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# Compensation as Cultivation

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# Compensation as Cultivation

## **Abstract**

"Employees that exemplify or aspire to the company's values should be equipped and inclined to naturally support the company's mission and vision."

Posting about promoting core values in business from *In All Things* - an online hub committed to the claim that the life, death, and resurrection of Jesus Christ has implications for the entire world.

<http://inallthings.org/compensation-as-cultivation/>

## **Keywords**

In All Things, wages, employees, incentives in industry, values

## **Disciplines**

Business | Christianity

## **Comments**

*In All Things* is a publication of the [Andreas Center for Reformed Scholarship and Service at Dordt College](#).

# Compensation as Cultivation

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 [all in allthings.org/compensation-as-cultivation/](https://allthings.org/compensation-as-cultivation/)

Donald Roth

In my life before teaching, I specialized in tax law as it pertained to employee benefits and executive compensation (right up there with “fighter pilot” in most people’s books, I know). In that field, we would analyze compensation as a tool to attract, retain, and motivate employees. Usually, these terms meant attracting employees to the company, keeping them there, and motivating them to work hard; however, since that’s a shorthand for talking about incentives, it also meant we were talking about encouraging people to behave in certain ways. The choice of incentives used would both attract a certain type of prospective employee and encourage current employees to behave in a certain way. Carrying this forward, it means the way a company structures its compensation speaks to what it believes its employees value and what it wants them to value, and this is a concern that cannot be overlooked when considering how a Christian might engage in business.

In short, compensation is about more than just the wage that you pay your employees, it’s about what type of people you’re encouraging your employees to be. Fit into the larger picture of business, compensation isn’t just about paying for services, it’s a structural support for company culture, and compensation done well can be about cultivating employees and creating a culture allows that them to thrive as whole persons.

So how would a company help to cultivate human thriving through the way it pays its employees? The question and the complexity it generates is bigger than we can fully address here, but I believe that we can begin considering this question by answering three short but not necessarily easy questions:

## **Who is this company?**

I’m intentionally using a personalizing pronoun (rather than “what”) because we tend to think of persons in terms of character, personality, and vocation, while we usually don’t associate those attributes with things. Setting aside the legal personhood of corporations, current best thinking in the business world is all about the “mission, vision, values, purpose” taglines ([even if it can’t decide what those mean](#) and [what order they should be in](#)), and these are all aspects of answering the “Who are we?” question. By traditional definitions, mission is about what the company is and how it does business today, while vision is an aspirational goal set for the future. At the same time, mission focuses on how goods or services are provided, while purpose focuses on what is being provided to society by these things, and the whole system should be enabled and energized by the company’s values.

Whichever definitions or wording you use, the aspect that I believe compensation ties most directly into is values. A business may hope to inspire employees to buy into its mission and share its vision, but inspirational words, especially if those words carry a veneer of corporate jargon, aren’t always persuasive. Instead, if values are identified well, employees that exemplify or aspire to the company’s values should be equipped and inclined to naturally support the company’s mission and vision.

One of the first things to do, then, is to think both up and down the chain: do the company’s stated values support the stated mission and vision? Coming from mission and vision, are there other values that might be missing from the support structure? It can be helpful to think of the whole process like driving: vision is where you’re headed, mission is the car you’re driving to get there, and values are like the fuel that drives the process. Just like with a car, not all fuels are compatible with a certain engine— something I learned on

my last trip home from college, when my '95 Buick Skylark, which I'd been feeding with Iowa-subsidized, ethanol-infused gasoline, finally died as the dirtier fuel gummed up the car's fuel injectors for good. Similarly, while some values have a universal appeal, such as a good work ethic, not everyone with a good work ethic is perfect for every company, and part of this process is thinking about what values may be more unique to your company and making sure those are not overlooked in hiring.

### **Who are our employees?**

To keep with the car analogy, if thinking about values is analyzing what sort of fuel you need, then inventory should also be taken of employees to figure out what sort of fuel you're using. If compensation is about incentivization, then it's essential to understand the people a company has either hired or is trying to attract. Without knowing a person, it's bare guesswork at best whether or not a given incentive will be effective.

