

DATA FOR TALENT STRATEGY IN TIMES OF CHANGE



RUSS WAKELIN
CXO at Payfactors



payfactors

Community

Trending

25K

users

Pricing Projects

13.5M

job pricings

Pay Markets

161

countries

Surveys

36K

surveys managed

Jobs

1.5M

jobs managed

Data Insights

\$466B

in combined salaries

Job Descriptions

140K

job descriptions

Structures

26

Industries

Peer

1 in 5

of Fortune 500

Employees

12M

client employees

Ideas

12

product & employer awards

Service

9 / 10

quality of Support

Resources

400+

years experience in compensation

Quick Price

Trending

Academic Counseling Manager

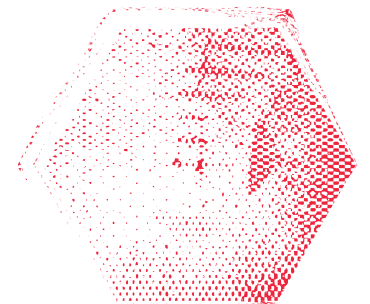
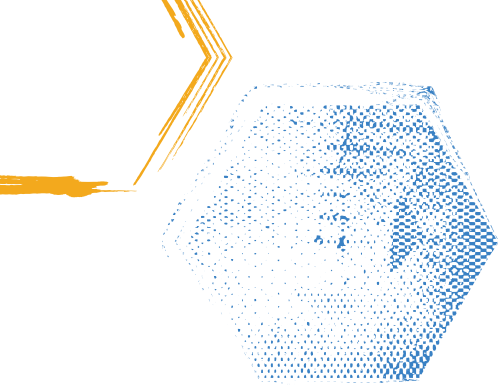
Academic Advisor

Demand

Actuary

Academic Counselor





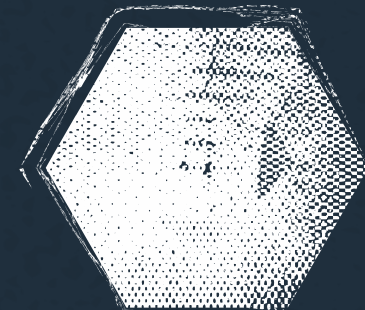


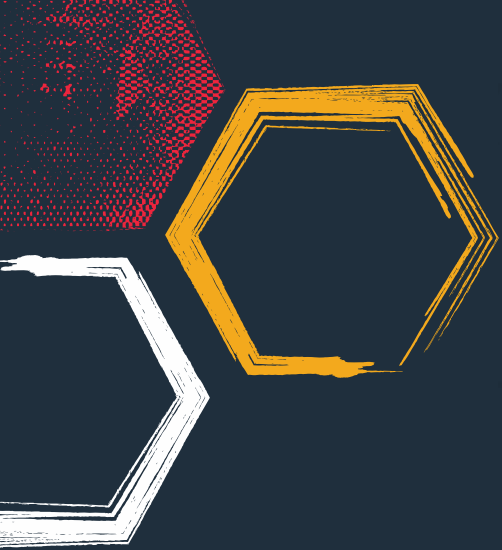
“While most organizations have a business strategy and a financial plan to support it, The State of Talent Optimization report finds **only 36% have a talent strategy**—and a mere **12% align their talent and business strategies.**”



MIKE ZANI

CEO of Predictive Index





The State of Talent Optimization

2020 The Predictive Index Report
600 execs across 20 industries



Bad hires are prevalent

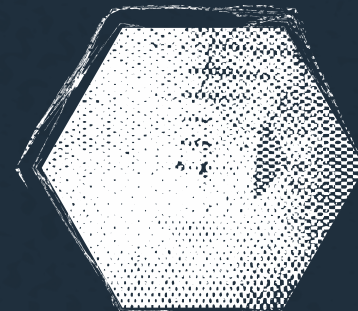
Executives say only 49% of last year's hires were good hires.

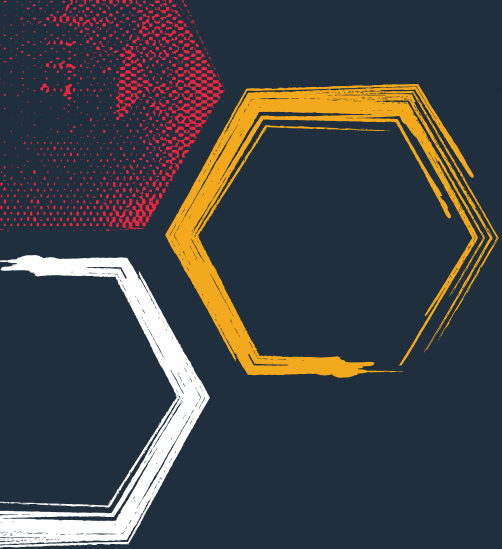
Talent keeps execs up at night

Executives' No.1 concern is employee performance and productivity.

When it comes to engagement, execs are in the dark

Only 22% of companies know what's driving employee disengagement.





Robert Half Study

2,800 Sr Managers
2,800 Employees
28 US Cities
Published August 2019



43%

Plan to look for a
new job in next 12
months

Top Reason
Higher Pay

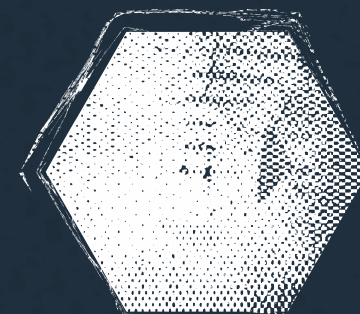
4th
Leadership
Priority

Retention Priorities

1. Better Communication
2. Improving Recognition Programs
3. More Training & Development
4. **Enhancing Compensation**

“If you want higher paying job, the time to quit is now”

Fortune Magazine, Sept 24th 2019




EVERY SINGLE HIRING OR
Retention **DECISION**
STARTS WITH COMP.





BUILDING BLOCKS TO STRATEGY

- SWOT: Strengths, Weaknesses, Opportunities, Threats
 - Predictive
 - Proactive
 - Risk Analysis
 - Cost & Impact
 - Priorities & Focus
- 



DATA!



