

Compensation and Talent Insights for 2020 and Beyond



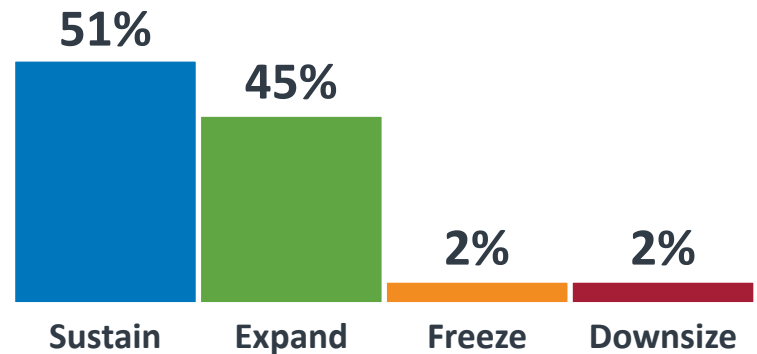
In a tight labor market, an effective total rewards strategy aligned with business strategy is a key component to attract and retain top talent. How do you know if your compensation package is effective?

MRA – The Management Association released a high level report at September’s Compensation Trends event for this hot topic. Read on for the fully detailed report to better understand competition for talent and compensation.

Tapping the Talent Market

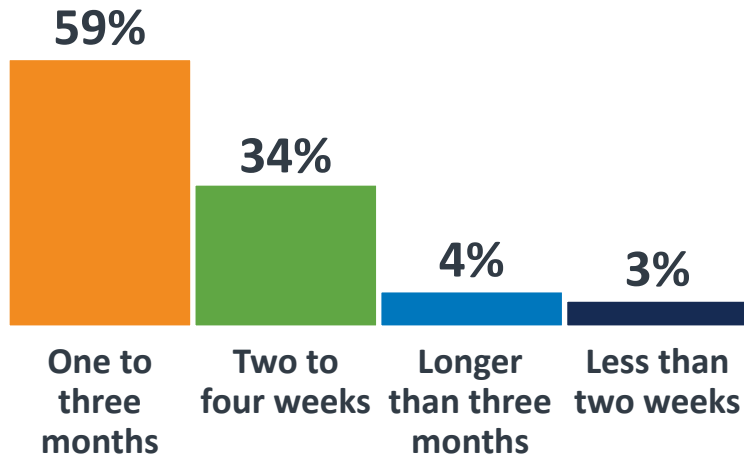
2020 Hiring Projections

Employers are challenged with attracting and retaining top talent in the most competitive labor market in years. Organizations do expect to **sustain** or **grow** their workforces in **2020!**



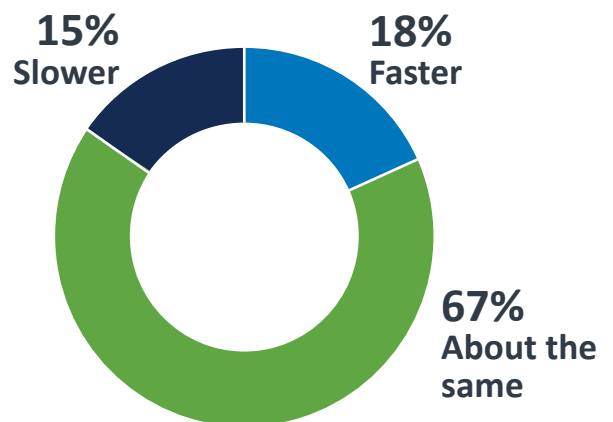
Average Time to Fill Vacant Jobs

The average hiring cycle remains a traditional 1-3 months, even if talent changes are moving faster than ever. Will competition for candidates drive a shorter hiring time?



Change in Time to Hire

Results show processes are often slow to change.



Strategies to Fill Positions Quickly

A flexible market requires an agile approach. Organizations are responding by adjusting hiring practices and processes to fill positions more quickly.

