

Beware Toxic Culture Red Flag

Note, if you commonly have employees asking for a raise who haven't done anything to earn it, or who just recently received a raise, they may be telling you the psychological compensation isn't sufficient.

They are asking you to make it worthwhile to put up with:

- Insane inefficiencies and lack of communication.
- The rude supervisor.
- The inept co-worker who should have been fired long ago.
- Irrate customers to whom organizational promises are continuously broken.

Imagine your employee goes home after yet another frustrating day of work and again kvetches to their spouse about the dysfunctional culture. The spouse pounds their fist on the table, "Honey, you shouldn't have to put up with that BS! They don't know how much you're worth! You march right into your boss's office tomorrow and demand a raise!"

If someone is not happy with the culture, it doesn't really matter how much you pay. It won't be worth it. It won't be enough. This will become obvious when they leave even after you give them an unreasonable raise.

Compensate for Value and Versatility

Pay for skills that bring value to the organization. We all have one person on our team who can pinch hit in multiple positions. They are your Swiss Army knife. Pay them as such. When I ran the moving company, the movers had a clear way of improving their pay based on advancing their skillset, versatility and value to the company. The more versatile an employee was, the more valuable they were to our organization. Keep in mind these wages reflect those of 2007.

- No moving experience, non-driver: \$10/hour
- Minimum of 6 months of moving experience: +\$1
- Able to drive and complete an accurate pre-trip: +\$1
- Able to pack: +\$1

- Able to lead a crew: +\$1
- Able to train on the above: +\$1
- Able to drive a Class B CDL truck: +\$1
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- Able to run national moves: day rates significantly higher

I required six months between each raise unless we were in dire need of that skill. Then I waived the waiting period. I asked my most talented movers to create demonstrable expectations for each skill. Skill achievement was evaluated by peer experts. Raises also were dependent on attitude and values exemplification. If you had a negative attitude, regardless of skill achievement, you didn't get a raise.

This accomplished several key cultural norms:

- Transparency. Everyone knew what everyone else was making based on their versatility and attitude.
- A feeling of fairness when comparing yourself to peers.
- Clear expectations. Movers knew they could make anywhere from \$10–\$17/hour, which is what we could afford. Once someone hit the ceiling, it was clear they would not get a raise for some time. It was economics, not a lack of appreciation.
- A sense of ownership and pride by the more experienced crew of mentoring the upcoming crew.
- An interest in learning the profession, progressing and becoming more masterful.
- Less competition and more camaraderie. Your raise wasn't dependent on someone else not getting theirs.

You may have a more complex organization with many departments. Still, know your employees are comparing themselves most within their own departments, within their team. You can create this same paradigm within each department.

For those of you whose organizations have lower-wage employees, consider comparing your compensation to MIT's Living Wage Calculator for meeting basic needs: <http://livingwage.mit.edu/>.

Bandwidth Compensation to Value Your Best Producers

“Create heroes in every role. Make every role, performed at excellence, a respected profession,” Marcus Buckingham and Curt Coffman from