

WHAT DO EMPLOYEES REALLY WANT?

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What do employees really want? When it comes to choosing employment, how about a challenging job, flexible work environment, balanced life, respect, and recognition -- all that, **and** fair and equitable compensation!

We recently conducted a survey of what companies are doing to retain and motivate employees. To make it more interesting, we asked the staff what they are looking for from companies. Seems that most companies are thinking money, while employees are looking for challenge, recognition, and empowerment. These findings don't surprise us. They are the same results we find in most organizations, regardless of size, industry or job function. In today's marketplace of low unemployment and robust economy, the shortage of skilled workers is restraining growth for many organizations. Given this environment, what can you do to retain and attract the best and brightest employees, and challenge them to achieve your business goals and plans?

First, recognize that money, by itself, will not do it. Today's workforce is searching for something more than the highest bidder...at a minimum, interesting and challenging work, a flexible work environment, and recognition and rewards for their contributions.

CHALLENGING WORK

We all want interesting work, right? Sure, but some work is dull, tedious and just plain boring. But does it always have to be? Providing opportunities for learning and skill development is one way to spice work up, while at the same time giving you more flexibility through a higher skilled workforce. Those learning opportunities could include: committing to a minimum level of skill development every year; identifying individual career plans as part of performance reviews; providing a pool of training dollars for each employee for work-related learning; promoting computer-based training; and, participating in project/work teams.

WORK ENVIRONMENT

Flexibility and balance are the mantras of today's workforce. Think about ways you can realistically provide flexibility. Is it necessary for all employees to be at the work location during established hours?

Could the business allow for variations such as 4-day work weeks, working at home two days a week or job sharing?

The work environment also includes respecting employees' skills and expertise and empowering them to make decisions about how to use those skills to contribute to the company's success. The days of telling employees what to do and how to do it are long gone. A major retailer has a one-paragraph employee handbook that states: "Rule #1: Use your judgment in all situations. There will be no additional rules". That doesn't mean you have to

give away the farm, but it does require trust and sharing of information so that they can make wise decisions.

Make sure all employees understand not only the business strategy and desired results, but also the role they play in achieving them. Provide continuous feedback about how they, and the business, are performing. And celebrate with employees when results are achieved.

RECOGNITION AND REWARDS

All the research literature -- and our experience -- tells us that recognizing employee accomplishments is one of the most important and motivational tools an organization can use. So why are companies so reluctant to acknowledge and praise employees?

For a start, many executives and managers are uncomfortable recognizing and celebrating employee success. Reasons range from “They’re only doing what they’re supposed to do anyway” to “They’ll expect a pay increase if we tell them they’ve done a good job” (‘Fess up – how many of you are thinking the same thing?)

Then there’s the issue of motivation and rewards. “They’ll only do things that get rewarded.” Or, our favorite: “They should be glad they’ve got a job. That should be reward enough!”

Well, it’s not enough. As technology and global competition transform how we work, and fewer higher skilled people must do more and more work, employees are more valuable than ever. Managing and motivating them becomes a critical business strategy, and recognizing and compensating their contributions a key element of that strategy.

Many organizations still think of compensation as base pay and bonuses...maybe. However, compensation is the total system of rewards, recognition and environment that you provide for employees. Some of these elements are satisfiers that allow you to attract and retain – benefits, flexible hours, training – while others are

motivators used to incent and motivate results – bonuses, incentives, challenge, opportunity. Some are short-term; others longer-term.

Outlined below are examples of some of the elements of a total compensation approach for your consideration:

Shorter-Term	Longer-Term	Environment	Recognition
Base pay	Equity	Flexibility	Tuition grants
Incentives	Stock options	Education/training	Weekend getaway
Bonuses	Restricted stock	Skill development	Individual/team tickets to sporting, music or cultural events
Commissions	Phantom stock	Telecommuting	Membership in fitness club
Recognition awards	Profit sharing/401(k)	Job sharing	House cleaning services
Signing bonuses	Retention bonuses	Decision making	On-site car detailing service
Paid time off	Paid time off	Empowerment	Forgivable loans for equipment
Training dollars	Time added to service	Team spirit	Tutoring for employees' child
Extra vacation days	(for retirement, etc.)	Open-book management	Savings bonds
Benefits	Shorter vesting for stock	State-of-art equipment/tools	College education fund
	Benefits	Choice of work assignments	

A total compensation approach plays a major role in attracting and retaining the best people and is a critical component in improving performance. This type of approach is more than the simplistic carrot and stick concept used in the past. People are the heart and soul of the organization, not to mention the mind. A well-designed, carefully aligned total compensation approach can help transform employees into more involved, committed, high-performing individuals.

One secret of how to use a total compensation approach effectively lies not in the specific elements you choose, but how these elements align with your organization.

In determining the most effective combination of these elements, consider your:

- **BUSINESS STRATEGY**
If your strategy is to increase profits and revenues while maintaining customer service, incentives should be designed to focus on each priority -- financials, as well as measures of service, such as response time, return rates, accuracy.
- **COMPETITIVE COST PRESSURES**
If your business operates on tight margins, increasing fixed compensation costs of base pay and benefits is not an effective long-term strategy; better to use variable pay based on operating results.
- **WORKFORCE DEMOGRAPHICS**
Flexibility may be important to single parents, while retirement benefits are more valuable for an older workforce.
- **VALUES AND CULTURE**
Teamwork, innovation and quality are part of many companies' culture, yet rarely rewarded. Recognition programs are low-cost, high-impact elements that can be used to reward and celebrate your values.
- **CHOICE**
Design your plan with as much flexibility and individual choice as possible. Compensation -- from the Latin word meaning *to weigh together* -- should allow employees to weigh and choose options that will satisfy and motivate them.

As people become increasingly valuable, companies who provide a flexible and challenging environment, recognition and rewards for contributions to business success will be the long-term winners.