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Does that car come with air conditioning?

Remember the days when air conditioning was an option on a car? Or power steering, power brakes, power windows, tilt steering wheel, cruise control, tinted glass, rear window defogger, CD players, XM satellite radio? These historic options are now standard equipment. A car without these options is first, not palatable and second, not even available. This concept of “standard equipment” extends into the workplace as well and is called “benefit packages”.

As depicted in a recent *HR Magazine* survey (August, 2007, pg. 30), benefit packages include health and dental care insurance, 401K plans, professional development opportunities, professional license application and renewal fees, dependent care flexible spending accounts and employee assistance programs. Employees, akin to car buyers, expect these benefits to be included as standard features. So what does this mean?

In the world of automobiles it means that each manufacturer must offer additional incentives to attract and retain its customers, such as zero percent financing, road side service, loaner cars and superlative client support. In the business world it means that companies must also offer additional incentives to attract and retain their employees and clients, specifically 1) recognition for effort and 2) decent treatment of anyone involved with the business. These additional incentives are essential to engage and retain excellent employees and develop loyal clients. It's that simple.

Many companies rely solely on their standard benefit packages to engage and retain their employees; they may even throw in stock options to sweeten the deal. Unfortunately they overlook the fact that these benefits are standard monetary incentives which have limited usefulness. Today's workers, particularly Gen Y'ers, have a different set of expectations from their employers: they need immediate feedback and results, they want to know “What's-In-It-For-Me” and they will leave a company if their expectations aren't fulfilled. Standard benefit packages simply don't fulfill their needs; they're the ante-up amount to be in the game. The only incentives that ensure employee and customer endurance are 1) recognition for their efforts and 2) decent treatment of their expectations. Although these incentives are great for employees, what do employers obtain from them?

An enhanced bottom line.

For over 30 years I've found - in industries from the US to Europe to China to South America – that companies can best increase their bottom line by incorporating recognition and decency into their mission. Recognition and decency generate engaged employees who will intrinsically do the best for the company and will subsequently attract a loyal client base willing to pay top dollar for the company's products and services. Recognition and decency have always been the essential ingredients required by people – irrespective of time and culture. These elements improve profits. Always.

Thus, the next car I buy will be predicated on the superlative service I receive, not the air conditioning. The next great employee your company hires should be predicated on the recognition and decency he or she receives, not on the 401K plan. In essence, recognition and decency make money for companies and turn mediocre companies into ones enriched in vibrant success.