

Happy Handcuffs:

Hang on to your top Employees by meeting their higher needs

A critical opening question; when it comes to your most valuable personnel, does the size of your business or a dull economy 1) prevent you from treating them with respect 2) keep you from assigning them important responsibilities or 3) hamper your ability to provide a positive work/life balance? If you can't offer this environment as a smaller company in a tough economy then you probably won't be holding on to your best people in the future. But if you can offer respect, fulfilling work and a positive work/life balance, as I imagine you can, then you will be providing the top three career attributes that modern workers desire (that's right – compensation isn't in the top three!); taking away much of the advantage large businesses with deep pockets have and significantly relaxing the ambitious wandering eyes that your top producers generally exhibit.

Do Your Top-Shelf People Have *The Jimmy Legs*?

Of course, compensation does still matter but we are learning much more about its changing relative importance. Twenty-five years ago work/life balance wasn't yet on the radar. Still, the last few years have been tough in the compensation department for workers, managers and owners. Some research concludes that between the Wall Street yo-yoing, the marginal salary bumps and unreliable performance payouts our standard of living has actually slipped. Inflationary pressure and a confidence-shaking reversal of the "wealth-effect" caused by declining home values have been the one-two punch that's put us back on our heels.

Nearly every single smaller business has that one very special employee that's counted on for so much. Each of us knows the value of such an employee in both legal tender and psychological swag – they're worth their weight in gold. We can leave them with the most sensitive of jobs and entrust them with our keys and codes and confidences. Their presence often allows us to take off for a few days or leave the shop early on a Friday afternoon. They somehow quickly learn our rhythms and our tactics and our tolerances – they just seem to "get it." This is the kind of employee about whom you quietly say *"If I had a dozen more just like them, we'd be unstoppable!"* On the flip side, this MVP (Most Valuable Performer) can really rattle us when they're unhappy. If they sigh, we sigh. We worry about losing them to competition, to a bigger paycheck, to fancier surroundings, to vision, dental and profit-sharing. We worry about losing them to a better all-around opportunity ... perhaps one we would take if we were them.

Avoiding Corporate Sin is a Must for Integrity

Each year, within your own established system and pay scale, it's getting tougher to structure something that's sticky enough to bring MVP's safely on board and sweet enough to fairly reward them for that valuable peace they bring (and the profit) they provide us. But let's get really honest about your top-shelf premium people and pay. With little exception, management has the power and leverage right now. Unemployment is rising, new high quality jobs are developing at a snail's pace, global investment is swinging wildly at every bad pitch and we now, apparently, owe China our secret recipe for Mom's apple pie and the master keys to our continent. Who is willing to take the risk and switch jobs (and health plans) right now? Very few people have the means to walk away from security. The steady paycheck-issuing "devil" they know (that's you), is still more attractive than the new devil they don't. Don't play on any of these insecurities by building *a fear fence* around your facility. Yes, you would get the biggest bang from tightening down on your most highly-compensated employees but that is exactly the kind of Corporate Sin that must be avoided. While plainly good for the bottom line, I would urge you to never use poor economic conditions as a false lock on your people's pay or their opportunities. That kind of bad faith dealing quickly becomes an infamous act and a permanent spoiler of fine reputations. Small business has a leg up on big business when it comes to the public's perception of humane behavior toward its workers. Don't give up that tremendous competitive advantage – you need it too much!

Our Most Valuable Work Attributes (Surprise!)

In a recent study co-sponsored by Spherion and Harris Interactive, over three thousand employed people were asked their feelings about how their employers handled retention. Their answers revealed troubling trends in the employer/employee relationship with the majority of the participants feeling dissatisfied with the employers retention efforts. In fact, 29% of these employees think their particular employers are actually putting forth less effort in hanging on to top workers. Less effort? Somebody's not listening.

As outlined in other articles, there is a shrinking skilled worker pool in our collective future. Workers are getting older and birthrates continue to flatten, leaving us with a scarcity of young talent in the pipeline and a decline of hard-to-replace seasoned workers. Making this more challenging (but ultimately easier to overcome) is the changing nature of what employee's value (made more intricate by some significant differences in what is valued within and between diverse geographic/ethnic groups such as North Americans, Asians and Latin Americans). Beyond these differences in what's most valued, there are also some distinct generational differences with which to contend.