This is true even with something as seemingly straightforward as salary, as was recently exemplified in a news story when Bruce Yakley, CEO of a local trailer manufacturing company, Trail King, bemoaned that [he had only retained one out of the 280 employees he hired in the past year](#), and this despite fairly competitive salary and bonuses (unskilled employees start at \$13.50/hr). As was [eloquently pointed out](#) by Paul Ten Haken, President of Click Rain, Trail King's confusion stemmed at least in part from a misunderstanding of the company's employees. Although the strength of the trend is debated, it appears that pure salary concerns are less of a motivator for the millennial generation<sup>1</sup>, and since these unskilled employees that Trail King sought to retain were [millennials](#), there was a fundamental disconnect between the company's attempts to motivate and retain employees and what would actually accomplish that goal.

So how does this question work then? It requires a frank and honest assessment of both the employees a company has and those it seeks to attract. It also requires matching up a company's espoused values with those called for by the jobs the company hires for. I remember a company I had prior association with who was looking for career receptionists but also valued people who were creative, passionate self-starters. While I would never say that such a person couldn't exist, the majority of the applicant pool who fit the value description saw the position as a stepping stone to greater responsibility, while many of the applicants who fit the experience and task description were not a full fit with the company values. The company had to make a choice as to whether it wanted to accept greater turnover or modify its value and personality expectations for the role.

### **How do we align these things?**

This all leads to the aspect of working with compensation that I find so appealing: aligning incentives with goals. This area is also complex and highly situation-specific, so I will not waste too much space by getting totally lost in detail; instead, an example should suffice. Say a company value is hard work. In a traditional setting, the company might motivate employees to work harder by offering or requiring significant overtime and then compensating for it. However, given that [millennials tend to seek work/life balance to a greater degree than previous generations](#), partly due to a [much higher incidence of dual-income households](#), the allure of overtime pay may not see as many workers putting in as many extra hours at the office as employers expect. Instead, an employer could institute more flexible work requirements, especially since [millennials don't mind working from home](#), and then align assessments to tasks completed rather than hours worked and improve performance-oriented compensation like annual review bonuses.

At the same time, if another value of the company was collaboration, then this flexible policy might be balanced with some face time requirements, and a friendly culture that naturally spurs collaboration might be encouraged by benefits like lunch meetings, company outings, or even a coffee area that helps make the office a place where workers feel an incentive to interact with one another in a team-oriented manner.

In short, compensation and benefits can be a powerful tool for helping to align company culture around core values so long as the employer takes the time to both carefully consider and articulate those values and understand their employees well enough to tailor incentives properly.

### **What does this have to do with doing business Christianly?**

If you buy that compensation speaks to values and you want to tailor compensation to support those values, the natural consideration from a Christian perspective is what values might a Christian in business seek to enforce or encourage? There are dozens of potential answers to this question, and many of the other articles this week may speak to what those are, but I will close with an example.

A Christian business may seek to promote a value of servant leadership. One way I've seen this done is a local company which runs a vacation donation program. Through that program, employees can donate days off into a bank, and the hourly value of those donations will be used to convert unpaid time off into paid time off for other employees on leave for things like illness or maternity. The leaders of that company are very good about donating their leave hours to the program because they know that, since they're paid a higher rate, even one day for them could translate into several days for another employee. This type of benefit creates an opportunity for the managers of the company to lead by example in fostering a company culture where employees look to serve and bless one another.

Similar plans could be put in place for a wide variety of values: if a value is caring for employees, then employers with young workforces might support scholarship and education benefits; employers with many young families may want to offer dependent care flexible spending arrangements, childcare benefits, or more flexible scheduling, and employers concerned about the long-term well-being of employees might encourage retirement saving with things like 401(k) contribution matching. If a value is being globally-concerned, the company might partner to sponsor [business-led missions trips](#). If a value is Christian education, the company might help subsidize and promote employees sending their children to K-12 Christian schools. The list goes on and on, but hopefully it generates some ideas.

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### **Footnotes**

1. See, for instance, [this article](#) in *Forbes*, and [this one](#) in *Inc. Magazine* ←