

## ***IT'S NOT TIME – IT'S CHANGE THAT SHOULD BE REWARDED***

Discussions on the coming talent shortage have been all the rage for the last year or two. As Boomers retire and Millennials take the reins, programs offering to drive employee retention have been popping up like “whack-a-moles” at a county fair. Companies are concerned with the brain drain when the Boomers leave and the lack of company loyalty the Millennials seem to be exhibiting. Some experts think the drain is real – others believe that the economic issues related to retirement savings (or lack of) with Boomers means the drain is overstated. In either case – more Millennials are entering the workforce and they don't see things the same way as their predecessors.

Companies are fervently looking for ways to retain these new-age employees through updated reward and recognition programs. But those solutions always seem to include one stalwart program – The Service Anniversary Program.

**I wonder if it is time to look at putting that program out of its misery.**

Service Anniversary Programs were designed to reward longevity at a company with increasing award values as the employee's time in the saddle increased. At 5-years you get a clock – at 10 years you get a much, much better clock and at 25 years you get a much smaller – but more valuable clock – the gold watch. (Heck, even the IRS recognizes Service Anniversary Programs and gives a tax break for them. I'm never real keen on things that the IRS endorses – they don't scream innovation in my book.)

Service Anniversary Programs were designed in a different time and for a different audience. Boomers and their predecessors were happy when things didn't change. But Millennials are different. They were raised in a hyper-connected world with multi-tasking as a norm. They have seen changes in technology that far outstrips anything that came before it. They have watched their parents who stayed with companies under the guise of loyalty be laid off and deal with unemployment. In the mind of a Millennial change is SOP – standard operating procedure. Millennials believe that staying in one place is the same as going backward. Rewarding a Millennial for not changing is an insult.

**We shouldn't measure time – we should measure change.**

Future “Service Anniversary” programs should be linked to the growth of the employee versus the time the employee has been with the company. In other words let's celebrate changes in the employee, not celebrate the fact they didn't change companies. “Service Anniversary Program” should be buried – and allow its successor to move into the spotlight.

And that successor – what should it look like? What should the elements of an employee “change” program be? How should we reward and recognize employee loyalty – or is a better word commitment – to the company if time isn’t one of the metrics?

Over the past decade companies have come to view their customers differently. Now companies have moved on from simply valuing customers who “repeated” to valuing customers that not only repeated but expanded their purchase footprint (bought more, different stuff) and actively engaged with the company. In other words companies use new metrics other than time to define a valuable customer. They use net promoter scores and “mix” of product purchased.

Should we create an analog in the employee world to measure employee value? Can we look at employees through the same type of lens that companies are starting to view customers? If so what would that look like?

Loyal employees:

- Seek training opportunities
- Seek new jobs within the organization – they want to contribute in more ways
- Recommend friends and acquaintances to the HR department or their managers
- Recommend their company’s products/services – acting like an extension of the sales force
- Deliver results – not just hours in a chair
- Constantly look for ways to enhance the company’s value to their customers and their shareholders

Given that loyalty is less and less about time but more and more about growth should the Service Anniversary Program go the way of the Dodo and make room for a new type of “Service Reward Program” that rewards employees for growing? Should the new program be based on an equation that takes into account the things that make employees valuable to the company?

I think we’ve outgrown rewarding people for just staying put – and should start rewarding people for staying active.