

### **Keep staff happy with alternatives to pay rises: survey**

Want to make sure your skilled workers don't feel the need to look for new opportunities elsewhere? Paying a premium could be the solution, but not the only one

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Want to make sure your skilled workers don't feel the need to look for new opportunities elsewhere? Paying a premium could be the solution, but if businesses are unable to cough up the dough, they might be pleased to know there are other options. According to new employment trends research, employee happiness is dependent on feeling engaged in the business and knowing the role they play in driving success.

The 2010 World of Work Report, by recruitment and HR services company Randstad, concludes organisations that can bring these two factors together will be in the strongest position to move into the future.

The report, based on a February 2010 online survey with 398 local respondents, found that the top two reasons why employees will stay with their employer are employer brand followed by remuneration.

This is in stark contrast to last year's survey where the top reasons were cultural fit (43 percent) and flexible working options (36 percent), says Wellington-based Michelle Pearson, manager of Randstad's IT division. Then, remuneration was number seven on the list.

According to the survey, having a strong belief in the strategic vision and goals of the organisation is what most motivates staff to perform well at work. Respondents ranked having a strong understanding of how the individual role contributes to achieving organisational goals as the second most important motivator to perform well. Receiving a competitive remuneration package only came in third on the list.

However, the survey indicates that pay rises are going to be very important to employees this year, in particular in the IT sector where 51 percent of respondents expect a pay increase in the next 12 months, says Pearson. But if employers are not able to offer pay rises or pay out bonuses to retain their high-performers, there are other things employers can bring to the negotiation table, she says.

"The key to any incentive is to know your staff, know what their key drivers and motivators are outside of money," she says.

Some of the incentives employers could offer include gym memberships or personal trainers; health insurance; supporting external training (financial help or time off for study); on-the-job training and development; offering a clear career path and development plan; car parking; flexible hours and the opportunity to work from home, says Pearson.

An employee on Pearson's own team is given two hours a week off to coach a community rugby team. This is not only helping the community and motivating the employee, he is also developing his leadership skills, which the company will benefit from, she says.

Forty-five percent of local respondents had a pay increase in the last year -- a drop from 78 percent in the previous year -- whereas more than half (59 percent) of Australian respondents saw their salaries increase.

But Randstad hasn't seen a significant number of employees leave New Zealand for Australia. "What we have seen is that more jobseekers, in particular career contractors, are more willing to cross the

Tasman, both ways, for interesting contracts," says Pearson.

"We have also seen a bit of a move of [software] development shops back to New Zealand from the likes of India," she adds.

The report also found that 46 percent of New Zealand employees consider the most important attribute of a leader the ability to create and share an engaging vision for the future. However, only 29 percent of employees said their organisation's leaders were strong in this area.

Overall, the market is "definitely" moving in an upward direction and has been doing so since the first quarter of 2010, says Pearson. "We are seeing that trend continue throughout Q2," she adds. But while there are still good candidates out there, the number is on the decline.

Partly driven by the looming skills gap, 48 percent of respondents in the IT sector now recruit for more mature candidates, says Pearson. This is up from 35 percent in 2009. More than half (52 percent) of respondents recruit return-to-work parents, also up from 35 percent last year.

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