- | | |
|--|---|
| 44% Train/develop current employee base | 29% Utilize temporary/contingent workers |
| 44% Shorten interview steps/cycle | 26% Increase focus on hiring high-performers/high-potentials |
| 42% Standardize onboarding process | 24% Include style/other assessments in candidate selection process |
| 38% Not compare against/wait for other candidates | 21% Automate recruiting/hiring/onboarding processes |
| 36% Make best offer out of the gate | 15% Consider opportunity hires |

Compensation and Talent Insights for 2020 and Beyond (continued)



Greatest Compensation and Talent Challenges Facing Organizations Today:

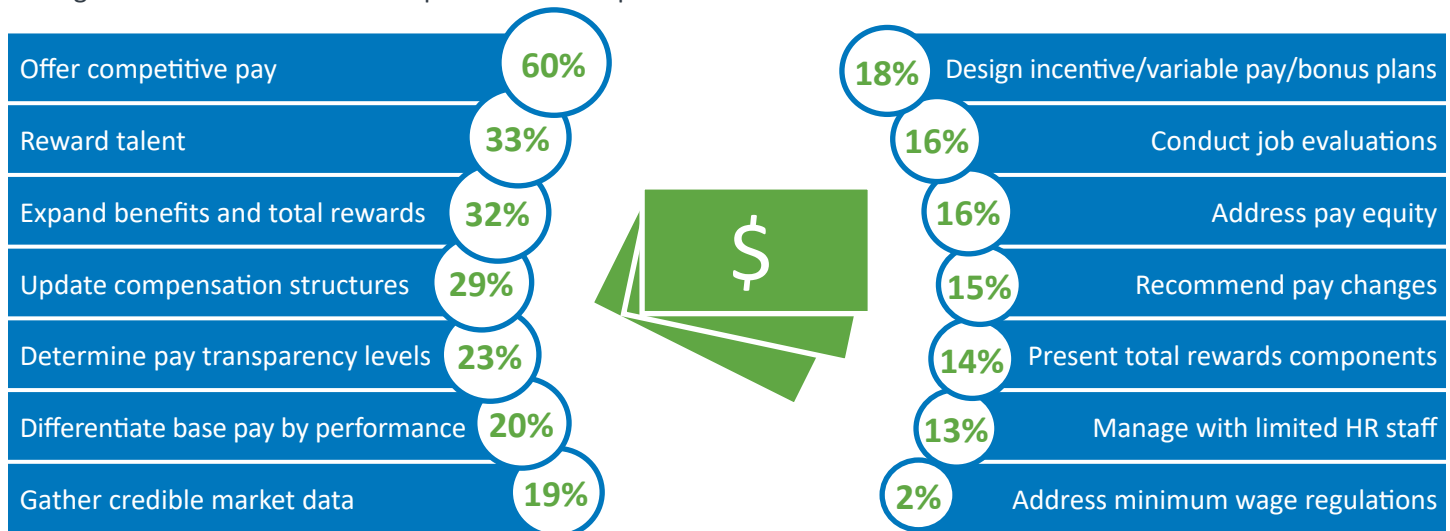
Talent Management —

Recruiting is viewed as the greatest challenge to building a talented workforce.

Recruit talent	73%	Understand generational expectations	25%
Retain talent	48%	Reskill/eliminate jobs, support outplacement	2%

Compensation and Total Rewards Management —

Coordinating and overseeing an organization’s talent compensation portfolio involves numerous strategies and tactics. How does an organization determine what will make the an appealing offer? Every aspect of total rewards management is intertwined and impacts the entire portfolio.



Watching the Bottom Line —

Organizations engaged with recruiting and retention challenges pay close attention to the overall costs.



53%
Contain benefit costs



29%
Control labor costs



14%
Maintain budget(s)

Success Factors for Talent Acquisition and Retention

Organizations that successfully attract and retain talent differentiate themselves in three core areas.

