



How to Motivate Employees Without Breaking Your Budget

It's January and it's the time of year when most people look to make changes, and that includes changes in their jobs. It is also a time when most companies begin posting new positions. Depending on which side of this scenario you are sitting on will determine if that is good news or bad news for you and your company.

Consider this. In a recent job satisfaction survey, compensation was indicated as the most important factor for job satisfaction for employees under the age of 35 as well as those between the ages of 36 to 55. (Source: SHRM 2006 Job Satisfaction Survey.) Surprising? Maybe, particularly when you consider that over 20 aspects of employee job satisfaction were examined including career advancement opportunities, benefits, flexibility to balance life and work, and compensation.

What does this mean for your organization? As the pool of talent continues to compress, compensation costs are likely to increase. However, it is important to note that compensation isn't the only factor that impacts job satisfaction and your success in recruiting and retaining talented employees will rest upon your ability to create a compelling employment package and satisfactory work environment overall.

Sound expensive? Not to fear. In a recent Red Ladder poll (November 2006), when asked their greatest wish for themselves or their co-workers in the coming year, here's what employees said:

- 36% want development opportunities that allow (them/ me) to stretch and grow
- 27% want more balance and alignment between (their/ my) personal and professional commitments
- 23% want tools, training and resources to get (their/ my) work done more efficiently.

This means that you have other options at your disposal that you can use to help to increase job satisfaction and retain employees without bankrupting your budget.

It will be important to remember that one size will not fit all. Managers will need to become skilled in assessing what motivates their employees and then work to find ways to deliver on these strategies while adhering to corporate policies and budgets. While this will take more time on the front-end, consider the costs to replace even one of your employees. These costs include lost productivity, recruiting fees, and training costs to orient a new employee to your company and get them up to speed, not to mention the impact to the remaining staff who will have to pick up the slack during the process, and of course, your customers.

Consider any investment you make in your employees like buying reverse insurance. You pay a small ongoing premium with the hopes that you won't ever need to pay a lump-sum premium (to cover the costs noted above) at the back-end to bring on even one new employee. In my opinion, that's a policy worth investing in.

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