

USING EMPLOYEE REWARD TO RECRUIT AND RETAIN TOP TALENT BY SANDRA BEALE FCIPD

According to research done in 2006 the top talent in many UK companies is not happy and voting with their feet. This is despite the fact that many of them are highly paid on average £325,000 per annum and receiving a bonus of £100,000 on average. Which just goes to show that money does not always motivate.

So what are the reasons why top talent are causing high turnover costs to organisations. According to the Chartered Institute of Management research they are unhappy with company pay structures , lacking job satisfaction, training and development opportunities, and relocations which create job insecurity.

So as companies fail to meet the expectations of these top performers, often they fail to make the grade. Many companies feel that paying high salaries ensures high productivity and profits for them, according to research done by Income Data Services this is not always the case. Companies therefore end up paying out huge salaries yet strategic business objectives and performance targets are not met.

The pay and benefits package of an executive is usually made up of salary, benefits, performance bonus, share options and car/car allowance as well as the standard pension, private health insurance and healthcare.

However, companies need to consult with the individuals concerned to ensure that the pay and benefits package is tailored appropriately and also look at job satisfaction so that the total reward package fully meets the needs of both the individual and the company.

As with all reward solutions the total reward package for top talent needs to be fair, equitable, transparent and competitive. To get ahead of the game, companies need to be highly creative to determine reward solutions that will recruit and retain in the face of stiff competition.

Using the benefit package to incorporate different benefit solutions can make the world of difference such as paid sabbaticals with holiday vouchers or the opportunity to drive a high performance car on the open road for meeting company targets can be a huge motivator for certain individuals fostering high performance. In such instances both the individual and the company benefit appropriately.

Executives gain the recognition and respect for a job well done and for the huge responsibility they carry to ensure the company performs well.

The company benefits by fostering high performance, gaining competitive advantage and addresses the huge skills shortage that exists in the UK.

Offering stretching training and development opportunities can enhance job satisfaction. These usually highly educated top performers want to continue growing their skills through a range of options such as further academic qualifications, secondments and action learning opportunities. Likewise the company benefits from having top employees who are in the know with new ideas which help to stay ahead of competitors and avoid products and services becoming stale.

When looking at relocating companies should consult with their top talent to see if this is really necessary or could their roles be carried out in a different way eg incorporating flexible working opportunities including home-based working. This can benefit the company as well by not paying out huge relocation or redundancy costs to all concerned.