Tech recruiting: how to attract and retain employees in today's full employment economy

Brian Hegarty

What does it take to be an employer of choice for technology workers?

In the battle for tech talent, the answers are surprisingly similar based on MMA's work with small- to mid-tier employers. The challenge for many is meeting the increasingly higher bar because of competitive pressures to attract and retain employees in technology centers, particularly on the West Coast.

The following is an overview of winning compensation and benefit strategies to help recruit the best and the brightest:

- *Compensation that is good – very good.* Attractive pay is the attention-grabber that motivates candidates to look more closely at your firm. What is “attractive” compensation? Firms that tend to pay above market median in total compensation do the best. A company's approach to salary increases can also make a decisive difference. Over the past decade, salary increase budgets across all types of employers have been relatively constant at 3 to 3.5 per cent. At the same time, annual turnover has been consistent at 14 to 18 per cent. Having a good process to identify and reward the top-performing employees can go a long way to retaining your most valuable people.
- *Employee health and benefits that cover all the bases but are not too onerous in terms of co-pays.* Because of the rising cost of health care, employees are placing a high priority on coverage. That means medical, dental and vision plans that cover themselves and their dependents.
- *Retirement benefits that help employees get ahead.* With defined pension plans a thing of the past, employees are drawn to organizations with employer-funded retirement programs, such as 401k or 403b plans. Those organizations that offer an employer contribution benefit have a better chance at recruiting employees.
- *Equity participation to benefit from the company's success.* Stock options, restricted stock awards and employee stock purchase programs are some of the reasons why so many people head to technology and biotech firms. They can offer opportunities to generate wealth. Companies that offer equity ownership in some form have a greater opportunity to win the hearts and minds of younger and more seasoned professionals.
- *A well-defined career path.* Increasingly, employees are

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looking for a clear career path that includes professional development, training and mentorship. Top performers have many options to go elsewhere. Forward-thinking employers are making a commitment to their best employees to preempt them from looking elsewhere.

- *A positive and inclusive company culture/brand.* Tech professionals want work-life balance and prefer employers that are trying to solve the world's problems. They want to be part of the solution, not the problem. Employees also want to work for employers who respect gender and racial diversity and demonstrate it in their hiring practices.
- *Help managing student loan debt.* Student loan repayment programs are among the hottest new employee benefits. With the average borrower taking on \$26,500 in debt for a bachelor's degree, employers that help employees pay down student debt have a clear advantage in the marketplace.
- *Comprehensive wellness programs.* More employers are providing on-site medical clinics for health checkups or flu shots because they keep their workers healthy and fit. These programs include telemedicine offerings; free, same-day prescription delivery; on-site therapists and massages; and spaces where employees can take a

mental break—sleep pods, relaxation rooms and game and arcade rooms.

- *Support for caregivers.* The majority of caregivers are women, and about two-thirds miss work or take unpaid leave. According to AARP, each caregiver costs a company \$2,000 per year in lost productivity. Recognizing that more support is needed beyond paid maternity/paternity leave, employers are providing programs to help employees care for family members. Among them are on-site day care or subsidized childcare services and on-site nursing/mother rooms, work-from-home and flexible schedules and financial coaching and budgeting assistance, including short-term loans repaid through payroll deductions.
- *Family planning benefits.* Many employees tend to put their careers ahead of everything else, but when they start a family, they may look to their employers for assistance. High on the list of new benefits are fertility treatments, which can be very expensive. To offset that cost, some employers are offering fertility treatments through a direct reimbursement model. Reimbursement for adoption services is another popular benefit. Because the process can be so difficult and costly, employers are offering direct reimbursement for

qualifying expenses. Some of the expenses include adoption fees, court costs, attorney fees, traveling expenses and other expenses incurred in the legal adoption of a child.

- *Innovative new benefits that help overworked employees.* Tech employees totally focused on work often need help in other aspects of their lives. Employers are trying to ease the burden by providing on-site or pick-up laundry service, free meals, healthy snacks and grocery delivery services. Employers are realizing that refreshed, less-harried employees are more productive employees.
- *Flexible vacation and paid-time off.* A growing number of companies are offering unlimited vacation time – a benefit that often sounds better on paper than it is in reality. Whether an employee can take as much time off as they want does not matter. Unlimited vacation is another attention-grabbing benefit for tech employees who are seeking a work-life balance.

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