

Employee Retention – What You Can Do To Improve It!

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Research on Recognition and Rewards

With your neighbors, in the YOURS column, rank these (number 1 – 10) in the order you believe represents what American employees want from their jobs.

When you're done, we will discuss these as a whole group and share the answers from research. You'll want to fill in the research answers in the MANAGERS and EMPLOYEES columns.

YOURS		Research Managers	Employees
	Full appreciation for work done		
	Good wages		
	Good working conditions		
	Interesting work		
	Job security		
	Promotion / growth opportunities		
	Personal loyalty to workers		
	Feeling “in” on things		
	Sympathetic help on personal problems		
	Tactful disciplining		

Sources: Original research, Lawrence Lindahl, Personnel, 1949; repeated with similar results by Ken Kovach in 1980; University of Michigan Work in America: Report of a Special Task Force to the Secretary of Health, Education and Welfare, October 1981; and Bob Nelson, 1001 Ways to Reward Employees, 1991; Conference Board, 1998.

Generational Trends

All numbers approximate due to varying “definitions” of “cusp” years defining generational cohorts.

	Millennium Gen	Gen X	Boomers	Traditionalists
Birth Years	1979 - 1988	1965-1980	1946 – 1965	Through 1945
Age of workers	18 – 25	26 – 41	41 – 60	61+
# population (271.4 mm total)	20.2 - 29 million 7 - 11%	58.9 million 22%	82.8 million 31%	59.3 million 22%
# working approx. % workforce	12 million 9% trend ↑	40 million 31%	67 million 55% trend ↓	NA <4%
Socio-economic Factors	High national debt; fewer jobs; fewer student loans; 9/11/01; Iraq; economic boom; Social Security – bust?	Higher taxes; lower living standards; high priced homes; Desert Storm; IRA & 401(k)	Big jump in college ed. rates; federal student loans; fast track; layoffs; Nuclear threat; Vietnam; inflation; Recession; 401(k)	GI loans; GI education; paternalistic corporations; WWII; Korea; Depression; pensions
Family	1 parent family Want multi-generational family	50% divorced families; average marriage ages F 25, M 27 Friends are family	Multiple marriages; no marriages Balance family & friends	Traditional Marriage 18 – 22 Family first
Outlook	Upbeat	Skeptical	Optimistic	Practical
Work Ethic	Entrepreneurial	Balanced	Driven	Dedicated
Work Value	Lifestyle first	Lifestyle first	Work first	Work first
View of Authority	Cumbersome	Unimpressed	Love/hate	Respectful
Leadership Need	Lead if necessary	No need to lead	Expect to lead	Born to lead
Leadership by	Knowledge	Competence	Consensus	Hierarchy
Career Goal	Skill	Skill	Management	Hierarchical

Sample Non-Cash Award Programs

Eligibility	Area(s) Recognized	Award(s)
<p>Achievement Awards</p> <p>All employees</p>	<ul style="list-style-type: none"> • Cost savings/expense control • Significant impact on financial results &/or strategic goals • Resolution of critical problems • Responsiveness to unforeseen circumstances • Work performed outside normal job scope • Productivity &/or delivery above/before schedule • Role model behavior • Customer satisfaction • Product/process improvement 	<ul style="list-style-type: none"> • Gift certificates • Keepsakes, trophy, letter • Announcement • Includes employee involvement in nominations & selection • Employee cannot nominate direct supervisor • Uses nomination form
<p>The Caring Program</p> <p>All employees</p>	<ul style="list-style-type: none"> • Personal events & milestones • birth/adoption of baby • hospitalization • death in family 	<ul style="list-style-type: none"> • Charitable contributions • Dinner with family • Movie tickets • Sports or special events tickets • Personalized blanket

Examples of Non-cash Rewards & Recognition (Bob Nelson)

Thank you's - without any other topic raised

Additional training (internal, external, cross-training)

Public praise - let others know what's important and valued

Letters of thanks

Employees select work space decorating, colors, furniture

Flowers, plants, cookies, coffee, basket, fruit

House cleaning service

One week's child or elder care

Personal shopper service

Landscape/snow plow service

Special team outing (local) – SPAC, Dutch Apple Cruise, Pepsi Arena

Service pins, jewelry

Champagne, wine, gourmet foods

Trip to visit customers or suppliers with sales staff or managers

Recognition event

Special "plum" assignment

Transfer (temporary or permanent) of a burdensome duty, non-producing account, etc.

Represent the company at some outside event, conference, organization

Frequent traveler club membership

Workout/health club membership

Upgrade equipment (computer, forklift)

Give employee business cards

Round of golf

Massage, facial, manicure

Flex time schedule, flex day schedule

Bay banking fees

Personal home computer or related equipment

Best selling management, business book

Membership in business or professional organization

Limo ride (round trip)

Upgrade or use of company car for a specific period

Personal auto equipment (tape deck, sun roof, etc.)