DATA INFORMS STRATEGY

“You can’t build attraction and retention strategies without a truthful dataset”

Jeff Laliberte





CENTRALIZED
INTERNAL DATA

+

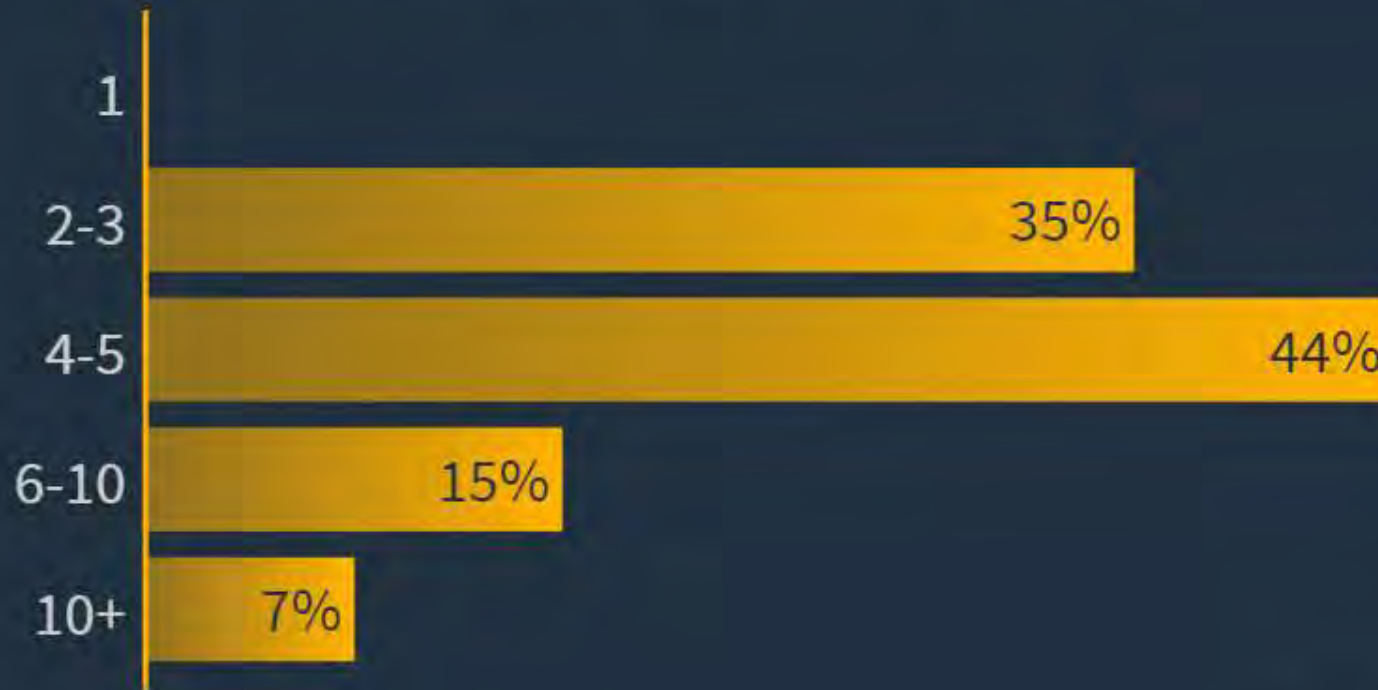
TIMELY
MARKET DATA

ARMED FOR STRATEGY



INTERNAL DATA - POLL

How many different systems or spreadsheets house the internal data you need for comp?



