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Giving the Goodies: Many Employers See Advantages In Maintaining Workplace Perks

By Shirleen Holt
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First went the bull market, then the Internet companies, then the fabulous employee perks - the in-house massages, the Friday night keg parties, the gym memberships.

At least that's what the post-bubble news stories told us.

Owen Media, a small Seattle public-relations firm serving the sluggish technology industry, still closes its office once a quarter for employee "fun days" and allows employees' dogs to roam the offices. Such largesse seems to counter predictions that generous perks would disappear once the job market turned in the employer's favor.

In fact, the number of companies offering such extras as tuition aid, adoption subsidies and even dry cleaning pick-up increased between 2001 and 2002, according to Hewitt Associates, a human-resources-consulting firm.

The Employee Services Management Association, a trade group for benefits coordinators, found that nearly two-thirds of its members were holding their budgets steady despite the recession, and 13 percent were boosting benefits.
New services

Keeping employees in place is one reason some companies continue to shower them with extras. Even with a job market flooded with qualified people, it still costs a company more to hire a new worker than to keep an existing one, said Steve Walker, chief executive of Walker Information, a consulting firm specializing in employee loyalty.

The cost of replacing a worker can run three months to 18 months of the employee's salary. Thus, an employer could pay as much as \$67,500 in training and lost productivity to replace someone who earned \$45,000 a year.

Then there are the intangibles.

"Every time you lose somebody you lose part of your culture and some of your knowledge," Walker said. Although the number of perks beyond the usual health

insurance and vacation pay is growing among American companies, job satisfaction isn't.

"Trying to engineer (job satisfaction) through programs can only succeed so far," said Tom Davenport, author of "Human Capital" and a partner with Towers Perrin, a management consulting firm. "Companies forget that what engages people emotionally in their work is the same thing that engages them in a lot of their other relationships."

In an unusual study exploring workers' emotional connection with their jobs, Towers Perrin found that while financial rewards are important, true job satisfaction is more personal. It's about how well workers like their colleagues, if they're recognized for the work they do, if they have the time and resources to do a good job, if they feel respected.

Not surprisingly, some of the companies offering above-average benefits also pay attention to the softer issues of employee culture.

Owen Media's open-dog policy is part convenience (many employees have dogs), and part design. "We work in a world of deadlines and deliverables," owner Paul Owen said. "Dogs are very relaxing. They humanize the office in ways that inspirational posters and employee activities can't."

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