



# The Return of the Bonus

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## In this article

- 1 Recreating the bonus
- 2 Maximise your employer branding
- 3 Bang your cultural drum
- 4 Getting the best people interested in you
- 5 A word from the Partners

## Winning the war on talent to emerge stronger from the recession

Every sector of the economy has been hit hard by this recession. From the surveys that we have done and the conversations we have on a daily basis it is clearly imperative that the right people are fully engaged in driving businesses forward. If those people are already in place, great, but if they're not it is now harder than ever to encourage people to take a chance and move. The top people in the talent pool are very cautious and are resistant to a move, even to companies with a great brand. Now that a business can't rely on large salaries, virtually guaranteed bonuses and even market positioning or a great brand to attract the best, how do you win the war on talent to make sure that a business has the best possible chance of coming out of the other end of this recession intact?

### Recreating the bonus

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One method is to have a clear policy in place for rewarding exceptional performance, otherwise known as the bonus. Over the years bonuses have ceased to be a true reflection of performance. Negotiating an acceptable percentage bonus for top executives has become tantamount to guaranteeing a boost to a basic salary. In a buoyant economy this practice is necessary to ensure that a company secures the best talent and when profits keep going up, who cares? However, in a contracting economy it is clear that bonuses have to be exactly that – a reward for delivering results that are above and beyond an executive's job description. Strong performers recognise this and are not fazed. They know that they will hit their targets and they appreciate the opportunity to shine.

*“In a contracting economy a bonus has to be a reward for delivering exceptional results”*

### Maximise your employer branding

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However, bonuses are just a part of a company's arsenal in the war on talent, and not everyone is focussed on cash rewards. It is absolutely critical to make your talent attraction strategy as good as it can be, and this is about being confident that every interface with external talent understands exactly what your business can offer and can communicate it in an exciting way. Success can be measured in many ways – rapid promotion, more responsibility, great fringe benefits, long-term security and continuing professional education. Developing a broad portfolio of reasons to join your business doesn't have to cost anything, but it should absolutely deliver improvements to the bottom line through having the right people in the leadership team. Acknowledging and emphasising this at interview will have a positive effect on movers & shakers - they see this period as a time of opportunity and are looking for ways to “zig” when others “zag” so that they'll benefit in the end.

*“Success can be measured in many ways, and developing a broad portfolio of reasons to join your business doesn't have to be expensive”*

## Bang your cultural drum

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The good news is that you don't have to just increase salaries on offer. If you want the best people to join you, give them a reason. Take advantage of the general ethos of austerity sweeping the nation – reward excellence, not poor performance, indifference or no performance. This initiative will need integrity and fairly ruthless organisation to exercise effectively, but in return it will attract people who are completely confident in their ability to make a difference. It will also dramatically improve your employer branding as you adopt a clear and ethical policy on reward. Finally it will ensure that people do their homework before joining your company so they will be far less likely to make a mistake and leave after a relatively short time, claiming that they didn't know what they were getting into. Balanced with other measurables for success, such as those described above, and you've got a really attractive proposition for people who make a positive impact on businesses.

## Getting the best people interested in you

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The first hurdle, though, is getting people interested enough to meet you so that you can convince them that your business is where they should be investing their talent. Now that you can't rely on money alone to attract the best, it's even more important to make sure that you partner with people you can trust to paint the best possible picture of your business and the future that is in store for those that join you. Do the people looking for talent on your behalf understand your business and what it's trying to achieve? Can you trust them to “sell” your business effectively? Are you confident that they are doing everything that you would do to represent your business in an attractive and positive light? Will they work with you in coming up with an imaginative solution to get the best of the best signing on the dotted line? Challenge them, be demanding – and if you have a sneaking suspicion that you're not winning the war for talent, talk to us!

*“It's really important to partner with people you can trust to paint the best possible picture of your business' future”*

## A Word from the Partners

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We hope you've found this piece interesting and useful, and we'd love to hear your thoughts on this subject. If you would like us to explore this subject in more detail, or if you would like to suggest other topics, please don't hesitate to contact us.

We look forward to working with you.

Best wishes

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