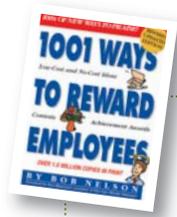




# How to motivate and retain employees:

What district human resource departments and management should consider





Open the floor for team members to praise anyone at the beginning or end of the meeting. Provide a “praising barage” by the team for one or more of its members.



**There** has been lots of research done on employee behavior. And the definitive answer to the question, “What motivates employees?” seems to be ... it depends. Motivations, like people, are varied and diverse.

Several organizations have conducted research in this area. Families and Work Institute’s 2002 “National Study of the Changing Workplace” identified three things workers find important in their current jobs: open communications, opportunities to balance life and meaningful work. WorldatWork’s Total Rewards Inventory lists the following five elements to consider: compensation, benefits, work-life, performance and recognition, and development and career opportunities. Additionally, Sirota Survey Intelligence’s “Sirota Myths and Findings Report 2005” states employees have three main goals at work: a sense of equity, a sense of achievement and workplace camaraderie. While these findings seem disparate, patterns do emerge.

Linda Kegerreis, CPS Human Resource Services’ Chief Workforce Officer, was looking for those patterns. “We started in October 2006 at an all-employee offsite with a quick assessment,” Kegerreis says. Employees were asked to arrange themselves around the room according to their generation – traditionalist, baby boomer, Generations X and Y. Employees were then asked to write and post one item that most motivated them and post it under their generation (i.e. flexible hours, more time off, more money). Kegerreis continues, “Since then we’ve formed a Total Rewards Committee that’s been reviewing and refining CPS’s total reward and compensation structure to attract and retain talent.” Examples of the committee’s initiatives and challenges are presented throughout this article.

### Compensation and Benefits

Let’s start with the basics – compensation and benefits – the building blocks associated with an employer/employee relationship. Studies point out a couple of important facts employers should keep in mind when setting pay scales and benefits. Each employee’s salary needs are different and are somewhat reflected in a person’s choice of employer. Once these basic needs are met perhaps the biggest consideration is a sense of equity by the employee. They must believe they are receiving a fair wage. Be sure your district’s pay range is comparable to other industry employers of similar size. If not, be sure to clearly communicate the less tangible benefits of working for your organization and the value represented to each individual. For example, a new graduate might be willing to forego a larger salary for the opportunity to mentor with an industry expert.

Employers need to keep in mind one further point about employee compensation – more money does not solve everything. Kate DCamp in her *Talent Management* article mockingly calls it “the penicillin of motivation.” Sybil Romley and Jamie Glennon also writing for *Talent Management* note, “Organizations should consider all alternatives to compensating their workers for a job well done - not just increasing their pay, particularly when another

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## Motivate and retain employees [continued]

method might be just as effective or even better.” Kegerreis sums up, “Increased compensation is not a long-term motivator and can be a demotivator if not perceived as fair.”

A more flexible health and benefit plan should also help districts be an employer of choice. Art Brooks in his February 2008 *Talent Management* magazine article, “Compensation and Benefits for Generations X and Y,” notes, “some of the greatest differences between Generation X, Generation Y and the [baby] boomers can be seen in the benefits they seek.” Keeping in mind that generational stereotypes are just that, in general younger people without children need less health benefits and more ready cash for student loans, down payments on a home, etc. Brooks suggests offering a health savings account (HSA) with a high deductible and tax free savings account. Conversely, retirees returning to the workplace and em-

ployees with children will need a different set of benefits. The challenge for employers is finding the right mix of benefits, flexibility and choice to best meet the perceived needs of your diverse employee groups.

### Development and Career Opportunities

A study done in 2007 by Robert Half International and Yahoo! HotJobs, “What Millennial Workers Want,” showed that opportunities for career growth and advancement were ranked number three in importance among job considerations for Gen Y respondents. That’s not too surprising considering most people in this age group are just starting their careers. But Pam Withers in a 2001 *Workforce Magazine* article noted that a 1999 Gallup poll “named the lack of opportunities to learn and grow as a top reason for employee dissatisfaction.” WorldatWork lists development as one of the prime elements in its total rewards inventory. Apparently this is an issue that spans generations.

In 2007 Arapahoe/Douglas Works!, a Colorado county workforce center, won an Alfred P. Sloan Award for Business Excellence in Workplace Flexibility. The Families and Work Institute’s “2008 Guide to Bold New Ideas for Making Work Work,” which highlights employers’ “bold efforts,” noted that in order to attract talented employees, Arapahoe/Douglas Works! offers

education grants. “At any given moment, 25 percent to 35 percent of the organization’s people are upgrading their own professional development by using education grants - \$500 per year.”

CPS began offering training classes to its employees in January 2008. “We have a full training center offering classes in Sacramento, Oakland and Pasadena to our public sector clients on topics from basic skills to management,” says Kegerreis. “So, we decided to use those same expert instructors as we started sessions for our own employees.” One of the main objectives of the program is to provide learning experiences that assist employees in enhancing their current job performance or preparing for future career opportunities within CPS. In addition to the basic courses, a new Supervisory Certificate Program, based on the CPS Training Center’s supervisory series, was launched. The certificate program has a core set of required courses and electives that must be completed to receive the certificate.

### Recognition

The Sirota Myths and Findings Report 2005 noted that a sense of achievement is one of employees’ main goals at work. This concept encompasses a desire “to receive recognition for one’s accomplishments.” WorldatWork notes that a recognition program “meets an intrinsic psychological need for appreciation of one’s efforts.” But what sort of program works best?