Introduce to visiting executives, customers, suppliers

Invite to manager's home

Counseling services for employee or family member

Give a special plaque or trophy to someone who is a "special performer." Ask that person to pass it on to someone else.

Employee appreciation day (for an individual or team) - "Bob Smith Day" or "Blue Team Day"

Employee Hall of Fame - photos of employees/teams who have been designated "special performers" with paragraph about their achievement

Let teams choose their own team logos/identities, uniforms, letters to customers to enclose in product shipments

Paycheck notes, thanks

Scratch off cards - points or other awards (savings cards "Golden Broom")

Take an employee to lunch at a special place

Preferential parking spot

Magazine subscription

Gift related to person's hobby

Dry cleaning pick up at company

Use employee in catalog or commercial

Pay for employee parking fees (if paid parking is required)

Children's birthday party or children's day

Personal security seminar for employees and families

Travel
Charitable donation - cash or in-kind to
employee-selected organization
Time off to do community work
Pizza days
Casual days
Wash the employee's car during work hours

Notify customers of outstanding employee
achievements
Let employees select new product names or
name after employee or family
member
Potluck meal with meat provided by
company
Rent a sports car for employee to drive for a
week

Movie passes ... midday movie on company
time

"Good Times" booklet, scrap book for
special projects
Special meal where managers serve
employees
Put employee name on billboard outside
company or in newspaper ad
Job swap - have managers do employees'
jobs for a day

An extra break
Two-hour lunch
Arrive late, leave early privilege

Motivating Employees to Perform

Be motivated yourself.

Nothing turns people off faster than a supervisor who preaches motivation but doesn't practice what s/he preaches. The motivator must be motivated; this means animated, striving, realistic, positive and energetic. Modeling appropriate behavior and motivation is a very powerful tool indeed.

Use appropriate methods of reinforcement.

Reinforcement is the key to human motivation. People behave in anticipation of positive and rewarding consequences. By using reinforcement appropriately, you can significantly increase motivation. Appropriate reinforcement means the following:

- Rewards should always be contingent on performance; if you give rewards when they aren't deserved, they will lose their reinforcing value.
- Don't give too much reinforcement; too much is almost as bad as none at all.
- Reinforcement is personal; what reinforces one person may not reinforce another. Find out what is pleasant for people and use these pleasant consequences as reinforcers.
- Dispense reinforcers as soon as possible after the desired performance occurs. Then the employee will be more likely to associate the reinforcer with the performance.

Eliminate unnecessary threats/punishments.

Threats and punishment have sometimes been considered acceptable motivational tools, but contemporary thinking contradicts this view. Threats and punishment are negative; they encourage avoidance behavior, rather than positive behavior. In addition, the effects of threats and punishment are often unpredictable and imprecise. Threats and punishment are also inconsistent with the other steps presented.

Recognize accomplishment.

Most human beings need to be recognized, but individual accomplishment often seems to get lost in larger organizations. People need to feel important, regardless of how modest their position is. Frequently, the focus of recognition in organizations is entirely on the upper echelons.

Allow flexibility and choice.

Whenever possible, permit employees to make decisions. Choice and the personal commitment that results are essential to motivation. People who are not given the opportunity to choose for themselves tend to become passive and lethargic.

Provide support.

Make sure that employees don't hesitate to make use of your support. One key characteristic of the achievement-oriented person is the willingness to use help when it is needed. Employees can be encouraged to ask for support and assistance; otherwise they will become frustrated. Asking for help should never be considered a sign of weakness; it should be considered a sign of strength.

Provide responsibility with accountability.

Nothing motivates people as much as being given appropriate responsibility. Appropriate responsibility means responsibility that is neither too high nor too low for the employee often, employees are held accountable for tasks that are other's responsibility. This is unfair and can lead to frustration. Few people will reject accountability as long as the tasks in question are within their areas of responsibility.

Let employees set own goals.

At least they should participate actively in the goal-setting process. People tend to know their own capabilities and limitations better than anyone else. In addition, personal goal setting results in a commitment to goal accomplishment.

Relate tasks to personal and organizational goals.

Routine work can result in passivity and boredom unless employees are aware of how these routine tasks contribute to their own development and the success of the organization. A few extra minutes of explanation can increase productivity tremendously.

Clarify your expectations.

We all know what we mean when we say something, but often others do not. Unclear expectations can result in a decrease in motivation and, ultimately, frustration. In order to motivate others effectively, you must let them know what you want them to do and how they are expected to do it.

Provide mix of extrinsic and intrinsic rewards.

