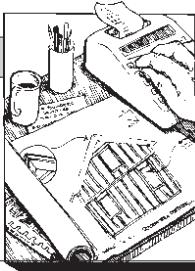


Keeping Employees Motivated

by Gail Hermann



Keeping good employees is key to the success of any business. Incompetent and unmotivated employees are a company's "weak link" in both production and image.

Our company started in 1979 when my husband quit his job to design and reconstruct our home after a serious house fire. In the years following, we were busy remodeling summer homes and building second-story additions.

By 1987, we had grown so much that we split our company into two separate corporations. At the same time we initiated an employee incentive program. Our goal was to motivate our employees to be productive and to take pride in their work. We found several practices that worked:

- All employees are given business cards. If an employee speaks with a potential client, the party is given a card and told to call us if interested. There is no hard sell. If we get the project, the worker receives 2 percent of the gross. Furthermore

- \$10.00 per week is allocated per employee who works in a home or building where smoking is prohibited. This amount is paid out at the end of the job with any additional bonus money. Smokers should not be made to feel uncomfortable; this policy in an incentive to kick the habit.

Rewards

There are other methods of rewarding employees that cost the company little or no money. We suggest that you:

- Select an "employee of the month." One can even place this person's picture in the lobby or office where it can be seen by customers, sales reps, and staff members. This practice instills a real sense of pride in the staff.
- Reserve the best parking space in the area for the employee of the month. He or she will continue to work hard to keep that space.
- Use a monthly newsletter to

CARPENTER: Talented person looking for a rewarding position in a growing company. Qualifications: Common sense, ability to read a ruler, capable of operating power tools, would like to do the job only once (right the first time). Must Have: Own transportation to company headquarters (not job sites), the desire to work 40 hours every week. No butchers allowed. Interested? Call 123-4567.

employees receive 2 percent of all jobs referred from their original lead-so staff members benefit from the "chain of recommendations" throughout their employment. This income is discontinued if they leave the company.

- If a job is completed sooner than anticipated on the pre-project estimate, the workers receive extra pay equivalent to half of the time saved. For example, if an estimated six-week job is finished in five weeks, each person receives two-and-a-half days additional wages.
- We give employees bonuses on each of their jobs that progresses according to plan.
- Hourly wages are kept at a minimum. Workers earn extra income through bonuses and incentives. This way when business is slow, you can still afford to keep your people on the payroll.
- All bonuses are filed on #1099 forms, eliminating employer tax and insurance expenses. The employees, however, must pay taxes on the full amount of bonuses and commissions.
- We supply our workers with full uniforms. This keeps them looking professional and is an additional way to spread the company's name. Otherwise, establishing a dress code is suggested. For example, no shorts or muscle shirts, and specific colors for shirts and pants.

announce the employee of the month, introduce new workers, and give lagging projects a boost.

- Send staff members to seminars to learn from professionals about good business practices as well as their own strengths and weaknesses. Workers usually accept information more easily in this context, and are more likely to gain insight and make the necessary changes.
- Provide employees with personal subscriptions to selected trade magazines.
- Stop giving your employees Thanksgiving and Christmas gifts. Usually workers are exhausted by this season and productivity decreases. Why reward now? To us this seems like common sense, but many companies feel obligated, whatever the reason. Never give a bonus to someone who does not deserve it.
- Remember how it felt to be an employee with a fixed income and no recognition for a job well done. A pat on the back, an encouraging word, or a thank you can go a long way toward making people feel appreciated.

In addition to rewarding workers we have found these methods successfully weed out the slackers. Good employees do not want to carry those who won't carry their weight, since it affects their income.

Rewards and acknowledgements for jobs well done benefit the company with increased productivity, higher morale, lower worker turnover, happier clients, and more referrals. Before making changes in your company however, do a financial projection that includes: your monthly and yearly overhead, the number of jobs needed to earn it, what changes must be made, the amount of money needed to accomplish them, and where it will come from.

Get Advice

If you are unable to do this study alone, join an active organization. Several years ago when we outgrew our kitchen table, we joined the International Remodelers Association. With its help we set up guidelines to follow and accomplished all that we set out to do. Helpful advice was never more than a phone call away. We also attended seminars and applied what we learned to our business. It's important to spend the time and money needed to expand your knowledge; otherwise your company and employees will suffer.

Most of all be honest with yourself, employees, and clients. Do not become greedy or fault-finding when bonuses are concerned. Incentives should not reflect your overhead cost increases, mispricing a project, or other job failures. Do not punish staff members for your own mistakes. ■

Gail Hermann is a principal of Ultimate Living, Inc., a remodeling firm in Foster, R.I. She welcomes requests for information about the International Remodelers Association.