Organization Culture	
Company culture	76%
Company values	52%
Work-life balance	48%
Workplace flexibility	28%
Work location	16%
Diversity and Inclusion	13%
Employee feedback	10%
Geographic mobility	2%
AI modified tasks or functions	2%

Organization Reputation	
History of organization stability	53%
Mission and vision	39%
Company brand	25%
Social media enhanced marketing	10%

Total Rewards	
Competitive rewards package options	46%
Competitive pay	32%
Growth, development, mentoring opportunities	28%
Unique rewards/perks	13%

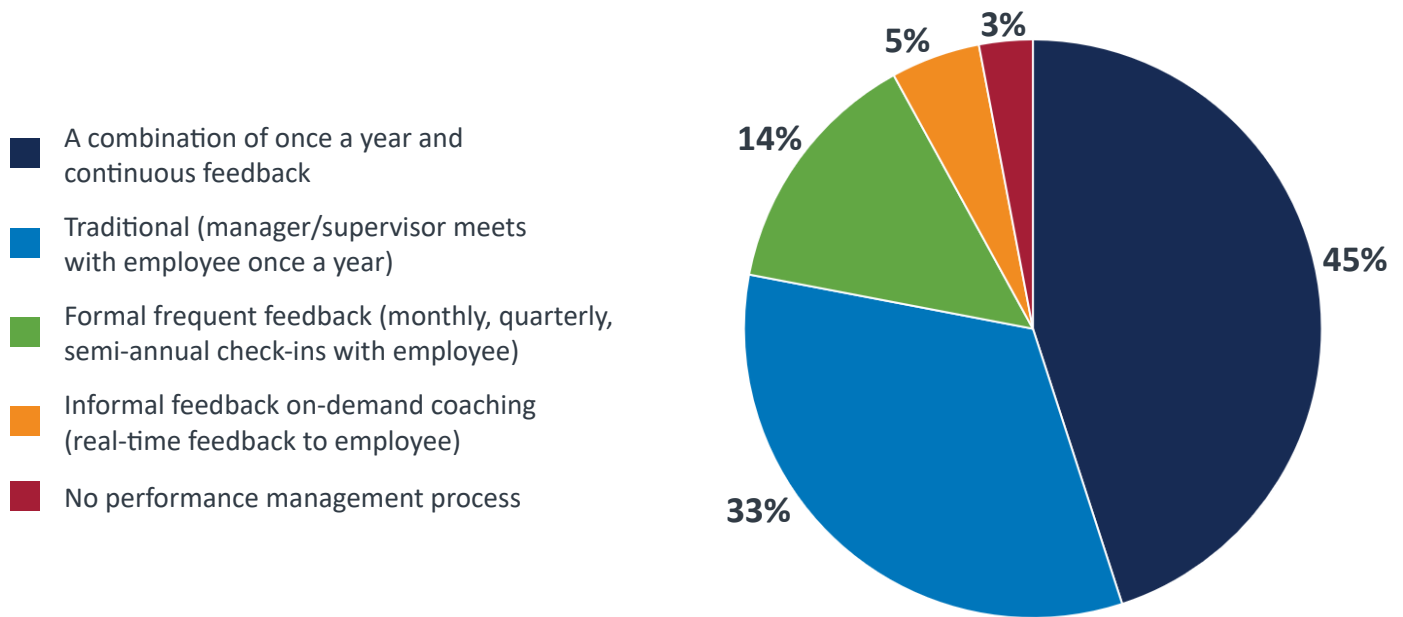
Compensation and Talent Insights for 2020 and Beyond (continued)