ARMED FOR STRATEGY



CENTRALIZED INTERNAL DATA

TIMELY MARKET DATA



3.5+ Million Incumbents
1,100+ Orgs
161+ Countries
330% Growth

Community

Trending

2

133

130

47

46

41

Surveys

3

surveys

Job Descriptions

14

job descriptions

Job Description Status

Industries

of Fortune 500

client employees

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product & employer awards

Quick Price

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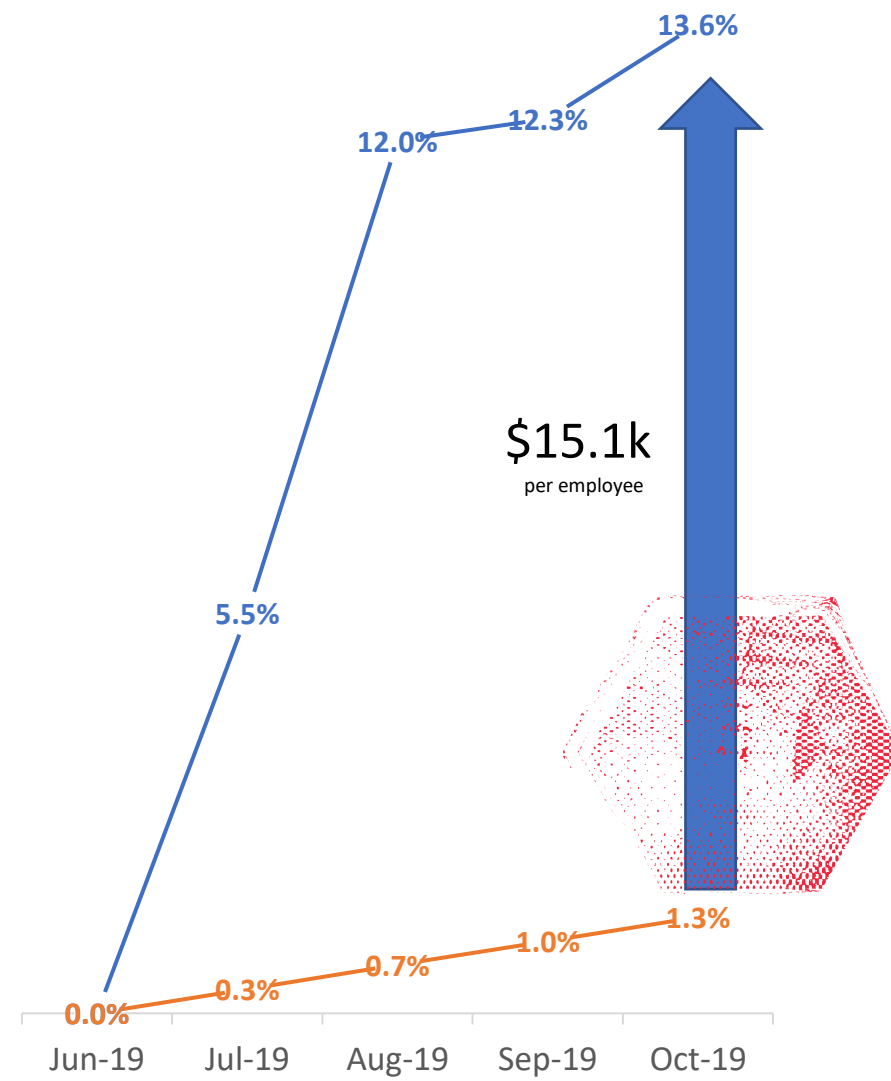
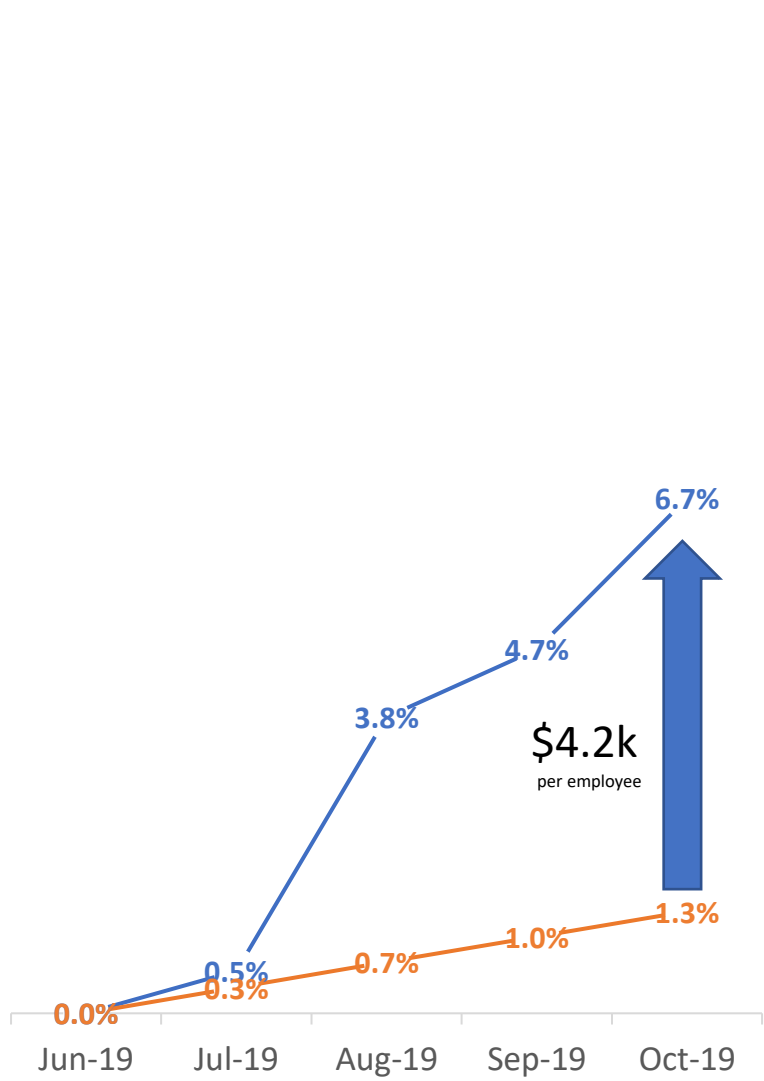
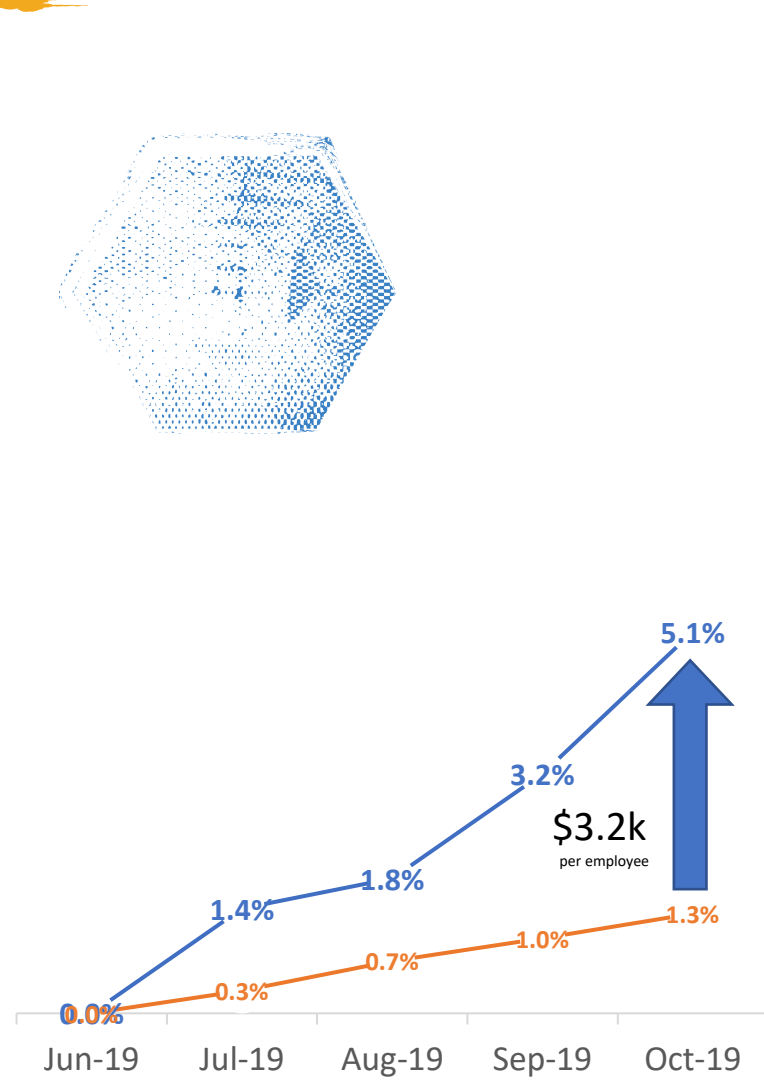
Academic Counselor



SCRUM MASTER II

USER INTERFACE ENGINEER I

DATA SCIENTIST IV



PAYFACTORS

— Peer — Traditional Aging

Source: Payfactors Peer
1,100 orgs 3.5 million incumbents



OTHER FAST-MOVING JOBS WITHIN 3 MONTHS

E-Commerce Marketing Manager (9/1-Jan/1)	18%
Forklift Operator	12%
Nurse (RN) III	11.3%
Health Info. Privacy Practice Act HIPPA Coord.	7.9%
Telehealth Coordinator*	7.9%
Warehouse Worker	4.2%



FAST-MOVING CITIES IN U.S.

(SEPT – DEC 2019, CHANGE AT 50TH)

Fastest

San Francisco, CA
New York, NY
Washington DC
Atlanta, GA

Faster

Houston, TX
Austin, TX
Boston, MA
Dallas, TX

Fast

Seattle, WA
Salt Lake City, UT
Chicago, IL
Phoenix, AZ



FAST-MOVING JOBS IN GEORGIA

(SEPT – DEC 2019, CHANGE AT 50TH)

	Georgia	National
Marketing Manager	25%	2%
Call Center Manager	17%	2%
Training Specialist III	11%	0%
Marketing Analyst III	8%	0%
Logistics Analyst III	7%	1%
Quality Assurance Manager	7%	1%



FAST-MOVING JOBS IN Illinois

(SEPT – DEC 2019, CHANGE AT 50TH)

	Illinois	National
Quality Control Supervisor II	12%	3%
Software Test Automation Engineer III	7%	1%
Business Development Manager	6%	0%
Database Administrator IV	4%	0%
Customer Service Representative III	4%	0%
Call Center Supervisor II	4%	0%



FAST-MOVING JOBS IN ARIZONA

(SEPT – DEC 2019, CHANGE AT 50TH)

