopting.

The first is that of when the employee is “growing” in the position. It is in this stage that I have seen the progressive compensation described above work really well. It draws from the Nadcap NDT (nondestructive testing) NAS 410 specification for training where an employee can become a level one, level two, and, finally, a level three operator. Along the way of becoming a level two, we implemented the recognition of processing the parts with a pay increase, and then the successful quality inspection of the parts with another pay increase.

The second strategy is when they reach the standard compensation of annual reviews. Here, my strategy has been to encourage the employee to think about the skills that will advance them to the next level. Instead of just projects to work on, I’m more careful to select strengths and skills to develop. Showing someone how to use a hammer is going to be more productive compared to just saying “go build the house and let’s review it a year from now.”

In summary, if we give the employee a taste of this carrot, they can be motivated to do more. But the emphasis needs to include why the employee is showing up (the intrinsic reasons such as skill building) along with the compensation (the extrinsic reasons) to keep the heat-treat department flowing. Compensation strategies can — and should — take on various forms to enhance the diverse strengths and talents of the employees and get the best results from their work. ♣

### ABOUT THE AUTHOR

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