

Thinking Beyond Compensation: Effective Talent Strategies that Won't Cost You Much

Hiring and retaining talent remains very difficult in Silicon Valley's fierce job market. Paying top dollar helps, but there are other ways to become a talent destination without breaking the bank.

In March 2018, we met with more than two hundred HR and compensation professionals at our annual West Coast Technology Sector Forum, where our experts explored the competitive market and a wide range of people issues facing today's technology companies. While keeping pace from a compensation standpoint is always top of mind for our Silicon Valley clients, money should never be the sole foundation of an attractive employee value proposition. Even the most well-known names and biggest spenders in the industry can't compete on money alone. And if you're a smaller firm trying to compete with major players on pay, it may feel like a dead end.

Luckily, you don't have to rely solely on out-spending your neighbors. We recently took a look at the talent and rewards practices at 50 high-performing, US-based technology firms, which we refer to as "turbocharged companies" because they are high-growth, generate strong returns for shareholders and are well-known innovators in their industries. While these turbocharged companies typically pay more in target cash compensation and new-hire grant values, especially for technical jobs, they also go well beyond money when it comes to people strategies. Below are a few highlights of the successful non-monetary strategies turbocharged companies employ that any company can adopt right now to strengthen their employee value proposition.

Talk to your people about total rewards in a holistic fashion

We'll say it again: it's not just about the money. Total rewards includes *everything* an employee gets from their employer that they find rewarding. Knowing what is most important to an employee should influence how you talk to them about total rewards. Some employees may value their workplace environment or level of work-life balance. Others may favor developmental factors like hands-on career coaching and tailored growth opportunities.

Take the spotlight off money and focus on giving employees something else that gets them out of bed each morning to do their job. And if you don't know what your employees value, ask them through manager training and feedback mechanisms and/or frequent employee engagement surveys or other opportunities. In time, you may gather enough data and insights to create a variety of rewards offerings to meet the needs of specific employee personas, or even make the leap to customized rewards. For more ideas on how create and sustain a compelling corporate culture, see our infographic, [Shifting Your Talent Mindset to Create a Winning Culture](#).

Empower your managers to be great career developers

Don't just think of your managers as people who oversee their direct reports. They should also be career developers. While we see organizations encouraging managers to have more performance and career conversations with their team members, many managers are provided little or no direction to guide those conversations effectively.

Do your managers know how to communicate career development opportunities within your organization to employees? Do they provide input that helps improve employee performance or work experience? Do they feel empowered to have honest conversations with their reports about what engages them and what doesn't? They should. Invest in the development of your managers so they are well-equipped to invest in the development of other employees. They have the power to make or break employee experiences. Furthermore, their leadership greatly contributes to the tone of your corporate culture and has a profound impact on employee engagement.

Use your employees as recruiters

All of the turbocharged companies in our research give employee referral bonuses for new hires that accept offers. However, the monetary reward isn't the main reason people refer former colleagues, peers, friends and family to their employer. They are passionate about where they work and want to share that with the people in their network. Twelve percent of turbocharged companies (vs. only 1% of broader technology companies), have more than half of their new-hires come from employee referrals in the past 12 months. New hires that come from employee referrals can save the company money in recruiting efforts.

Consider employees your boots-on-the-ground tool for spreading good word about your company. If they love where they work, they'll naturally be passionate in sharing it with others. Make sure to equip them with a consistent way of talking about the company to potential employee prospects to create some cohesion around your brand and culture.

Consider expanding into new emerging tech hubs

Turbocharged companies are hiring aggressively at a rate of more than double the broader tech industry, and they're not just growing in expensive markets like Silicon Valley. They're now seeking out talent beyond the Bay Area or offering their employees opportunities to live and work in emerging tech hubs like Atlanta, Austin, Dallas, Denver and Salt Lake City. If your company has other locations or technologies that afford employees some flexibility in their work arrangements, let them know it. Such cities are attractive from a lifestyle and cost-of-living perspective and signal flexibility, new opportunities and better work-life integration, all of which contribute to higher engagement and retention.

Next Steps

While not every company can adopt the compensation practices of the industry's biggest players, they can take lessons from their playbooks when it comes to impactful non-monetary talent strategies. Consider trying some of the items above to maximize your talent strategy, or if you already have some of these programs, see if you can

build on them to make them even more effective. For little to no cost, your company can become a top-talent destination.

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To speak with a member of our talent and rewards consulting teams, please write to consulting@radford.com. Or, to learn more about participating in a Radford survey, please write to sales@radford.com. And for information about upcoming Radford events, [click here](#).

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