

Are Workers Ready to Jump Ship for More Money?

By Brian Summerfield

In Randstad's most recent "World of Work" survey, more than half of the respondents (54 percent) said this is a good time for them to seek a better-paying job, the highest figure in the past five years of the study. Further, more people said they were willing to work longer hours in exchange for more income than any other incentive, monetary or nonmonetary.

Do these statistics portend a new emphasis on income by workers, who supposedly value things such as work-life balance, development opportunities and recognition much more than pay?

Perhaps not. The figures around compensation trends say a lot about employees' motivations but don't really tell the whole story, said Genia Spencer, Randstad U.S. managing director of human resources and operations.

"The industry experts who talk about compensation declining in importance are counting on engagement and great relationships with the boss," she explained. "Compensation is still in the middle of the pack of reasons to leave an employer. But when other components aren't there — opportunities to learn, connection to the team, engagement and so on — then compensation becomes much more important."

Spencer pointed to the fact that an equal percentage of respondents said they wanted to look for a new job that involved more interesting or more fulfilling work. Additionally, both phenomena increased the same amount from last year's survey, from 47 percent to 54 percent.

The main reason so many people are looking for new jobs is that employers aren't adequately meeting any of their requirements, Spencer said.

"Why do I go to work? I go to work for experience, future career earnings and current earnings," she said. "If I'm not seeing the opportunity for increased earnings where I am, then I need to feel like I'm getting developed and can use that experience and development for future wage improvement. In the absence of either wage satisfaction or development, people are going to leave."

Although it doesn't involve compensation, organizations can retain their employees by having strong development programs and by offering them chances to take on new tasks and challenges.

"That statistic says that people are looking for another job," Spencer said. "It doesn't mean they're looking for another company — internal movement to increase income and experience can be a possibility.

"Companies have gotten kind of confident with that 'pay is not the reason people leave' mentality, but if that's your outlook, you need to feel very secure on the development opportunities and the variety of work you provide."

Still, even if those offerings are strong, it's good to maintain a competitive compensation strategy, and there are a couple of very easy and cost-effective ways to do this. The first is by simply asking employees what kinds of compensation matter most to them through surveys or interviews.

"Compensation can take on a variety of forms," Spencer said. "As a mother of two, what's important in my compensation package is completely different from that of a 22-year-old college grad. If I don't seek that feedback, then our HR team is just going to make that decision. Are they people who know what our target employees think is important, or are they going to make that decision based on what's important to us?"

Also, an annual total rewards statement can be very enlightening — when people see on paper how much the employer paid on their behalf in a year not only in terms of income but also training programs, 401(k) matches and other non-income expenses, they can get a better sense of what they're really worth to the organization.

"Particularly, new entrants to the workforce might not be aware of that total value," Spencer said.