



[Click here](#) to go The Flourishing Company In The News

Life at Work

Amy Joyce



Beach Blanket Bonus

Salary Alone Won't Build Employee Loyalty or Improve Performance

By Amy Joyce

Washington Post Staff Writer

Sunday, March 9, 2003; Page H06

How long can an employee who feels unloved and unappreciated keep going? Who will pay in the end for an employee who toils away without recognition, without any little pats on the back?

Not too many managers are concerned right now with rewards beyond normal compensation. They are more focused on getting revenue up and debt down. But what will happen when the job market turns around? Employees' pent-up resentment will lead them right out the door at the first glance from another employer. Or worse, they will stay at the job, bitter and unwilling to work hard.

Avoiding those scenarios is what's behind the big year-end incentive at Momentum Marketing on Capitol Hill. All 36 employees and their managers just got back from four days in Jamaica. No work, just play.

"If our [employees] understand how important they are, that they are part of the growth of this place, it will motivate them to do the best job," goes the thinking of Bradley Nierenberg, one of the founders.

Yes, some of those over-the-top incentives from recent years -- one tech company in the halcyon days handed out money for Corvette leases -- have disappeared. But some of the smart managers and business owners have kept their incentives intact, or come up with new ones. That's because perhaps now more than ever, employers need loyal people who are willing not just to put in the hours, but also the effort. It is the employees who bring in sales even in this sketchy, possibly prewar economy on whom companies are so dependent. Many of these top performers must put in extra hours and sweat to make up for those who were let go in recent layoffs.

Ray Halagera, president of virtual career development and retention firm Career Systems International, said the lack of incentives, even small, no-cost ones, is a

"very regrettable situation." Managers believe the battle for talent is over and employees should simply be happy to have a job. But as he explains it, that's not good for either the employee now or the manager later; eventually the latter will watch the former bolt at the first chance to better his prospects.

The same employers who were extremely creative and generous during the "height of the recruiting mayhem," said Heather Bradley, co-founder of the Flourishing Company, a D.C.-based leadership development firm, are now less creative "because they feel there's no necessity."

Some companies still understand the need to stroke overworked employees to keep the company going, and to prepare for that time when the economy turns. "There are managers that are cognizant that much more is being asked of their employees. They're trying to find ways, even if it's small, of somehow making them feel rewarded," Halagera said.

Momentum Marketing is one of those companies that falls into the keeping-incentives-intact category. Some incentives at the company were started as a response to the fear of losing talent to all the hip dot-coms several years ago. But that risk has diminished. The employees want to stay, but they need to work much harder for sales that don't just fall in companies' laps anymore. Competition is tough, so goals are set.

The Jamaica trip this year was not just handed to Momentum's employees. The company, which markets products such as Dove soap and Heineken beer directly to consumers whether in bars, on the beach or on college campuses, did not have an easy year two years ago. After Sept. 11 and the economic slowdown, several clients canceled big contracts, and the trip didn't happen. Last year, employees redoubled their efforts to reach their goals.

But it was all handled in a fun way. Every Thursday at the morning meeting (where, if you're late, you have to sing a song), employees told how they helped save money, or reported on new sales. Those were the goals for the Jamaica excursion: Employees had to bring a total cost savings of \$30,000 to the company and accrue \$600,000 in sales. They also had to get accounts receivables down to 2.5 percent. All three goals were exceeded.

At the meetings, employees explained how they saved \$300 by taking a different flight or staying with friends instead of at hotel. Each dollar counted.

"Business is about recruiting and hiring great people -- and investing in them and training them," Nierenberg said. "These people are on the front lines with clients. If their interaction isn't full of energy and motivation, it'll fail."

Nierenberg, who worked with an event planner before Momentum, and his partner, Brad Beckstrom, who worked for Miller Brewing Co., left their jobs in 1995 because of insufficient pay and a lack of employer appreciation. "It's something you feel when you want to change jobs," Nierenberg said. "We wanted to create a company that was different than that."

Other bonuses include a "rocking" holiday party, cash, profit sharing and a company beach rental for the summer at Dewey Beach.

Nierenberg is in the minority. There aren't many employers out there with the smarts to keep offering incentives, no matter how big or small. But he has the right idea.

"The incentive pays for itself," said Nierenberg, who added that his partner keeps him in check and figures out how high to set goals to easily afford the trips. This year's trip to send 36 people to Jamaica during one of Washington's worst snowstorms was \$40,000. "It sounds like a lot of money we could maybe put in our own pockets, but it pays off all year long."

Join Amy Joyce on Tuesday for a live Life at Work discussion at www.washingtonpost.com from 11 a.m. to noon. Write to her with column ideas and your work issues at lfeatwork@washpost.com.

© 2003 The Washington Post Company



Click here to go The Flourishing Company News and Articles