



## TenStep Supplemental Paper

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### Non-Financial Rewards

HR managers get annoyed when talented employees are poached by other organizations. It is especially irritating when this occurs during periods of relatively low unemployment.

There are basically two ways for retaining employees:

- Financial and
- Non-financial

Skilled employees expect financial rewards like a good salary, benefits package, and some sort of a retirement plan. However, with respect to star performers organizations need to provide an adequate basic package of financial rewards.

With the employees' needs changing the non-financial rewards of a job are gaining greater importance in keeping employees happy and productive. Companies therefore should give more attention to the specific needs and circumstances of each employee.

To keep the poachers at bay, organizations are now adopting the FIERCE approach of retaining star performers: Flexibility, Interest, Education, Recognition, Communication, and Equity.

Flexibility in dealing with employees is increasingly important for HR professionals to retain employees. Flexibility takes many forms including flextime and work-at-home schedules. Showing interest in your employees' personal and professional life is another means of holding onto employees.

Education is another way to keep employees productive and happy. The training they receive -- managerial or technical -- should be tailored to the company's needs, but designed for the specific employee. While money does matter, employees also require other rewards for their performance. Recognition of employee's performance takes two forms: team and individual.

Honest, clear and open communication is important in keeping employees interested in the success of the organization. If a company has a good image, employees will remain with it.

HR officials should make sure that employees know the company goals, have a clear understanding of their role in achieving those goals, and are provided feedback on how they are helping the organization achieve them.

As a last step, HR professionals must tie everything together through equity. They must treat all employees with respect and fairness. That's not to say that all employees are going to receive exactly the same treatment.