

## **Retention top concern among senior management News added**

By Amanda McGrory

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Two out of three members of senior management believe retention of key talent is a top concern, and 83 percent say it is very costly, according to the Retention of Key Talent and the Role of Reward study by WorldatWork; Hay Group; and Dow Scott, a professor of human resources at Loyola University Chicago.

“Talent wars are going to become intense, not just this year but for at least a decade because jobs are becoming more complex and demanding, baby boomers are retiring and Generation X has far fewer people who can fill this gap, and other countries are retaining their most talented people with great job opportunities of their own,” Scott says.

Respondents also note that the primary reason key talent quits is to earn higher pay. Other reasons include few promotional opportunities, the view that pay is unfair, and unhappiness with job and work responsibilities.

“Top talent can easily compare the ‘deal’ or pay package they get from their employer with other organizations through Salary.com, Vault.com and O’net.gov, etc,” says Tom McMullen, North America reward practice leader for Hay Group. “If a company is to survive and hopefully thrive in the next decade it must learn how to recruit, develop and retain key talent.”

According to the study’s sponsors, the most effective methods for retaining key talent are identifying key employees and communicating their future opportunities, pay key employees higher than the market dictates, allowing flexible hours or telecommuting. Conversely, the least effective employee retention methods are providing tuition reimbursement and other educational opportunities, offering pay communications and assigning mentors to key employees.

“Rewards professionals are under increased pressure to make counteroffers, increase new-hire offers, and offer special deals to retain key employees,” says Kerry Chou, practice leader at WorldatWork. “The most successful organizations moving forward will be those that develop a clear definition of what is considered key talent, identify them and make a concerted effort to ensure that those employees are satisfied with the rewards system.”