	Arizona	National
Business Data Analyst II	8%	0%
Maintenance Mechanic III	7%	4%
Logistics Analyst II	4%	2%
Facility Maintenance Manager	4%	1%
IT Business Systems Analyst II	3%	0%
Marketing Analyst III	3%	0%

Source: Payfactors Peer
1,100 orgs 3.5 million incumbents



COVID-19 MARKET IMPACT

MARCH 2020

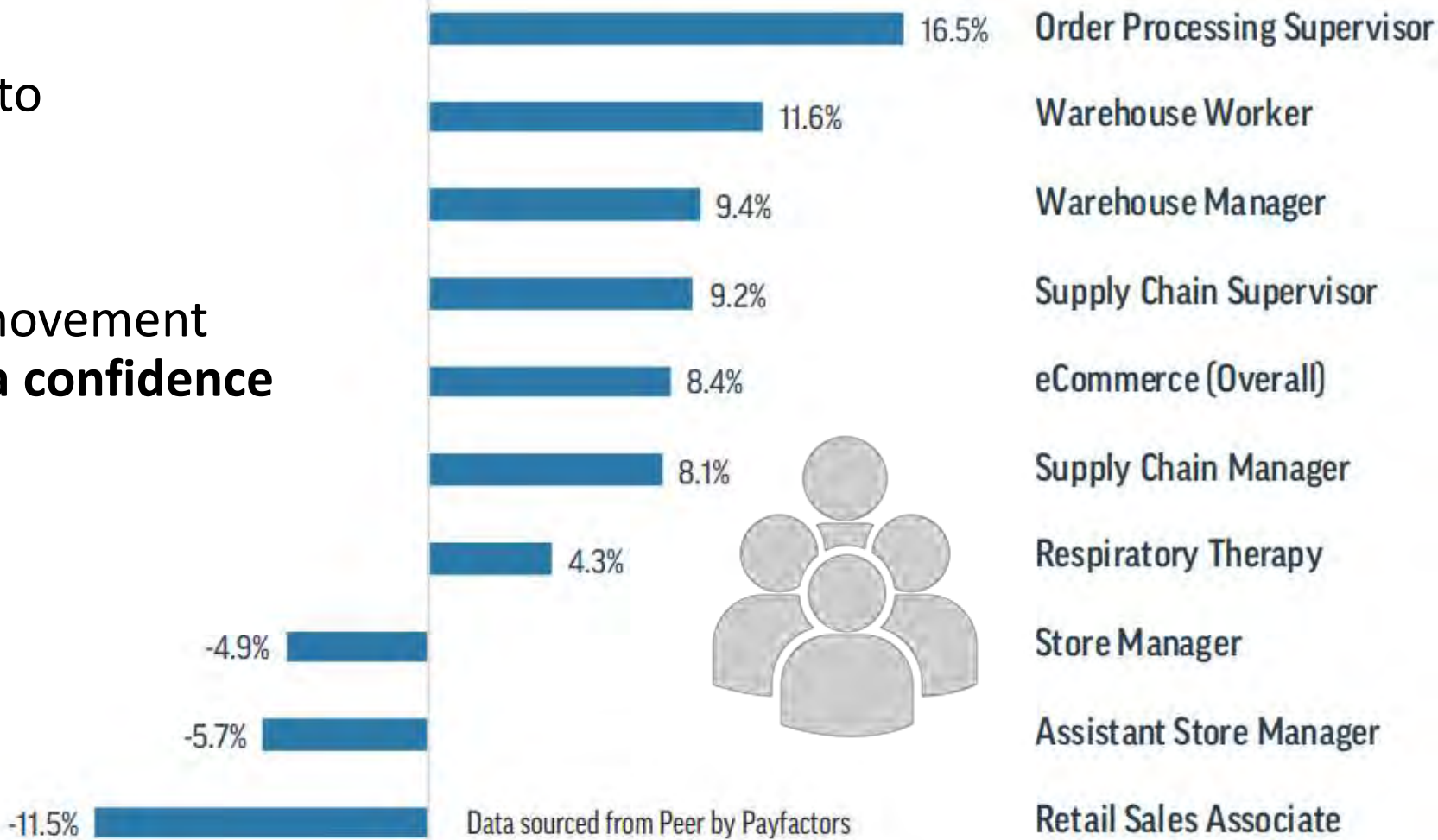
Incumbent trends give insight to **supply and demand**

Initially looking for expected movement which **match intuition for data confidence**