Check out these eye-opening answers culled from Mercer's latest comprehensive Global Employee Survey entitled *"What's Working."* Interviewees were asked *"How important are the following factors in influencing your commitment and motivation at work?"* The results placed these workplace attributes in the following order of importance:

Work Attribute	Importance
Being treated with respect	1
The type of work that you do	2
Work-Life balance	3
Health Benefits	4
Working in an environment where you can provide good service to others	5
Base pay	6
The quality of the people with which you work	7
Long-term career potential	8
Having flexible working arrangements	9
Learning or training opportunities	10
Promotion opportunities	11
Variable bonus/incentive bonus	12

How, if at all, does this list of most valued attributes surprise you? Upon seeing these results, many have been surprised that just 3 of the 12 attributes would be cash related (#'s 4, 6, 12). When you candidly compare your company environment with the attributes this survey says workers want, how would you fare in a head-to-head face off with the optimum work environment shown above?

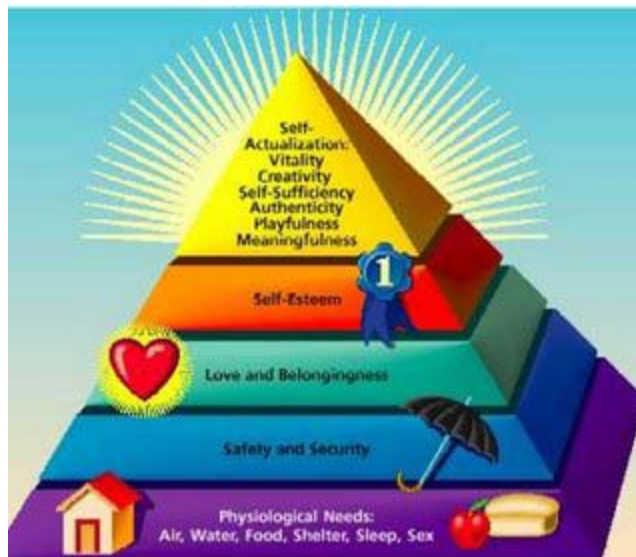
If you find yourself slipping off the pace then you may be silently wishing for a *"Monty Burns"* (origin: personified by C. Montgomery Burns, Corporate Tyrant, a *Monty Burns* signifies a nostalgic return to the "good old factory days" when accidental death on the job was not only common but also grounds for dismissal). Everything is relative. It seems a "given" now but in its time safety on the job was just as much of a pain in the backside as providing comprehensive benefits and supervising a worker's long-term career potential is today. We have evolved and society has evolved. Evolution is growth and growth is rarely smooth.

As We Evolved, Our Needs Evolved

... and there was Abe Maslow to help explain it all to us. Dr. Abraham Maslow was born one hundred years ago in Brooklyn; becoming a psychologist and, eventually, the father of humanistic psychology. He is most famous for describing the "Hierarchy of Human Needs." Maslow had the very original view that human needs were much like a ladder. The most basic needs were physical (air, water, food) and they fell to the bottom rung. Then came safety needs (security, stability, a warm blanket) and so on (please see Maslow's Pyramid for details on esteem, belonging and achievement). At the top of ladder were needs that Dr. Maslow labeled "self-actualizing" (fulfilling oneself, becoming the best version of oneself, etc.). Dr. Maslow felt if a person had unfulfilled needs lower on the ladder, they would be inhibited from climbing to the next step (ex: if you're choking badly and fighting for your life, you no longer worry that your boots aren't waterproofed or that cats aren't being neutered in sufficient numbers). Late in his life, Maslow published a revision to his original pyramid that placed needs above self-actualization; adding the need to acquire knowledge and then the need to create and experience artistic beauty at the very top.

Generally speaking, a person's needs and place on The Maslow Scale will roughly correlate with their age and socio-economic status. For instance, it would be uncommon for third graders to worry more about the lack of viable third party candidates in American politics than being picked first for dodgeball. Conversely, a veteran worker returning to the workforce might not normally be motivated that your new satellite shop is entirely wireless with a virtual display area. Their sense of belonging could be a bit weak. Someone who has moved up the needs ladder toward self-actualization tends to focus on problems outside of themselves (global warming, letters to the editor, neighborhood social causes, etc.)