Industry experts believe aligning employee recognition with established business goals brings the greatest value to both employer and

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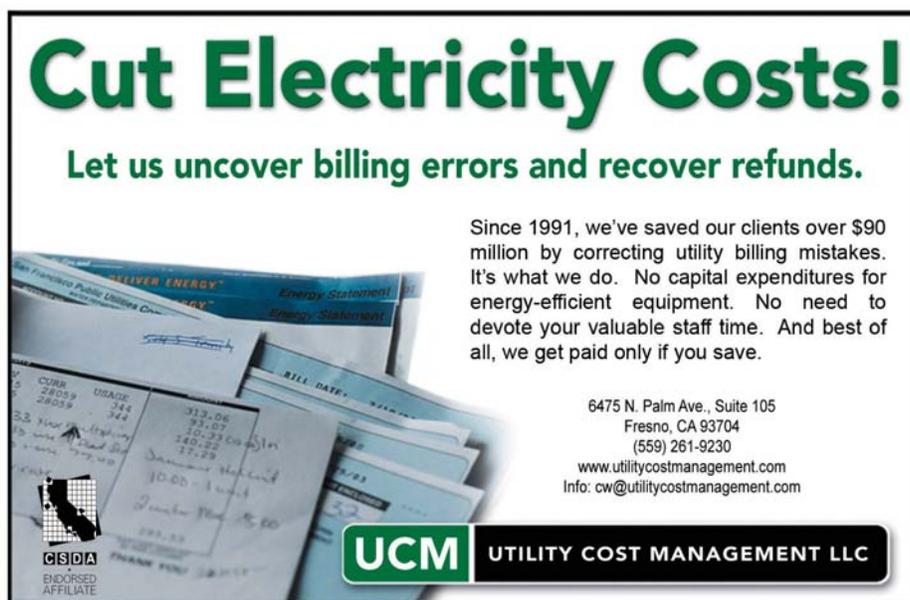
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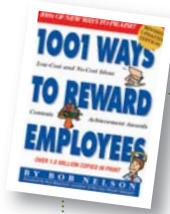
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Before employees attend a course, meet with them to discuss what you hope they will learn. After they attend it, meet with them again to see how they will apply their new knowledge.

employee. Dick Kleinert in “Aligning Rewards with Business Strategy” talks about “finding out what your employees truly want” and then developing “a total rewards system that rewards them for the value they bring” toward achieving your goals.

CPS has instituted three types of award programs to recognize employee efforts - Star, Executive Value Added and Meritorious Awards. Linking these awards to the organization’s mission, vision and values was a deliberate choice. The value added award recognizes individuals in the organization who exemplify living the CPS values through words and actions. For example, an employee was recognized in July for her teamwork efforts across business units. The Meritorious award represents a significant and especially note-worthy achievement that results in a positive and substantial improvement in the organization’s performance, quality of work life and/or client satisfaction. Perhaps the most successful program however is the Star Awards. Star Awards are simply “thank yous” for extra effort on the part of any employee or business partner. Employees are encouraged to recognize other employees with these awards as frequently as they feel is appropriate. There are no restrictions on when or how often these nominations can be submitted and the recognition is instant.

Districts should note one other study about non-cash awards. Edward Ford in *Talent Management* magazine writes about researcher Scott Jeffrey’s 2004 study “Right Answer, Wrong Question.” “The study found that although most people stated a strong preference for cash, their performance was noticeably better when they were in pursuit of noncash incentives [14.6 percent

versus 38.6 percent].” Lastly, a study by the American Productivity and Quality Center and the American Compensation Association found that it takes five to eight percent of an employee’s salary to change behavior. Non cash rewards typically cost about 4 percent.

Creativity is a plus when designing a recognition effort. Adrienne Hedger in her article, “Five Ways to Strengthen Your Engagement and Retention Strategies,” relates one company’s distinctive method of acknowledging its employees. During the new hire interview employees are asked, “What is your favorite candy?” After six months on the job the employee finds their candy on the desk. Employers can definitely make a bigger impact when their programs are personal and unique.

### Work life

Perhaps the largest new development in the workplace has been a strong, some say overwhelming, desire to establish work/life balance. Pam Withers, in a July 2001 issue of *Workforce*

*Magazine* notes, “Companies have found they can increase productivity, revenue, or both by 20 percent by simply implementing a work/life balance program for staff.”

This type of program can cover a lot of different aspects. WorldatWork differentiates these benefits into the following categories: workplace flexibility/alternative work arrangements, paid and unpaid time off, health and wellness (such as on-site massages and voluntary immunization clinics), caring for dependents, voluntary benefits (such as parking and transit passes) and community involvement (such as matching gift programs or in-kind donations.) The key is to find out what your employees value most, then pare down to what an organization can realistically provide that best matches your workforce. Kegerreis says, “Our Total Rewards Committee will review the employee survey data we

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## Motivate and retain employees [continued from page 17]



collected and then make recommendations to management on three or four doable and affordable enhancements that don't sacrifice our economic stability, yet have the potential for increasing workplace satisfaction and retaining our current complement of talented employees."

### Last word

One final motivation theme that should be considered is an employee's desire to work for a deeper cause. Catherine Fjock in the Society for Human Resource Management Associations Retention Tactics that Work white paper calls it, "make a difference, not a living." Aspects of this include working for a good corporate citizen, pride in the workplace, giving back to the community and a mission with value.

Whatever benefits, programs or rewards are implemented, employers must communicate the value of these elements in order to take advantage of their motivation, retention and recruitment appeal. Hedger writes, "To really make an impact, you also need to explain exactly why someone is being recognized [or a benefit given]...the clearer the explanation, the better."

*Judy Capaul, CPS Manager Local Government Client Services; Linda Kegerreis, CPS Chief Workforce Officer; and Teresa Howard, CPS Communications Specialist contributed to this article. ■*

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