Placing Value on Talent through Total Rewards

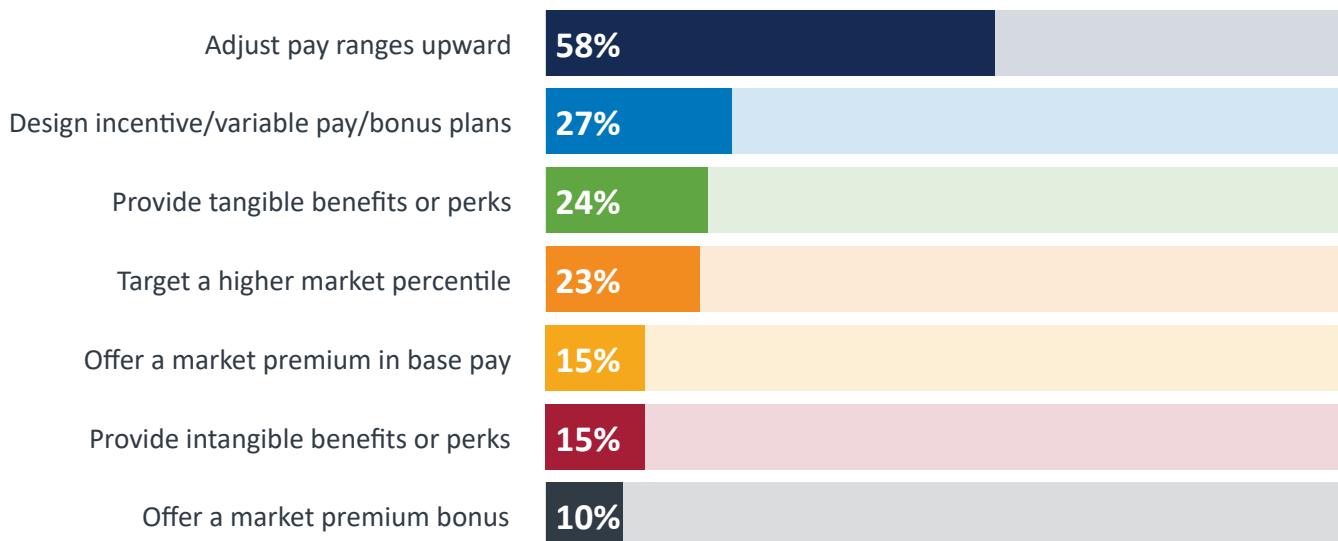
Performance Management

Many organizations look within to cultivate talent. They leverage their performance management process to upskill and reskill employees. One third of organizations may be missing this opportunity as they rely solely on traditional annual employee performance reviews.



Other Compensation Strategies and Tactics

To edge out competition, pay ranges are shifting upward. One out of four organizations are designing incentives or tangible perks or market pricing jobs to the 75th or 90th percentile of market pay.



Compensation and Talent Insights for 2020 and Beyond (continued)



Placing Value on Talent through Total Rewards (continued)

Challenges to Designing Enticing Rewards

Well designed total rewards packages address organization concerns. Communicate total rewards at any time throughout the year, not only when pay reviews occur.

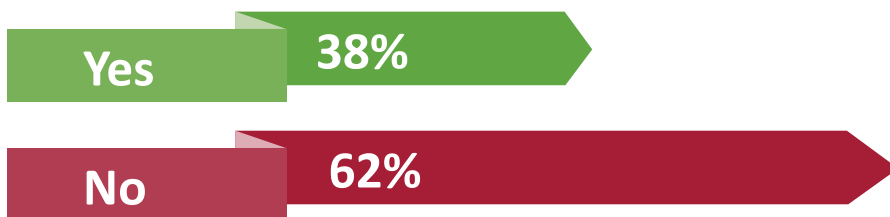
■ Agree
 ■ Neutral
 ■ Disagree

Challenge	Agree	Neutral	Disagree
Pay compression between new and current staff	65%	19%	16%
Talent turns down or negotiates initial offers	54%	24%	22%
Lack manager training/accountability for total rewards	54%	23%	23%
Lose talent to higher paying offers	54%	22%	24%
Limited compensation resources (staff, data, etc.)	37%	26%	37%
Challenges understanding/articulating total rewards	32%	34%	34%
Lack/ineffective incentive, variable pay, bonus plans	28%	31%	41%
Lack salary structure/consistency	28%	20%	52%
Income disparity between executives and staff	27%	34%	39%
Unsure of the market value for jobs	19%	27%	54%

Total Compensation Statements: Summing It Up

Total compensation statements indicate approximate annual value of total rewards including tangible and intangible perks. They provide employees with a better understanding of their total package and their company's investment in them.

Provide Annual Statements



Ideas to Address Compensation and Talent Challenges

Broaden Your Search:

- Update job descriptions to show how opportunities are marketed to attract new prospects.
- Tap into often overlooked talent pools, such as retirees, veterans, nondegreed or disabled workers, and formerly incarcerated candidates.
- Consider developing new partnerships with schools, workforce centers, or supportive communities.
- Post job opportunities in new locations.