SAMPLE - FOR ILLUSTRATIVE PURPOSES ONLY



Why is This Psychobabble Important?

This material is not your typical Maury Povich versus Dr. Phil paternity test rumble. This is the real deal – most definitely not psychobabble. It is as far from pop psychology as sophisticated CNC machinery is to a bent hacksaw. Dr. Maslow's work represents an astonishing breakthrough in human understanding. Anyone involved in relating to, and motivating, a group of employees would benefit immensely through the practical application of Maslow's

hierarchical approach. By doing so, the rewards and incentives would be very high-impact as they would be drawn from the very essence of the top-performing employee and satisfy a deep longing they felt. What competitor could match such a magnetic approach? Consider these low-cost examples of potential retention rewards based on fulfilling an MVP's true needs that are too often overlooked in a business setting:

Maslow Need Being Exhibited	Potential Reward or Expansion of Duties
Esteem Need – enjoying general esteem from others	Trust employee with keys and alarm code – make public
Security Need – a basic need for safety in bad times	Create a personal emergency cash account for use during catastrophe
Belonging Need – receiving appreciation from others	Formalize chain of command if owner is seriously injured
Self-Actualization Need – experience greater purpose in life	Company joins charity mentoring at-risk teenagers

The IRA – Individual Retention Assessment

The very best way to forge the “Happy Handcuffs” for your top-shelf employees is to use every resource available to develop a professional dossier for each MVP – a new way to view an IRA! (We’ll call it an Individual Retention Assessment). The IRA, when completed, can guide your various individualized offerings of compensation, bonuses, perks and special gifts and arrangements meant for your top performing associates. Can you imagine a large corporation preparing something like this? They couldn’t and wouldn’t. Remember, there are certain elements of compensation and benefits which must always be consistent among your full-time employees ... you can’t cherry-pick that offering or apply discriminatory practices but that still leaves plenty of ways you can customize the reward program for the remarkable people who do remarkable things in service to your company.

Does This Vicious Cycle Have You Staring Out Windows?

At this very moment, someone who’s reading this is rightly worried that the day is coming when you’re not going to be able to keep your very best employee on your team. It might just be one person that you can’t imagine living without or maybe its three people that make up your *Go Team*. Each raise brought them closer to topping out on your pay scale. Each new responsibility they mastered only made them more indispensable. Here you are feeling fully dependent on someone again even though having your own business was supposed to end that. You’ve probably played out this dream scenario any number of times in your head. Maybe their family has grown and you feel a personal obligation to help position them more securely. It is now officially a vicious cycle. It’s nauseating when your best efforts feel like they’re just not enough – a real nightmare. No matter what, there’s no process that will always work; the fact is good people do get away. But there are creative ways to make your company this person’s little piece of Heaven – try them out.

A Last Thought or Two

Manage retention one employee at a time. Focus on the key jobs that have the most impact on profitability and productivity and move those people toward those jobs through training and exposure. Everyone has a different set of needs and expectations about their jobs. Prepare an Individual Retention Assessment to use as a detailed retention map. Use every resource, including candid heart-to-heart discussions with your MVP to help you develop something that is right on the money (it needs to be right on the money because there will be times when direct compensation will not be sufficient to close every potential gap that the employee might perceive). Use all you have learned to quickly and comprehensively identify their unique motivations, goals, current level of job satisfaction, etc., as well as any other expectations they may have about their career.

Like an FBI Agent developing a criminal profile, use every potential input when forming your IRA (inputs might include: age, generational group with whom they identify, their various needs vis-à-vis The Maslow Scale, accurate resume information including education, their consumer demographic, credit and license reviews, family of origin, charities they support, spouse or significant other profile with children's info, interests, performance appraisals, etc.). All of this knowledge will assist you in determining what they are moved and motivated by – finishing up with the various ways you could bring them closer, through a rewards program, to meeting their needs and achieving their desires. Remember, it's critical you get it all right or it will be all wrong!

We have learned that a one-size-fits-all approach to rewards and compensation stopped working years ago. Today, everyone's lives have extraordinary needs and demands and workers (including the very best workers) tend to migrate toward companies that fairly address those needs and demands. There is no reason why your organization can't be the perfect company to meet those needs and make a long-lasting, welcome home for this hard-working star.

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