

The rise in compensation: What employers need to know to attract top talent

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ABSTRACT (ENGLISH)

When competing to hire the best employees, keep these benchmarks in mind.

FULL TEXT

There is fierce competition to hire top talent as businesses try to recover from the "Great Resignation," "Great Rehiring," and now "Great Return." Companies are scrambling to meet aggressive growth targets by hiring people from all industries who are currently available on the market. Talented professionals, on the other hand, understand how important they are to business operations –and how much companies are willing to pay for them, pushing the market rate even higher.

Employees have refused to remain dissatisfied with their current jobs, and millions of Americans have quit in the last year as a result. Following the pandemic, candidates' priorities have shifted. They are now looking for higher wages and more flexible working arrangements that allow them to maintain a work-life balance. Because of this, businesses have the opportunity to adapt to shifting workforce trends in order to attract and retain the most qualified professionals. More companies than ever before are embracing remote work to its fullest extent, resulting in unprecedented increases in compensation within the tech sales industry and beyond.

As businesses adapt to new trends, compensation increases are quickly becoming the new normal in today's employee-driven workplace. We've seen firsthand, as evidenced by the Betts 2022 Compensation Guide derived from first-party data, that revenue-generating roles, such as sales, customer success, and marketing, have seen the greatest increase in compensation over the last 10 years.

For example, starting salaries in the tech sales industry now begin at \$50,000, representing a significant increase over the previous average salary of \$45,000. On the contrary, technology is becoming increasingly decentralized, and businesses are becoming more accepting of remote and hybrid employees. This has made it possible for compensation to become more consistent across the country, especially in high-growth cities such as San Francisco, Los Angeles, Chicago, New York, and Austin, regardless of whether the employee works remotely, in a hybrid environment, or even in-person. In fact, when compared to other cities, we've seen a marginal difference in compensation in San Francisco and New York.

So, what does the current market rate look like? When it comes to hiring for your next position, here are some benchmarks to keep in mind.

Increased compensation

Because of the strong competition for top talent, businesses seeking to scale quickly must be willing to meet or exceed the salary expectations of their employees. In the last year, we've seen a 5-15 percent increase in compensation. When it comes to offering compensation to potential employees, simply being within the average salary range is no longer sufficient compensation. Companies have the opportunity to go above and beyond the market rate when it comes to hiring new talent as well as retaining their existing employees in order to account for these factors. And while compensation in the tech sales industry has increased, businesses as a whole have seen a 3.9 percent increase in pay on average this year, according to a report by the Conference Board. Since 2008, this has been the fastest rate of wage growth.

Compensation is not based on remote locations

Remote roles, such as account management and customer success positions, for example, are becoming more competitive for compensation in top cities such as New York and San Francisco. With technology becoming less centralized and more distributed, we anticipate that this trend will continue in the future, providing remote workers with the ability to work from anywhere in the country. In fact, nearly 65 percent of companies do not plan to change compensation based on the employee's remote location and instead will provide value-based pay to their job talent.

Remote workers stay at jobs longer

By focusing on a healthy work-life balance, companies can become more talent-focused and attract top-tier talent. Working from home and receiving a competitive salary are two of the most sought-after perks leading to happier professionals. Today, 72 percent of job seekers believe that striking a balance between work and personal life is an important factor to consider. Additionally, we've seen employees in remote roles stay at their jobs for up to a year longer. Businesses that have shifted their focus to the market's demand for skilled workers are forming strong, engaged teams.

Companies expect to pay more for in-office vs. remote

Hiring managers can expect to see an increase in compensation for employees who work in an office environment as businesses prepare to return to the office. Because top talent has become accustomed to working from home or in a hybrid work model, compensation must be adjusted to reflect this shift in the workplace, especially for in-office roles. As a result, 10-20 percent of companies expect to pay more for in-office versus remote roles to account for potential relocation following the pandemic, the daily commute, and other factors.

Because of the strong competition for top talent, companies that want to grow quickly must be willing to meet or exceed their employees' salary expectations. When it comes to offering potential employees compensation, simply being within the average salary range is no longer sufficient. In order to account for these factors, businesses have the opportunity to go above and beyond the market rate when it comes to hiring new talent as well as retaining existing employees.

Carolyn Betts is the CEO and Founder of Betts.

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