

When Cash Isn't Enough

By Mitch Owens,
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Pink Floyd put it this way: "Get a good job with good pay and you're okay." That was way back in 1973, in a song called "Money," so the band can be forgiven for focusing on the second term of this equation at the expense of the first. For businesses in 2004, however, such a limited, lopsided approach will likely result in significant turnover, particularly when it comes to staff with skills and qualifications that are highly in demand.

The substantial cash incentive remains a powerful retention tool, but financial constraints can severely limit its use, and even for a business with bottomless pockets it often isn't enough: a good job isn't defined by the size of the paycheque alone, and even the most generously remunerated employees will eventually look elsewhere if their other needs aren't addressed.

One important aspect of this is adapting to changing demographics and shifts in cultural attitudes. Previously, back when programs like *Leave It to Beaver* offered a very narrow prescriptive model of family life, a definite stigma attached itself to those who didn't fit this model, and they generally kept quiet about the difficulties they encountered in balancing their jobs with their family obligations.

This made it much easier for businesses to pretend that their employees had no lives outside of the workplace, to assume, for example, that Ward could work plenty of overtime because June was home taking care of the kids. These days, however, even *Blondie* has her own business, and we're slowly beginning to admit that a stay-at-home mom is a luxury that even many two-parent households can't afford.

Meanwhile, the baby-boomer generation continues to age. Before long, if it hasn't happened already, a historically unprecedented proportion of the population will be retired, and this segment will live longer than any previous group of retirees. This means that the remaining, considerably smaller workforce, the boomers' children, will have to deal, to a historically unprecedented degree, with the difficulties of caring for elderly and ailing parents.

Companies that are able to accommodate these realities will be in a much better position to retain staff than companies that aren't. Expanding health and other benefits to address the demands of child and elder care, for example, is one measure worth considering. Even more important, however, is the issue of flexibility. A somewhat more fluid schedule that allows staff some leeway to deal with their other responsibilities could easily make the difference between keeping valuable employees and losing them to other businesses.

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Increasingly, balance is the goal. As a consequence, time, specifically time away from the workplace, is of growing importance when distinguishing good jobs from bad ones. Higher pay rates by themselves are no longer regarded as sufficient reward for long hours and hard work: people want to spend some quality time with their families, go snorkeling once in a while, take a photography class, maybe even read the occasional book, enrich themselves. Putting it another way: what use is overtime pay, if you don't have the time to spend it on what you want to spend it on?

One way companies can help here is by considering options that will reduce the time their employees spend getting to and from the workplace. How much of your staff's workload actually has to be done on-site, and how much can be done from home, through telecommuting? Another option is to offer bonuses in the form of paid vacation time, or to introduce a sabbatical system. The important thing here is that your employees don't feel that the only real reward for hard work is more hard work.

All of the issues I've raised so far point to one primary concern, the area that can make or break a company in terms of retention: the employee's need to feel that they are a valuable and valued part of a team, recognized and appreciated as individuals.

Imagine a company that hires only those candidates with a pronounced and demonstrable preference for being anonymous cogs in an impersonal machine. What would their workforce look like? Like the Workforce of the Living Dead, probably: undermotivated, addicted to Solitaire and internet chat-rooms or worse, lacking in interpersonal skills, devoid of loyalty to their employer, and, let's face it, probably a little bit on the creepy side as well. A business with a staff such as this wouldn't last very long, right?

Right. So why, then, do so many companies allow their employees to feel like interchangeable components, like nameless, faceless bio-units slotted into sockets? Because they're not taking the long view. Because they're not balancing the time it takes to foster and maintain a sense of belonging against the financial and time costs of hiring and training new staff to replace those who move on to other employers.

Many companies drop the ball on the opening play, during a new employee's first few months on the job. This initial period is absolutely critical in establishing a sense of mutual engagement that encourages new hires to personally invest themselves in the business. It's not enough to simply hand them a manual, point them in the right direction, wish them well, and then check in from time to time to see how they're doing. Without adequate support and feedback, they'll end up feeling disempowered, disconnected from the workplace, a cog in the machine; they'll end up thinking that maybe they're in the wrong job. Even if they move beyond this unfavourable first impression and continue in the position, the experience will colour their perception of the company for years to come, increasing the likelihood that they'll be looking for, or at least open to, opportunities with other organizations.

A company that invests heavily in orientation, then, will be far more likely to retain staff in the long run than a company that takes a sink-or-swim approach. (For

more on this subject, see the article "A Manager's Guide to Employee Orientation" in the June issue of *People Pulse*.)

Orientation, however, isn't the end: it's only the beginning. Just as they have to work hard to maintain and grow client relationships, businesses have to put in the time and effort to build on their relationships with the staff they want to keep. Obviously, then, employees must be provided with ongoing support. And just as obviously, an assembly-line approach to this process won't be terribly effective. You don't interact with your brother and your best friend in exactly the same way, so why would you try to do so with two different employees? Your staff needs to feel not only that you're there to assist and encourage them, but also that your interest in them is personal, that you appreciate and understand them as individuals.

As much as possible, support systems such as development plans, coaching and feedback need to be tailored on a case-by-case basis, to fit the requirements of the specific person involved. This may be more complicated and time-consuming than a uniform, cookie-cutter system, but in the end it's far less expensive than a high turnover rate.

You've already put in the time and money to hire your people, so why not do what it takes to keep them?

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