Extrinsic rewards are rarely enough to motivate people on an ongoing basis. Employees also need to obtain intrinsic satisfaction from their jobs. Intrinsic satisfaction results tasks that are interesting, varied, relatively short and challenging. In addition, you should realize that excessive use of extrinsic rewards, such as praise, can overwhelm intrinsic satisfactions. So be careful to provide an appropriate level of extrinsic rewards while permitting employees to experience the personal satisfaction that results from doing an appropriate challenging job well.

Satisfy employee needs.

Because people have different needs, what satisfies one person obviously may not satisfy another. The observant supervisor is aware of the more basic needs of employees, such as affiliation, approval and achievement. People with different dominant needs require different working conditions. Although it is impossible to totally individualize working conditions, it is possible to give employees the opportunity to satisfy their own needs. For example, employees with a high need for affiliation should be given the opportunity to work with others. Employees with a high need for achievement should be given more task-oriented activities. Good common sense can result in effective work design.

Individualize supervision.

People also require different supervisory approaches in order maximize individual motivation; you must treat people as individuals. Some people need closer supervision than others; some people don't need much supervision at all. Motivation can be increased through facilitative supervision, providing the amount of supervision that is required by the individual for optimal performance.

Provide immediate and relevant feedback.

Feedback is most effective when it follows performance. Feedback should be relevant to the task and should provide employees clues on how they might improve their performance at the task. Never give negative evaluative feedback without providing informational feedback.

Eliminate barriers to achievement.

Many poor performers might have all the skills and motivation needed to accomplish a certain task, but they are held back by some barrier or obstacle. If this barrier is not recognized and removed, this individual might remain an underachiever indefinitely. Many people who are labeled "failures" or "incompetents" are simply being hindered by relatively minor obstacles that supervisors haven't recognized. The tragedy is that, after a while, the employee may begin to accept the "failure" label as a fact.

Show confidence in employees.

Confidence usually results in positive performance. The "self-fulfilling prophecy" is one of the most significant features of current thinking in motivation. There is a great deal of research to support the contention that people who are expected to achieve will do so more frequently than others.

Let employee experience success.

The old saw that "nothing succeeds like success" definitely appears to be true. Every employee should be provided with the opportunity to be successful or at least be a significant part of success. All employees who have contributed to a successful project,

no matter how small their contribution might appear, should be given credit for the accomplishment.

Show interest in employees.

People need to feel important and personally significant. Take time to get to know each person individually. Learn names of spouses and children; ask about families, find out about leisure activities. This personal concern will pay off in increased productivity. In addition, personal knowledge of employees will provide clues as to what reinforcers can be used effectively in the future.

Allow participation in decisions.

Nothing tends to inhibit motivation like a feeling of powerlessness. Employees should be made to understand that have control over the things that affect them. One of the most reliable research findings in motivational psychology is that people who have no control over their destiny become passive, viewing the "locus of control" of their lives as external to themselves. Ultimately, this externality can result in learned helplessness.

Establish climate of trust and communication.

Motivation is highest in organizations that encourage openness and trust. As previously mentioned, threat is one of the great obstacles to individual motivation, and it must be eliminated. Research on organizational climate and the preference for Theory "Y" philosophies of management tend to support this point.

De-emphasize statutory powers.

Rule of law is sometimes needed, but it does not encourage increased motivation. Whenever possible, the threat of law, rules and consequent punishment should be discouraged. Attempts should be made to manage democratically, encouraging employee input and participation.

Show employees the relevance/significance of their work.

The literature on job design emphasizes that employees must be able to see that their tasks are related to the output of the organization or the department. In addition, employees should be encouraged to work on "whole" tasks rather than piece work wherever possible. Significance of work and the consequent intrinsic satisfaction may well be the most important determinants of work motivation.

Handle complaints.

Often task-irrelevant problems can greatly reduce productivity when they are not dealt with. It is important to handle problems and complaints before they get blown out of proportion. In addition, people feel more significant when their complaints are taken seriously. Conversely, nothing hurts as much as when others view personally significant problem as unimportant.

Point out all improvements.

This is particularly important when employees are beginning work on new tasks. The need to reinforce frequently during the early stages of learning is well known. In getting employees to improve performance, frequent encouragement can be useful; however, it should be reduced as the employee becomes more confident and proficient.

Criticize behavior, not people.

Negative feedback on performance should never focus on the performer as an individual. A person can do a task poorly and still be a valuable employee. Too many people are inappropriately labeled "dumb," "incompetent" and "unqualified." The self-fulfilling prophecy lives--and drains motivation.

Make sure effort pays off.

Effort is the currency of motivation; this is how people demonstrate it. If effort does not pay off, there will be a tendency to stop trying. A popular principle of human behavior, the "principle of least effort," applies here. People will expend the least effort necessary in order to obtain satisfactory results. This principle indicates that effort is a scarce and valuable commodity. If effort does not result in accomplishment, effort will be withheld, just as money will be withheld if its purchasing power decreases too much. To a very great extent, motivation is the effective management of effort.

