

New Mantra: Show Me MORE THAN the Money

OCTOBER 2017



Seymour Burchman

The famous line from the movie “Jerry Maguire” rarely rings true today. Based on years of consulting to hundreds of companies, Semler Brossy has concluded that a company’s ability to get and keep top talent takes far more than money. In fact, if that is all a person is looking for, you should probably look elsewhere for a job candidate.

Especially in the age of Millennials, it is important for businesses to have a winning employee value proposition (EVP), much as is the case with customers. To win a customer, you have to offer something that the customer values more than the competitor’s offering. Although price plays a role, it is rarely enough, especially if you want the best. So it goes with talent—you need to differentiate with more than pay if you want all-stars.

So what does an EVP entail? In general, consider the following:

Affiliation. This means belonging to an organization that is admired and has a culture that fits you. Think of Fortune’s most admired companies, such as Apple, Berkshire Hathaway and GE, or private companies such as Wegmans Food Markets. Employees love to work at these companies and they are proud to do so.

Work content. People draw great satisfaction from the work they do. People love working at Andersen Corporation where team members are encouraged to stretch themselves in their own jobs and through collaboration with others. There is also a strong emphasis on development. Consequently, the average tenure is over ten years.

Career. This includes long-term opportunities for development and advancement. Case in point: The Vanguard Group, where people, even in this day and age, frequently stay with the financial advising company for 20 years (or more) with regular opportunities for advancement throughout their careers.

Financial rewards. This includes salary, cash and equity incentives and ownership opportunities. Big investment banks such as Goldman Sachs and media giants such as Viacom regularly top the best paid lists. But even with the high pay, people move a lot. Pay gets you only so far.

Indirect financial rewards. This includes benefits, perquisites and recognition opportunities. Admittedly, such companies are now hard to find in the private sector (with the exception of employee onsite perks at some tech companies). But 25 years ago, companies such as Reader's Digest even gave employees the proverbial "free lunch" (to be precise it was 50 cents, but really free on birthdays), a Thanksgiving turkey and Christmas fruitcake. In the public sector, including education, retirement and health benefits are often still a draw.

Turning to real life, a former client who was a leader in a very high paying industry paid well below the high flyers, but the company did not want hired guns. Instead, it invested in its people: providing substantial advancement

opportunities. It largely promoted from within, regularly moving people from staff jobs to line positions and vice versa, allowing people to grow in their jobs, giving them as much responsibility as they could handle. Most importantly, the culture was highly values-driven, with teamwork, integrity and respect for the individual being paramount. At one point, the company seriously considered changing the pay program to make it highly individualistic with considerably more upside. The management group was surveyed. The verdict: No. Higher pay was not worth sacrificing the culture. Ultimately, the company still got top talent and is a consistent top performer in its industry.

The bottom line: understand what top talent wants and craft an EVP that appeals to them. This rarely means just paying top dollar.

For more information, visit us at SEMLERBROSSY.COM, or please contact:

Seymour Burchman, Managing Director
Semler Brossy Consulting Group, LLC
4051 Gulf Shore Blvd., #1401
Naples, FL 34103
212.388.9775
sburchman@semlebrossy.com

