

Value Proposition When Asking for a Raise

An employee adding more value to his or her company deserves a boost in pay.

I could tell the young engineer was nervous when he entered my office about 20 years ago. His voice was weak, his gestures awkward and he asked for a minute of my time. I invited him to have a seat. He sat and looked at me, then down at his feet, at me and at his feet again. Took a deep breath and said, “I’d like to ask for a raise.”

Trying to make him as comfortable as possible, I calmly looked him in the eye and encouraged him to continue. He looked confused and began fidgeting a bit as moisture formed on his forehead.

“What do you mean?” he said. I explained that I was more than open to his request for an increase in pay, but was interested to hear his reasons.

“Well,” he continued, “my brother is younger than I am.” I sat wondering what the age of his sibling might possibly have to do with the discussion at hand. “I have always earned more money than my brother, and his employer gave him a raise last week. There’s no way my brother should make more money than I do, so I need a raise.”

As I’ll explain later, there is a short list of reasons to which I am open for compensation increases. What an individual

earns relative to the income of their family members is not on the list. Little did I know, that one was just the first on the list of odd justifications I would hear over the ensuing 20 years.

Thoughts go back to a member of our accounting department, who learned by virtue of his access to our payroll records that his

younger nephew who also worked for the company had a salary higher than his. It made him so angry that he eventually left the company and took a position with another outfit—earning less. Go figure.

One of our team members had a two-year stint during which she drove her personal vehicle between several plants, putting tens of thousands of miles on her car each year. As her regular plant visits became less frequent and her personal mileage less extensive, she shared that she had come to rely on the amount by which her mileage reimbursement had exceeded the cost of maintaining her vehicle as part of her income. Thus, she insisted, she was entitled to a raise. As it turns out she had perhaps made a very good argument against our generous mileage reimbursement policy, but failed to

explain how less business travel justified an increase in compensation.

While looking for a file on a shared drive, a member of the sales team at one company I led happened across a file saved there inadvertently by an individual in human resources.

Though it should have been immediately obvious to the person that they had accessed

a file containing confidential information, as it turns out the file disclosed the salaries of every single employee of the company to someone who was willing to dig a bit through the data. Not long thereafter came an admission and a request: he had stumbled across the file, something he shared with me under the auspices of “protecting the company.” He then went on to explain that, now that he knew that some employees made more money than him, he should be paid more.

A member of our executive team once began his compensation review by explaining to me that my prior year bonus was way too large and undeserved, and therefore he should be paid more. Whether he was right or wrong about my compensation, insulting the person who is contemplating the magnitude of your compensation adjustment is not a good way to begin the discussion.

A production team member once came into my office and threatened to tender his resignation unless I provided an immediate raise. When I asked the reason, he responded that he had a wife and kids to feed and wasn’t making enough money. I asked him what he would do if I refused his request, and he explained that he didn’t have anything lined up just yet, but was hoping to find something. It seemed to me that feeding a wife and kids is easier when you’re earning something—rather than nothing—but who was I to argue?

Then there’s the age old “it’s been a year since my last raise, and it’s time for another.” This is one I have heard more times than I can count; the logic apparently being that if an individual manages to make it through 12 months without quitting or being fired, they should be paid more.

To be sure, rationalizations like those preceding don’t get very far with me. Now on to those to which I am open:

Reason No. 1. The employee is adding more value to the



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company than they previously had been. With experience often comes efficiency and the ability to get more done in a day. With education—formal or informal—comes a new way of looking at one’s responsibilities. The more responsibility an employee can shoulder on her own, the less that individual needs to rely on her co-workers or supervisors, thus freeing up the time for other employees to add value to the business. I have always been willing to adjust compensation for an individual who has found a way to add more value.

Reason No. 2. Our organization’s compensation model is out of synch with the “market compensation” for individuals filling similar roles in other companies. In recent years, many manufacturing companies found themselves having to pay more for incoming skilled team members than they paid their long-time employees to perform the same work. That’s not fair to the long-term employees and leaves the employer with the risk that experienced team members will be recruited away by other organizations willing to pay market rate. If my best employees can earn more elsewhere, I would be crazy not to adjust their pay accordingly.

That’s it.

When it comes time for your next compensation review, check at the door the sibling salary reviews, conspiracy theories, opinions about the CEO’s compensation and breaches of confidential information. Instead, focus on value to an employer and the market. Trust me, you will end up ahead. **PF 80**

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