Predicts future comp trends

Hiring Growth

March 1st 2020 - April 1st 2020



Source: Payfactors Peer
1,100 orgs 3.5 million incumbents

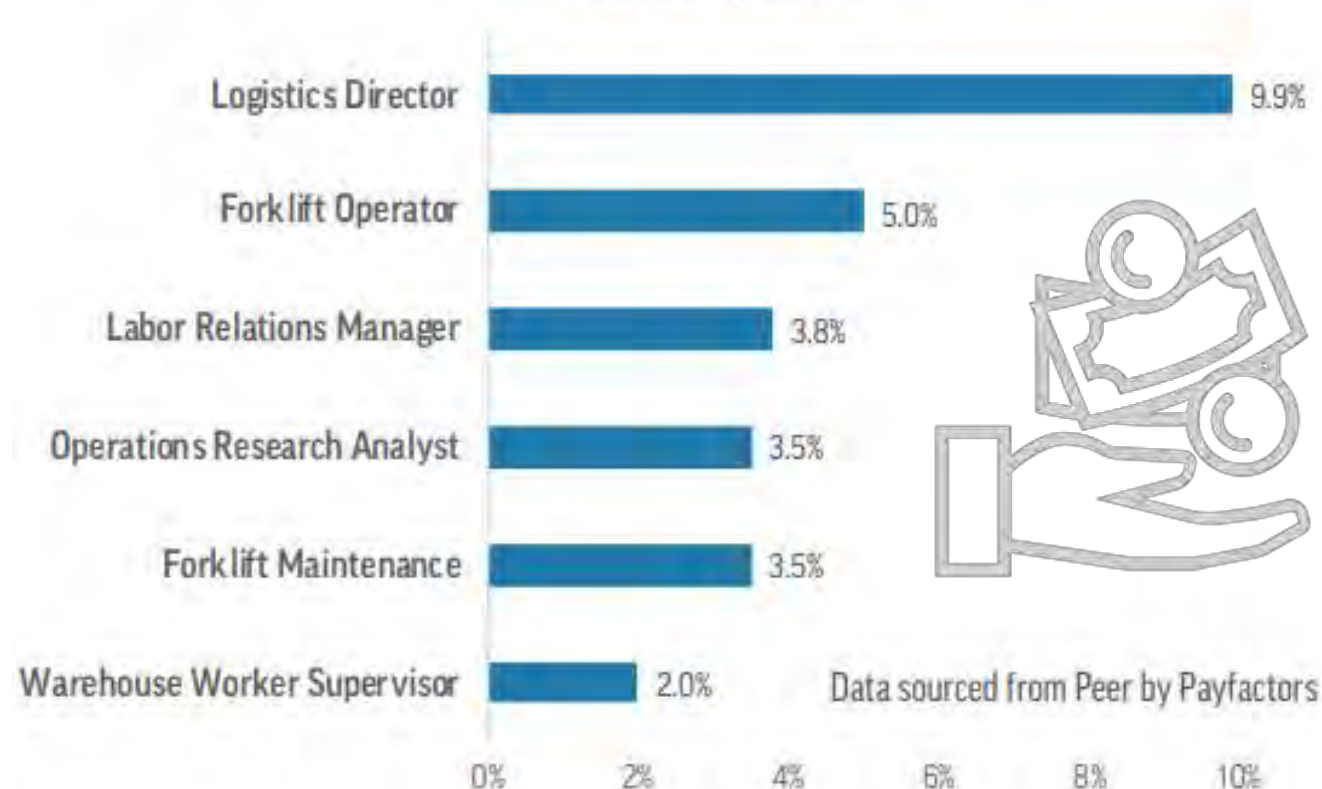


COVID-19 MARKET IMPACT

MAY 2020

Supply chain related roles with significant **incumbent increases** in March saw **comp increases** in less than 2 months

Growth in National Base 50th - Manufacturing & Logistics
May 1st - June 1st

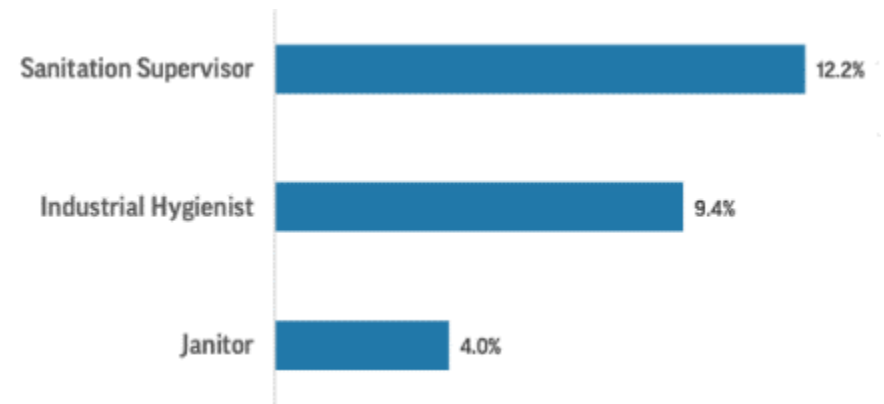




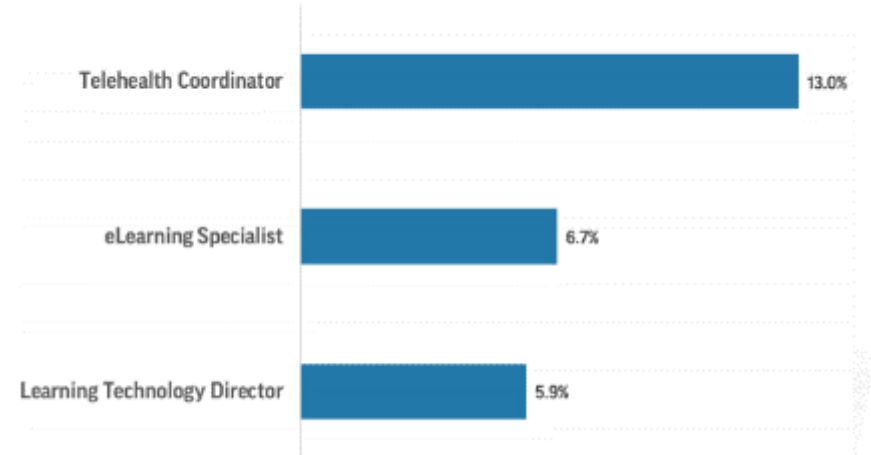
COVID-19 MARKET IMPACT

JULY 2020

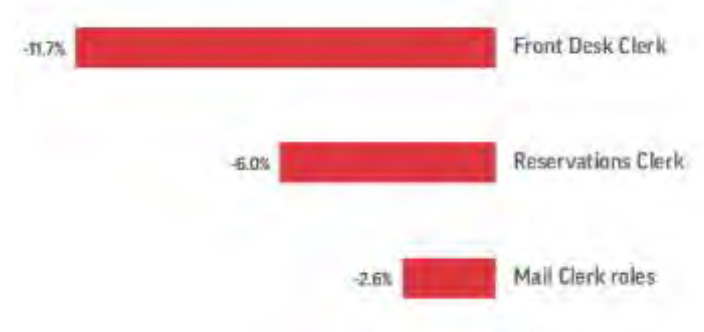
Roles supporting **employee safety** grow



Growth in **remote** roles



Decline in **front office** positions



Percent Change in Incumbents (Nationally)
July 1st - August 1st 2020

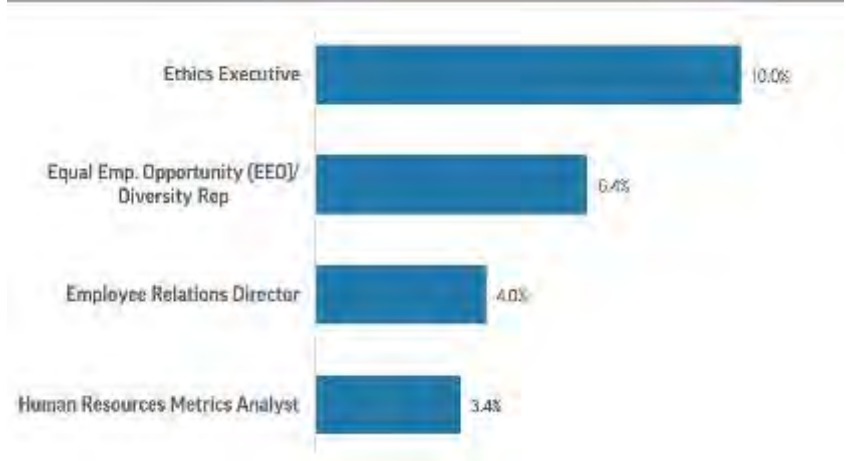
Source: Payfactors Peer
1,100 orgs 3.5 million incumbents



