



**PT WORK** Force®

## **Winning the War for Talent**

#4 in a six-part webinar series

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In an environment where companies need to keep their impact players and top performers in their organizations, Alex gives ways to retain people and understand what makes people leave companies.

### **Compensation Tops the List**

What motivates people to leave an existing position to seek something else? Compensation currently is the number one driver of people leaving their existing positions. Candidates are looking for opportunities anywhere and everywhere. The competition for talent has created an environment where on average wages are up year over year from 2021 to 2022, approximately seven to 10 percent, which is one of the largest movements over recent data history.

### **More than Money**

Money is not the only reason that people leave their positions. The realization that your job and career is something that should fulfill your life has also looked different over the last 12 to 24 months. Employees are looking to better align with their values, positions and careers and to feel good at the end of the day. Candidates are choosing positions and careers that allow them to progress throughout the corporate ladder. Companies and candidates are looking for flexibility, and for the latter this may mean a more flexible work from home policy.

### **Conversation is Key**

What can be done as an organization to keep people from pursuing better opportunities elsewhere? Engage your employees in a conversation. Maybe it's not the salary that they care about, but the flexibility, or doing something more creative. When an employee is being transparent, honest and direct in communicating their needs to each other, the company can strategize on how they can help that employee to achieve their goals. This can lead to a happy, satisfied, motivated and engaged employee base and add to the mission of the company.

### **Communicate Transparency**

When both parties are transparent, honest and direct in communicating their needs to each other both will feel like they are being heard. It takes effort for an organization to create a space where employees feel satisfied, motivated and engaged in the mission of the company.

## Assessments Create Partnerships

Companies that are effective at retaining employees have a partnership between employer and employee. Each one realizes that they need the other one to achieve their objectives. A compensation survey like the PTDA Foundation [Cross-Industry Compensation & Benefits Survey](#) or compensation platform is a way to assess your existing workforce and identify risk factors—the people most likely to leave your organization. An assessment is a powerful tool in identifying people who are likely to jump ship, particularly to take more money elsewhere. The following are ways to increase your employee retention:

- Use an assessment tool like the [PXT Select™](#), offered at a deep discount through the PTDA Foundation.
- Identify positions that are underpaying relative to what market competitive wages are.
- Flush out risk factors and individuals most likely to leave to pursue better salary elsewhere.

## Collect Data

What does it take to replace an employee? How much lost productivity, top line revenue and profit are you going to lose by having to replace a top performing individual within your company? Compensation packages and incentive plans incentivize that individual to stick around. If you want your retention numbers to improve over time, measure, follow and track data to improve. Communicate metrics up the chain of command and take proactive steps to improve where needed.

## Calm the Conflict

It's not always about paying the highest salaries. You can introduce different ways to entice employees, like creating more PTO. Pay and benefits should be agreed upon between an employer and their employee. The number one reason why people leave is conflict with their direct manager. An immediate manager is someone that has a great impact on the day-to-day experience of employees in your organization. When there is conflict or stress between a manager and their employee, it can be difficult to correct.

## Decrease Turnover

What can you do to improve teamwork and facilitate growth for the team and the employee? A survey done by Gallup in 2012 by a team of psychologists found a 23 percent reduction in turnover within a company if the employees have an opportunity and are encouraged to do their best every day. The survey also revealed a 21 percent reduction in turnover when employees feel their opinions are heard and received. Surveys can help to identify areas of improvement you need to focus on.