

Compensation Incentives: How to Attract and Retain Employees

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To be successful in recruiting and retaining staff, what can you offer that your competitors can't or won't offer? With a shortage of skilled staff everywhere, some organizations resort to recruiting directly from their competitors. When you lose a valued employee, the one you rely on day after day, the cost to you is huge.

Statistics report that the cost of replacing staff is, at a minimum, 35% of the employees' annual salary and can be as high as 200%, depending on their experience, skills, and the profession. The challenge is to tailor your compensation package to their needs. This means additional benefits and costs. Or does it?

When you create a benefits package that resonates with employees, the increased costs to create the 'great place to work' perception are far less than continually searching for new staff, or worse, dealing with more resignations. The intention should be to create a better quality of work-life balance for employees by rewarding their loyalty. To do this, you need to listen to them in order to find out what matters and motivates them so that you can then create or modify what you already offer. A competitive salary and health care benefits is a good start. But there is another level to add to this foundational package.

The following is a summary of what some Fortune 500 companies have added to their benefits packages to discourage employees from leaving. This list shows how great companies invest in the short-term for the long-term retention of talent. Where a range is shown, it means that several companies had different versions of the same item. These companies provided employees anywhere from one to eight of these additional benefits. Let me repeat, not all of these benefits are given at each company- just a variety based on being unique to their industry. How competitive are you?

Adoption

- Up to 18 weeks paid leave
- New fathers get up to three paid days off
- Financial subsidies for new parents from \$1,500.00 to \$2,800.00

Birthdays

- One paid day off, even if the birthday falls on a weekend or holiday

Charity/Volunteer Work

- A range of three to five days off to do volunteer work for a personal charity or community project

Christmas

- A Christmas party for everyone – employee, spouse, family, and retirees
- Three additional paid days off at Christmas

Compassion Leave

- Up to eight weeks off with full pay and benefits.

Daycare/Adult Care

- Onsite daycare
- A range of subsidies from \$2,000 up to \$7,540
- Provide a service to help locate childcare services, schools, and senior care facilities

Energy Cost Increases

- Cash bonuses of up to \$200.00 to help with above average high gasoline or home heating expenses

Corporate Sports Entertainment

- Baseball, basketball, football, and hockey tickets given out on a rotating basis

Education

- In-house training
- Online training with time off to take it
- Tuition subsidies ranging from \$4,500 up to \$10,000
- Academic scholarships up to \$1,600 to employees with children attending college or university
- Bonus for completing additional accreditation
- Professional accreditation maintenance fees and convention expenses paid

Facility

- One company had a client meeting room and staff lunch room combined after it was decorated to resemble a 1950's dinner, complete with booths, appropriate memorabilia, neon signs and wall mounted selector for music out of juke box.

Finders Fees

- New employee referral finding fees ranging from \$200 up to \$5,000

Health Care

- Health allowance for alternative wellness
- Full-time health benefits for part-time employees
- Unused sick days go toward extra days of vacation
- Can transfer unused health care benefits to vacation pay
- Retired employees kept benefits forever
- Free pedometer for all employees
- Fitness allowances of \$500 up to \$1,400 per year
- Healthcare coverage for family pets
- On-site fitness center - some are 24 / 7
- Some provide instructor to lead classes
- Some provide personal trainers

Marriage

- Additional week of paid vacation when an employee gets married
- As above along with paid limousine service and \$500

Maternity

- Top payments range from 65% to 95% of salary for up to 52 weeks

Paternity

- Top payments range from 50% to 95% of salary for up to 37 weeks

Personal Days Off

- A range from three days and up to 24 personal days off

Profit Sharing

- Share purchase options up to 12% of salary
- Matching RSP or 401k contributions
- Year-end bonuses from \$2,000 to \$25,000
- 60% of profit split with employees

Snacks

- On-site traveling snack cart that includes healthy options

Sabbatical

- 4 weeks sabbatical after 4 years continuous employment
- 8 weeks sabbatical after 10 years continuous employment

Summer Hours

- Early quitting times before summer holidays
- 4 extra long weekends in the summer

Vacation

- 3 weeks vacation first year, 4 weeks after 2 years
- Long-term employees received an extra week of vacation time
- Long-term employees get an all expense paid trip to Caribbean each year
- Option to buy or sell an extra vacation week every year

Miscellaneous

- Discounts of up to 30% on company products
- Annual weekend retreat
- Afternoon movie breaks
- On-site fast food franchise/ Starbucks
- On-site 4-Star restaurants and executive chef
- Original artwork by employees on display
- Monthly drawing for prizes ranging from luxury car rentals to weekend get-a-ways for two
- Pets allowed in the office
- Use of roof top garden for breaks

- Use of employers' condo and boat

A specific example of one company offering perks not mentioned in this list is Karo Design, a Calgary-based communications company. This company provides:

- A Smart car for employees to take to visit prospects and clients
- Use of bikes in the summer to visit clients or to take their group meetings outdoors for a change of scenery to brainstorm by the nearby river or park
- An extra large change room complete with shower
- A bar for late Friday afternoon de-compressions

This article was prepared by Bruce Lee, President of Encore Seven Inc., a training company founded with his wife Toni, whose focus is on improving corporate and individual productivity, customer service, and leadership skills through keynotes and workshops. Toni delivers singing inspirational keynotes and has just released her new CD "Bloom." Bruce and Toni can be reached at 403 – 241 – 6212 or BruceLeeSpeaker@shaw.ca