COVID-19 MARKET IMPACT

AUGUST 2020

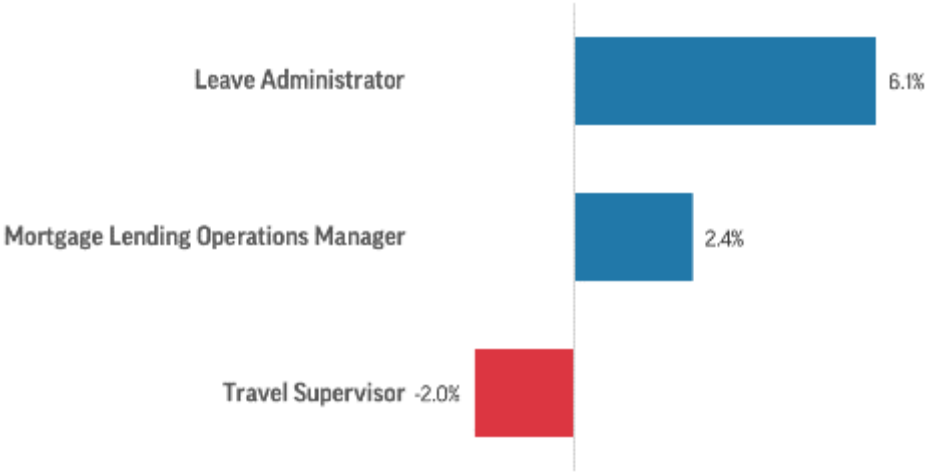
Social and Political Climate Impact



Change in Count of National Incumbents (%)
August 1st - September 1st 2020

Source: Payfactors Peer
1,100 orgs 3.5 million incumbents

Relocation Grows as Travel Declines



COVID-19 Disproportionately Impacts Roles

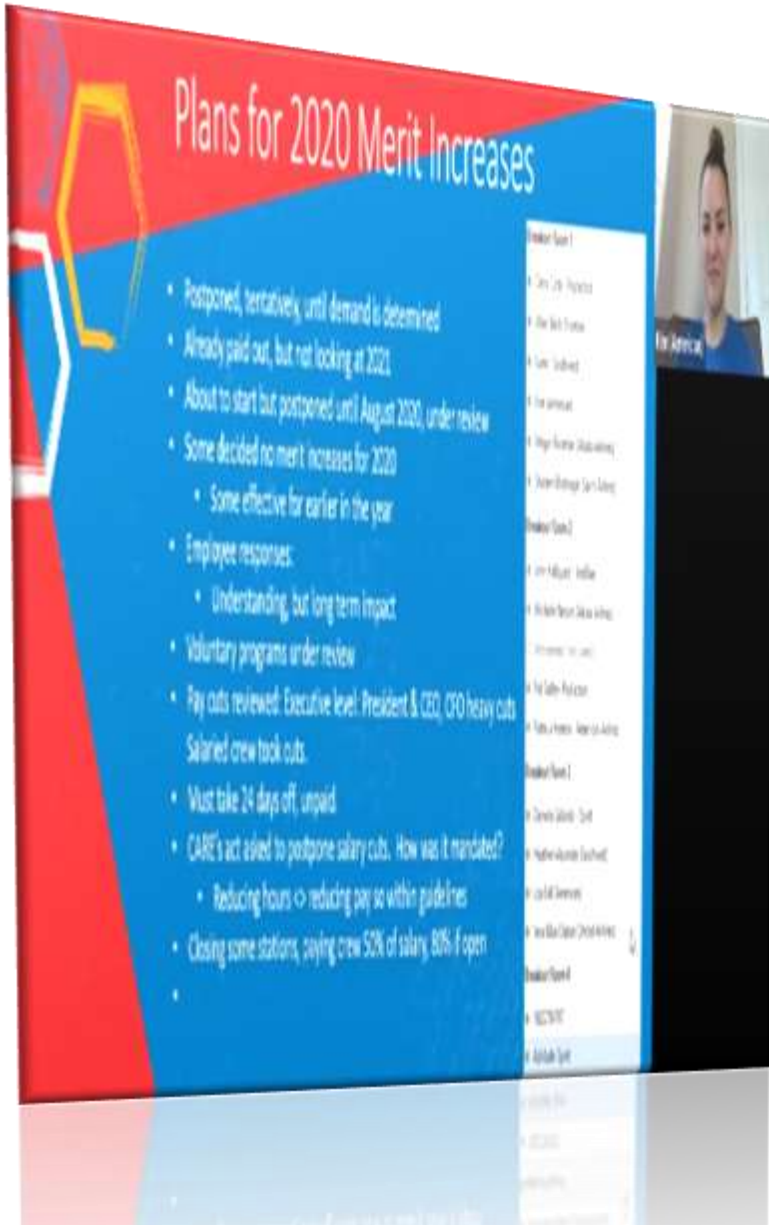


Top New Roles from Clients

- Screener
- Health Check Expert
- Contact Tracer
- Absence Management
- Health care area to screen people coming into the building
- Site Safety Coordinator
- Data Management
- Facilities
- Office Services
- Wellness Checkers
- Regulatory compliance advisor
- security

Source: 366 clients polled during Payfactors webinar

Peer Meetups



- Connect with HR and Comp practitioners from peer organizations within your industry
- Discuss challenges, regulations, and learnings as 2020 evolves with compensation & HR professionals
- Network & build professional relationships
- Facilitated conversation by the Payfactors team