Provide challenges.

The literature in intrinsic motivation tends to support the need for both novelty and challenge in order to facilitate feelings of intrinsic satisfaction. Supervisors can provide employees with opportunities to try new things and assign tasks that are increasingly more difficult (but not too difficult.)

Allow some anxiety.

There is a common misconception that all anxiety is bad. But the truth is that moderate levels of anxiety can increase motivation. That is why some of the best work sometimes gets done under pressure of time. Know your employees and determine the optimal level of anxiety for them. The total elimination of task anxiety can result in lethargy, while high anxiety can result in disorientation.

Liking a task does not always correlate with good performance.

Too often, people believe that liking something is a prerequisite for performing it well. But educators know that just because a student likes a course or instructor does not mean that he or she will learn the material well. "Happiness indexes" are not always good measures or predictors of motivation. If a task results in reward and if the results are satisfying, the task itself could be boring and distasteful. In other words, a task can be intrinsically boring, while the consequences are highly motivating.

Use short-term and long-term motivation.

Sometimes rewards and incentives are so remote in time that their motivating impact is weakened. People should be given short-term, as well as long-term, reinforcement. Conversely, people who receive only short-term reinforcement and incentives tend to fall short of optimal motivation: they lack a long-term perspective on their jobs. Effective motivational programs utilize a complementary set of short-term and long-term incentives and rewards.

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Diversified, results-oriented professional with over 25 years of experience in the areas of: human resources, project management, strategic planning and training. Extensive TQM training received in Japan and US. Experienced in these industries: healthcare, higher education, professional practices, engineering, manufacturing, distribution, association management, software and high-tech, in both the profit and non-profit sectors. Published author of articles in *HR Professional*, *HR Reporter*, *NYSSHRM HR Review*, *MHEDA Journal*, *Practical Supervision* and *NIBA News*. Before founding Lake Associates, Inc. in January 1994, Diane served as top HR executive in the Americas for Yaskawa Electric America, Inc., with HR responsibility for employees in North, Central and South America.

Diane is an energetic facilitator and receives enthusiastic reviews from participants in her workshops. She is a presenter of seminars and workshops at programs throughout the US and Canada for various organizations including numerous SHRM state councils and chapters, IQPC, MHEDA, Commercial Law League of America, Chicago & New York Payroll Associations and the Western Alberta Centre for Management Development. In Chicago, she was the lead instructor for NIBA's HR Certification Program and designed and taught most of NIBA's HR content area programs for 5 years before their merger with MRA. In Albany NY, Diane is an Instructor for the SHRM Learning System (certification preparation), SHRM Essentials of Human Resource Management and various American Management Association classes at The College of Saint Rose. She is a recent past president of the Capital Region Human Resource Association and current Certification Director and White Paper Strategic Initiative Leader for New York State SHRM, Inc. Diane is a speaker on the SHRM National Speaker's Bureau.

Diane, strongly grounded in all the arenas of human resources, has specialist skills in the areas of compensation, employment law compliance, and training including workplace investigations, affirmative action, HR effectiveness audits, HR measurement, policy design and handbook creation.

Education

1989-90 NORTHWESTERN UNIVERSITY, Evanston IL
1979 STATE UNIVERSITY OF NEW YORK, Oswego NY, M.A., English
1974 COLLEGE OF SAINT ROSE, Albany NY, B.A., English

Certification, selected

Lifetime HUMAN RESOURCE CERTIFICATION INSTITUTE of THE SOCIETY FOR HUMAN RESOURCE MANAGEMENT (SHRM), Washington DC.
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July 2003-2006 WORLDATWORK (former American Compensation Association)
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Dec. 2004-2007 HUMAN RESOURCE CERTIFICATION INSTITUTE of THE SOCIETY FOR HUMAN RESOURCE MANAGEMENT (SHRM), Washington DC.
Global Professional in Human Resources (GPHR)
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Awards

1990 YASWAKA ELECTRIC CORPORATION, Tokyo, Japan, Special TQM Award, 25th Anniversary of Deming Prize Awarded to corporation
1995 NORTHERN ILLINOIS SOCIETY FOR HUMAN RESOURCE MANAGEMENT, No. Cook and Lake Counties IL
Professional Excellence Award (first and only recipient of this award)
1995 NORTHERN ILLINOIS BUSINESS ASSOCIATION,
Cook, Lake, McHenry, DuPage, Kane & Will Counties IL
Outstanding Individual Service Award
1996 LAKE SUBURBAN WOMEN IN MANAGEMENT, Lake County IL
Women of Achievement Award, Entrepreneurial Services Category
1996 WOMEN IN MANAGEMENT, National
Charlotte Danstrom Award, Entrepreneur Services Category