



Make 'Em α (Job) Offer That's Harder to Refuse

Once upon a time, pay was the only thing candidates considered when choosing whether to accept a job. While still a deciding factor, employers are now thinking bigger when presenting their compensation packages to candidates.

"We are definitely seeing more of a focus on the 'total package,'" says Pam Hein, National Rewards Communication Leader for Aon, a multinational HR solutions firm. "Instead of it being simply about pay and benefits, we're seeing employees look for companies that differentiate themselves in ways that are personally relevant."

Target benefits to your candidates

Finding, recruiting, and training the right employees continues to be a top priority for businesses. Many of those employees are millennials, who account for 35%¹ of the workforce and are expected to be 46%² of the working population by 2020. They bring innovation and influence to the workforce and are eager to become leaders within their organizations. In fact, millennials already account for one in every four managers³ at companies across America.

Millennials and Gen X employees, in particular, are far more interested in the quality and scope of their work than the paycheck they earn. "When we asked people to rate in our recent 2016 Workforce Mindset Study what is most important to them in their jobs, 58% of respondents still said that base pay was number one," Hein said. "But with millennials, that number dropped to 40%." As a result, total compensation programs need to be broader than they have been in the past. According to Hein, "Now employers need to look at total rewards

as part of a much broader concept, including culture, transparency, and recognition. Who are you as an employer? What are you all about? It's also about finding out what resonates with the specific people you are trying to attract."

Developing and delivering on a total compensation strategy

How do you attract and hire quality candidates while holding on to your experienced workers? "Successfully engaging quality candidates – and retaining the ones you have – starts with a sound talent strategy," Hein said. "Given the kind of business you're in, what are the skills you need from people? Maybe you need fresh thinking and innovation. Or maybe you need high levels of collaboration across levels or generations. To drive your business, consider what you need from your people. Once you identify that, position yourself as an employer that is attractive to people with these skills. Then, logically, that positioning should drive the total rewards programs you focus on, and the culture that retains the right people."

Younger workers seek a collaborative workplace⁴

88% prefer an environment where they can collaborate freely with other employees, rather than compete.

79% want a boss who is more of a coach and a mentor than a manager.



There are four key areas employers should keep in mind when pulling together their total compensation strategy:⁵

1. Workplace characteristics & differentiators.
What makes you stand out as an employer?

2. Total rewards.
What programs are the most important to employees? How well do various programs meet employee needs? And how well do employees understand the perks that you offer?

3. Performance & development.
What do employees think about performance assessments, ratings, discussions with managers, and your performance management process?

4. Pay.
How do employees view pay? Do they see a connection between pay and performance?



Give them something to talk about

Communicating your total pay and benefits strategy in a way that's meaningful and "authentic" is as important as the strategy itself. According to Hein, social media has been a game changer in this regard. "If you go on Glassdoor, you're going to see a lot of 'firsts' that potentially differentiate companies. Perks. Benefits. Culture. Environment. But the key here is you don't control the message anymore," she said. "Employees and former employees do. So it isn't just about what you SAY anymore ... it's about what you DO and how employees experience you on a daily basis. If you have a very active social media presence and a strong total rewards strategy, you're definitely headed in the right direction."

Workplace differentiators

Today's employees are demanding more flexible work schedules, putting pressure on employers to move away from the traditional 9-to-5 workday. Furthermore, baby boomers are staying in the workforce longer, as millennials and Gen X are entering earlier. This makes it necessary for companies to find new ways to integrate these generations within the workplace for increased productivity and overall employee satisfaction. A workplace made of several generations potentially allows for collaboration and transfer of knowledge so that critical knowledge is not lost as the older workers begin to exit the workforce.

Let ADP® help you differentiate yourself in the competitive talent market

ADP knows the unique needs that small- and medium-sized businesses face in developing and executing a talent strategy. From consulting on programs and policies, to offering a wide range of recruiting support services, ADP can help you attract, retain, engage, and properly reward the talent that will drive your company's success.

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—Pam Hein, Aon National Rewards Communication Leader

Companies need to find non-pay features that not only make sense for their culture, business strategy, and business needs, but also differentiates them in the eyes of the individuals they're trying to attract. Free food on campus, for example, may be seen as a potential differentiator as well as a perk, but it also implies that employees may need to work long days.

Your next move: engaging savvy candidates and employees

So what's the first step in establishing a total compensation strategy that differentiates you from your competitors? According to Hein, "Start by defining your critical talent – the people you need to grow your business. It's important to understand their needs and motivators, as well as what skills and attributes you expect in them. From there, you can begin to articulate and deliver an employment experience that is going to help attract, engage, and retain the right people."

¹ Fry, Richard, "Millennials surpass Gen Xers as the largest generation in U.S. labor force," Pew Research Center, May 11, 2015.

² Brack, Jessica and Kelly, Kip, Maximizing Millennials in the Workplace, UNC Kenan-Flagler Business School.

³ Palmer, Todd D., 5 Predicted Workforce Trends for 2016, DBusiness, October 12, 2015.

⁴ Asghar, Rob, "What Millennials Want in the Workplace (And Why You Should Start Giving It To Them)," Forbes, January 13, 2014.

⁵ Aon Hewitt 2016 Workforce Mindset™ Study.