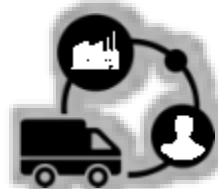
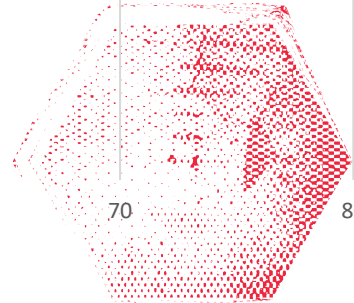
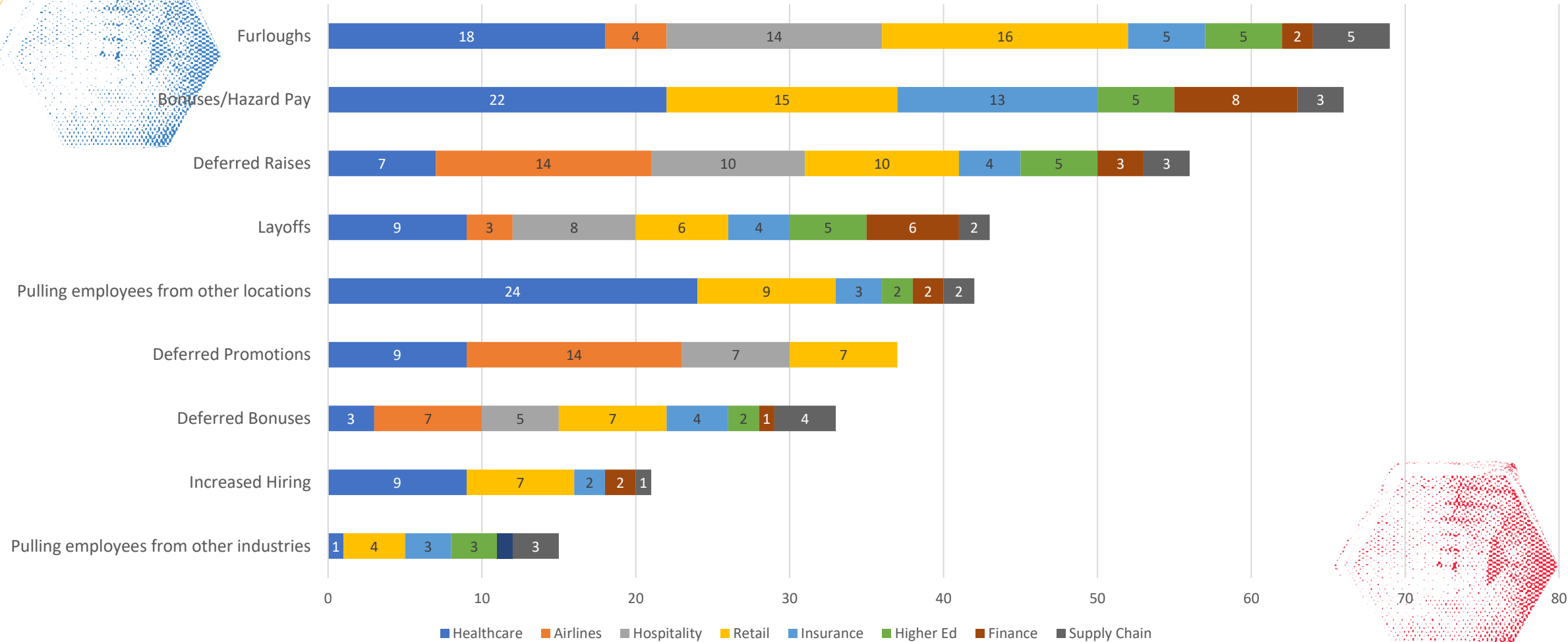
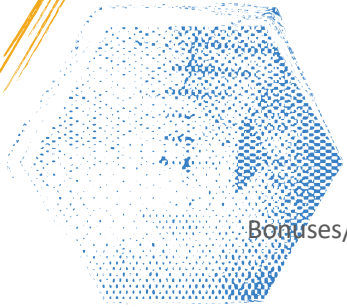
Meetups

- Hospitality
- Airlines
- Higher Education
- Insurance
- Retail
- Healthcare
- Bank/Finance
- Supply Chain



"The format of the meeting was fantastic! We were super impressed with your ability to create breakout sessions. I'm not sure what you could have done differently, honestly. The participants drove the conversation, which was the goal - it was all good!" *Airline Meetup Participant*

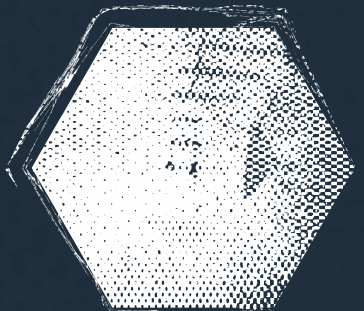
Industry Activities March – May 2020





Trends & Challenges

- Furlough management
- Employees Relocation
- High unemployment benefits hamper retention & return to work
- New roles & shifting job responsibilities
- Long term remote work policies & metrics
- Employee safety
- Exempt staff covering non-exempt roles
- Hazard Pay
- Accurate Market Data



Merit Approaches

- Deferred to wait and see
- Salary reductions & deferred for now, waiting on merit until after salaries back to original levels
- How to keep up with what other companies are doing.
- Perhaps not increasing ranges
- Pushed the need for finance to work with comp to build a budget earlier than normal
- Unsure about what to submit to surveys as unsure about approach at this time
- Scenario planning:

Wait & See

Scenario Planning:

- Flat budget – too aggressive!
- Bull market budget
- Bear market budget
- With above three options ready to react to what happens
- Not a strong plan for '22 yet for some (several orgs)
- '20 increases still being worked through
- Uncertainty making very challenging
- Planning on anniversary increases
- If have an end of year merit programs still able to wait and see
- Billable hours/sales volumes & other targets to determine confidence in planning
- Back half of year activities will also guide size of merit
- Employees seem to be empathetic to wait and see

Hazard pay & Incentive Pay

- Consider naming carefully
- Define a clear end date
- Different types of pay:
 - \$2/hour increase - Some companies: \$1/hr in paycheck, additional \$1/hr at end
 - \$100 per week – Warehouse workers that work at least one shift that week
 - \$50 gift cards
 - When should it end?
 - Were considering June...but now open ended or extended to Sept
 - Some targeting end of July
 - Based on how hard it is to get folks back to work and extending as needed
 - When office workers come back...perhaps that is the trigger
 - Some offering summer premium pay
 - Some offering hazardous hazard pay
 - Already have hazardous roles, but guaranteed 40 hours of pay even if work less
 - No interaction with public
 - Bonuses:
 - 100% bonus w/o performance requirements
 - 10% bonus for frontline
 - Extra PTO
 - Flat weekly bonuses
 - Appreciation bonus: \$500 one time or \$1000 to frontline exempt
- Relocating from non-essential roles to essentials with stipends

Naming Impactful
About assuming MORE risk
Always have an end date
Extend as necessary

Will data reflect the market?

- Not a lot of confidence in data
- Look back at 2008 and 2009 and see how market was impacted to perhaps forecast trends for 2020.
- Many under contract with survey providers, so will be purchasing data regardless. If did not have that obligation, perhaps would not because of concerns over data accuracy.
- Anticipating full market recovery in 2021, but not yet there.
- Hazard pay: Is it in the market data or not? Is hazard pay part of base rate or in addition to base rate? How can we identify that bump?
- Similar challenges with temporary pay reductions.
- Orgs with essential employees are giving bonus/hazard pay but not submitting to traditional survey providers.
- Interested to see what big providers: Mercer, WTW, etc will be doing around hazard pay.
- Budget reductions are impacting number of surveys completed.
- Pre-planning around states with increasing minimum wages, expecting those to increase post COVID.
- Can history guide us?
- If not purchasing all surveys, considering aging last year's data forward.
- Not had solid answers from large survey providers around hazard pay.
- Engaging often in COVID pulse surveys
- Since survey providers are staying at traditional cadence, they are not accounting for orgs which did not refresh their data post pandemic.
- How can we cut our data for submission to Payfactors to get it correct for their peers. Particularly essential vs non-essential.

Low confidence due to timing
Reduction in survey participation
Annual survey too infrequent
Pulse Surveys might be helpful
Can history guide us?

