

Business Owner Says, “Everyone Wants a Raise! Guess What? Not Everyone Deserves a Raise.”

Dear Stephen:

I am the owner of a medium-sized residential furniture manufacturer that sells through our own trade showrooms in the larger markets and independent multi-line decorator showrooms in smaller markets. We have been busy in the last couple of years, no doubt about it. Not gangbusters as portrayed in the news, but we are busy. We have been hiring inside sales people and new employees in digital marketing, administrative and customer service positions. We also have some outside

salespeople who sell to hospitality and contract, but that is a small portion of our business.

It seems everyone who works here is hitting me up for a raise. They walk in with beautiful presentations about why they deserve to be paid more. But here is the thing — we review employee’s performance each year and where appropriate they get raises.

Sales people work on a salary and commission so it’s easier to determine their compensation because it’s black and white based on the revenue they produce. But I am being hit up by all sides and all departments. Every week one of my employees is explaining the value they bring, the money they are saving me or the money they are making for me, and they do it with a real sense of entitlement.



You can send your workplace questions to Stephen at: StephenSays@bellow.press

Questions selected to be answered, will appear in this column. Please use the Subject: Stephen Says for all emails. Stephen Viscusi is a bestselling author, television personality, and CEO of The Viscusi Group, global executive recruiters located in New York. Follow Stephen on Twitter @stephenviscusi, Like Stephen on Facebook; and follow him on LinkedIn.

We used to call that “doing your job.” Since when does following your job description and not screwing something up merit a raise?

I believe we pay competitively, offer generous vacation and flex days, top notch maternity, medical, dental, vision and offer 401K — and we review each employee once a year. What’s going on and what do I tell these employees, short of maybe they are working in the wrong place.

Signed,

Raised Stressed Out Business Owner

Dear Raise Stressed Business Owner:

Asking for a raise is more common than you think and for companies that do not give annual reviews it may be the only way to get one. You say your company gives annual reviews, but most

small companies do not. We are in an industry with dealers, independent reps, A&D firms and many other small businesses that do not do annual reviews. Funny thing is, every company should do reviews because they help weed out employees who are underperforming and reward those who are overperforming. As far as people making a presentation to ask for a raise, blame the internet and TV. That’s all people talk about. The internet and experts like me tell them to tell you to look at their value to the company, see how they have improved the department by and say “Look at this chart and spreadsheet demonstrating the money I have made for you.” Sorry about that.

An annual increase is not always warranted but a conversation always is. Have the an explanation ready for your employee. The cost of running your business is constantly going up, especially benefits such as health

insurance. A business owner must seek a balance between revenue and costs so the company is profitable and can continue to provide a living for all the employees. And ultimately, business is not a democracy — someone has to make the final decisions. It is as simple as that. You certainly do not resent the employee asking, because it is a time to really evaluate how that person is doing.

This whole issue reminds me of a policy Jack Welch of GE used to embrace, and it worked very well back in GE’s heyday. Every year, after all the annual reviews were completed, evaluate all your employees and release the bottom 10 percent and replace them with better qualified people. Yup, you read that right. I recommend it to all my clients ... and I practice what I preach! Think about it for your business.

Stephen