Compensation and Talent Insights for 2020 and Beyond (continued)



Ideas to Address Compensation and Talent Challenges (continued)

Articulate Your Organization's Differences:

- Organizations that incorporate company and career stories on their website or social media often more successfully attract and retain talent.
- A longstanding history of quality products and services makes an impression that resonates with candidates; promote your distinctions as well.
- Today's candidates are more strongly attracted to a company's culture and values, such as flexible workspaces, diversity and inclusion, social responsibility, and emerging technologies.
- Competitive rewards packages also grab the attention of prospective candidates and, negotiated smartly, can be a workforce-building game changer.

Adjust Total Rewards:

Employees' total rewards far exceed just pay. Enumerating all rewards provides representation of overall compensation value, and in turn, expresses the value employees bring to the organization. Consider:

- Total rewards bolster and more completely package new hire offers versus pay only. When companies compensate new hires differently than tenured staff, transparency is a winning strategy. For example, consider acknowledging new hires' related work experience that could be granted as time with the company to increase tenure, bonuses, experience bonuses, and other benefits.
- Upskilling and reskilling are valued employee development benefits that many neglect to highlight. Without new, updated, or added skills, technological processes and expertise may become obsolete. Organizations can contain costs by re-training current staff.
- Total rewards can account for what may first appear to be pay disparities or inconsistencies. Along with incentives, variable pay, and bonus plans, organizations typically offer many tangible and intangible benefits and programs. All managers should be trained and able to explain the total package.
- Total compensation statements provide a concise way to present employee total rewards. They offer an opportunity to tell your employees how much you value them. For example, total compensation statements can include an introductory appreciation letter from the CEO or other executives.

What innovative offerings have you incorporated into your total rewards packages and trained your managers to discuss?

Methodology



Brief
10 Question
Survey



416
MRA Participating
Organizations



Sept. 2019
Data Collected

MRA's Total Rewards Team Focuses on Solutions

Our Currently Published Surveys

Compensation Surveys

- Benchmark Compensation*
- Industrial & Production Trades*
- National Executive Compensation
- National IT & Engineering Compensation*
- National Sales Compensation
- National Wage & Salary

Policy & Benefit Surveys

- Health & Insurance Benefits
- Holiday Practices
- National Policies & Benefits

Business Trend Surveys

- Compensation Trends
- National Business Trends
- Turnover

Industry Surveys

- Healthcare Compensation Survey*
- Logistics & Construction Compensation
- Nonprofit Compensation & Benefits*

Hot Topic Surveys

- Advancement of Women in the Workplace Survey
- Compensation Besides Base Pay Survey
- Compensation and Talent Insights for 2020 and Beyond
- Diversity and Inclusion—Best Steps Forward
- Don't Underrate the Power of Soft Skills
- Employee Turnover Survey
- Hiring Interns Survey
- Variable Pay: Your Advantage in a Competitive Labor Market
- Opioid Epidemic Survey
- Sexual Harassment in the Workplace Executive Summary
- Wellness and Wearable Technology Survey
- Your Competitive Edge in Attracting, Retaining, and Rewarding Top Talent

* MRAPay and On-Demand Salary Tool available for these surveys

Rely on MRA Surveys

From strategy to tactics, how do you apply these insights to your organization's Total Rewards story?

Known for local, regional and national, employer-matched, employer-reported data—you can be confident your organization is making vital business decisions based on solid, high quality market data reflective of the market(s) in which you do business


Participate in MRA Surveys


- Free survey results for member participants
- Data analytics at your fingertips via MRA's online survey tools—MRAPay and On-Demand Salary Tool
- HRCI credit for recertification or SHRM professional development credit (PDC) for qualifying surveys

**Turn to MRA to
build your powerful
data analytics!**

Questions?

Contact the Survey Department at

 800.488.4845, ext. 3508

 surveys@mranet.org

 www.mranet.org/surveys

 MRA