Remote Pay Policies

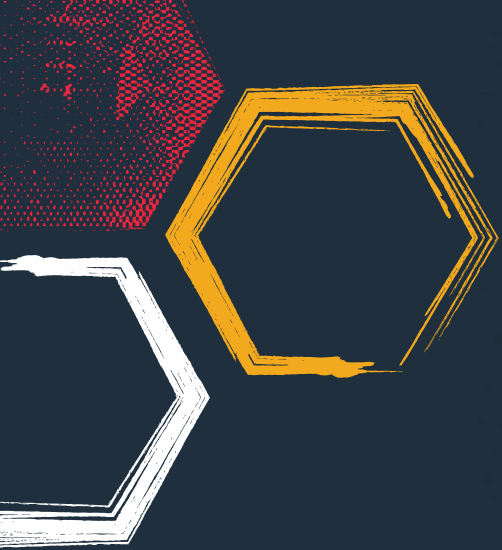
- Employees electing to stay in other state(s) pose challenges
- How are you managing employees who want to work in a state where you don't have operations?

Remote office budget/expense policies

- Case by case, if a new state or town...probably not cost effective
- Reimbursement pay for folks working from home:
 - Policies in place, but equipment must be returned to office

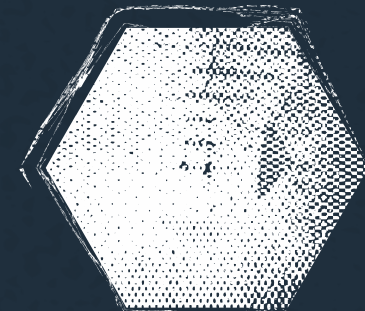
Long term remote workers:

- Where can you support remote work?
- Ensure they are meaningful
- Will you adjust for cost of living?
 - Some companies have been successful
 - 3 new positions created during COVID
- Increased hourly rate by 8.7% due to market competition
- 4.1% increase overall
- \$3 stipend for cafeteria for 5 days a week. \$10/day for essential
- Total comp statements rolled out to highlight benefits & comp
 - Well received
- Some were no-change to pre-COVID pay policies

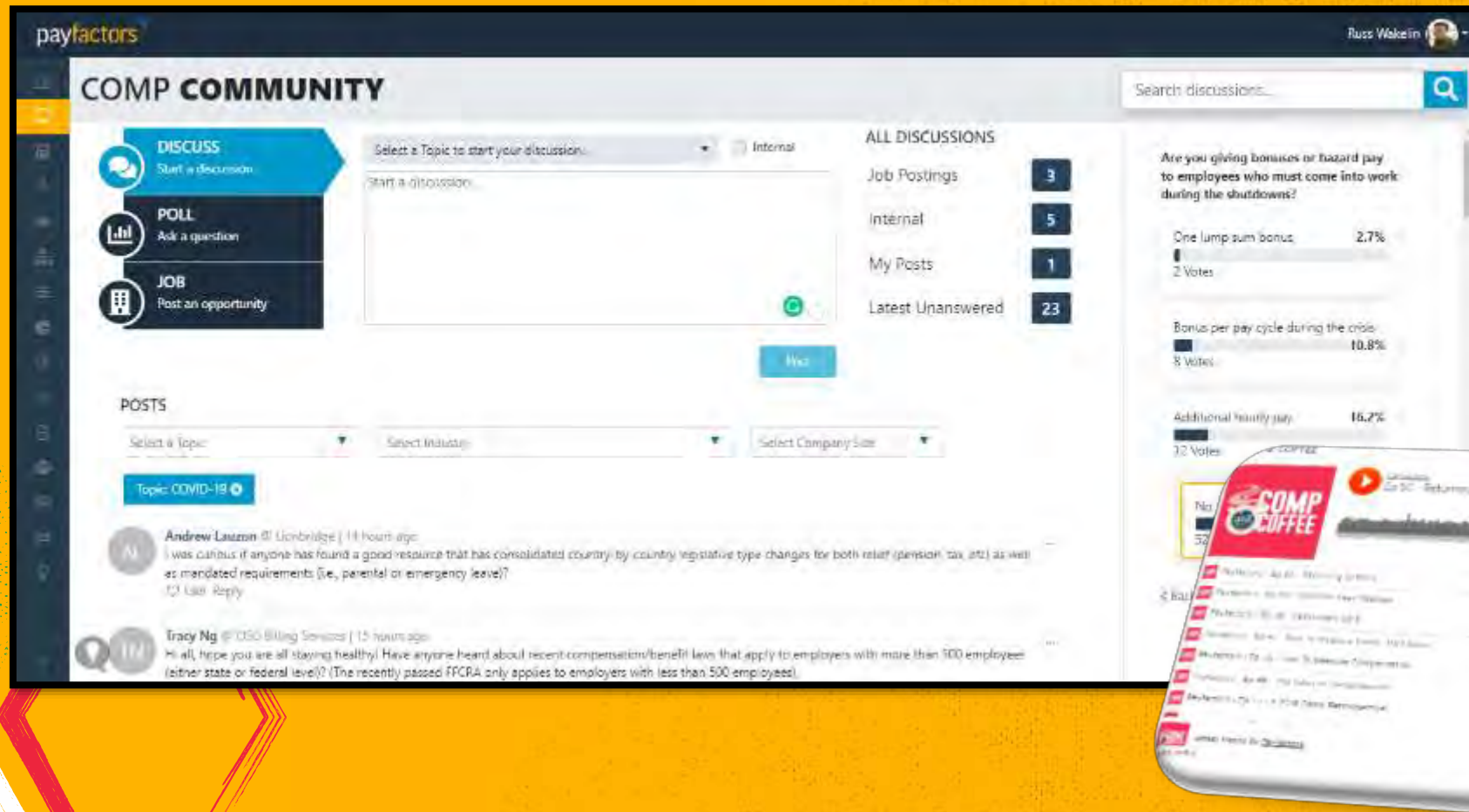


Specific Ways to **LEVERAGE DATA** *and* **BE STRATEGIC**

- Timely Market Data
- Peer Communication
- Centralized Internal Data
- Reverse the “here’s your budget” process
- Tie to business goals
- Know your cost of turnover
- Use compensation as a strategic weapon



Keep up with your peers



The screenshot displays the Payfactors COMP Community interface. On the left, a sidebar offers options to **DISCUSS** (Start a discussion), **POLL** (Ask a question), and **JOB** (Post an opportunity). The main area features a 'COMP COMMUNITY' header, a search bar, and a 'START A DISCUSSION' form. Below this, a 'POSTS' section shows a list of discussions, with the first one titled 'Topic: COVID-19' by Andrew Luzzon. To the right, an 'ALL DISCUSSIONS' sidebar lists categories like Job Postings, Internal, My Posts, and Latest Unanswered. Further right, a 'Search discussions' bar is present, followed by a section titled 'Are you giving bonuses or hazard pay to employees who must come into work during the shutdowns?'. This section includes a bar chart showing the distribution of responses: One lump sum bonus (2.7%, 2 votes), Bonus per pay cycle during the crisis (10.8%, 8 votes), and Additional hourly pay (16.2%, 12 votes). At the bottom right, a smartphone displays the 'COMP COFFEE' app, which features a list of discussion topics and a 'COMP COFFEE' logo.

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