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?

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.
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%
- Retain talent: 48%
- Understand generational expectations: 25%
- 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.

- Offer competitive pay: 60%
- Reward talent: 33%
- Design incentive/variable pay/bonus plans: 18%
- Conduct job evaluations: 16%
- Expand benefits and total rewards: 32%
- Address pay equity: 16%
- Update compensation structures: 29%
- Recommend pay changes: 15%
- Determine pay transparency levels: 23%
- Present total rewards components: 14%
- Differentiate base pay by performance: 20%
- Manage with limited HR staff: 13%
- Gather credible market data: 19%
- Address minimum wage regulations: 2%

**Watching the Bottom Line —**
Organizations engaged with recruiting and retention challenges pay close attention to the overall costs.

- Contain benefit costs: 53%
- Control labor costs: 29%
- Maintain budget(s): 14%

**Success Factors for Talent Acquisition and Retention**
Organizations that successfully attract and retain talent differentiate themselves in three core areas.

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<thead>
<tr>
<th>Organization Culture</th>
<th>Organization Reputation</th>
<th>Total Rewards</th>
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<tbody>
<tr>
<td>Company culture</td>
<td>History of organization stability</td>
<td>Competitive rewards package options</td>
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<tr>
<td>Company values</td>
<td>Mission and vision</td>
<td>Competitive pay</td>
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<td>Work-life balance</td>
<td>Company brand</td>
<td>Growth, development, mentoring opportunities</td>
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<td>Workplace flexibility</td>
<td>Social media enhanced marketing</td>
<td>Unique rewards/perks</td>
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73% Recruit talent
48% Retain talent
25% Understand generational expectations
2% Reskill/eliminate jobs, support outplacement
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.

- A combination of once a year and continuous feedback
- Traditional (manager/supervisor meets with employee once a year)
- Formal frequent feedback (monthly, quarterly, semi-annual check-ins with employee)
- Informal feedback on-demand coaching (real-time feedback to employee)
- No performance management process

45%
33%
14%
5%
3%

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.

- Adjust pay ranges upward: 58%
- Design incentive/variable pay/bonus plans: 27%
- Provide tangible benefits or perks: 24%
- Target a higher market percentile: 23%
- Offer a market premium in base pay: 15%
- Provide intangible benefits or perks: 15%
- Offer a market premium bonus: 10%
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.

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

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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, nondegree 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
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www.mranet.org/surveys