

Staffing Decisions™



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Is Rewarding Longevity Passé?

Length of service with a company used to be a mark of honor for employees. Today, while time-in-grade is still somewhat valued, most companies are moving toward a market-based pay structure, finding ways to recognize years of service that don't raise staffing costs.

Cathy Martin, with Intellectual Capital Consulting, in Atlanta, says she is currently working with a client that is moving from an entitlement culture to one of high performance. "They had a longevity pay policy that was counter-productive to what we are trying to do," she says. "We want to reward the top performers, so we use compensation dollars wisely."

If you reward employees for just showing up, you could be wasting compensation dollars on potentially mediocre or poor performers. This will cost the company dollars, productivity and employee morale. Instead, employers might consider finding other ways to recognize and reward longevity. For example, recognize years of service through celebratory events, recognition and non-monetary rewards.

Acknowledge Value of Experience

However, while managing staffing costs is important, don't go overboard. Failing to acknowledge the value of years

of service and loyalty could cost you more in morale and turnover problems than you save.

"Longevity is a value, not in terms of length of time occupying space, but for the years of internal expertise and external contacts developed that directly support annual and strategic operating objectives," says Lisa Mauri Thomas, president of Change Your Job, Change Your Life, a career consulting company in Minneapolis. She recommends that organizations make a point of rewarding people who have been in place a long time *and* who are high performers. This boosts retention, morale and productivity.

Rosemarie Truman, managing partner of RHT Consulting, in Leesburg, VA, agrees. "As soon as the recovery comes, employees whose companies have slashed and burned a third of their workforce will be job-hopping with a vengeance." ▲



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How to paint the picture for the public and employees when a top executive is asked to leave.
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The problems of recovery from recession can be almost as severe as those of the downturn. Be ready.
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For more information:

It's Change, Not Time That Should be Rewarded

http://www.managesmarter.com/msg/content_display/management/e3i602b52c6d164943a6298bc0ec0158271

Rewarding Longevity: Some companies are changing tactics when it comes to recognizing longtime employees

<http://assets.bizjournals.com/louisville/stories/2006/09/25/focus1.html>